21 March 2023

Dear Executive Vice-President Vestager, Dear Commissioner Gabriel,

Cities matter enormously for the success of the European Green Deal. They present a huge opportunity for accelerating climate action, including as hubs for governance, financial and social innovation and as demonstration spaces for new and emerging technologies. To fulfil their pivotal role, cities need to adopt new approaches based on the principles of policy integration, partnership with local stakeholders and communities, and coordinated cross-sectoral action.

To this end, our Mission Board proposed a mission on 100 Climate-Neutral and Smart Cities by 2030 — by and for the citizens as a radical new way of achieving climate neutrality — faster and inspiring all other European cities in their decarbonisation journey. We also envisioned the Climate City Contract and ensuing Mission Label as a new mechanism for delivering systemic innovation and transformative action across sectors and for convening support from professional stakeholders and citizens. This approach would also deliver massive co-benefits such as reduced air and noise pollution, safer mobility, better housing conditions, more green spaces and increased wellbeing.

The buy-in from cities was overwhelming. Following the <u>Mission Implementation Plan</u> and the Call for Expression of Interest put forward by the Commission, 377 cities applied to take on the mission challenge. 100 EU cities (covering all member states and 12% of EU population) and 12 cities from countries associated to Horizon Europe were selected based on their commitment to become the climate neutrality lighthouses of the decade. This setup makes the mission a powerful instrument to increase EU cohesion and collaboration under the European Green Deal. It also extends the mission's activities to enlargement countries and the EU's neighbourhood.

A year and a half into its implementation, the mission has demonstrated clear impact and added-value at local, regional and national levels. At local level, the mission has brought stakeholders together and enabled strategic collaborative approaches across departments and sectors. It has also engaged citizens in the design and implementation of urban transitions on an unprecedented scale, bringing them closer to the European Green Deal and to the work of the Commission. At regional and national level, the mission has led to the creation of silo-breaking support structures such as mission hubs and city networks. Overall, the ambitious goals set by the mission have helped speeding up the timelines for local action and ensured that local and regional ambitions match the European ones.

Change in governance has thus emerged as one of the most significant impacts of the Cities Mission, both within cities as well as between cities and other levels such as regional and national. The Mission Board has identified examples of how multi-governance experimentation under the Mission is already improving horizontal and vertical coordination among different levels of government and is leveraging the contributions of the private sector, academia and civil society. These examples are provided in the annex and show the Mission to be a catalyst for local cross-sectoral solutions, national support structures for urban transitions, citizen engagement and social innovation, public and private investment, and a portfolio of new R&I actions.

At your meeting with the Mission Board Chairs on 21 February 2023, we have asked the Commission to use the review of the mission's mandate as an opportunity to confirm its commitment to better integrate the efforts of cities, regions and national governments, and to provide the necessary systems perspective. With delivery of the first Climate City Contracts expected in the next months, we need the broad engagement of relevant Commission Directorates-General to strengthen the Mission Label as a facilitator of access to funding and financing for cities. While links are now set up with the Connecting Europe Facility and the Life Programme, the Mission Label should unlock access to other funding instruments such as the structural funds of the Cohesion Policy and the Innovation Fund. In turn, this should mobilise additional national support for mission-minded cities and allow them to serve as hubs for the demonstration and deployment of low-carbon technologies.

In addition, the support of the Commission is also needed for helping mission cities – as well as all mission-minded cities – to build capacity for leveraging investment from regional and national funds, attracting and blending private investments, defining impactful roles and models for citizen participation, and having a voice in the adaptation of regulations, norms and standards to stimulate and frame the green and smart transition. This should be done in partnership with the Committee of the Regions that is highly supportive of the Mission. Facilitating the access of cities to EU and national funding is another key to the mission's success, alongside the mobilisation of private sector investment. In addition, we need to support mutual learning and upscaling of proven solutions by allocating appropriate resources to the <a href="NetZeroCities Mission Platform">NetZeroCities Mission Platform</a> and financing a solid portfolio of innovation and coordination actions under the Cities Mission work programme.

We therefore count on the Commission and the Commissioners' Project Group involved in the Mission review process to match the level of commitment, ambition and determination of mayors, city administrators and urban stakeholders. As Europe faces multiple and unprecedented geopolitical, environmental, post-pandemic and energy challenges, we need more than ever initiatives that bring together different stakeholders – policymakers, business, academia, citizens and non-profit organisations – for common goals and the common good.

On our side, we continue to support mission implementation and serve as its "ambassadors" across governance levels, with professional stakeholders, to city networks and with citizens. We remain convinced that, based on its short-term achievements and with proper continued support from the Commission, the Cities Mission may become the most important EU mechanism to promote the European Green Deal while providing a better environment and life conditions for all.

Yours sincerely,

The Mission Board for Climate-Neutral and Smart Cities

Hanna GRONKIEWICZ-WALTZ (Chair)

Alberto ANFOSSI

Maria GALINDO

Françoise GUASPARE

Siir KILKIS

Gabriela KUSTAN

Charter MILLAN ESCH

Grațian MIHAILESCU Chrysses NICOLAIDES

Matīss PAEGLE Karolina SKOG

Daniël TERMONT Maria VASSILAKOU Jorn VERBEECK Sissy WINDISCH

## ANNEX: Examples of added value for the Cities Mission

The Cities Mission has created a powerful community of ambitious cities. Cities exchange best practices, link up and work together with other ambitious cities in their country and beyond to address shared challenges related to accelerating climate-neutral solutions.

The Cities Mission is breaking silos as it fosters local cross-sectoral solutions to accelerate the green transition. A number of mission cities have reorganised the way their administrations work to reflect better the cross-cutting nature of the climate action. For instance, Lisbon nominated a director for climate who reports directly to the mayor, Vilnius established a dedicated municipality-owned company, Leuven made the Cities Mission the key focal point of its comprehensive Leuven 2030 transition plan, and Dijon Métropole reorganised its services with a cross-sectoral ambition by creating a directorate-general for the climate transition that covers many areas such as transports, mobility and environment. In Poland, the five mission cities Warszawa, Kraków, Wrocław, Łódź and Rzeszów now engage in formal cooperation, combining their efforts for the energy and climate transition in one supporting voice. This will serve to accelerate the transition towards low carbon economy in the region.

## The Cities Mission is spurring national support structures:

- France: a "Groupe Miroir" led by the Ministry of Higher Education and Research and Ministry for Ecological Transition and Territorial Cohesion convenes all relevant ministries;
- *Germany*: a dedicated mission steering group ("Lenkungskreis") of ministries and agencies is colled by the Ministry for Housing and the Ministry for Research;
- *Greece*: a Memorandum of Cooperation was signed by the mayors of 85 cities and the General Secretary of the Hellenic Ministry of Environment and Energy;
- *Lithuania*: a parliamentary group on "Green Cities 2030" was established and the Ministry of Environment created a new coordinator position for the Green Cities initiative;
- Austria, Romania, Spain and Sweden have also set in place support structures and most other member states are following suit.

The Cities Mission is showcasing the European Green Deal at local level through citizen engagement and social innovation. Mission cities have committed to co-create their Climate City contract with the local communities and citizens. For instance, 1,000 organisations and schools are actively engaged in Barcelona while Lyon has set up a climate-minded assembly called Agora Lyon 2030 that has a say in shaping urban transitions. Such initiatives bring the European Green Deal closer to urban inhabitants on an unprecedented scale.

The Cities Mission is leveraging investments in member states. Many Member States or regions committed that interventions in their regional operational programmes will contribute to mission objectives, especially in selected cities, notably in Bulgaria, Croatia, Czechia, Greece, Hungary, Italy, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. New funding streams are being developed such as the Green Fund in Greece and the co-funded national mission platform in Spain.

The Cities Mission is creating a portfolio of new R&I actions and is exploiting existing project results for the benefit of cities. The goal is to further our understanding of emission sources and our response options in view of accelerated uptake and implementation. The portfolio puts a variety of tools and solutions – not only technological, but also nature-based and societal – at the disposal of cities and urban stakeholders.

The Cities Mission is mobilising private sector investments. Horizon Europe Partnerships with industry are being used successfully as multipliers. For instance, a joint call was issued in 2023 between the Cities Mission and the Partnerships for zero-emission mobility (2Zero) and connected and automated mobility (CCAM) with a combined budget of EUR 50 million.