



Climate City Contract 2030

Betweeen Umeå municipality, the Swedish Energy Agency, Vinnova, Formas, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration, the Swedish Environmental Protection Agency and Viable Cities.

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Climate City Contract 2030 Contents

Climate City Contract 2030	4
1. Purpose of the Climate City Contract 2030	5
2. Parties	5
3. Municipal commitments.	5
3.1. Municipal climate goals	5
3.2. Strategy	6
3.3. Organisation and management	
3.4. Collaboration with the business sector, civil society, the acade and citizens	•
3.5. Climate investment plan	10
3.6. Digital support for implementation.	
3.7. Innovation hub for climate neutral municipalities	
3.8. Climate change adaptation.	
3.9. Climate smart mobility	13
3.10. Reporting and monitoring	14
4. Viable Cities' commitments	15
4.1. Coordination of Climate City Contract 2030	15
4.2. Smart policy development	16
4.3. Innovation.	16
4.4. Coordinated funding	16
4.5. Interaction with the EU's Climate Neutral Cities mission	17
5. The agencies' commitments	
5.1. Smart policy development	18
5.2. Funding for research, innovation and development	18



	5.3. Coordinated funding.	18
	5.4. Participation in European sustainable cities initiatives	19
6	. Strategic development projects for 2024	20
	6.1. Governance.	20
	6.2. Climate investment plans.	21
	6.3. Competitiveness through transition.	22
	6.4. Citizen engagement.	23
	6.5. System demonstrators.	23
	6.6. Climate Neutral Cities 2030 mission on an international level	24
7.	. Joint efforts on monitoring, evaluation and updating	25
		23
-	7.1. Key updates for the municipality	
		25
	7.1. Key updates for the municipality	25 26
	7.1. Key updates for the municipality	25 26
	7.1. Key updates for the municipality.7.2. Most urgent experiences for the municipality to share.7.3. Key updates for Viable Cities.	25 26 27 29
9.	 7.1. Key updates for the municipality. 7.2. Most urgent experiences for the municipality to share. 7.3. Key updates for Viable Cities. 7.4. Key updates for the government agencies. 	25 26 27 29



Climate City Contract 2030

Major changes are needed throughout society in order to meet climate goals and save our planet. Doing things the way we have always done them is no longer possible, we have to work in entirely new ways. Together, we are building a movement involving many societal stakeholders in order to achieve our mission: Climate neutral cities by 2030, offering a good life for all within the boundaries of our planet.

Climate City Contract 2030 is a tool that will help us to achieve this. This is a long-term commitment ensuring a developed cooperation between cities and the government level. The starting point for the work is that an increasing number of Swedish municipalities and communities are bringing together a wide range of stakeholders and mobilising at many levels – locally, regionally, nationally and internationally – to pave the way for a faster transition to climate neutrality and sustainability in Sweden, Europe and the world. The cities and agencies working on Climate City Contract 2030 with Viable Cities are pioneers, and thus their ambition is to pave the way for a broader transition involving many more people.

Climate City Contract 2030 is a tool for collaboration in respect of governance and is used to work together beyond the direct control of stakeholders in order to realise a common goal, and it represents a systemic shift towards a holistic approach in public administration

Climate City Contract 2030 provides a context as a catalyst for new, innovative forms of cooperation between cities, the business sector, the academic community, research institutes and civil society. This strengthens the conditions for mobilising and driving joint development in a present and a society that are becoming increasingly complex. Climate City Contract 2030 meets a need for developed governance, a governance process (mobilising on multiple levels) for the climate transition. Climate City Contract 2030 is a way of working to enable stakeholders at different levels of governance to go beyond what they are directly able to control as individual stakeholders in order to realise goals and missions that involve systemic shifts. In particular, it involves moving from piecemeal operations to a holistic approach.

Together, we are building capacity step by step so that we can speed up the transition.



1. Purpose of the Climate City Contract 2030

The purpose of this Climate City Contract is to accelerate the climate transition in cities within the framework of the 2030 Agenda while also contributing to the continued recovery and evolution of the Swedish economy at a time shaped by a number of several interlinked crises.

The Climate City Contract expresses the parties' intention to raise the level of ambition in the field of sustainable urban development and climate transition. The Climate City Contract also places Sweden and Swedish cities in a favourable position to act as international pioneers in the urban climate transition. This is to be achieved by means of mutual, long-term commitments to initiatives by the signatory national agencies, the Viable Cities innovation programme and the municipality.

2. Parties

Parties to the Climate City Contract 2030 are:

- Umeå municipality.
- The agencies: Swedish Energy Agency, Swedish Governmental Agency for Innovation Systems (Vinnova), Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning (Formas), Swedish Agency for Economic and Regional Growth, Swedish Transport Administration and Swedish Environmental Protection Agency.
- The Viable Cities strategic innovation programme¹.

3. Municipal commitments

3.1. Municipal climate goals

Umeå municipality has established environmental goals that were adopted in February 2020 by a broad majority in the municipal council. The climate-related environmental goals for the Umeå Municipal Group are:

• Umeå's consumption-based climate impact will be reduced to 2 tonnes of CO2 equivalent per capita by 2040 and 1 tonne by 2050.

¹ Viable Cities is a strategic innovation program funded by the Swedish Energy Agency, Vinnova and Formas. The program runs until 2030 and has approximately 130 memberorganisations. Hostorganisation is KTH.



- Umeå must be climate neutral by 2040² that is, achieve net zero emissions of greenhouse gases.
- The Umeå Municipal Group must be climate neutral by 2025, i.e. have net zero emissions of greenhouse gases
- The climate impact of transport in Umeå must be reduced. This is to be achieved by ensuring that fuels are fossil-free by 2030, and by increasing sustainable travel.
- Collectively, at least 65 per cent of all trips for residents in Umeå urban area will be made by public transport or bicycle or on foot by 2025.

3.2. Strategy

The growth of Umeå must be managed with social, ecological, cultural and economic sustainability, envisaging 200,000 residents by 2050. This directive objective is concretised in other directive objectives:

- Umeå must be climate neutral by 2040.
- Umeå must grow sustainably, with no vulnerable areas.
- Umeå municipality must pave the way for men and women to have the same power to shape society, as well as their own lives.

The directive objectives form the basis for the municipality's planning and are concretised in the comprehensive plan³, which in turn constitutes an integrated strategy where climate transition, climate change adaptation and social sustainability create and enable a holistic approach to urban planning for the whole of Umeå.

Umeå municipality is planning to implement a cohesive city, with a proximity principle that paves the way for services, sustainable travel and a high level of well-being. Conditions for social sustainability will be created by actively working with mixed housing types and forms of tenure. New districts are planned in order to facilitate sustainable lifestyles, and existing districts will be supplemented with new functions and services. The districts are where planning, strategies and objectives will be concretised in the form of technological solutions and social innovations, for example, but we will not just look at the individual solution or district when investment plans and business models take shape.

² According to national climate goals. The rate of reduction must be such that Umeå municipality's emissions allowance is not exceeded. The emissions allowance is based on the Paris Agreement and calculated on the basis of the best available research. Climate neutral Umeå means that Umeå must have no net emissions of greenhouse gases into the atmosphere by 2040. The goal is for greenhouse gas emissions from Umeå to be at least 85 per cent lower in 2040 than in 1990.

³ https://www.umea.se/oversiktsplan (Swedish)



The systems perspective provides the basis for collaboration, weaving together solutions for resource efficiency, energy supply, sustainable mobility, reuse, digitalisation and social sustainability.

Umeå's work on social and cultural sustainability is key in order to achieve sustainable growth and meet the climate goals. As the city grows, it will be important to go on capitalising on qualities and safeguarding the importance of local place identity and social capital. This is Umeå municipality's unique survey by means of extensive district dialogues⁴ and a broad and important knowledge base so that the districts can go on being planned and strengthened on the basis of residents' needs.

Umeå has great opportunities in the transition from a territorial perspective. One important direction is to promote transitions such as reduced travel, greater opportunities to cycle and use public transport, electrification of transport and improvement of energy efficiency in buildings by means of a combination of proactive technical measures and behavioural change. These transitions offer major potential for emission reductions and also present great socio-economic benefits for Umeå.

The concrete measures to be prioritised by the Umeå Municipal Group to achieve success with the climate transition and reduce greenhouse gas emissions are specified in the Åtgärdsprogram för Umeå kommuns miljömål (inklusive klimatmålen), 2022–2025 (Action Programme for Umeå municipality's Environmental Goals (including climate goals), 2022–2025)⁵, adopted by the municipal council in November 2022. Besides the action programme for the environmental goals, adopted programmes such as the Public Transport Programme, the Cycle Transport Programme and the Action Programme for Cleaner Air are important strategic documents for the work of the municipal group.

3.3. Organisation and management

Achieving the climate objectives requires management and governance capable of prioritising and monitoring the work effectively. Umeå municipal council has adopted new guidelines for governance of activation that create conditions for transition capacity throughout the municipal group. In its planning directives and budget, the municipal council clarifies its responsibility for implementing the 2040 climate neutrality goal for Umeå with an associated governing programme⁶ for the objective (first decision in the Budget for 2023 and plan for 2024–2026). The municipal council has also adopted programmes for social sustainability and growth under the same structure. All programmes work together towards a systemic change where

⁴ https://www.umea.se/stadsdelsdialog (Swedish)

⁵ <u>Åtgärdsprogram för Umeå kommuns miljömål 2022-2025</u> (umea.se, Swedish)

⁶ <u>Planeringsdirektiv, budget och investeringar 2024</u> (umea.se, Swedish)



the holistic perspectives are integrated into the municipality's decision-making processes.

A programme concretises and frames the objective and includes new or existing plans, strategies, projects, additional assignments, partnership agreements and other agreements that are essential if the objective is to be achieved. The Climate Neutral Umeå 2040 programme must ensure that the entire organisation, including the municipal companies, collectively steers towards achieving the goals. Work in 2023 has focused on shaping the organisation and monitoring methods, as well as working on socio-economic net cost analyses of necessary investments/transitions for sustainable growth and welfare, which includes climate transition investments.

The municipal council has also decided on a number of additional assignments to increase the pace of the climate transition: this includes tasking the municipal board with investigating the conditions for establishing a climate policy council.

3.4. Collaboration with the business sector, civil society, the academic community and citizens

In December 2022, 37 stakeholders from the business sector, the public sector, civil society and the academic community joined Umeå klimatfärdplan, the Umeå Climate Roadmap, a joint initiative and strategic partnership for Umeå's climate transition, which facilitates common priorities and new collaborations in order to reduce climate emissions and take responsibility for Umeå's part in implementing the Paris Agreement. In this context, Umeå municipality is driving the development of various support functions, such as the transition function and monitoring tools that are being developed jointly as part of the Climate Neutral Umeå 2030 initiative.

The annual climate summit under the Umeå Climate Roadmap will be held on November 2023, where 15 new affiliated organisations will be recognised. Other initiatives in 2023 include:

- "Lead group" meetings in all focus areas and a strategic group for the development of working methods, monitoring and effective measures
- Activities such as climate roadmap workshops, a speed dating event, thematic and individual meetings and information at various enterprise networks

Umeå municipality is investing strategically in citizen engagement for the transition and is placing particular emphasis on the development of Umecom⁷, Umeå's citizen workshop, a community where stakeholders in the city come together to help resolve challenges facing society. In 2023, one clear initiative has involved testing and

⁷ https://umecom.se/ (Swedish)



developing Umeå together⁸, a method for coordinating, implementing and funding local initiatives through community funding on the Open Collective Europe platform.

The Umecom and Umeå together initiatives, as well as cooperation with Coompanion Västerbotten and Umeå University with a number of parties on the platforms Mötesplats Social Innovation (Social Innovation Meeting Venue), Social innovation i Norr¹o (Social Innovation in the North) and the Umeå Climate Roadmap are all part of Umeå's emphasis on innovation, focusing on the municipality's Vinnova-funded innovation platform SPIS, Social Progress Innovation Sweden. Innovation work in respect of transition is continuing, including the establishment of the Testhuset innovation environment as a meeting venue and development centre for the municipal group and all societal stakeholders.

Umeå has many associations, and a large percentage of residents are involved in one or more of them. For several years, Umeå municipality has been working with the Miljöskjutsar (Green Lifts) concept, where associations can apply for funding for activities promoting climate neutrality and the 2030 Agenda. The Formas-funded project Föreningssamverkan för klimatneutralitet (Cooperation of Associations for Climate Neutrality) was launched in 2023 with the aim of developing the municipality's ability to collaborate and adapt together with committed associations.

The Umeå Municipal Group has initiated and is part of a number of platforms, networks and initiatives to facilitate the climate transition together with the business sector, civil society and the academic community. A few examples:

- Umeå municipality has entered into a number of partnerships with stakeholders in order to strengthen collaboration. These include a strategic partnership with Umeå University, a partnership agreement with the Swedish University of Agricultural Sciences, an innovation partnership for Umeå together with Umeå University, the Swedish University of Agricultural Sciences, Region Västerbotten, RISE and the County Administrative Board, and a regional innovation partnership together with stakeholders in the four northernmost counties of Sweden. These partnerships are an important element in Umeå's transition function, where new collaborations and projects can be shaped in order to assist with the climate transition.
- Networks and councils: Umeå municipality has a long tradition of working in networks and councils to facilitate and strengthen cooperation with various stakeholders, such as Nätverket för hållbart byggande och förvaltande¹¹ (the Network for Sustainable Construction and Management), Nätverket för mat och

⁸ https://opencollective.com/umea-together (Swedish)

⁹ <u>https://socialinnovation.se/</u> (Swedish)

¹⁰ https://socialinnovationinorr.se/ (Swedish)

¹¹ https://hallbarahus.se/ (Swedish)



klimat i norr¹² (Network for Food and Climate in the North), Industrirådet (the Industry Council) and Biofuel Region¹³.

- Logistics hub in the Arctic: The major investments in the Port of Umeå, railways such as the North Bothnia Line and fossil-free aviation and the cooperation with several major stakeholders as part of the Northern Access initiative¹⁴ facilitate efficient intermodal transport to and from the region, as well as seamless logistics services, eco-friendly transport and sustainable establishment opportunities.
- Green industry in the Umeå region: The Umeå Municipal Group is working in collaboration with established industry on the Umeå Eco-Industrial Park¹⁵ in order to create a world-leading centre for green innovation in the fields of environmental technology, recycling and energy
- Circular economy: The Umeå Municipal Group cooperates widely with the
 business sector, the university and civil society for circular solutions. One example
 is RE:Start, where a number of stakeholders are working together to promote
 circular marketplaces: another is the collaborative process for simplifying circular
 construction and the decision to establish ABC, a reuse market for construction
 materials, in 2024.
- Digital Impact North¹⁶: A digital innovation hub, established in order to contribute to northern Sweden as one of Europe's leading regions in the fields of IT, artificial intelligence and digitalisation, known to deliver and attract by means of crossborder collaboration. Digital Impact North has been part of the European Digital Innovation Hub (EDIH) network since the autumn of 2023.
- North Sweden Cleantech¹⁷: A regional innovation and export platform operating
 in the fields of green technology, clean energy and sustainable solutions from
 northern Sweden and the Vaasa region, where the organisations are working
 together to create the climate smart innovation site of the future..

3.5. Climate investment plan

The municipal group has conducted a central task together with Material Economics / McKinsey in 2023, producing socio-economic net cost analyses of investments in transition for sustainable growth and welfare, with major emphasis on climate transition. Various scenarios have been developed on the nature and extent of the transitions required, the broad socio-economic benefits and emission reductions the

¹² <u>Nätverket Mat & Klimat i norr - Umeå kommun (</u>umea.se, Swedish)

¹³ https://biofuelregion.se/en/

¹⁴ https://www.northernaccess.se/ (Swedish)

¹⁵ https://inab.umea.se/vad-vi-gor/projekt/umea-eco-industrial-park (Swedish)

¹⁶ https://digitalimpactnorth.se/en/home/

¹⁷ https://www.northswedencleantech.se/en/



transitions may be able to provide, and the costs involved. In 2024, development work will continue within the municipal group and in collaboration with other stakeholders in the public sector and the business sector and academic community on a local level in Umeå, nationally and within the EU.

The work being done with Material Economics will provide the basis for the scenario-based approach that the municipal group and local stakeholders will go on developing in 2024. This will involve jointly identifying and prioritising transitions and measures providing impetus as we head towards the vision of the good life in the Umeå of the future, a city that is climate neutral, socially sustainable and growing sustainably – in line with the municipality's directive objectives and environmental and climate goals. This is why the term "investments" is used for sustainable growth and welfare instead of "climate investment plans", as our work involves investments promoting the good life in the Umeå of the future, and not just investments in climate transition.

In 2023, Umeå municipality has also participated in national dialogues with Viable Cities and the agencies regarding the development of analyses of investments for transition (climate investment plans), as well as actively examining NetZeroCities support in respect of investment planning and funding as part of the EU's 100 Climate Neutral Cities mission and work on the Climate City Contract.

3.6. Digital support for implementation

The work being done by Umeå municipality on digitalisation is building a fundamental ability to develop new approaches and initiatives within the organisation and in partnership with other stakeholders. Digitalisation is an important facilitator for streamlining the municipal group's internal and external processes, but also for radically transforming activities and behaviours for the renewal of society as a whole.

Digital solutions and emerging technologies need to encounter the challenges facing the municipal group and pave the way for both new business models and customer offerings. The ability to implement a data-driven approach also needs to be reinforced in order to provide a better basis for decisions and monitor the impact of initiatives implemented, but also to be able to identify patterns and predict the future. Increased access and better organisation of data also paves the way for machine learning and AI, for example.

Umeå municipality's efforts to structure and classify the city's business information will continue, as will the initiative for making data accessible via Umeå's open data platform¹⁸. The "Umeå Open Data Challenge" initiative has been launched in 2023, where innovative ideas and applications have been developed in order to support climate action. Moreover, the municipality has been working in collaboration with the

viablecities.se III

¹⁸ https://opendata.umea.se/pages/startsida/



supplier to go on developing the ClimateOS digital tool, which enables a systematic approach and visualisation of emissions data, transitions and scenario building.

SEI has been working together with the municipalities of Umeå and Kalmar to develop the Konsumtionskompassen¹⁹ (Consumption Compass) digital tool, which can now be used by municipalities in Sweden to illustrate, analyse and reduce emissions from their consumption down to postcode level. Umeå municipality is also involved in a subsidised project for ongoing development of the tool.

A developed culture and a change in leadership that facilitates transition is also needed in order to achieve the desired impact from digitalisation. The municipality has ongoing initiatives on innovation management, for instance, and has also established an innovation environment known as Testhuset, where stakeholders from the municipal group and the city can meet to develop their ideas and work on common challenges.

3.7. Innovation hub for climate neutral municipalities

As the largest city in northern Sweden, Umeå wants to act as an innovation hub and support efforts towards climate neutral cities and regions. Capitalising on Umeå's experience of participation in innovation processes, projects and networks on a regional, national and international level allows us to contribute to regional development, which will take place by means of continued focus on the New European Bauhaus. Umeå will also be working to create opportunities for northern Sweden within the framework of the EU Mission 100 Climate Neutral and Smart Cities by 2030. Among other things, Luleå will be what is known as a Twinning City as part of the Umeå Pilot City Project North Star²⁰.

One important platform is the joint strategy for sustainable urban development as part of Thriving Northern Cities, which brings together five of the biggest cities in northern Sweden: Luleå, Umeå, Örnsköldsvik, Sundsvall and Östersund. Umeå also maintains strong collaboration with Vaasa in Finland and a politically adopted joint development strategy dealing with business issues, living environments, experiences and attracting talent.

3.8. Climate change adaptation

Umeå municipality has an evolving comprehensive plan and is working on new in-depth analyses for various areas that are in need of change. The aim is to work in areas where needs are greatest, or to complement an issue that has not been addressed sufficiently. Climate change adaptation is an integral part of the comprehensive plan, with associated in-depth analyses and strategies.

¹⁹ https://www.sei.org/tools/konsumtionskompassen/ (Swedish)

²⁰ https://netzerocities.eu/umeas-pilot-city-activity-the-north-star/



Umeå municipality needs to reinforce the linking and coordination of climate change adaptation measures and the transition to climate neutrality. Climate security is a growing aspect in need of greater emphasis in a changing climate where extreme weather events are becoming more common. It is important for the actions to support one another and other strategic objectives. This may include everything from adapting buildings to climate change, to urban trees and green spaces that can help to bring about a socially sustainable city, climate neutrality and climate change adaptation all at the same time.

A specific example is the supplementary assignment from the municipal council, where the Leisure Committee is tasked with carrying out an analysis of the operational impact of future climate change in dialogue with the associations, with particular emphasis on the leisure sector's needs and criteria in terms of winter sports.

Umeå municipality has signed and become part of the EU Mission on Adaptation to Climate Change. The work of this mission should lead to a better understanding of climate risks and better preparation and testing of innovative solutions for climate change adaptation. Umeå perceives opportunities and welcomes discussions on how the mission for climate change adaptation and climate neutrality can interact at European and national level.

3.9. Climate smart mobility

More than half of Umeå's climate emissions are derived from travel and transport, so this area is key to achieving the climate goals. Umeå municipality has used studies and test beds to create a knowledge base on gender, socio-economics, geographical differences, norms and values related to mobility. This knowledge is valuable as a way of bringing about lasting changes to travel habits and creating a sustainable mobility system all over Umeå.

Umeå municipality has been working for a long time towards a mobility system that is climate smart and more efficient. The comprehensive plan and its integrated transport strategy are steering towards a form of urban planning that prioritises sustainable modes of transport. Umeå municipality is working on the basis of six development strategies²¹ for a cohesive municipality in which most growth takes place within a five-kilometre radius and in rural areas close to public transport. This is paving the way for sustainable modes of transport – bus, bicycle and walking – while transforming former dual carriageways through central Umeå into city streets (within the ring road²²).

²¹ <u>Strategier för hållbar tillväxt - Umeå kommun</u> (umea.se, Swedish)

²² <u>Innanför ringleden - Umeå kommun</u> (umea.se, Swedish)



The results of the major 2022 TravelVu travel survey have been compiled in 2023, which has provided renewed insights into the travel habits of Umeå residents and changes from previous surveys. The results show that short car journeys that offer great potential for replacement by sustainable modes of transport are largely made by men and people who live in urban areas. Overall, other important insights into travel among different groups, as well as travel within and between different districts, provide useful decision data for the design and prioritisation of initiatives for more sustainable travel.

The Northern Access²³ initiative is being run through the municipal infrastructure company INAB together with organisations such as Kvarken Ports, Region Västerbotten and Wasaline. Northern Access describes a logistics hub where north and south meet east and west, starting from Umeå as a hub in one of northern Europe's most expansive areas. Northern Access aims to facilitate efficient intermodal transport to and from the region alongside seamless logistics services, eco-friendly transport and sustainable business opportunities.

The geographical location of Umeå, the export-intensive business sector and advanced research at the universities are important aspects in terms of efficient and reliable transport to and from the Umeå region on a local, national, regional and international level. That said, Umeå's consumption-based emissions from aviation are higher than the national average. This makes climate transition an important issue for aviation, and Umeå municipality is working together with Swedavia, RISE and Biofuel-region on how northern Sweden can contribute to the transition to be made by aviation as part of the Fossilfritt flyg i norra Sverige (Fossil-free aviation in northern Sweden) project, also known as FFFLY²⁴. The insights from this project are being translated into activities as part of the Umeå Climate Roadmap, along with a renewed application for continued work on the transition for aviation (commencing in 2024, if granted).

3.10. Reporting and monitoring

Coordinated and comprehensive monitoring in respect of climate in Umeå is evolving and being made possible thanks to the municipal council's decision on directive objectives and the work as part of the Climate Neutral Umeå 2040 programme: at the internal municipal group level, within the Umeå Climate Roadmap and reporting to stakeholders at national, EU and international level. An initial report for the Climate Neutral Umeå 2040 programme has been produced as part of the interim accounts and will then be included in the annual report for 2023. Monitoring of the municipality's environmental goals, including climate goals, must also take place and will form part of the annual report.

²³ https://www.northernaccess.se/ (Swedish)

²⁴ https://biofuelregion.se/en/projekt/fossilfritt-flyg-i-norra-sverige/



Both the Climate Neutral Umeå 2040 programme and the Action Programme for Umeå municipality's Environmental Goals 2022–2025 have established indicators in respect of climate. These will be developed further and concretised in 2024, and coordinated with the development of the monitoring work that forms part of the Umeå Climate Roadmap. Here, a number of affiliated organisations are working in partnership with the municipality to identify the most relevant methods for monitoring, annual cycles and steering documents which will help to visualise the roadmap work and drive it forward.

4. Viable Cities' commitments

The Viable Cities innovation programme is being conducted in broad collaboration in order to contribute to the transition to climate neutral cities by 2030 as part of the Swedish commitment to meet the goals of the 2030 Agenda and the Paris Agreement. This includes acting as international pioneers in the transition for cities.

Viable Cities is working with a wide range of stakeholders across academic disciplines, industries and sectors of society. It links outstanding research environments with enterprises of all sizes across a range of sectors, as well as public and civil society organisations.

Viable Cities will promote the following as part of its role as a strategic innovation programme:

4.1. Coordination of Climate City Contract 2030

Accelerated mobilisation in respect of the transition on a local, national and international level is now taking place using Climate City Contracts as a tool. This requires more of an ability to coordinate the efforts and go on developing the contracts in order to achieve upscaling, broadening, replicability, prioritisation and more effective coordination of meetings and dialogues between stakeholders.

That is why the Viable Cities programme office is developing a coordination function for Climate City Contract 2030 in Sweden so as to further support the Climate City Contract process, the commitments of agencies, municipalities and other relevant stakeholders being developed and refined step by step. This is being done in parallel with implementation and scaling to drive the transition more effectively. The coordination function will support the building of stakeholders' collective capacity for transition from knowledge to implementation and develop the Climate City Contract to the next level – in a local, national and international context.

The coordination function aims to create better opportunities for municipalities and stakeholders to benefit from and manage at a local level the comprehensive policy



packages at EU level that result from the European Green Deal (such as Fit for 55 and the Taxonomy Regulation for sustainable investments).

4.2. Smart policy development

Viable Cities intends to create expertise support in respect of policy and regulations with related initiatives in respect of smart policy development. This will involve providing the municipality with more of an overview of current and future Swedish and European legislation, rules and standards of relevance to the climate transition of cities (such as the Fit for 55 policy package). It will also include process support for amending regulations and standards to facilitate climate transition in practice. This will link to agencies' commitments (section 5.1) and development work on system demonstrators (see section 6).

4.3. Innovation

Viable Cities intends to develop its role as a pioneer and intermediary (linker of systems, manager of gaps, crosser of boundaries) in order to reinforce the coordinating, mobilising and facilitating efforts in the emerging ecosystem for the Climate Neutral Cities mission, offering a good life for all within the boundaries of our planet.

Viable Cities will contribute competence networks and process support to make it easier for the municipality to implement innovation that accelerates climate transition. This will include engaging other strategic innovation programmes in the further development of Climate City Contract 2030. This is particularly applicable to mobility, energy, the built environment, circular economy, health and digitalisation. Working on the basis of the partnership agreement with the Drive Sweden strategic innovation programme on climate smart mobility, collaboration will be developed further with both cities and agencies in this respect, not least with the Swedish Transport Administration.

4.4. Coordinated funding

Viable Cities will be supporting the municipality's need for climate transition funding and promoting cooperation and synergy between agencies and other stakeholders funding climate transition and sustainable urban development in the following ways.

- Viable Cities will go on working with the 23 cities and six agencies involved in Climate City Contract 2030 on developing forms of funding linked with this.
- Viable Cities will cooperate with the Swedish Agency for Economic and Regional Growth as the managing authority for the European Regional Development Fund in Sweden and the initiatives earmarked for sustainable urban development with a view to creating synergy with Climate City Contract 2030.



- Viable Cities will be working together with the agencies to develop work on coordinated funding by means of various ongoing initiatives in respect of sustainable urban development: see 5.3 Coordinated funding.
- Viable Cities will be continuing to develop forms of climate investment plans for cities with a view to supporting all cities as part of the Climate Neutral Cities 2030 initiative.

4.5. Interaction with the EU's Climate Neutral Cities mission

Viable Cities is working in close cooperation with the support structures that are being built around the EU Climate Neutral Cities 2030 mission – both a platform for implementation of the EU mission, NetZeroCities, and CapaCITIES, a network of national nodes such as the Driving Urban Transitions (DUT) partnership programme. At EU level, closer interaction and synergies with the sister mission "Adaptation to Climate Change", as well as with the proposed "New European Bauhaus" mission, are also being discussed.

5. The agencies' commitments

The agencies are committed to working together within the scope of Climate City Contract 2030. In this way, the agencies will contribute to the purpose of the mission-driven effort to make the transition to climate neutral cities by 2030 with a good life for all within the boundaries of our planet.

In 2024, the agencies will go on developing supporting structures and new ways of working for a more coherent, strategic and learning development process. The Sustainable Cities Council (Rådet för hållbara städer) acts as a framework and strategic forum for collaboration between agencies, the Swedish Model for Sustainable Development (Svensk modell för Hållbar utveckling) as an operational platform for collaboration between agencies, and Climate City Contract 2030 as a joint innovation and test lab for the 23 cities and agencies.

As part of this, the innovation teams at the Climate City Contract agencies will hold joint responsibility for driving the following innovation processes: Policy labs (5.1), System demonstrators (5.2) and Local portfolio analysis (5.3). This work also involves participation in the Transition Lab facilitated by Viable Cities. In 2024, the agencies intend to focus in particular on the development of Climate City Contract 2030 as an innovation in governance for the Climate City Contract Arena, the meeting place for dialogue workshops between municipalities and agencies (see 6.1).

The agencies commit to continue their joint efforts in respect of the following developments in 2024 in order to support municipalities' climate transition:



5.1. Smart policy development

The agencies are working together with the municipalities to identify and contribute to development towards more appropriate regulations and other policy instruments for sustainable urban development and climate transition, and also to increase understanding and knowledge of existing regulations. The process will continue to be based on proactive dialogue and mutual learning, focusing on the development needs of municipalities in an accelerated climate transition.

In 2024, work will continue with policy labs in one or more of the challenge areas identified: inclusive mobility that promotes health, land use and land allocation, energy planning and energy streamlining, and circular resource and material flows. Joint development and planning efforts are ongoing through collaboration and dialogue in order to clarify policy challenges and identify key stakeholders, as well as ensuring the transition potential of policy labs.

5.2. Funding for research, innovation and development

The agencies are funding research, innovation, development and system innovation activities that support more rapid climate transition. The agencies' support is aimed at various types of research, innovation, application and demonstration and, to some extent, investment funding. Funding is provided through open calls for proposals and other forms such as, for example, client networks, stakeholder networks and innovation procurement²⁵.

In 2024, the agencies are committing to go on developing and funding new types of initiatives, such as: System Demonstrators for Climate Neutral Cities (see 6.2 for more information) and the Urban Twin Transition Center for the digitalisation of cities.

5.3. Coordinated funding

The agencies are constantly developing coordination in respect of ongoing initiatives in the field of sustainable urban development and climate transition so as to create better advance planning and comprehensive information.

In 2024, the agencies are intending to deliver aggregated output data from some of the agencies' funding to all 23 municipalities, based on the innovation process on methodology development for local portfolio analyses that was conducted in 2023. The innovation work will also continue in 2024 with a view to improving the quality and coverage of data supplied, and by means of one or more in-depth projects in collaboration with certain interested municipalities in order to streamline the process and increase the benefits for recipients. The long-term goal of the portfolio analyses is to assist in efforts relating to cities' climate investment plans.

²⁵ See <u>pressannouncement from the Swedish Internet Foundation</u> (Swedish)



Hållbarstad.se is the joint website of the Sustainable Cities Council. Here, the agencies have undertaken to regularly publish information on funding opportunities and calls for proposals, as well as collective knowledge support from all participating agencies involved in the Sustainable Cities Council²⁶.

5.4. Participation in European sustainable cities initiatives

The agencies are part of and working with a number of European initiatives to support the development of sustainable cities and communities.

Efforts to support Swedish participation in the Horizon Europe 2021–2027 research programme include contributing to the formulation of activities and calls for proposals and providing information and advice to stakeholders who are planning to participate in applications regarding various European initiatives. The agencies are also cooperating on the implementation of the EU Regional Development Fund 2021–2027 with initiatives for sustainable urban development.

The agencies are continuing to participate in the Driving Urban Transitions to a Sustainable Future partnership, where calls for proposals and other activities in respect of sustainable urban development will be of relevance in the next few years, as well as the European Commission's "New European Bauhaus" initiative,²⁷ European Urban Initiative (EUI)²⁸ and Urbact²⁹.

The agencies are also helping to develop support functions for the cities selected for the 100 Climate Neutral Cities mission. One example is the "CapaCITIES" programme³⁰. CapaCITIES is being used to initiate and reinforce national change processes in order to establish national networks and governance structures.

²⁶ The Swedish National Board of Housing, Building and Planning, the Swedish Energy Agency, the Public Health Agency, Formas, the county boards, the Swedish Agency for Participation, the Swedish Environmental Protection Agency, the Swedish National Heritage Board, ArkDes (the Sweden's national museum for architecture and design) the Public Art Agency Sweden, the Swedish Association of Local Authorities and Regions, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration och Vinnova.

²⁷ New European Bauhaus highlights the importance of aesthetic, social and cultural assets in the green transition.

²⁸ The European Urban Initiative is a hub for sustainable urban development at EU level. The EUI aims to offer support to cities to improve and increase their capacity when it comes to formulating sustainable urban development strategies, policies and projects. (urban-initiative.eu)

²⁹ Urbact is a European cooperation programme for exchange and learning in the field of sustainable urban development, Swedish Agency for Economic and Regional Growth.

³⁰ The Swedish Energy Agency and Viable Cities are participating.



6. Strategic development projects for 2024

The strategic development projects are key accelerators for the emergence of an ecosystem relating to the Climate Neutral Cities 2030 mission and provide a common platform and arena for collaboration and learning.

The following strategic development projects will be conducted in 2024 within the Viable Cities Transition Lab in collaboration with other municipalities, with a view to further developing the content of Climate City Contract 2030 during the upcoming revision of the contract.

6.1. Governance

Developments in climate transition governance, both at local level and between local, national and even EU level, are fundamental to broader mobilisation and more effective systemic changes. This involves coordinating and leading different stakeholders at different levels with a view to accelerating the climate transition and slowing climate change so that a sustainable future can be built. Governance refers to the process and structure of governing, managing and regulating an organisation, society or system. It considers how decisions are made, how authority and responsibilities are allocated, and how rules and guidelines are maintained and followed. This is a complex process involving political, economic, technical and social aspects, which in turn requires cooperation and commitment from a wide range of societal stakeholders.

Mobilisation through Climate City Contract 2030 has proven to be successful and will go on being developed in order to further reinforce, scale up, broaden and accelerate the transition work. Clearer needs orientation/prioritisation and stricter commitments are required from several quarters: from the national agencies and the municipalities, and also linked to the Viable Cities role/commitments.

The Climate City Contract is a new and innovative governance tool that is building a long-term strategic process from local to international level on the basis of the collective mission of achieving sustainable and climate neutral cities by 2030. Commitments from cities, agencies and other stakeholders are revised and refined every year, and implementation takes place in interaction between the public sector, the business sector, the academic community and civil society stakeholders. The whole process is building ever stronger mobilisation of ecosystems of stakeholders and initiatives and constantly reinforcing the collective capacity for faster transition. This is a multi-level governance perspective that has also acted as an international role model when it comes to mobilising cities in a broad partnership between enterprises, the academic community, the public sector and civil society, implementing the EU's "Climate Neutral and Smart Cities" mission, which is aiming to achieve 100 climate neutral cities (municipalities) in Europe by 2030. Being the



first to set up Climate City Contracts makes Sweden a pioneer, leading the way for other European countries and the European Commission. This, in turn, will strengthen the Swedish business sector's ability to take its place and contribute to the global transition.

In the run-up to 2024, there is still a major need to develop a more in-depth understanding of what transformative governance involves and how municipalities and cities can work with it in practice. Collective analysis support for Climate City Contracts will be developed further using experience and insights from the initial steps. This work has to be done in close cooperation between Viable Cities, agencies and municipalities. This work will be coordinated by the programme office, which will ensure stronger emphasis on analysis and monitoring in the Climate City Contract Arena in 2024.

6.2. Climate investment plans

A basic tenet of mission-driven innovation is that the state and public organisations at different levels of society play an active role in co-creating and reshaping markets in interaction with the business sector and other societal stakeholders such as the academic community and civil society.

Climate investment planning is a crucial part of the transition in a municipality or from a broader perspective. Such planning makes it possible to understand what measures the various stakeholders in the city – the municipality and other stakeholders – need to implement, how these measures can be implemented in a manner that is economically viable, and which financial instruments can be used to raise the capital necessary for the transition. On average, the municipality itself is estimated to have control over about 15 per cent of the investments needed. That is why a series of stakeholders need to be involved, including citizens, civil society, enterprises (including the financial sector), the academic community and public organisations.

Climate investment plans as a key part of the work on developed governance for the mission, and in 2024 we will be focusing on climate investment plans in a number of areas; analyses and tests on how climate investment plans can be linked to regular decision-making processes, including roadmaps for climate neutrality at city level, analyses of necessary climate investments in areas with a major impact on climate emissions, such as heating/cooling, mobility, food, etc., economic analyses of multiple benefits of climate transition, such as where climate transition can both help to save money and provide quantified benefits such as better health, more jobs, security, etc., how sustainability indicators can be incorporated more systematically into commercial management and contract management



In 2024, the Viable Cities financial dashboard will undergo further development and incorporate the investment plan page, financial indicators and funding flows provided by different national agencies (see section 5.3). The functions of various financial instruments will be mapped, and a number of learning cases will be launched in areas where financial roadmaps are being developed. There will also be a developed collaboration with investors in order to discuss how to mobilise private funding for climate neutral cities.

The work on climate investment plans in Sweden is closely linked to what is happening within NetZeroCities, the platform for implementing the climate neutral cities mission at European level.

6.3. Competitiveness through transition

Strong mobilisation for the transition to climate neutrality may provide the conditions for enterprises in Sweden to develop new business strategies and entirely new markets, which in turn will provide competitiveness by driving a transition to a climate neutral, sustainable society. This is crucial for Sweden's ambition to be the world's first fossil-free welfare state and our climate policy framework. Enterprises play a key role in the climate transition; as major emitters of greenhouse gases, but also as providers of solutions for climate transition and climate change adaptation.

In 2024, Viable Cities is joining forces with the Climate Competitiveness initiative to explore – together with a range of other stakeholders – what systemic changes can accelerate collaboration between municipalities and the business sector in order to achieve the Climate Neutral Cities 2030 mission with a good life for all within the boundaries of our planet Collaboration with the agencies signing the Climate City Contract is a key aspect of this work so that policy change can be driven. The initiative is targeted primarily at the 23 cities signing Climate City Contracts for 2030, with the objective of creating knowledge that can be used in all Swedish municipalities.

The aim is to focus jointly on key areas of activity linked to the cities' transition journeys, where enterprises are mobilised and systematically engaged. One important element in this work is to reinforce one another in handling the opportunities and challenges presented by the EU's "Fit for 55" programme. Examples of areas of activity include procurement, skills supply, business development and establishment. The work includes reviewing the chances of using municipal policy documents such as procurement policy, business programmes and ownership directives for municipal companies in order to drive development. In its work, Viable Cities also engages with business-oriented organisations and initiatives at international, national and regional level where fair and inclusive transition is a key aspect.



6.4. Citizen engagement

Current societal challenges mean that a number of crises coincide with the climate crisis: the pandemic, the war in Ukraine, crises in respect of energy, food, raw materials and critical minerals, biodiversity and demography. These challenges are exacerbated by the fact that we are also experiencing a democratic development where a growing proportion of the population feels excluded.

This increases the need for initiatives aimed at inclusion and putting citizens at the centre of the transition to a climate neutral, sustainable society through initiatives such as new forms of citizen involvement (such as citizens' councils) and the development of attractive living environments (such as New European Bauhaus) and policies for the designed living environment. It is necessary to make the most of citizens' knowledge and expertise with regard to the decisions that affect their lives, and these decisions must be supported by the vast majority so that action and change can be implemented at the pace and to the extent required.

There will be further development of cooperation between cities, agencies and other stakeholders in 2024 in order to pave the way for citizen engagement in the climate transition; not least by developing new forms of citizen involvement in local Climate City Contracts and interaction with European initiatives in this respect.

A number of learning cases, tests and initiatives in respect of citizen participation will be mobilised in 2024 with a view to building on empowering citizens so as to accelerate the climate transition.

6.5. System demonstrators

System Demonstrators for Climate Neutral Cities is a strategic development project under Climate City Contract 2030. The system demonstrators are expected to play an essential role in the ability of cities to accelerate the transition, raise awareness and create plenty of engagement on a local, regional, national and international level.

The initiative focuses clearly on mission-oriented innovation, and clearly emphasises the importance of a systems perspective in the transition process. A portfolio approach, where a number of actions, initiatives and experiments combine to form a larger whole, is an important element in this form of intervention. The system demonstrators are based on key areas of Climate City Contract 2030 and are intended to assist with the development of the contract on the basis of insights from the work.

Viable Cities and the agencies undertake to help raise the profile of the system demonstrators in key contexts at national and international level, and to capitalise on the insights from the system demonstrators with a view to facilitating upscaling. All



Climate City Contract 2030 municipalities undertake to capitalise on the insights from the system demonstrators with a view to facilitating upscaling.

6.6. Climate Neutral Cities 2030 mission on an international level

In October 2021, the EU launched five missions for a new and innovative way of working together and improving people's lives in Europe and beyond. These five missions aim to tackle major societal challenges such as health, climate and the environment, and set ambitious goals with deadlines to be achieved by 2030. One of these is 100 Climate Neutral and Smart Cities by 2030 (known as the Cities Mission), which is a key element in delivering the European Green Deal with a view to making the continent climate neutral by 2050. This will involve significant reinforcement of Swedish efforts on the mission of achieving climate neutral cities by 2030 and using Climate City Contract 2030 as a tool for this.

There will be continued mobilisation and development in 2024 in order to reinforce the link between Swedish and European efforts on the Climate Neutral Cities 2030 mission. This is taking place by means of a series of initiatives involving cities, agencies and Viable Cities programmes. Examples include NetZeroCities (a platform for implementing the Cities Mission, with development work on aspects such as Climate City Contracts and Climate Investment Plans), the Driving Urban Transitions partnership (with research and innovation projects focusing on 15-minute cities, energy-positive districts and the circular urban economy) and CapaCITIES (which is developing national support platforms similar to Viable Cities in a number of countries in Europe).

At EU level, closer interaction and synergies between the Cities Mission and its sister mission "Adaptation to Climate Change", as well as with the "New European Bauhaus" initiative, are also being discussed.

Launched by the European Commission in January 2021, the New European Bauhaus initiative links the European Green Deal with our built environment. In the Cities Mission implementation plan, the European Commission points out that EU Climate City Contracts will enable participating cities to integrate the values and principles of the New European Bauhaus initiative in their climate neutrality plans and reinforce them. Work on the New European Bauhaus is taking place in collaboration with the government assignment awarded to the Swedish National Board of Housing, Building and Planning (Sustainable Cities Council, Rådet för hållbara städer) aimed at coordinating Sweden's participation in the New European Bauhaus.



7. Joint efforts on monitoring, evaluation and updating

Viable Cities and the municipality have agreed to conduct annual monitoring of the municipality's performance within the framework of Climate City Contract 2030. Viable Cities will provide documentation annual monitoring at municipal and national level.

7.1. Key updates for the municipality

The model adopted by the municipal council for governance of activation and a programme for a climate neutral Umeå 2040³¹ has clarified and simplified coordination, prioritisation and collaboration within the municipal group and with external stakeholders – a prerequisite for rapid and effective success with the climate transition for Umeå.

The work together with Material Economics / McKinsey on socio-economic net cost analyses of investments for sustainable growth and welfare is an important and major step forward in Umeå's journey of transition and the basis for the continued scenario-based approach that the municipal group and local stakeholders must continue to use.

In 2023, Umeå became one of three Swedish cities that were granted funding for a Pilot City Project – North Star³² as part of the EU Mission 100 Climate Neutral and Smart Cities 2030. The project aims, together with RISE, Umeå municipal companies and organisations within the Umeå Climate Roadmap, to increase the transition capacity at a system level through learning in the field of innovation and transformation, to overcome obstacles to transition such as suboptimisation and to develop methods and transition prototypes within three focus areas.

The first year of the Umeå Climate Roadmap³³, in which 53 committed companies, the academic community and public organisations are now working to promote Umeå's climate transition, has included many important activities, meetings and development of working methods and organisation. The lead group approach, where a number of affiliated organisations have taken additional "lead" responsibility for the roadmap's focus areas and commitments, has been particularly interesting. This has resulted in uniquely well-established development of monitoring, annual cycles, activities, communication initiatives, etc.

³¹ <u>Planning directive, budget and investments 2024</u> (umea.se, Swedish)

³² https://netzerocities.eu/umeas-pilot-city-activity-the-north-star/

³³ https://www.umea.se/klimatfardplan (Swedish)



Efforts to reinforce Umeå as a logistics hub in the Arctic on the basis of the Northern Access³⁴ initiative have been important during the year. Northern Access facilitates efficient intermodal transport to and from the region alongside seamless logistics services, eco-friendly transport and sustainable business opportunities. Equally important is the development of the Umeå Eco-Industrial Park³⁵ initiative, a world-leading centre for green innovation working in the field of environmental technology, recycling and energy.

UMECOM³⁶ is Umeå's citizens' workshop where more people can turn their ideas into reality and get involved in Umeå's sustainability journey and climate transition. By coming together, creating and being creative, ideas can be turned into reality to make Umeå a better, more enjoyable, more sustainable place to live. As part of UMECOM, the 2023 initiative for testing and developing Umeå together³⁷, a method for coordinating, implementing and funding small, local initiatives through community funding on the Open Collective platform, is of particular interest.

7.2. Most urgent experiences for the municipality to share

- UMECOM³⁸ Umeå's citizens' workshop is a model for citizen and civil society engagement, where a special initiative in 2023 has involved testing and developing Umeå together³⁹, a method for coordinating, implementing and funding small, local initiatives through community funding on the Open Collective platform.
- Work on the Umeå Climate Roadmap⁴⁰, in which 53 committed companies, the
 academic community and public organisations are now working to promote
 Umeå's climate transition: many important activities, meetings and development of
 working methods and organisation during the first year of the roadmap.
- Development together with Material Economics / McKinsey regarding net cost analyses of investments for sustainable growth and welfare and transition scenarios.
- Development of the Umeå Eco-Industrial Park⁴¹ a world-leading centre for green innovation working in the field of environmental technology, recycling and energy

³⁴ https://www.northernaccess.se/ (Swedish)

³⁵ https://inab.umea.se/vad-vi-gor/projekt/umea-eco-industrial-park (Swedish)

³⁶ https://umecom.se/ (Swedish)

³⁷ https://opencollective.com/umea-together (Swedish)

³⁸ https://umecom.se/ (Swedish)

³⁹ https://opencollective.com/umea-together (Swedish)

⁴⁰ https://www.umea.se/klimatfardplan (Swedish)

⁴¹ https://inab.umea.se/vad-vi-gor/projekt/umea-eco-industrial-park (Swedish)



 Development of Umeå as a logistics hub in the Arctic on the basis of the Northern Access⁴² initiative

7.3. Key updates for Viable Cities

The work done by Viable Cities on facilitating the Climate City Contract process has undergone development in 2023. The Viable Cities programme has also prepared a new multi-year phase of the programme. Moreover, significant development work on climate investment plans has taken place and the new system demonstrator intervention has taken new steps. An EU-level process on Climate City Contracts has been established in the international cooperation on the mission and a number of Swedish cities have been successful in becoming involved in the work of the mission regarding climate-neutral cities with funding from Horizon Europe.

7.3.1 The Climate City Contract process

Work has continued in 2023 on developing the role of Viable Cities as a facilitator of the Climate City Contract process in interaction with the 23 cities and 6 government agencies that are signatories to date. The accelerated learning platform has been further developed through the Viable Cities Transition Lab Forum, City Labs, Climate Breakfasts and a series of different formats for meetings between cities and government agencies and other stakeholders. Interaction with the signing government agencies has also been developed in order to further extend the Climate City Contract 2030 process. In parallel, work has continued in the 23 cities on developing different forms of local climate contracts as part of mobilising local transition arenas with companies, the public sector, the academic community and research institutes and civil society. Mobilisation at EU level with the 112 cities that are pioneers in the Climate-Neutral Cities 2030 mission has also involved a process of establishing Climate City Contracts with the participation of Viable Cities. Viable Cities perceives an increased need to create synergies and work on developing support for learning between cities and further developing interfaces between local, national and international levels. The aim of all this is to reinforce the collective capacity for transition.

7.3.2 Strategic efforts prior to new programme phase

Scaling up relevant initiatives in various ways for greater impact and to increase the pace of transition is a crucial element in Viable Cities' work going forward. It is also clear that further work needs to be done in a situation in which multiple crises coincide with the climate crisis. Extensive strategy work took place during the year in preparation for the next multi-year phase of the programme. In October, Viable Cities submitted an application to become one of the programmes under the new, mission-oriented Impact Innovation programme. In parallel, documentation is being submitted for the next phase as a strategic innovation programme in which an

⁴² https://www.northernaccess.se/ (Swedish)



evaluation of the first six years of the programme has been completed. In various ways, Viable Cities has also provided input for the Government's forthcoming climate policy action plan and the forthcoming research and innovation bill and contributed to SALAR's planning⁴³ of how municipalities and regions can improve and intensify their efforts on climate change adaptation and reduced climate impact.

7.3.3 Strategic upscaling and acceleration initiatives

Continued development work on climate investments for the transition for cities has taken place both in Sweden and in European cooperation as part of the work on Climate City Contracts. Dialogue with relevant financial stakeholders has also been developed in this regard. Digitalisation efforts were also intensified during the year, and November saw the establishment of the Urban Twin Transition Centre in collaboration with Viable Cities. Work has also begun on preparing processes for enhanced citizen engagement/participation in order to create methods and insights that can be used by many cities. A Just Transitions graduate school was launched at Linköping University during the year, in cooperation with Viable Cities. Lund University, in collaboration with Viable Cities, has also launched a Massive Online Open Course (MOOC): Cities, Climate and Change: Pathways and Opportunities. Work on storytelling and communication for transition has also undergone further development. The next step in developing a new form of intervention known as System Demonstrators has been taken with funding from Vinnova and Viable Cities for two system demonstrators: CoAct in Lund, which is focusing on both sustainable mobility and energy-positive districts, and SnabbSam in Stockholm, which is focusing on a fossil-free city centre. Other cities are keen to join in with these collective learning efforts. Fifteen feasibility studies have been funded as part of Viable Cities in order to explore how we can further energise the transition of cities in three respects: citizen engagement, climate investments and regional collaboration.

7.3.4 International alliances in respect of the mission

Efforts to mobilise cities and countries in respect of the mission, in which Viable Cities is involved in a number of ways (e.g. NetZeroCities, Driving Urban Transitions, CapaCITIES, Urban Transitions Mission), are continuing. An evaluation commissioned by the European Commission of the EU's work on the five missions⁴⁴ was published during the year. This concludes that the Climate-Neutral and Smart Cities 2030 mission (Cities Mission) has already achieved significant mobilisation to step up the pace of climate transition in cities. The evaluators highlight the fact that establishment of the Cities Mission was an important and timely initiative in order to

⁴³ Fair and sustainable transition for the climate - Proposal from SKR's program preparation for sustainable transition, SALAR, September 2023 (Swedish)

⁴⁴ Alasdair Reid et al. Study supporting the assessment of EU Missions and the review of mission areas - Mission areas review report. 10.2777/61143, European Commission, 2023



address the "implementation gap" and the systemic challenges that individual cities' climate efforts could never handle alone.

Viable Cities has continued its efforts as one of many international NetZeroCities partners in order to facilitate the transition in the 112 cities (seven of which are Swedish). NetZeroCities, in dialogue with the European Commission, has formulated a Climate City Contract for cities throughout the EU as a tool to accelerate climate transition. Climate investments are a key element in this regard. As with everything else Viable Cities does, the ambition is for methods, tools and lessons learned to benefit many more cities as they make their transitions. Swedish cities have achieved success within the framework of NetZeroCities and been granted funding for a number of initiatives in order to reinforce their climate transition initiatives. Malmö, Uppsala and Umeå, for instance, have received funding as part of the Pilot Cities initiative (totalling around SEK 45 million); and Luleå (matched with Umeå) and Lund are just two of the cities that have been selected and matched with pilot cities under the Twinning initiative, which focuses on learning partners for transition.

New steps are being taken as part of the work that has been conducted at global level within the Climate Smart Cities Challenge for a number of years, and which involves a number of Swedish stakeholders, with a view to further developing the work. This includes linking the four system demonstrators as part of the initiative with the two Swedish ones, and also working to mobilise capital. The partnership with UN-Habitat is key to this, and a dialogue is being conducted regarding broader cooperation with UN-Habitat on the basis of climate transition for cities. Similarly, a dialogue has been initiated regarding broader cooperation with the World Wide Fund for Nature (WWF) regarding climate transition for cities in Sweden and internationally.

7.4. Key updates for the government agencies

The agencies have worked jointly on four innovation processes in 2023 as part of Climate City Contract 2030. Four challenges have been identified for policy labs as part of Smart Policy Development. System demonstrators for climate neutral cities are being trialled in two cities. A local portfolio analysis method has been trialled and scaled up. Climate City Contracts as a model for developed governance have been analysed in depth.

7.4.1 Smart policy development

In 2023, a number of joint workshops with Climate City Contract municipalities and Climate City Contract agencies were organised so that development of more appropriate regulatory frameworks and other instruments could begin. Four challenge areas were identified, and these were mapped and investigated further with a view to making decisions to launch a number of "policy labs" in one or more of the areas identified. Representatives from the agencies continued working between



the workshops, processing the data that emerged and planning for future work. All the work involved forms of exploration and learning, with everyone involved.

7.4.2 System demonstrators

The emphasis on system demonstrators for climate neutral cities has continued in 2023. The call for proposals for System Demonstrators for Climate Neutral Cities – Planning Phase took place, and two cities were awarded funding. This call for proposals will be seamlessly followed in 2024 by the call for proposals for System Demonstrators for Climate Neutral Cities – Implementation Phase, which will be open only to the same two cities that were awarded funding for System Demonstrators for Climate Neutral Cities – Planning Phase.

7.4.3 Local portfolio analyses

In 2023, the agencies have carried on developing a methodology for portfolio analysis of the agencies' overall funding to cities. The methodology was trialled in discussion with five of the municipalities during the year. The aim during the year has been to investigate applications in the municipalities and enable all 23 municipalities to scale up. The year's work and completed tests were presented and further developed jointly during the Transition Lab Forum in Kristianstad in the autumn.

7.4.4 Greater collaboration between agencies

In 2023, the agencies forming the Sustainable Cities Council have been granted funding from the European Regional Development Fund's National Programme to develop a more operational inter-authority collaboration platform. This collaboration platform has been named Svensk modell för hållbar urban utveckling, the Swedish Model for Sustainable Urban Development. The aim of this is to focus on the more operational efforts of the agencies and develop a coordinated and joint initiative to reinforce the municipalities' capacity for innovation. The Sustainable Cities Council decided to review in 2023 how the Council can be strengthened in its role as a strategic forum and provide a framework for the operational collaboration platform Swedish Model for Urban Sustainable Development and Climate City Contract 2030 as a joint innovation and test lab for the 23 cities and agencies, as well as other related initiatives identified. The aim of this was to increase synergies and learning between several of the agencies' related assignments and initiatives.

7.4.5 Climate City Contracts as a governance model

Developments in climate transition governance, both at local level and between local, national and even EU level, are fundamental criteria for broader mobilisation and more effective systemic changes. In 2023, collaboration between agencies – with analytical support by Vinnova – focused on governance issues in particular A strategic analysis project entitled "Klimatomställning av städer – en svensk modell för att öka takten i omställning" (Climate transition of cities – a Swedish model to



increase the pace of transition) was conducted in close cooperation with Viable Cities, and with the active participation of both the agencies and the cities. From an operational perspective, it has been possible to devise the term "governance" for climate transition on the basis of practical experience from the last two decades. Governance is used when an authority needs to go beyond what it can directly control in order to realise a goal, which also involves systemic shifts from piecemeal operations to a holistic approach to public administration. In governance, the authority collaborates with the business sector, civil society and the academic community.

9. The contract

The Parties agree that these joint commitments, as formulated above, shall apply for 2024. The first version of Climate City Contract 2030 was signed in 2020, the second in 2021 and the third in 2022. The Climate City Contract is to be updated and renewed for each new year.





Climate City Contract 2030

Betweeen Umeå municipality, the Swedish Energy Agency, Vinnova, Formas, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration, the Swedish Environmental Protection Agency and Viable Cities.

Stockholm 2023-12-08 The Parties agree that these joint commitments, as formulated above, shall apply for 2024. The first version of Climate City Contract 2030 was signed in 2020, the second in 2021 and the third in 2022. The Climate City Contract is to be updated and renewed for each new year.

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Director General, the Swedish Environmental Protection Agency















Appendix 1 - Links to documents

Below are the links to the most relevant documents in relation to Climate City Contract 2030 for Umeå municipality (may be in Swedish).

- Climate City Contract 2030 Umeå ver 2020
- Climate City Contract 2030 Umeå ver 2021
- Climate City Contract 2030 Umeå ver 2022
- Umeå's local environmental goals 2020 (2020)
- Program for a climate-neutral Umeå 2040, activating governance (2023)
- Action program for Umeå municipality's environmental goals 2022-2025 (umea.se)
- Overview plan for Umeå municipality (2018)
- <u>Umeå climate roadmap</u>
- UMECOM
- Umeå together
- Northern access
- Umeå eco-industrial park