

## Detailed Summary: Private Sector Engagement in the EU Cities Mission

This is a summary of a case study that provides a comprehensive comparative analysis of private sector engagement in four Mission Cities—Gothenburg (Sweden), Guimarães (Portugal), Budapest (Hungary), and Valladolid (Spain)—as part of the EU’s “100 Climate-Neutral and Smart Cities by 2030” initiative. These cities are early adopters of Climate City Contracts (CCCs), which are designed to catalyze collaborative climate governance involving a broad range of stakeholders, including the private sector. The report aims to assess the strategies, challenges, and outcomes associated with engaging businesses in the co-development and implementation of local climate transition plans.

### Methodology

The study is based on a multi-case qualitative methodology involving document analysis, in-depth interviews, and stakeholder workshops conducted in the four selected cities. Primary data were collected through structured interviews with both municipal officials and private sector representatives. Additionally, engagement events such as onboarding sessions, thematic workshops, and city-specific innovation labs were observed and documented to gain insights into the dynamics of collaboration. The research framework focused on five analytical dimensions: stakeholder engagement, onboarding processes, collaboration models, implementation of transition actions, and private sector motivations and expectations.

### Key Findings

- 1. Stakeholder Engagement:** Each city adopted unique strategies tailored to its local context. Valladolid developed incentive-based engagement models linked to project funding. Guimarães emphasized long-term institutional partnerships, while Gothenburg leveraged established industrial networks. Budapest used a more emergent strategy based on direct outreach and narrative framing. A recurring challenge across all cities was mobilizing SMEs, which often lacked the resources and capacity to engage meaningfully.
- 2. Onboarding Processes:** Onboarding was not just a formal requirement but a relationship-building effort. Guimarães succeeded in staging engagement by first securing symbolic commitments through a Climate Pact, followed by technical support and project identification. Budapest focused on building credibility through leadership visibility. However, all cities found it challenging to translate complex policy documents into accessible narratives for businesses.
- 3. Collaboration Models:** Collaboration ranged from structured thematic platforms in Gothenburg to more informal, experimental models in Budapest. Valladolid created incentive-linked project partnerships, and Guimarães integrated technical advisory services through the

Landscape Lab. Successful collaboration required not only clear governance structures but also flexibility, responsiveness, and a shared sense of ownership.

4. Implementation: Concrete actions varied widely. Valladolid excelled in mobilizing SMEs for funded sustainability projects. Guimarães made significant progress in frontrunner partnerships. Gothenburg focused on large-scale technical demonstrations, and Budapest laid a foundation for future project-based collaborations. The major implementation bottlenecks were financial capacity and administrative burden, particularly for small businesses.

5. Motivations and Expectations: Across cities, businesses were primarily motivated by access to funding, technical support, reputational benefits, and regulatory clarity. Effective engagement required municipalities to offer streamlined processes, consistent communication, and visible political backing. Mismatched expectations or lack of follow-up often weakened commitment over time.

### Cross-Cutting Insights

- Time and Resource Constraints: The compressed timeline of CCC preparation placed significant strain on both municipal teams and private actors. Cities needed to balance ambition with feasibility.
- Engaging SMEs: Targeted outreach and tailored support were critical for engaging small and medium-sized enterprises, which are central to local economies but under-resourced for transition planning.
- Institutional Learning: Cities evolved from static engagement models to dynamic ecosystems of collaboration. Institutional learning mechanisms—such as iterative feedback loops and reflexive workshops—were vital.
- Coordination and Silos: Horizontal coordination within municipalities and among private actors was often limited. Deliberate efforts such as joint workshops and cross-sector platforms helped bridge gaps.
- Sustained Engagement: Long-term engagement requires clear value propositions, accessible tools, and governance structures that support iterative co-creation beyond initial project phases.

### Conclusion

This comparative analysis highlights that successful private sector engagement in urban climate transitions is both a governance and capacity-building challenge. Cities must create adaptive, inclusive, and trust-based frameworks that align municipal goals with business motivations. The four case studies illustrate a growing maturity in climate governance—shifting from isolated consultation to integrated co-production. Moving forward, Mission Cities must institutionalize engagement structures, simplify access points for diverse actors, and ensure continuity beyond project cycles. The insights presented in this report offer a roadmap for cities seeking to embed

the private sector as a committed partner in the journey toward climate neutrality.