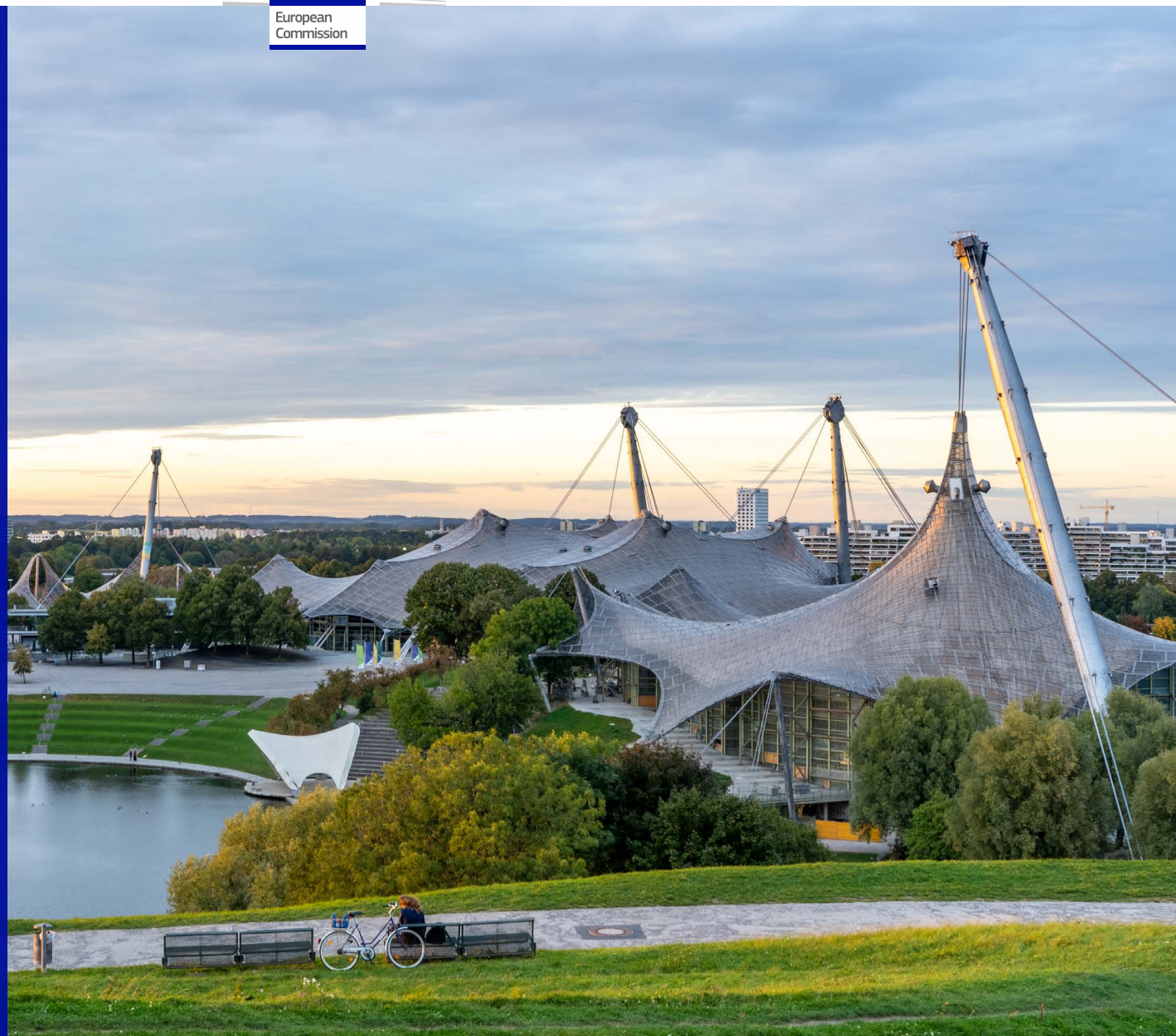


# LOCAL GREEN DEALS

## A Blueprint for Action

The European Commission's  
**INTELLIGENT CITIES  
CHALLENGE**



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More information on the European Union is available on the Internet (<http://europa.eu>).

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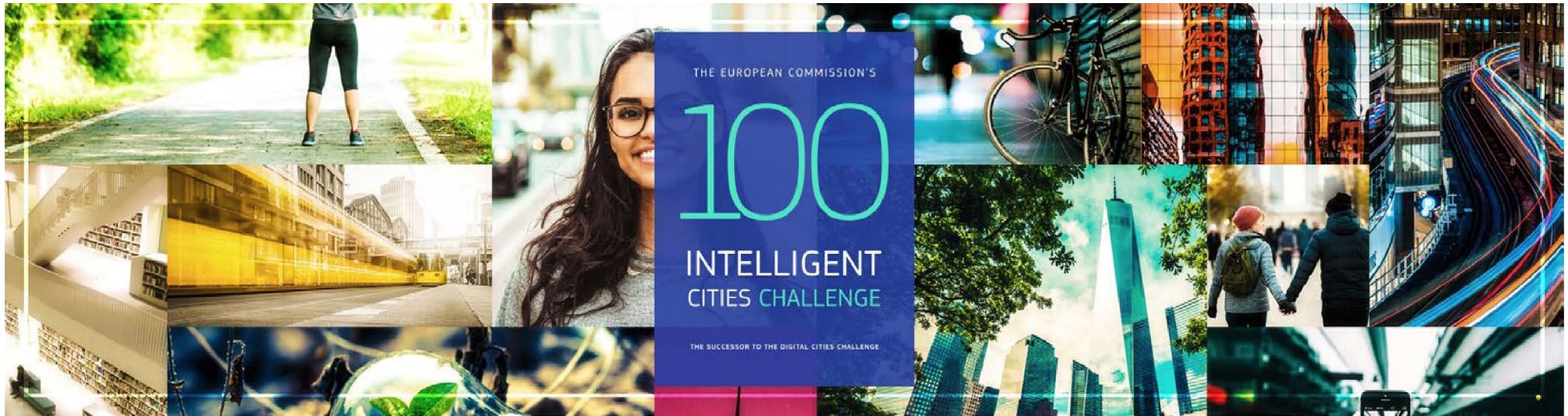
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## About the Intelligent Cities Challenge

The Intelligent Cities Challenge (ICC) is a European Commission initiative that supports cities in using cutting-edge technologies to lead the intelligent, green and socially responsible recovery. ICC cities and their local ecosystems are engines for the recovery of their local economies, create new jobs and strengthen citizen participation and wellbeing. The first phase of ICC supported a total of 136 cities in the period from 27 January 2020 to 30 November 2022. The ICC is continued by the second phase - launched on 1 December 2022 - with a new group of 67 cities that were selected to take part in the network and benefit from advisory support.

Cities receive one-to-one strategic advice from international experts and mentor cities. In the first phase of ICC this was delivered across five themes: green economy and local green deals; improving citizen participation and the digitalisation of public administration; green and digital transition in tourism; resilience of local supply chains; and up- and reskilling of the workforce. The second phase's thematic focus

concentrates on the green and digital transition as well as the proximity economy. Specifically, this phase focused on 5 sectors: Mobility and transport, Energy and renewables, Construction and Built environment, Tourism, and Culture and creative industries. Similarly, cities were also supported across 4 key thematic areas: Access to Finance, Procurement, Reskilling, and Social economy. Cities are also supported by transversal services covering access to data, access to finance and to technology through Tech4Good, a marketplace of innovative solutions.

The ICC is part of a wider EU support system that recognises the importance of delivering on the promises made by the European Green Deal, the digital strategy and other EU policies. It looks to help cities deliver on the transition, moving towards an increasingly green, digital, service-oriented and low-carbon economy, supported by a knowledge-based society, that enables circular economy systems through 'local value loops', evidence-based reskilling and sustainable investments.

More information on the ICC is available at [www.intelligentcitieschallenge.eu](http://www.intelligentcitieschallenge.eu)

## Seeing Local Green Deals in context: a summary

A Local Green Deal is a local tailor-made action plan to accelerate and scale-up a city's sustainability transition. It builds on and joins up existing strategies - e.g. sustainable energy and climate action plans, circular economy plans, resilience or economic development plans - legislation, market and financial incentives into a coherent approach to advance EU policy frameworks like the EU Green Deal and the Clean Industrial Deal locally. Local Green Deals (LGDs) can only work if they empower local businesses and civil society to lead the way in accelerating the transition to a climate neutral and economically competitive future. LGDs address the fact that standard governance and policy implementation will not be sufficient to achieve the transformation required to truly implement sustainable development. Implementing the European Green Deal and Clean Industrial Deal at the local level requires integrated, multidisciplinary governance, regulations, approaches and instruments to support the policy areas outlined in these policy frameworks to deliver joint action. Moreover, LGDs provide a framework for collaboration with the private sector that can help unlock innovation, as well as generate markets for climate neutrality to accelerate progress against territorial decarbonization.

LGDs aim to put sustainable development at the core of all local government decision-making rather than a single strategy from one department. LGDs should draw on approaches of the past 10 to 15 years but address key areas that have been missing from traditional approaches or seen as too complex to implement.

### The ICC work has developed Local Green Deals as:

- An integrated, cross-disciplinary approach to city governance. A multi-level vertical governance process (which engages the local, regional, national and international levels) ensuring that cities contribute to the development of relevant legislation, initiatives and in particular financing programmes that have a direct impact on the ground.

- A key obstacle to the transition is not a lack of knowledge or technologies, it is the lack of joined up policies and the capacity to implement them. Legislation developed at a national level tends to address single issues and does not take into account other related issues which it can have an impact on. Implementation at the local level is usually done in a siloed manner.
- This silo-based form of governance, designed for traditional city operations, cannot drive the scale of transition required. An integrated horizontal approach between different departments and stakeholders across the city is needed. For example, embedding cross-cutting systemic solutions such as climate change mitigation and adaptation, the circular economy and social inclusion.
- Multi-stakeholder partnerships and a credible commitment to long-term change, captured in written agreements and with continuous collaboration between local business and other local stakeholders.
- Most importantly, having an action-oriented approach through collaboration, co-production, co-design and co-innovation approaches will support the transition. A deal which provides a joint mechanism of delivery through better regulation (if needed), financing, innovation and the involvement of a number of organisations will help to support several policy objectives. This can be through a simple citizen-led project in a district of a city, contributing to systemic innovations and digital transformations in transport, energy, construction and circular development.

### It is important to note that LGDs are NOT:

- A new strategy or targets.
- A series of isolated sustainability policies or initiatives.
- A top-down approach that only the city takes responsibility for, or a rebranding exercise.





## Liaison between Climate City Contracts and Local Green Deals

The approach of the Climate City Contracts (CCCs) as part of the 100 Climate Neutral and Smart Cities Mission and the Local Green Deals (LGDs) are very similar. They are both working towards the European Green Deal's goals and they are both supported by the European Commission, either via the Intelligent Cities Challenge (for LGDs) or via the NetZeroCities project (for CCCs). CCCs are a form of Local Green Deals. The key difference is that CCCs are based on a mission with a timeline until 2030 and focus on CO<sub>2</sub> emissions reduction, while LGDs have a broader focus on the green transition and embrace, in addition to decarbonisation, issues such as circular economy actions, raw materials shortages, sustainable products and services and sustainable food systems. Through their collaborative dimension, LGDs can provide a framework for accelerated action, that can help achieve CCCs objectives. In that regard, CCCs and LGDs complement each other and are great means to integrate sustainability actions.

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# 1 Introduction

**The world is grappling with major environmental, economic, and social challenges that require a substantial transformation across all sectors of society. While awareness and urgency around issues such as climate change, biodiversity loss, and global resource depletion seem widespread, national commitments to climate action are showing signs of weakening. In contrast, local governments across the EU continue to lead by example, actively advancing the sustainable development of their territories.**

This becomes ever more critical in a geopolitical context that requires a stronger EU economy in the face of rising competition from other big economies like China and the US. Against this background, cities play a key role in implementing EU priorities for climate neutrality and competitiveness, serving as hubs of innovation, investment, and growth.

The scale of transformation required to achieve the objectives set by the EU Green Deal and Clean Industrial Deal can only be unlocked if we rethink the way we do things, to ensure a more resilient future. Picking up from where we left off and doing things how they have always been done might provide a short-term fix, but it will

not provide long-term solutions for systemic challenges. Against this background, Local Green Deals provide a framework for sustainability governance and action that can support local governments in this endeavour.

This guide has been developed as part of the European Commission's *Intelligent Cities Challenge* (ICC)<sup>1</sup>. It provides cities with a blueprint to develop Local Green Deals (LGDs), with good practice case studies, to support them with the implementation of the *European Green Deal* (EGD) at the local level.

Based on a survey conducted with the ICC cities in 2022, cities already take many actions in line with the LGD approach and see benefits of implementing this approach in their local contexts. At the same time, they face significant challenges when it comes to stakeholder engagement, financing and governance and would be happy to receive more support to continue their work with the LGD approach. This guide is a first step for all cities that want to start their LGDs journey, and it has supported more than 60 local governments across the EU in the development of over 200 Local Green Deal agreements with their local stakeholders, within the framework of the Intelligent Cities Challenge.

This guide outlines the rationale behind LGDs, its key principles, levers and the steps for cities, stakeholders and local communities to take to implement a LGD. Cities looking for practical steps and illustrations of a LGD approach will find case studies in the annex.

<sup>1</sup> The Intelligent Cities Challenge is a European Commission initiative that supports 203 cities in using cutting-edge technologies to lead the intelligent, green and socially responsible recovery,



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While this Blueprint is the first of its kind, it relates to and supports other European initiatives relevant to cities and the European Green Deal objectives: the [Committee of the Regions' Green Deal Going Local Campaign](#) and the [Mannheim Message](#). The Committee of the Regions has also published its own handbook on Local Green Deals entitled Giving local and regional authorities guidance for the green transition. In 2022, the EU launched its 100 Climate-Neutral and Smart Cities by 2030 Mission. The mission aims to bring 100 European cities to climate-neutrality by 2030 and to ensure that these cities act as experimentation and innovation hubs to enable all European cities to follow suit by 2050. Since the publication of the first version of this blueprint, a number of EU-funded Local Green Deal projects have been launched, including [ALLIANCE](#) and [CLIMAA](#), as well as philanthropically funded projects such as Fair Local Green Deals.

It also builds on a number of national initiatives and regulatory developments, such as the national energy and climate plans (NECPs)<sup>2</sup> adopted by all EU Member States in 2019.

<sup>2</sup> To meet the EU's energy and climate targets for 2030, EU countries need to establish a 10-year integrated national energy and climate plan (NECP) for the period from 2021 to 2030. The rules required the final NECP to be submitted to the Commission by the end of 2019.



# The European Green Deal and the Clean Industrial Deal

**The European Green Deal (EGD) and the Clean Industrial Deal (CID) aim to make the EU's economy sustainable by turning climate and environmental challenges into opportunities for the sustainable growth of industries in EU territories, while making the transition just and inclusive for all. With the EGD, the European Union committed to becoming the first continent with a clear ambition and a comprehensive plan for climate neutrality.**

The Clean Industrial Deal, on the other hand, provides a framework for the clean growth of European industry through making clean energy more affordable, boosting demand for clean products and mobilizing finance for clean manufacturing, encouraging circularity to increase materials' efficiency, and developing the key competences needed to make all of this a reality.

As key implementing actors of EU policy, local governments play a critical role in making this vision for climate neutrality and competitiveness a reality.

To support cities with this ambitious transition, the EU has established the Mission for Climate Neutral and Smart Cities, the Intelligent Cities Challenge (now complete), the Mission for Adaptation, the Covenant of Mayors, the Smart Cities Marketplace, Living in EU, among others.

Standard policy implementation will not suffice to achieve the transformative actions required to truly implement sustainable development. Instead, the policy areas of the EGD need to reframe and ensure that sustainability actions are implemented in a more integrated way. Adapting the EGD and CID to the local level requires linking up and integrating the policy areas illustrated below and, in turn, delivering consolidated implementation and action. Similarly, to ensure a cohesive transition to clean and sustainable growth at the local level, local government and the private sector need to engage in meaningful and effective collaboration for accelerated action. Through increased dialogue, co-design and shared ownership for the sustainability transition of the territories they operate in, these stakeholders have an opportunity to generate lead markets for climate neutrality. Increased integrated sustainability management, data monitoring and reporting, as well as innovative funding and financing tools are among the key elements that can help ensure the success of this collaboration.

The LGD methodology included in this Guidance document supported 67 local government across the EU in implementing the vision for more sustainable and competitive territories, from rethinking the traditionally siloed way of managing sustainability, to further engaging the private sector in the development and implementation of their sustainability strategies. This has resulted in the development of over 200 concrete city-business collaboration agreements for accelerated action implementation.

## The EGD covers 9 policy areas

### Sustainable industry

ways to ensure more sustainable, more environmentally-respectful production cycles

### Eliminating pollution

measures to cut pollution rapidly and efficiently

### Clean energy

### Building and renovating

the need for a cleaner construction sector

### Sustainable mobility

promoting more sustainable means of transport

### From Farm to Fork

ways to ensure more sustainable food systems

### Biodiversity

measures to protect our fragile ecosystem

### Sustainable agriculture

sustainability in EU agriculture and rural areas thanks to the common agricultural policy (CAP)

### Climate action

making the EU climate neutral by 2050



# Why Should Cities Develop a Local Green Deal?

## 3.1. WHY CITIES AND WHAT IS THEIR ROLE?

Ultimately, all EU policies are implemented locally, i.e. in cities and towns. Therefore, they have a crucial role to play in its delivery, through facilitating integrated action and bringing local stakeholders on board in the transformation process.

The European Union consists of more than 80,000 cities and towns (shortened as “cities” across the rest of the document), that are mandated to promote the long-term wellbeing of their citizens. They implement 70% of EU legislation, handle one-third of public spending and manage two-thirds of public investment. In addition, they are often responsible for the direct provision of many public services.

The European Union consists  
of more than

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Cities are centres of economic activity, knowledge generation, community engagement, cradles of innovation and of socio-economic transformation. They bring together local businesses, entrepreneurs, social enterprises, educational establishments and citizens. Together, they can find solutions to tackle the biggest challenges of the twenty-first century, whether it is delivering on climate ambitions, reducing fossil energy use, managing post-crisis recovery and building resilience, or shaping new lead markets.

Cities and their industrial ecosystems<sup>3</sup> will be the engines of recovery, stimulating the development of new clean-tech markets for climate neutral and circular products, the decarbonisation and modernisation of energy-intensive industries, creating new jobs and reskilling workforces. In particular, the proximity and social economy ecosystem is key to deliver a people-centric industrial policy and achieve a resource efficient, resilient, low-carbon and socially responsible society.

Cities manage a number of key sectors in urban areas, such as mobility, construction and waste management. They are ultimately responsible for controlling land use and urban planning. Their public procurement and investment budgets play a key role in driving demand for sustainable products and services, which impacts decisions on infrastructure for energy, transport and water.

For all of these reasons, cities are called on to lead the transition and deliver the EU strategies and policies through concrete actions at the local level. In order to coordinate these actions, they must develop more comprehensive governance structures and networks. This will allow the transition of their entire economy.

<sup>3</sup> The European Commission has identified 14 industrial ecosystems, each of which comprises all the economic actors working along the same supply-chain (e.g. health, social and proximity economy etc.). Using this categorisation can help cities better map out the stakeholders which can support their LGD. More information on the concept and each industrial ecosystem is available [here](#).

### 3.2. THE WORK HAS ALREADY BEGUN, AND THE TIME IS RIGHT

Over the past decades, most European cities have developed strategies to address the environmental, social and economic challenges associated with rapid urban expansion and unprecedented growth in human activity. For example, between 2014-2020, more than 680 cities implemented sustainable development strategies under the cohesion policy that focuses on climate adaptation, air quality, low carbon society, mobility, circular economy, energy or nature-based solutions<sup>4</sup>. In most cases, sustainability strategies support the key policy areas of EU policies. However, many of the strategies have been shaped and sometimes constrained by pre-existing administrative structures, decision-making processes, budgetary constraints and changing political agendas. Instead of looking at sustainable development holistically (that is, as a core part of a city and embedding it across all areas), many strategies have often been designed to target specific issues, sectors, or processes.

This trend has been mirrored by several European initiatives developed to support sustainability at the local level, such as the *Covenant of Mayors*, the EU *Mission on Climate-neutral and Smart Cities*, the *Green City Accord*, the *Circular Cities Declaration*, the *Circular Cities and Regions Initiative*, the *European Green Capital Award and Network*, *Network Nature*, the *Climate Pact and the Smart Cities & Communities framework*<sup>5</sup> among others. While these initiatives are key to promoting valuable ways for cities to become engaged in the transformation towards a sustainable Europe, their approach focuses on specific sectors and priorities that are complementary.

<sup>4</sup> Article 7 cities' of the European Regional Development Fund.

<sup>5</sup> The Smart Cities & Communities framework, established in 2012 by the European Innovation Partnership, embraces the holistic and integrated approach which LGDs support e.g. its Smart Cities Marketplace looks across sectors at the 18 integrated H2020 Lighthouse Projects, translating them into financing for city projects.

Working on sector, or topic-specific initiatives and strategies that have been developed in isolation can lead to conflicting agendas, implementation challenges<sup>6</sup> and competition for resources. In the current context of cross-cutting challenges, such as the climate emergency, socio-economic crisis and budgetary restrictions, cities need to purposefully align their different policies to ensure a coherent approach.

A combination of supporting international frameworks (e.g. the Paris Agreement, the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs)), progressive European and national sustainability policies and initiatives and an urgency for cities to deliver on sustainability rather than strategize, makes now **the right time to develop approaches that support implementation and deliver action: Local Green Deals**.

Finally, private stakeholders have shown a strong engagement in the past years on questions of sustainability: Figure 1 for example, shows how businesses are starting to adapt to meet rising market demand for sustainable products. This engagement needs to be upheld to counterweigh increasing public grievance about the licence to operate for business and governments alike<sup>7</sup> – turned positively, city-business collaboration that proves holistic impacts creates an opportunity to strengthen European institutions and values. To achieve such impact, it is key that cities are recognised as change agents at the centre stage of public perception. Empowering them to tackle these central challenges needs enhanced capacity as well as skilled labour in the local public administration, which needs recognition by national governments as a meaningful long-term investment.

<sup>6</sup> For example, the responsibility for delivering better air quality targets might lie within a city's environment department and not be connected to a city's transport, industry or construction department

<sup>7</sup> Edelman Trust Barometer 2025



Figure 1 - The growing market for sustainability

## Changing stakeholder expectations



**Talent**

**84%**

*of employees are more loyal to a company that contributes to social / environmental issues*



**B2C customers**

**+30%**

*of consumers are looking to move towards sustainable companies and products after COVID-19*



**B2B customers**

**+81%**

*of companies stated that their commitment to sustainability has increased since 2017*

## Changing market environment



**New / more sustainable products are displacing 'old'**

**~200%**

*annual growth rate of BeyondBurgers; alternative meat is growing 5-20x faster than beef in some EU countries*



**Capital is shifting to sustainability**

**>30%**

*of capital is compliant with environmental, social and governance-criteria (ESG); highest scoring ESG players enjoy ~1.1pp cheaper weighted average cost of capital (WACC); investors are becoming activists*



**Stringent targets are the new normal**

**23%**

*of Fortune 500 companies have a science-based target in 2020, compared to ~5% in 2015*

*Source: Edelman Trust Barometer 2020 | Bain 2020 | Sustainable procurement barometer: from compliance to performance 2019 | Euromonitor 2019 | Bloomberg, CPAnalytics, Witold Henisz, Global Sustainable Investment Alliance, Global Sustainable Investment Alliance | SBTi 2020*

# What are Local Green Deals?

## 4.1. A NEW GOVERNANCE APPROACH TO ACCELERATE THE TRANSFORMATION TOWARDS SUSTAINABILITY

To deliver the EGD at the local level cities need:



### Integrated goals

*An assessment of strategies and policies to bring together targets, local plans, partnerships, funding and initiatives to ensure climate-neutrality and sustainability are implemented in a coherent way;*



### Governance

*New collaborative governance and management structures that take into account multidisciplinary values (environmental, economic and social) to support integrated decision-making, policy development and action in a broad context;*



### Partnership

*A multi-stakeholder approach, where public, private, community and voluntary sectors from across the city' work together to deliver common goals.*



### Action

*An approach where partnerships deliver concrete action, leading to collaboration agreements;*

Most European cities already have policies, projects and initiatives in place to support sustainable development and sustainable economic transformation. Bringing together and analysing existing strategies and plans is an important first step, for example, Sustainable Energy and Climate Action Plans (SECAPs), Sustainable Urban Mobility Plans (SUMPs), Sustainable Development Goals (SDG) Strategies, land-use plans and sustainability strategies. The goals of each strategy and plan need to be checked and aligned with the ambition of EU policies to ensure the ambitions achieve the necessary transformation at the local level. Identifying overlaps, synergies and gaps is also key to the analysis. Bringing together plans and actions and building a network of local partners to support delivery will improve efficiency in the use of existing resources and will accelerate implementation.



### A LOCAL GREEN DEAL SHOULD

Ensure the multilevel governance of strategies, budgets and initiatives, through agreements between local governments and regional, national and EU level institutions (vertical) and between actors working at the local level (horizontal)

Align strategies and bring together targets, partnerships, funding and initiatives across city departments

Provide an approach for addressing cross-cutting issues such as the economic future of an area, reskilling, social exclusion and climate change

Provide a shared vision and sense of long-term priorities for the city and reflect those in the urban planning framework

Promote cultural change and empower all people to participate and become involved in decision-making and co-creating solutions

Provide effective governance and structures to encourage rapid action, manage collaborations, improve cost- efficiency and make the most of available resources

Help embed sustainability into the city's budget and investment plan



### A LOCAL GREEN DEAL IS NOT

A top-down approach where the city takes sole responsibility for delivering policies and initiatives

A new sustainability strategy or a set of environmental targets

A series of isolated sustainability policies or initiatives

A rebranding exercise for the city's existing practices

A certification or award scheme

A standardised approach to sustainability policy

A funding guide



### ADDED VALUE OF A LOCAL GREEN DEAL APPROACH

A multilevel governance approach is key to accelerating the implementation of sustainability goals and ensuring action plans are resilient to political and administrative changes.

A comprehensive overview of the city's sustainability goals and actions will help avoid silos, identify existing implementation gaps and create new opportunities for cooperation around existing goals.

Ensuring sustainability goals are addressed through the city's entire policy, strategic and governance framework will minimise the risk of conflicts between different goals and reduce competition for resources between departments.

A credible commitment to long-term change is essential to secure the trust and collaboration of local stakeholders with cities.

Nurturing a local culture of sustainability will ensure the long-term commitment of stakeholders to support the delivery of sustainability.

Flexible, joined-up governance and management structures will decrease administrative costs, support innovation and encourage local stakeholders to work with the city.

A comprehensive approach to sustainability may help identify new funding sources or decrease funding costs for city investment priorities



## 4.2. KEY PRINCIPLES OF LOCAL GREEN DEALS

'Deals' are not new strategies or policies but a new governance approach to accelerate action towards sustainability and climate neutrality. While cities face common challenges, their priorities and the context in which they operate may differ. LGDs will need to reflect diverse local policies and priorities, including the culture, heritage, employment base and how engaged citizens already are in the city. As each city has unique characteristics, deals developed by cities may take different shapes. This is also a reiterative process, where cities build and improve as they work towards their targets.

However, all LGDs should share key common principles, aiming to build upon existing best practice models of integrated sustainability strategy (e.g. Sustainable Energy and Climate Action Plans (SECAPs), resilience plans, sustainable economic development plans, or circular economy action plans) and turn them into action. Those principles distinguish LGDs from traditional approaches to sustainability and should help cities achieve their goals more effectively than in the past. Buying into those principles will require cities to make the most of all the levers available to them to promote, facilitate and enable change.

### LGD Principle 1:

## BUILD ON WHAT IS ALREADY THERE

Most European cities already have policies, strategies and initiatives in place to support sustainable development. The purpose of LGDs is to bring these together in a coherent way, to leverage their impact more effectively.

### Levers:

- Mapping of existing local policy framework, budget and timelines
- Governance structures allowing for a strategic alignment of the existing local policy framework, budget and timelines.

**LGD Principle 2:**

# THINK BIG

Set out a shared, long-term, strategic vision and provide an approach for considering and deciding how to address cross-cutting issues such as climate change, the circular economy and social exclusion.

**Levers:**

- Set strategic goals, lead decision-making and allocate budget for cross-cutting policy areas
- Cooperation between the city and other public authorities that have strong strategic, decision-making and budgetary remit in the area (e.g. public utilities company, local transport authority)

**LGD Principle 3:**

# LEAD BY EXAMPLE AND SHOW COMMITMENT

Political leadership shows commitment and gives credibility when developing and implementing LGDs with citizens, stakeholders, businesses and potential funders. Leaders have to be willing to change what they do and how they develop LGDs. They will need to create an enabling environment for change, communicate the importance of the change they are advocating for and remain actively involved. Leadership will also need to acknowledge, identify and manage risks associated with developing LGDs and working in partnership.

**Levers:**

- Hands-on political approach, creating accountability for sustainability goals within the local government
- Strong local communication on LGDs

**LGD Principle 4:**

# INTEGRATED AND COOPERATIVE PROCESSES

Multilevel governance between all levels of government (vertical integration), will be required to ensure cities input into the development of relevant legislation and initiatives (on topics such as transport, energy, the built environment and climate) and also to ensure that funding programmes respond to the needs of cities.

**Levers:**

- Inputs into the regional, national and European policy development process

**LGD Principle 5:**

# INTEGRATED LOCAL GOVERNMENT

Addressing certain sustainability issues that have traditionally been addressed by sector, by a single organisation, specific department or strategy of a city will require a change of approach, structure and culture. Horizontal coordination in governance will be required, as many cross-cutting sustainability issues need to be addressed with, or require the cooperation of, different departments in a city. Horizontal coordination means working across silos. The traditional sustainability frameworks used by cities often rely heavily on a small number of departments – typically energy, transport and waste management – to reach sustainability goals. This can lead to competing strategies that are not aligned, as well as challenges when implementing actions. Successful LGDs require strong collaboration between different departments and stakeholders across the city. Departments with a cross-cutting remit that would not traditionally embrace sustainability as their goal should be particularly targeted (e.g. finance, procurement, economic and education departments). The key is to address competing priorities and identify synergies between policies and actions, while ensuring they address sustainability objectives in a long-term and coherent way.

**Levers:**

- Integrated sustainability management structures and processes
- Incentivising staff to champion sustainability and collaborate across departments
- Training
- Using the city's urban development plan to coordinate cross-cutting sustainability objectives



**LGD Principle 6:**

# COLLABORATE WITH STAKEHOLDERS

LGDs will require cooperation among local stakeholders. Cities have a privileged role to play as facilitator between public, private, voluntary, education, knowledge and community sectors, which can be used to convene and partner with others to support the development of LGDs, raise awareness and support implementation activities. LGDs can bring together local service providers from different sectors to provide cross-cutting solutions to meet local needs. Working collaboratively with stakeholders can improve efficiency and coordination and lead to more integrated, holistic and better solutions. Local stakeholders must act as ambassadors to amplify the reach of the city's sustainability initiatives.

**Levers:**

- Hands on political involvement in building relationships with key stakeholders
- Management structures incentivising staff to build relationships with local stakeholders
- Using staff as intermediaries to reach out to the community

**LGD Principle 7:**

# 'DEALS'

LGDs need to ensure implementation and action with long-lasting impacts. There might be value in using city-led initiatives to kick start co-production, co-design and co-innovation approaches. Those actions will pave the way for long-term and systematic change in the way that the city works with stakeholders to implement their sustainability policies. Ultimately, LGDs should go beyond public-led initiatives. Once the city has established connections, trust and working practices with local stakeholders, there will be value in formalising their collaboration. A core element of LGDs is developing and implementing agreements (or "deals") to cooperate. These agreements should clearly identify the key actions that each stakeholder commits to lead, the support offered by all of the signatories and timeframes for delivery. Such agreements should be reviewed and updated regularly, to maintain momentum when implementing the LGD.

**Levers:**

- Using publicly-owned assets (e.g. land or companies) to pilot collaborative projects
- Unlocking logistics, financial, regulatory and/or advisory support for local stakeholders driving forward sustainable initiatives
- Using written agreements to formalise long-term actions and partnerships

**LGD Principle 8:**

# INNOVATIVE FINANCE

To achieve the goals of the European Green Deal, a significant investment programme will be required. Key to driving transformative actions will be ensuring that public funds are used to encourage private and civic sector actors to invest further into sustainable actions. Cities will need to use a mix of financial mechanisms to achieve this and stimulate the development of local social economy approaches and solutions, circular business models and local enterprises. A combination of direct economic incentives (e.g. in the form of grants and loans), fiscal measures (e.g. tax or subsidies) and co-investment structures (e.g. through public-private partnerships) will be required to ensure transformation.

**Levers:**

- Developing a sustainability-oriented municipal budget as well as sustainability checks for any municipal product budget decisions Collaborating with the national government and the EU to secure funding packages
- Using publicly-owned assets (land or companies) to channel investment through partnerships
- Local regulation to promote sustainable investments
- Fiscal policy powers

**LGD Principle 9:**

# SUSTAINABLE TECHNOLOGICAL SOLUTIONS

Technological innovations are re-shaping global societies and economies. In order to achieve a sustainable transition, cities must leverage those to their advantage. Their actions should be both adaptive (e.g. searching for, identifying and adopting technologies that can support their sustainability goals) and proactive (e.g. working with enterprises and research institutes to steer innovation towards solutions that will serve the interest of the citizens and the public good).

**Levers:**

- Using public procurement to pilot new technologies and create markets for sustainable solutions and encouraging other stakeholders to do the same
- Providing financial, logistical, or advisory support to local innovators

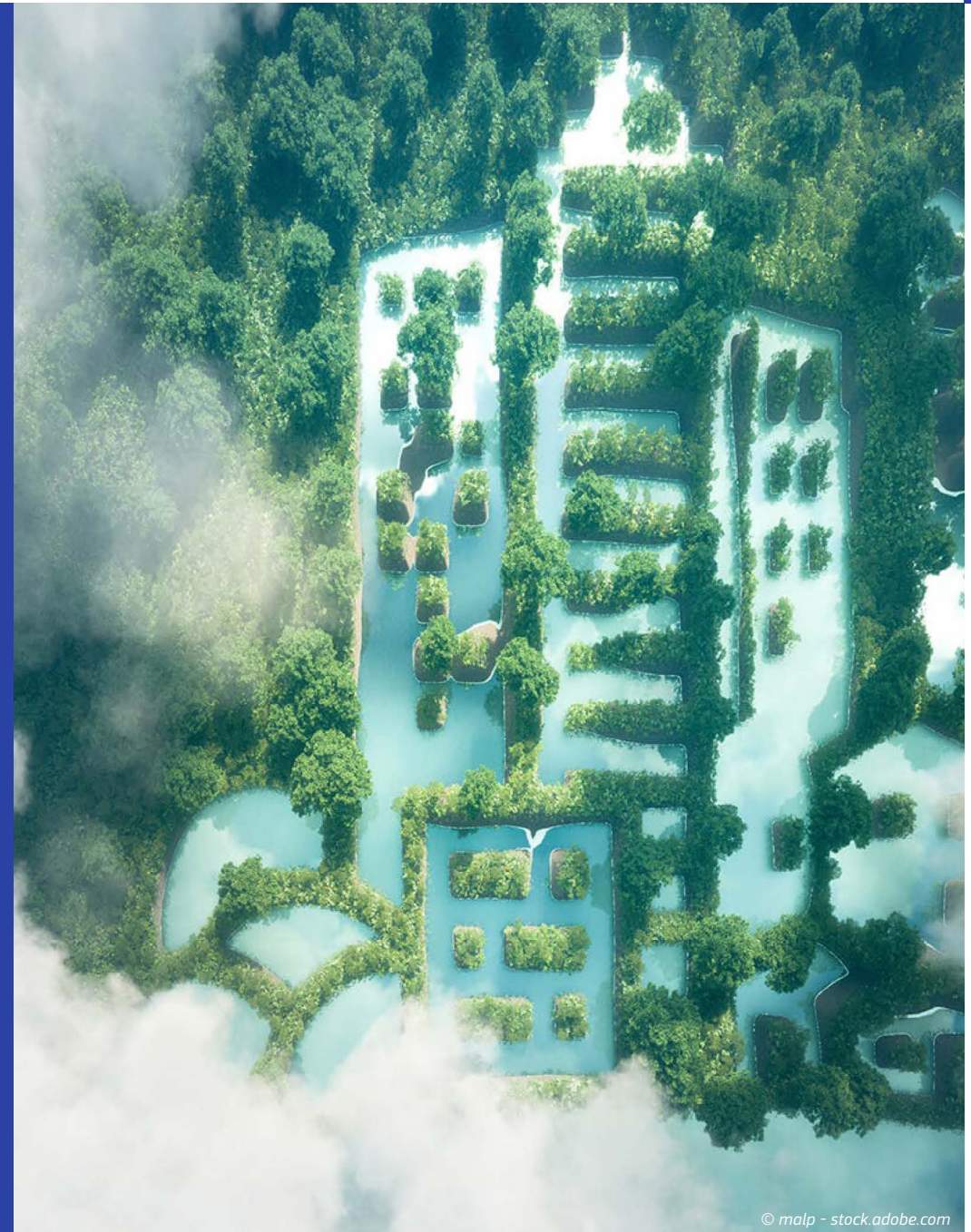
**LGD Principle 10:**

# ENSURE RESILIENCE

The climate emergency, technological innovations, political changes and socioeconomic crisis are driving rapid transformation in the global economy and societies. Cities must ensure that they are resilient to those systemic challenges while trying to achieve their sustainability goals. Their governance processes, partnerships and action plans should focus on long-term commitments, adaptive management structures and robust risk mitigation strategies.

**Levers:**

- Setting long-term goals and commitments
- Creating independent multi-stakeholder governance structures
- Diversifying funding sources
- Building long-term partnerships and agreements to cooperate with local stakeholders
- Assessing and managing risks and identifying opportunities through regular monitoring



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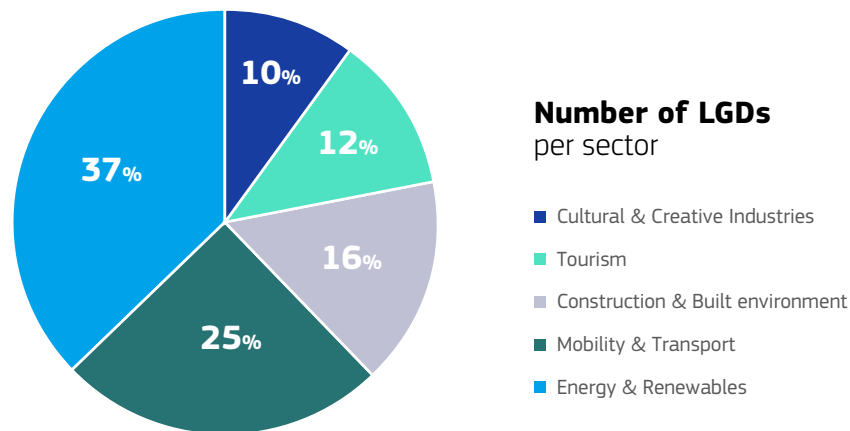


### 4.3. KEY ACHIEVEMENTS AND OUTCOMES OF ICC CITIES' LOCAL GREEN DEALS

The Intelligent Cities Challenge (ICC) has facilitated the development of more than 200 Local Green Deals (LGDs) with the 67 participating cities and their respective local businesses. Of these, the majority of about 180 LGDs were developed within a single sector among the five key sectors focused on by the ICC: Energy & Renewables, Mobility & Transport, Cultural & Creative Industries, Tourism and Construction & Built environment. The remaining LGDs were cross-sectoral, integrating multiple sectors to address complex urban challenges holistically.

The share of LGDs across the five ICC key sectors shows that the largest number of LGDs were in the energy sector, followed by mobility and construction, accounting together for 78% of the LGDs. The remaining 22% were made in the Tourism and Culture and Creative Industries sectors (see figure 1 below).

Figure 2 - number of LGDs per sector



Though all LGDs were at the beginning of their implementation at the end of the ICC, and thus no robust data about their impact was available, the potential of the ICC's **LGDs contribution to the European Clean Industrial Deal** can be seen particularly concerning the objective of strengthening European clean tech production and deployment. This potential can be qualified based on the following outcomes:

- The demand for clean tech triggered by the LGDs was estimated as high in about 40% of the LGDs, whereas the remaining 60% have a low or medium effect on clean tech demand.
- Emergent themes around clean tech included in the ICC LGDs were:
  - Renewable Energy & Efficiency technology, such as PV panels, windmills, insulation, cooling and heating technologies
  - Water Management & Urban Cooling technology, such as rainwater collection systems, permeable surfaces, green roofs, shading structures
  - Circular Economy & Waste technology, such as recycling systems and waste recovery technologies
  - Mobility-related technology, such as batteries and charging stations for e-mobility and digital tools for mobility-on-demand
- For about 75% of all LGDs developed under ICC a high replication potential was estimated, due to the representative character of the challenges that were targeted by the LGDs.

Considering the **impact** of the ICC's LGDs, in line with the dominance of the energy sector, most LGDs define their envisioned impact via GHG emission reductions. Many LGDs also defined qualitative targets via expected effects on local job creation, reskilling effects, or improvements in environmental quality such as heat reduction and air quality. However, many of the ICC cities faced challenges in defining specific, measurable, achievable, relevant, and time-bound (SMART) impact indicators, given that public administrations have often not yet developed robust monitoring systems and lack the capacity to do so. This finding links back to the need for vertical integration and support for cities by national governments and the EU (see LGD principle 4) to build a strong integrated sustainability management capacity in the cities (see LGD principle 5).

# Local Green Deals and Financing

Cities are increasingly faced with limited human, financial and natural resources. LGDs can assist cities in developing, piloting and implementing various ways to finance their sustainability transition. Their ability to attract funding from a broad range of sources is essential to ensuring that LGDs can support a wide range of initiatives from cities and local stakeholders. Ensuring that those funding sources are combined effectively is key to ensuring that the cost-efficiency of individual actions is maximised.

## 5.1. DIRECT EXISTING BUDGETS TOWARDS SUSTAINABLE INITIATIVES

A LGD should be used as a framework to analyse and re-orient the way that cities spend their existing resources. By weaving in sustainability goals across their policy framework and daily management practices, LGDs should mainstream sustainability considerations into their budgetary decisions, both for capital investment, maintenance and operational expenditure. Wherever possible, existing local budgets should be directed towards initiatives, technologies, infrastructures and businesses that support

the transformation towards a climate neutral, sustainable city and society. Integrating innovation and sustainability considerations into public procurement processes will be one of the key tools that cities can use to achieve this.

When looking at opportunities to fund initiatives with positive environmental and social impacts, cities should ensure that the proposed activities align, as far as possible, with the *EU Taxonomy for Sustainable Activities*<sup>8</sup>. This will help ensure that the activities funded under a LGD are truly sustainable, improve the cities' ability to access European funding for those initiatives, improve access to private sector sources of green finance and help ensure that private stakeholders and investors understand the environmental standards that are expected from LGD- related activities.

## 5.2. INTEGRATE BUDGETS FOR BETTER VALUE FOR MONEY

Cooperation across different policy sectors and areas of governance should encourage better cost-effectiveness in the funding of LGDs. Departments and public bodies from across the city should be actively encouraged to align their financial resources to deliver sustainable action jointly. Within legal limits, this should notably involve combining existing budgets to deliver better, more sustainable initiatives and looking for cooperation opportunities when applying for funding. Building up those integrated financial management practices should help increase the value-for-money of sustainable initiatives. A LGD should create a comprehensive framework to ensure that the different actions funded contribute to the achievement of the LGD objectives in a systematic and integrated way. The EU's 2021 review of green budgeting practices in Member States can provide inspiration to cities looking to shape integrated budgets that support sustainable action.

<sup>8</sup> The EU taxonomy for Sustainable Activities is a classification system establishing a list of environmentally sustainable economic activities. It is a key enabler to scale up sustainable investment and implement the EU Green Deal. By providing clear definitions to companies, investors and policymakers on which activities can be considered sustainable, it can help companies to plan the transition, protect investors from greenwashing and shift investments where they are most needed.

### 5.3. EU AND NATIONAL FUNDS

In addition to providing a framework in the form of the European Green Deal, the EU and Member States have put in place financing mechanisms to support transformative recovery. These include the Multiannual Financial Framework (MFF) for 2021-27, the Recovery and Resilience Facility, the 2022 REPowerEU and national recovery funds. Whilst the implementation of the EU Clean Industrial Deal is still in progress at the time of writing, the goal to mobilise over €100 billion to support EU-made clean manufacturing has been announced. City networks across the EU are calling for a budgetary framework that recognizes the role of cities to create and shape new lead markets and who can trigger and direct funding into clean tech and circular economy. Policies like the Net Zero Industries Act or the Strategic Technologies for Europe Platform (STEP) regulation are potential opportunities not city-business collaboration in this regard. The strong political commitment to sustainability, demonstrated through a LGD, should help cities secure external funding opportunities. The vertical alignment of a LGD with national and European goals should provide a good starting point for cities to negotiate funding agreements with institutions and funding schemes, which support sustainable development initiatives. A LGD should improve cities' readiness to access relevant funding opportunities as they emerge.

A LGD could also envisage advisory support for the preparation of investments related to its activities. For example, advisory support is available from the EIB through [JASPERS](#) (Joint Assistance to Support Projects in European Regions) and [ELENA](#) (European Local Energy Assistance).

#### Examples of EU and national funds:

- ☆ New EU grant and loan opportunities linked to the EU Clean Industrial Deal;
- ☆ Existing and new EU funding programmes for sustainability initiatives including Horizon Europe, LIFE, the Single Market Programme (replacing COSME), Digital Europe, the ERDF, the Cohesion Fund, REACT EU, the ESF and the European Urban Initiative (replacing Urban Innovative Action);
- ☆ Funding from the European Investment Bank (EIB), for example through thematic urban framework loans (which can be used to finance multi-sectoral investments targeting Green Deal or Clean Industrial Deal priorities across a city's investment programme
- ☆ Sustainable infrastructure development programmes from the European Bank for Reconstruction & Development's Green Cities programme.

As highlighted by the pioneering work of several cities working on LGDs, it is acknowledged that the preparation phase of a LGD requires investing time and effort (see also the overview of key steps in section 6 below). It has also been recognised that a neutral intermediary party is often useful in establishing effective public-private cooperation. Cities and intermediary organisations/administrations should advocate for EU and national funding opportunities to cover this preparatory phase, which is critical to the whole LGD process. Potentially, some of the advisory sources indicated above could support cities with such preparatory activities.





## 5.4. PRIVATE FUNDS FOR PUBLIC INITIATIVES

Cities should also explore alternative ways to raise funding for public-led sustainability initiatives. Measures to be explored include raising taxes (e.g. land development taxes, increased taxes on unsustainable businesses, use of revolving funds) and setting-up new channels for local stakeholders to support publicly-led initiatives (e.g. green bonds and crowdfunding opportunities).

## 5.5. LEVERAGE PRIVATE INVESTMENTS

Cities should encourage private stakeholders to adopt a sustainability mindset in everything they do. Cities implementing LGDs should therefore develop an array of mechanisms to encourage private investment in sustainability initiatives.<sup>9</sup> Estimates for the EU are that ca. 25% of green investment needs can be covered by the public sector, whereas ca. 75% need to be mobilised by private sector investments.

As a platform acting across sectors, the Smart Cities Marketplace (SCM) and its integrated Explore-Shape-Deal Matchmaking process can facilitate cities' access to private investment via its steadily growing investor network<sup>10</sup>. Activities, such as dedicated SCM financing master classes, may also be organised by the SCM to provide cities with hands on advice to shape bankable LGD actions, which can be financed by private investment.

In addition, the EU Climate Pact will help share knowledge about measures encouraging private investment in sustainable initiatives and provides helpful resources to cities and local stakeholders on that topic.

<sup>9</sup> NB: As national regulatory frameworks will impact what can legally be done, cooperation with national governments will be essential in determining what measures can be developed in a city or region

<sup>10</sup> <https://smart-cities-marketplace.ec.europa.eu/matchmaking/investor-network>

### Potential ways to finance LGDs:

- ☆ Fiscal incentives for sustainable initiatives, such as tax breaks;
- ☆ Policies promoting sustainable investment, such as urban planning policies requiring private development projects to meet certain environmental and social standards;
- ☆ Gap or low-cost funding for initiatives demonstrating strong alignment with local sustainability goals, such as grants or low- interest loan;
- ☆ Financial partnerships for viable projects demonstrating strong alignment with local sustainability goals. For example, loan securitisation, or equity investment in private initiatives;
- ☆ Partnership structures leveraging public assets to support private initiatives, such as providing land, buildings, or free advisory support for private stakeholders to develop sustainable initiatives;
- ☆ Setting-up complementary currencies to support sustainable local initiatives.



# Key Steps to Develop a Local Green Deal

## 6.1. OVERVIEW

Implementing a LGD does not require a separate or dedicated strategy and can be started with some simple steps. Having a well-developed approach in place will help to ensure that sustainability is effectively and systematically integrated into a city's activities over the longer term.

The steps below outline how a city can implement a LGD. These steps have been put together based on inputs and lessons learnt from cities that are either already implementing LGDs, or aligning their work with the principles of a LGD. More detailed case studies are available for Metropolitan Regions of Amsterdam and Rotterdam-The Hague (The Netherlands), and the cities of Mannheim (Germany), Aalborg (Denmark), Espoo (Finland), Milan (Italy), Leuven (Belgium), Singapore, Nord-Pas de Calais (France) and Umeå (Sweden) in the annex. For additional inspiration, the European Committee of the Regions' Green Deal Going Local website provides several other examples of initiatives showcasing good practices aligned with those steps.

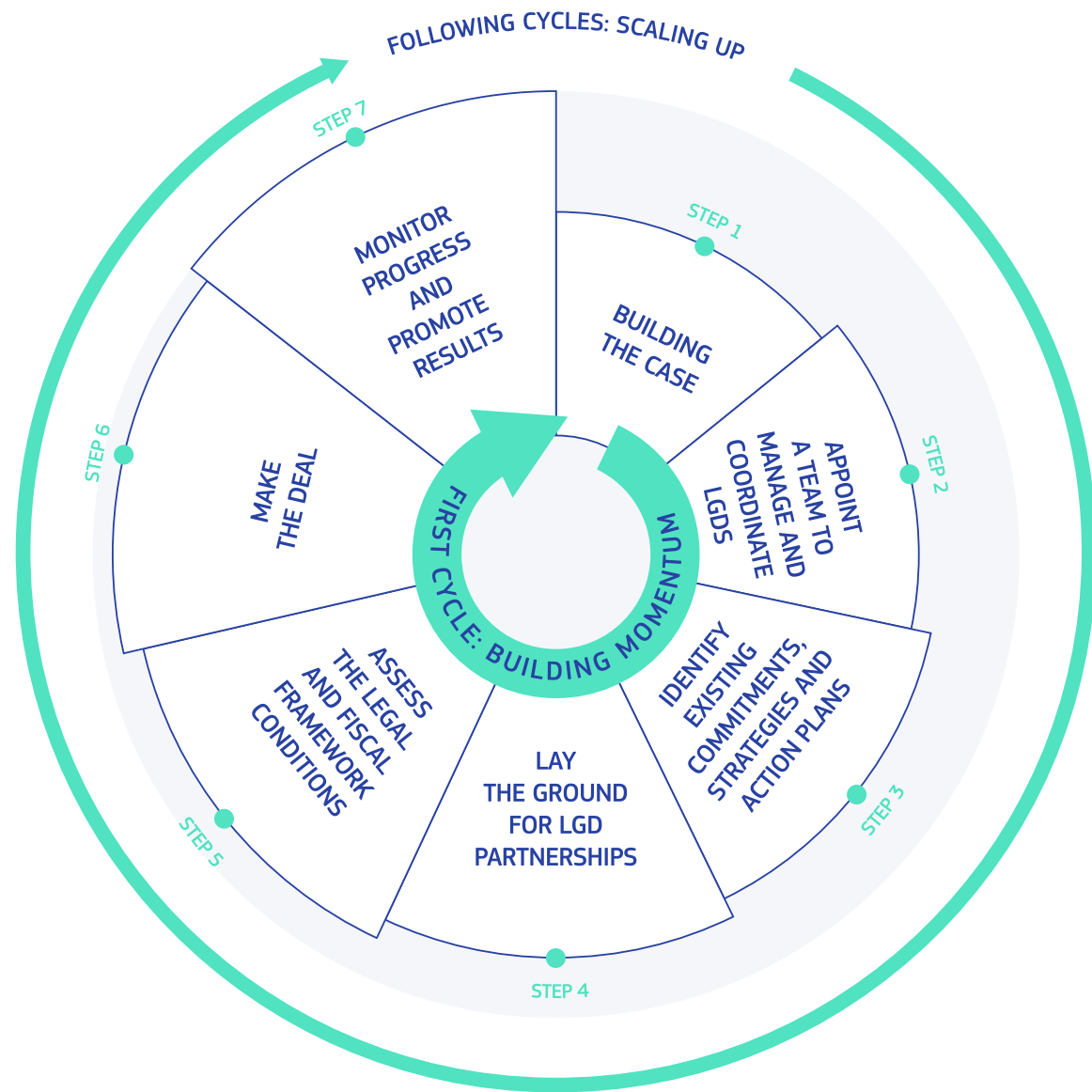
## 6.2. THE CYCLE OF WORKING WITH LOCAL GREEN DEALS

The concept of LGDs is deeply rooted in the ability of a city to gain the commitment of local stakeholders to cooperate together. Building trust and relationships across an extensive network will, however, take time. The two cycles of the LGD approach are illustrated in Figure 3 below.

- **First cycle: Building momentum:** The first cycle concerns building strong relationships with local individuals and organisations, delivering joint actions and demonstrating that city-stakeholder collaboration adds significant value to implementing initiatives. This first cycle focuses on making the most of immediate opportunities for joint action and building on the existing strengths of the city and local stakeholders. It involves getting existing city staff engaged, identifying quick wins for integrated actions across the city's sustainability framework and mobilising pro-active stakeholders into action. The implementation of successful deals through those initial partnerships will demonstrate that cooperation works and will help build the case to scale up the approach in the following cycles.
- **Following cycles: Scaling up:** The goal of the following cycles is to increase the number of partnerships established between the city and local stakeholders, embedding LGDs at the governance level. The steps follow the same logical sequence as the steps highlighted for the first cycle, but some additional actions will be key to scaling up the approach. In particular, a collaborative governance model will need to be formalised to ensure that interactions between different partnerships and initiatives are managed efficiently. Opportunities for new deals should be identified and mobilising efforts should place a stronger focus on local stakeholders that are not traditionally engaged in sustainable thinking. This process is meant to become iterative and long-lasting once effective governance structures are in place. When the first LGDs have demonstrated successes, new deals can be continuously added, covering a wider range of topics and fully embedding collaboration with local stakeholders in the governance framework of the city.

It is worth noting that cities who are considering implementing LGDs may start from different maturity levels. When looking at the approach highlighted above, some cities may realise that they are already doing a lot of the activities covered by the first cycle and already benefit from significant momentum supporting collaboration on sustainable initiatives. Cities benefiting from such a favourable context may want to start directly with stabilising and formalising the approach to streamline processes, scale up and integrate collaborations across their entire strategic and governance frame.

Figure 3 - 7 Key steps to develop a Local Green Deal



### 6.3. STEP-BY-STEP APPROACH

## STEP 1 - BUILDING THE CASE

1. Identify existing high-level policy goals, both at the local and national level. These can help to gather support and potentially form the starting point of a LGD.
2. Assess existing initiatives and practices already led by your city and local stakeholders and build on what is already being done.
3. Look at your city's existing governance and implementation structures. How are decisions made? Understanding this picture allows you to identify influencers who can support your LGDs.
4. As a political leader, or a high-level city official, outline the benefits the city stands to gain from developing LGDs. Such benefits could include: meeting policy goals; increasing financial efficiency; or improving trust in the local democracy.
5. Build trust among strategic local stakeholders and outline how they could benefit from cooperating with the city in developing LGDs.

## STEP 2 - APPOINT A TEAM TO MANAGE AND COORDINATE LGDS

1. Setting up LGDs will benefit from being led by a steering group, which has an inter-departmental mandate and includes public, private and community representatives.
2. Ensure that your LGD steering group has the right skills. Multi-disciplinary expertise, leadership skills, the ability to build bridges between different stakeholders, a strong understanding of sustainability policy and the ability to engage in networks and discussions at the national and European level would all be essential.<sup>11</sup>
3. A critical element in this process should be that of establishing links with different levels of government, depending on the country context, to use learnings from this process (e.g. through policy sandboxes) to better advocate for enabling framework conditions for accelerated action at the local level.

<sup>11</sup> To understand the types of skills and roles needed within the steering group, take a look for an example at the composition of the Amsterdam Economic Board



## STEP 3 - IDENTIFY EXISTING COMMITMENTS, STRATEGIES AND ACTION PLANS

1. Identify **existing sustainability policies and targets** (e.g. climate action plan, sustainability strategy, SECAP, climate city contracts etc.), **sectoral policies** (e.g. circular economy roadmap, mobility plan, air quality plan, urban development plan, construction plan, local industrial strategy, social inclusion strategy, etc.) and your **administrative policies** (e.g. procurement strategy, finance policy etc.).
2. Most of your goals, commitments or targets are likely to be relevant for more than one policy area of the EGD and identifying those **interfaces, gaps, potential trade-offs and synergies** between your existing policies is key.

## STEP 4 - LAY THE GROUND FOR LGD PARTNERSHIPS

1. Clear **political support** towards the LGDs will help address institutional barriers to change, foster internal buy-in for the initiative and add credibility to the process when communicating with citizens and stakeholders.
2. Implementing LGDs will require widespread internal buy-in within the city administration. Identify and engage LGDs champions in all of your departments, notably functional teams, which play a key role in delivering LGDs (e.g. the finance and procurement teams).
3. A **stakeholder mapping** exercise will help you identify local community leaders, business representatives and initiatives that need to be brought on board to support your work. As a starting point, your engagement activities should include discussions with local economic actors (e.g. key local employers), leaders of existing sustainability initiatives (e.g. proximity and social economy enterprises) and key providers of community services (e.g. associations of teachers, or social workers).
4. In order to turn stakeholder engagement into action, you should identify initiatives providing immediate opportunities for cooperation.
5. For every opportunity identified, you should ensure that your staff members leading the dialogue are committed to following up with stakeholders and supporting implementation. Your goal should be to add value to the stakeholders' sustainability initiatives. Building up this trust will be key to allowing you to progressively turn one-off initiatives into formal cooperation agreements/ deals between your city and your stakeholders.
6. Digital tools should be at the centre of your LGDs promotion activities. Creating discussion groups on existing social media platforms can help you start a digital community with limited upfront investment.

## STEP 5 - ASSESS THE LEGAL AND FISCAL FRAMEWORK CONDITIONS

1. The European Commission is currently promoting national and European research, policy and legislative initiatives that can support LGDs.
2. Discussions at the national level might be more impactful coming from a group of cities. Consider approaching other cities exploring the development of a LGD within your country to enter joint discussions with your national government. If needed, use a third party organisation to help coordinate this dialogue (e.g. a national association of municipalities). The ICC and other initiatives, like the Green Deal Going Local, or LGD-relevant EU funded projects, supported under the SMP, such as ALLIANCE and CLIMAA, can help you identify other cities working on LGDs in your country.
3. The delivery of your LGDs should not rely solely on national funding. Also explore what **other funding sources might be able to support your plan** (e.g. loans, private investment, citizen cooperatives, EU financial instruments, project grants etc.) – see section 5 above.
4. Review the revenue generating capacity of public investments foreseen under your LGDs, to understand their capacity for self-financing and the extent of additional funding which may be required.
5. Participatory governance models can lead to **participatory funding structures**. The more your local stakeholders, businesses and institutions are on board and involved with the delivery of your LGD, the more they are likely to bring in their own financial resources to drive initiatives forward. Therefore, make sure to discuss business models and funding questions directly with local stakeholders whenever you explore initiatives with them. Direct public funding might be needed mostly at the early stages, but should always be integrated with private capital to ensure their scalability and their impact.

## STEP 6 - MAKE THE DEAL

1. Set up regular meetings with your LGD stakeholders to work on cross-cutting issues, specific topics and initiatives that support collaboration and knowledge exchange.
2. Develop **mutual agreements** between a coalition of companies, civil society organisations and local governments. The agreement should **define the initiative or action to be implemented and outline the roles** of the different partners involved.
3. Agree on the **allocation of resources and time plans** for the implementation of the initiative and actions.
4. **Make available information on activities, progress, results** and calls for new initiative. To achieve this, consider developing a single digital platform dedicated to LGD initiatives and actions.

## STEP 7 - MONITOR PROGRESS AND PROMOTE RESULTS

1. A LGD should be flexible and responsive to new challenges and opportunities. The LGD steering group (set up under Step 2) should undertake **regular and transparent monitoring**, gathering data from all implementation partners and ideally centralizing them through a monitoring system, to assess progress against objectives and identify areas where city intervention is needed to address challenges.<sup>12</sup>
2. Communication is crucial. On a local level, **promote your vision, progress and successes**. Share knowledge that is easy to understand in the local community.
3. Throughout the implementation phase, keep **engaging with other cities** that are delivering LGDs to share experiences and good practices. The ICC and ICLEI- Local Governments for Sustainability can organise and facilitate exchange of insights and strategies with other pilot cities and the European Commission.

<sup>12</sup> LGDs monitoring and communication activities can take inspiration from existing templates. See for example the guidance provided to support the SDG Voluntary Local Reviews, the EU Green Capital reporting/ application guidelines and Self-Assessment Tool for Sustainable Urban Development strategies (SAT4SUD) or the Nesta toolkit for sharing public data.

# Information sources available for cities

- A *European Green Deal*: the European Commission's action plan to make the EU's economy sustainable.
- *European Committee of the Regions' Green Deal Going Local*: An initiative aiming to support the implementation of the EU Green Deal in cities and regions.
- *Horizon Europe*: Climate Neutral and Smart Cities Mission Area: A mission area supporting cities in meeting the goals and targets set out by international policy frameworks such as the COP21 Paris Agreement, the UN's Sustainable Development Goals (notably SDG11), the Urban Agenda for the EU and the Habitat III New Urban Agenda.
- *ICLEI Local Green Deal webpage*: Support and contact for cities wanting to pilot Local Green Deals.
- *Urban Agenda for the EU*: Resources supporting multi-level working methods promoting cooperation between Member States, cities, the European Commission and other stakeholders to stimulate growth, liveability and innovation in the cities.
- *Intelligent Cities Challenge*: A European Commission initiative supporting 136 cities in achieving intelligent, socially responsible and sustainable growth through advanced technologies.
- *EU Academy*
- *The Basque Declaration*: Outlines new pathways for European Cities and Towns to create productive, sustainable and resilient cities for a liveable and inclusive Europe.
- *The New Leipzig Charter*: The transformative power of cities for the common good.
- *The Mannheim Message*: Local Green Deals for a carbon neutral, sustainable and inclusive Europe.
- *European Urban Initiative (EUI)*: Supports cities in overcoming the current landscape of manifold initiatives, programmes and instruments in support of cities under Cohesion policy and in particular, by maximising synergy and complementarity with the interregional cooperation programmes.
- The *Directorate-General for Regional and Urban Policy*: or DG Regio is the European Commission service responsible for EU policy on regions and cities.
- The *New European Bauhaus Movement*: is a creative and interdisciplinary initiative that connects the European Green Deal to our living spaces and experiences.
- The *Smart Cities Marketplace*: is an initiative which aims to improve citizens' quality of life, increase the competitiveness of European cities and industry to ultimately reach European energy and climate targets.



# Contact

## THE EUROPEAN COMMISSION'S INTELLIGENT CITIES CHALLENGE



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# Annex

## Case Studies

Mentor Cities



# AMSTERDAM LOCAL GREEN DEALS

## Background

The *Metropolitan Region Amsterdam* (MRA), which encompasses the area around the Dutch capital city of Amsterdam, is a governmental cooperation of 32 municipalities, 2 provinces and 1 transport authority. With its 2.5 million inhabitants, it is the largest urban area in the Netherlands. It is also the country's economic centre, providing 1.5 million jobs and accounting for 20% of the country's GDP. In addition, it is home to some of the country's most strategic infrastructure, including an airport, a seaport and an internet exchange point.

This concentration of economic activity leads to a strong demand for energy and resources within the area, driving social and environmental pressures. Over the past years, the Metropolitan Area has developed an integrated strategy to deliver a lasting solution to those challenges.

The overall ambition – working to become an international top region with a high quality of life by investing in a future-proof and well-balanced metropolis – has been translated into four administrative tasks:

1. Further strengthen the partnership;
2. Pursue a resilient, inclusive and 'green' MRA economy;
3. Build with housing needs in mind and strengthen the quality of life of the entire region through growth;
4. Accelerate the establishment of the metropolitan mobility system.

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A goal has been formulated for each of these tasks, which has been developed into various actions and results. The authorities in the MRA address these jointly and report on the results to their members of the Provincial Councils and City Councils.

In 2020, the COVID-19 crisis significantly impacted the region, costing the local economy EUR 2.3 billion per month and putting over 25% of local jobs at risk. The Metropolitan Region approached this socio-economic shock as an opportunity to rebuild the region on more sustainable foundations. Together with the Amsterdam Economic Board – a triple helix organisation working towards the smart, green and healthy future of the region – the region developed a green deal approach. Thus contributing to the energy, circular economy and digital transition. In 2022, additionally the city of Amsterdam's 'Amsterdam Impact' programme joined forces under the CLIMAA project together with the MKB business network. The aim of the project was to seal 10 LGDs with small and medium-sized enterprises (SMEs), especially social entrepreneurs. The Metropolitan Region and the Amsterdam Economic Board know this transition cannot be achieved without the buy-in, involvement and commitment of its local stakeholders. In 2020, a new approach was launched to facilitate cooperation between local stakeholders and local government on initiatives supporting its strategic targets. This approach consists of setting-up 'Regional Green Deals' to structure the collaboration between public and private actors. So far, four Regional Green Deals have been established, focusing on 'Circular Textiles', 'Tech talent and sustainable jobs', 'Timber-based construction' and the development of a 'Bicycle Metropolis'. Before the COVID-19 crisis, the Amsterdam Economic Board was already working on the Regional Green Deal Zero-Emission Urban Logistics, connected to the national initiative of the same name.

In general, the Amsterdam Economic Board works to lay the ground and create the right ecosystem for creating cooperation between government, business and knowledge stakeholders.

For specific subjects, a diversity of stakeholders discussed the topics for green deals: where further cooperation and commitments towards 2025 goals would lead to acceleration and impact for the region.

## Structure

The goal of each Regional Green Deal is for the parties involved to jointly develop concrete investment propositions or agreements that will create both short-term jobs and long-term economic opportunities aligned with the sustainability targets of the region. Wherever possible, each deal seeks to reflect and integrate more than one of those targets. For example, the Green Deal on sustainable timber construction is working simultaneously towards socio-economic goals (delivering affordable housing in the city region and creating 1,750-3,700 new jobs in a sustainable sector) and environmental goals (reduction of 220,000 tons CO<sub>2</sub>/year).

Agreements typically take the form of voluntary arrangements in a cooperation programme between various public and private stakeholders. The agreements clearly state the role, resources and actions that each party will undertake to deliver initiatives. For example, all parties to the 'Tech talent and sustainable jobs' deal had agreed to meet the target of re-skilling 10,000 people in tech and green jobs by 2024. Actions and responsibilities identified to work towards this goal include a commitment from education providers to develop flexible teaching programmes focused on reskilling, a commitment from companies to invest in green and tech skills development for all their staff, and an agreement between businesses and public authorities to collaborate in creating temporary work opportunities in green tech jobs for workers affected by job displacement.

Each deal is designed to be flexible, so that additional actions and initiatives can be integrated over time.



## Governance and management

The implementation of the Regional Green Deals is governed by the MRA and the Amsterdam Economic Board. The Amsterdam Economic Board is an institution created to streamline the working relationships between the private sector, knowledge institutes and government organisations to achieve the goals of the metropolitan region. The Board is chaired by the Mayor of Amsterdam and its members include C-level representatives of businesses and knowledge institutions and politicians from the region. Its diverse membership affords the Green Deals both strong political leverage and support from influential regional stakeholders.

On a day-to-day basis, each of the deals are managed independently, with its own governance structure, action plan, budget and public engagement activities. Staff members working on each deal also regularly exchange on best practice and challenges that they face, as well as on opportunities for collaboration between the different deals. A Green Deal Steering Committee oversees the activities of all the green deal programmes and helps to activate the network and discuss and overcome obstacles when necessary.

## Stakeholder involvement

The Regional Green Deal approach is rooted in public-private cooperation. MRA guarantees strong government involvement, while the Amsterdam Economic Board acts as a key facilitator to identify, coordinate and support the involvement of stakeholders into the Regional Green Deals. Their methodology to drive stakeholder involvement is built on 4 steps: recruitment of interested stakeholders, identification of collaboration opportunities, facilitation of exchanges and advisory support through data-driven insights.

Currently, the engagement activities of the Amsterdam Economic Board focus mainly on the business community, government parties, universities and research institutes, following a Triple Helix model. The Amsterdam Economic Board can, however, count on a strong culture of sustainability activism across the wider civil society. For example, the Board helped initiate the Amsterdam Doughnut Coalition, an initiative that brings together local businesses, social enterprises, NGOs and citizens to deliver sustainable actions within the Municipality of Amsterdam. Amsterdam Smart City, TechConnect and House of Skills are programmes organised under the Amsterdam Economic Board, working on cooperation for a smarter and greener city by open innovation, tech talent and talent for the green transition. Where possible, those existing actions will be integrated within the Regional Green Deals.

## Funding

Core funding for managing the Regional Green Deals mainly comes from the budget of the region and from the Amsterdam Economic Board, which originates both from local government sources and from the membership fees paid by private sector representatives who sit on the board.

Funding for initiatives taking place under each of the deals largely originates from the local stakeholders involved. The region is however exploring additional funding opportunities to support new initiatives and innovative action. Sources considered include EU structural funds, RRF and other national funding.

## EU and national links

While the Regional Green Deals do not explicitly refer to the EU Green Deal, the topics covered align strongly with its goals. Consequently, the region and the Amsterdam Economic Board will be exploring opportunities to secure funding opportunities arising from the EU Green Deal to support its approach.

The MRA's Regional Green Deals approach is partly inspired by the Dutch Government's national Green Deals initiative. Between 2011 and 2014, the National Green Deals brought together 1,090 participants from companies, local stakeholder organisations and local and regional governments to work with the national Government on green growth and social issues covering 176 topic areas. Combined with the triple helix way of working towards a smart, green and healthy future for the region, which has been practised by the Board since 2010, this has provided a good basis for cooperation between local stakeholders of the MRA, local government and national institutions.

## Technologies

The idea that the green and digital agendas (or twin transition) are mutually connected is widespread in the region. That is not only visible in the use of platforms for cooperation, such as [amsterdamsmartcity.com](https://amsterdamsmartcity.com), but on a deeper level in various activities. The Amsterdam region sees the value in connecting digital data tools to create, for example, circular textile value chains, data for 'materials passports' in the construction sector, connected to the related green deals. And the effect is also seen in the LEAP programme for the regional data centre value chain: while the amount of data will continue to rise in the coming decades, the programme supports innovation in data energy efficiency and circular digital hardware.

## Monitoring

The progress of each Regional Green Deal towards its 2025 targets was regularly monitored by the Green Deal Steering Committee — and this will continue in the future.

## Success factors:

- The urgency of the twin (green and digital) transition is widespread. The Amsterdam Economic Board has been working for over a decade on building relationships between public authorities, the knowledge sector and private stakeholders to promote sustainable growth. This pre-existing network was key in enabling the Board to rapidly identify and gain the commitment of key local stakeholders to each Regional Green Deal;
- The development of the Regional Green Deal approach benefited from the template provided by the Dutch National Green Deals, the momentum of the European Green Deal and the COVID-19 crisis. The ability to use an existing evidence base and gain inspiration from this experience helped the MRA rapidly define an action plan for its Regional Green Deals;
- Driving a Green Deals approach at the regional level is based on strong commitment and cooperation from each municipality within the Metropolitan Region, in collaboration with stakeholders from the knowledge institutes and the business sector.



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## Key challenges

- Throughout 2021, political instability in the Dutch national government has led to delays in the development of the EU RRF plans. Securing budget to support the Regional Green Deals and create additional deals is challenging;
- The Regional Green Deals are currently restricted to topics where a strong drive from local stakeholders to promote sustainable transformation already exists and defining actions under a Green Deal would help create momentum to reach shared goals. Meanwhile, the Amsterdam Economic Board, together with regional governments, is currently working on over ten initiatives and three programmes contributing to the green and digital transitions. These activities are all related to the new Regional Green Deals, either directly (e.g. circular textile, talent programmes) or indirectly (e.g. LEAP or data).
- It is acknowledged that the preparation phase for LGD requires an investment in time and efforts and a neutral intermediary party is often a success factor to establish effective public-private cooperation. MRA has however experienced difficulties in finding funding for this critical stage, which is slowing down implementation of the whole process.



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# MANNHEIM LOCAL GREEN DEALS

## Background

Mannheim is one of the largest cities in southwest Germany, home to 310,000 inhabitants. The city was once an industrial hub, but has, over the last decades, sought to use ambitious sustainability action to shape its reinvention.

By embedding the UN SDGs throughout its policy framework and by joining international networks that support sustainable urban development, Mannheim has acquired significant experience in the development of sustainability initiatives. The City has, however, come to realise that isolated actions from across its departments will not be sufficient to transform its entire socio-economic model. Consequently, it has used the launch of the EU Green Deal as a strategic opportunity to re-shape its approach to delivering sustainability policy. Its goal is to drive deep structural change by building bridges between sectoral priorities, leveraging action from local stakeholders and exchanging with other cities to develop more effective ways of working.

In October 2020, Mannheim formalised its commitment to Local Green Deals (LGDs) by authoring and launching the **Mannheim Message**, setting out a clear vision for shaping sustainable urban development through a collaborative and inclusive LGD approach. Developed in the context of the European Sustainable Cities and Towns Conference, the Mannheim Message continues to serve as an open call for cities across Europe to adopt and adapt this model.

Building on this vision, Mannheim became a partner in the **ALLIANCE project** in 2022, where it launched an exchange and learning programme with the cities of



Espoo and Umeå, focusing on the role of small and medium-sized enterprises (SMEs) and civil society actors in advancing LGDs. This collaboration enabled practical peer learning on how to implement LGDs locally while fostering the social economy.

Since then, Mannheim has continued to operationalise its LGD vision under the campaign slogan “**iDEAL for Mannheim**”. As a pilot city, it showcases concrete contributions that make Mannheim a sustainable, climate-neutral, and inclusive city by 2030.

On the **iDEAL platform**, Mannheim continuously highlights actions, projects, and measures coming from citizens, companies, and other organisations or initiatives. All stakeholders are invited to get involved, be inspired, and co-create the city’s green transition. The city actively supports new ideas by helping residents connect with relevant stakeholders and by facilitating collaboration across sectors.

## Structure

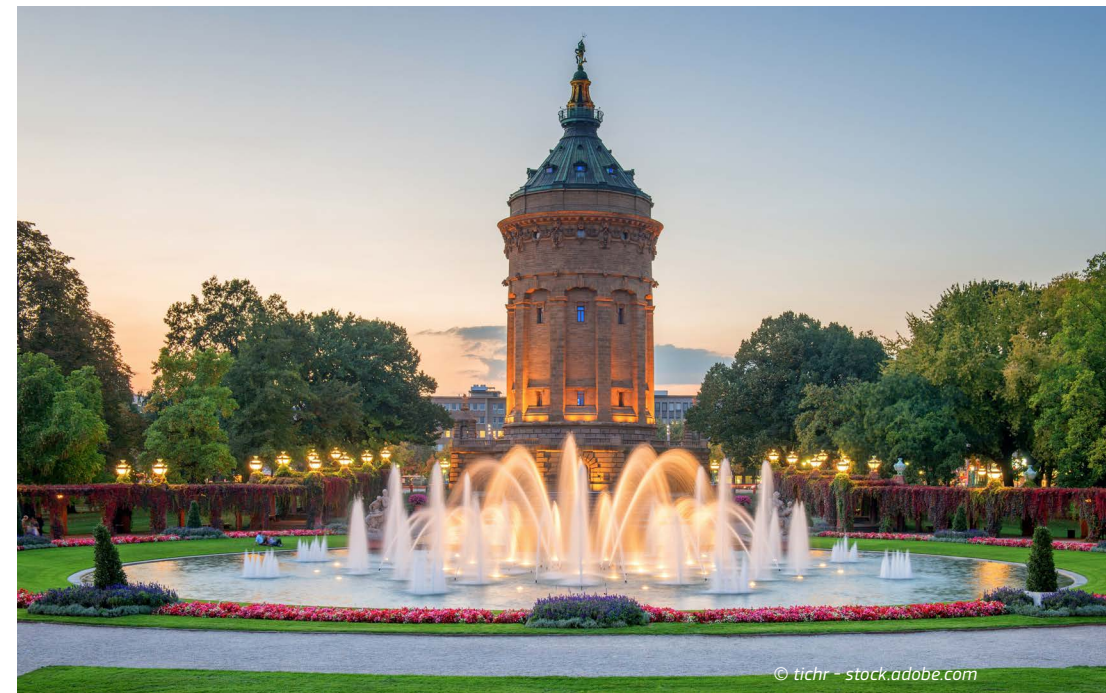
The basis for the Mannheim LGD consists of three key aspects: a vision (the Mannheim Message); the existing local, national and European policy framework; as well as an analysis of local stakeholders and their willingness to get involved. The city launched the process to develop its climate action plan as part of its broader LGD with the aim to achieve climate neutrality in summer 2021 and presented it at the COP26 in Glasgow (United Kingdom) in November 2021.

## Governance and management

The city’s LGD work is supported by both the City Mayor and the Deputy Mayor for Environment and Climate. The City Mayor is actively presenting the Mannheim LGD vision at European events, helping to build visibility and commitment around the city’s engagement.

In order to manage the initiative on a day-to-day basis, the city has created a new LGD team, which currently consists of eight ‘LGD managers’, covering the eight thematic fields of the European Green Deal, as coordinators and contact points for the LGDs implementation. Based on the initial vision for the initiative (the Mannheim Message), the team’s work centres on engaging with their colleagues across the entire administration. The goal is to obtain widespread buy-in for the LGD, to integrate initiatives emerging from all of the city’s departments. In the spirit of collaborative governance, this effort included an expert advisory panel, City District Managers, the Mayors’ Department Conference and other city administrators.

The core LGD team will facilitate knowledge exchange and will create synergies between initiatives.



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## Stakeholder involvement

Cooperation between the City and local stakeholders is a core principle of the Mannheim LGD. The LGDs team is currently encouraging other City departments to engage with businesses, citizens, social economy actors and local institutions who could help shape initiatives under its upcoming action plan. In particular, the city has used the ICC's first edition of the Local Green Deals Blueprint for Action to facilitate successful partnerships with businesses, industry organisations and service providers, arriving at the time of writing (early 2025) at almost 250 LGDs.

Mannheim has also addressed the challenge of financing sustainable solutions by engaging banks, local businesses and educational institutions, as well as individual citizens. For example, the GBG – Mannheimer Wohnungsbaugesellschaft mbH, the largest municipal housing association in Baden-Württemberg – committed to the iDEAL Business Climate Action, is working on forward-looking solutions and initiating model projects for sustainable construction and living. The company has committed to refurbish 4000 flats and introduce grey water reuse in buildings, providing substantial benefits for both the water supply subsystem and also by reducing the demand for fresh clean water and energy consumption demand.

Mannheim's vision for stakeholder involvement, however, goes beyond the participation of local citizens or organisations into standalone initiatives. The city believes that in order to facilitate comprehensive cultural change towards sustainable lifestyles, some of the fundamental structures of society need to be reformed. Through its LGD process, the city will therefore be looking at regulatory reforms, which would support a shift towards sustainable lifestyles. Measures considered include the adoption of a guaranteed living income, fiscal incentives to promote sustainable lifestyle choices, reforms to shift the burden of taxation away from labour towards natural resource use and pollution and incentives to promote the use of resources as a service rather than individual ownership.

## Funding

The work of the LGDs team is currently largely funded through the city's core budget. National government support has also been secured to fund an additional full-time position to support the team. In order to deliver initiatives under its LGD action plan, the city will pool funding from different sources. This will include redirecting some of its departments' budget towards such initiatives, applying for EU funding to kick-start cooperation and support innovation and helping local stakeholders develop viable business models for sustainable actions, ensuring that those can be privately funded in the long run. The city continues to work with EU funding to support the co-creation of Local Green Deal initiatives with local stakeholders to improve the public administration's work as well as sector-specific LGDs.

## EU and national links

The City's LGDs are fully inspired by the EU Green Deal. It will notably identify actions and initiatives covering each of the EU Green Deal policy areas, integrating them wherever possible. Thanks to a new staff member focusing on peer-to-peer learning, the LGD team intends to develop strong connections with other EU and German cities, aiming to exchange knowledge and apply jointly for funding opportunities. In line with the Mannheim Message, the city will also engage with the German national government to discuss regulatory reforms which would support the structural change necessary to achieve a sustainable transition.

## Technologies

The adoption of new technologies is identified in the Mannheim Message as a key lever to promote sustainable transformation. The city is notably exploring opportunities to adopt digital solutions to support better planning, decision-making, management and monitoring of its LGD.

## Monitoring

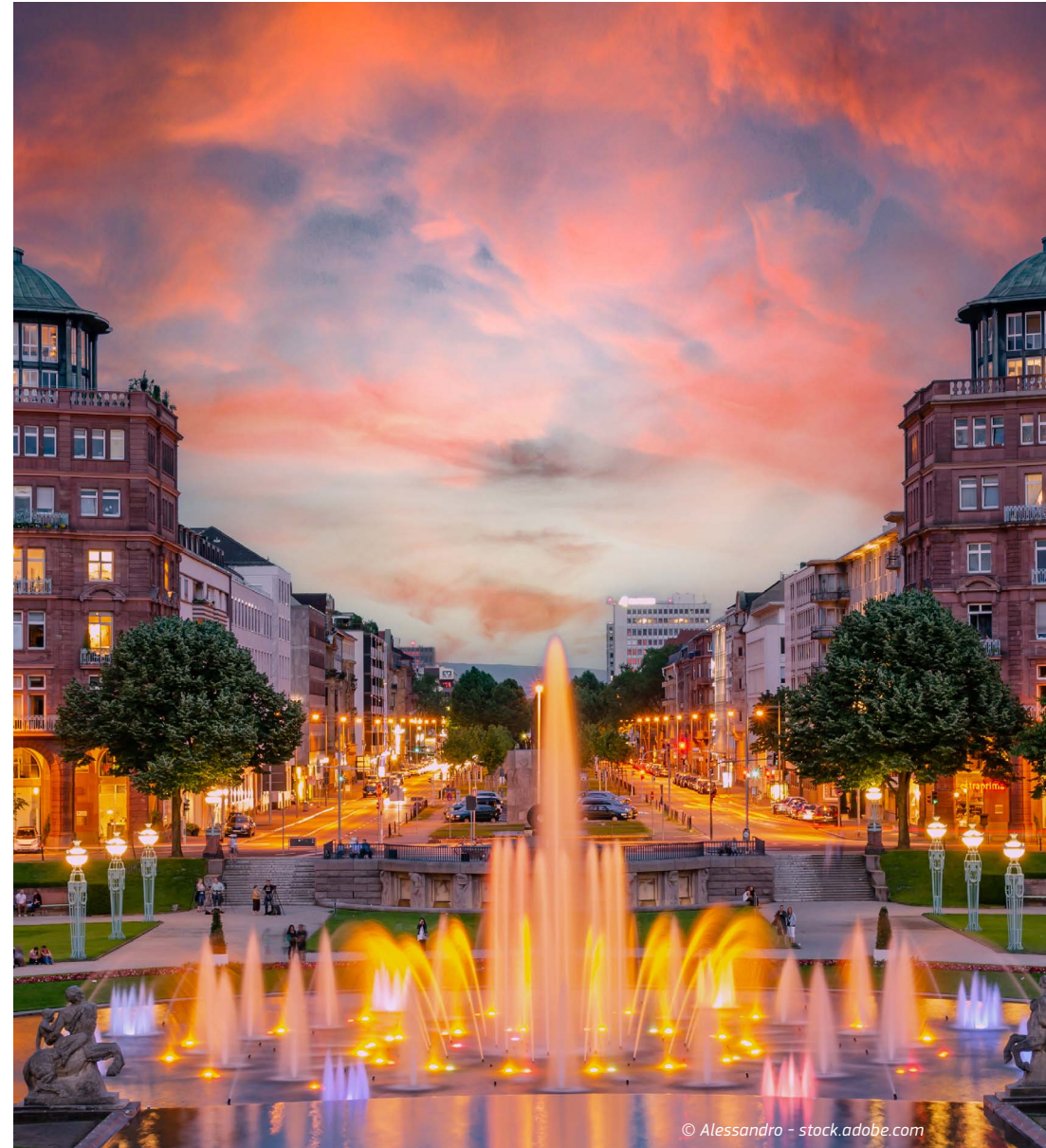
The progress of the LGD will be regularly assessed against set targets.

## Success factors

- Mannheim has developed strong connections with other cities and international networks specialising in sustainable development. This network provides it with valuable support for its LGD, including peer-to-peer learning, strategic advice and opportunities to apply for joint funding;
- The city can build on a strong culture of sustainable activism within its local communities. Many, though not all, citizens are environmentally aware and the social economy sector is very developed. The city administration has clearly contributed to the development of this culture over the years through supportive actions. In 2021, it co-organised the EU Social Economy Summit, which helped to showcase the work of its own social entrepreneurs.

## Key challenges

Most of the City's departments have a strong track record of engaging with local stakeholders on specific sectoral topics. A key challenge, however, for its LGDs is to encourage communication between city departments and local stakeholders who do not traditionally engage with each other, to ensure that potential synergies between different LGD actions are fully exploited.



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# AALBORG LOCAL GREEN DEALS

## Background

With a population of 120,000 inhabitants, Aalborg is the fourth largest city in Denmark. The Municipality has long been showcasing its commitment to sustainable development and climate action both at home and in Europe, also by publishing strategic documents like the Aalborg Charter (1994) and Aalborg Commitments (2004), which have reflected the evolving priorities of the city. With the adoption of the Aalborg Conditions in 2024—focused on Shared Governance, Integrated Finance, and Cohesive Transition—Aalborg renewed its dedication to democratic, systemic transformation in response to the climate emergency. Since their participation in the EU CLIMAA project, Aalborg has institutionalized the LGD approach to accelerate implementation of their climate neutrality objectives through building a sense of shared responsibility between key local stakeholders. Aalborg's Local Green Deal (LGD) strategy is both a continuation of this legacy and a forward-looking instrument for deep, place-based decarbonisation. Under the management and steering of the Aalborg Climate Alliance, the city has operationalised its LGDs through over 90 partnerships with companies, knowledge institutions, and civil society actors, targeting value chains and leveraging local strengths to ensure a shared ownership for the decarbonization of the territory. These deals focus not only on internal municipal transformation but also on co-creating systemic shifts in products, services, and production methods.

## Structure

Aalborg's Local Green Deals are built on mutual, binding commitments between the city and its partners. Each deal is tailored to achieve concrete, measurable reductions in greenhouse gas emissions and advances in sustainability, while reflecting the dual focus of internal municipal reforms and external market transformation. Key thematic areas of LGDs include renewable energy, circular economy, sustainable agriculture, and carbon farming. The city positions itself flexibly, at times as a facilitator, co-owner, regulator, or institutional partner, depending on the nature of each agreement.

Businesses selected for the partnerships are chosen based on the following criteria:

- High potential for CO<sub>2</sub> reduction
- Real opportunity to achieve success in their journey to climate neutrality either through action on their operation or by influencing others
- Significant motivation to partner up with the Municipality and work purposefully to reduce their environmental impact
- High potential for influencing civil society (e.g. through employee engagement)
- Ambassador in their field and/or industry
- Potential for supply chain engagement and influencing
- Open to help others achieve their goals

Rather than a single plan, Aalborg's LGD strategy operates as a dynamic ecosystem of actions. These are integrated within the city's broader climate strategy and informed by participation in European initiatives such as the Intelligent Cities Challenge.

## Governance and management

Local Green Deal implementation is coordinated through the municipality's Climate Alliance, with the support of strong political leadership and effective cross-departmental collaboration within the Municipality. Dialogue initiation, project facilitation, and regulatory or logistical enablement are key functions within this governance framework. Within these partnerships, the Municipality takes on different role, acting as the authority, developer or the facilitator. This allows for a truly systemic approach that does not only aim at direct collaboration, but also at amplification in view of scaling action towards institutionalization. Companies, on the other hand, become climate partners because it is part of their strategy and because they face requirements from legislation or from their value chain, or rather because it is part of the story of the company to engage in meaningful action in support of the development of the territory.

A long-term commitment to LGD partners is maintained through support for external funding applications, regulatory streamlining, and increased public visibility of outcomes. This is further strengthened by regular follow-ups and a commitment to iterative learning and adaptation. Partners are also supported through facilitated networking, knowledge exchange, and tailored matchmaking with others who can provide complementary expertise or support. Additional assistance is provided by the Green Travel Team, as well as through collaboration with the local university, ensuring access to research insights and student involvement.

## Funding

There are no funds within the Municipality that are specifically dedicated to the implementation of LGDs, but a small budget to support with capacity building or facilitation activities. No funding is envisioned to pay the business to implement a specific project - the partnership rather relies on the interest and drive of the business to implement a project that can ultimately be facilitated by the Municipality (e.g. through declarations of support or help in forming consortia).



## EU and national links

Firmly embedded within the broader ambitions of the European Green Deal, Aalborg's Local Green Deals reflect a deep commitment to translating EU and international climate objectives into place-based action. The city has taken an active stance in shaping the enabling conditions for local implementation, using the Aalborg Conditions as a platform to advocate for more coherent regulatory frameworks and streamlined access to finance. As a recognised leader in the Intelligent Cities Challenge, Aalborg plays a pivotal role in anchoring EU policy ambitions within real urban contexts and fostering collaboration across governance levels.

## Technologies

Technological advancement serves as both an enabler and accelerator within Aalborg's Local Green Deals. Participating actors are deploying a wide spectrum of solutions; from photovoltaic arrays and bio-based carbon farming to the transformation of organic waste into high-value inputs. These interventions are not only reducing emissions but also reshaping local production systems. Looking ahead, the city aims to deepen its integration of data-driven approaches, including satellite-based monitoring, digital twin technologies, and responsible applications of artificial intelligence. Such tools are essential for optimising resource management and evaluating impact with greater precision, an ambition that reflects a broader shift toward smart, integrated, and evidence-based approaches to urban governance.

## Monitoring

Each Local Green Deal is anchored in a clear framework for tracking emissions reductions, resource flows, and progress toward defined sustainability objectives. Emphasis is placed on developing shared metrics and coherent reporting systems that allow for comparability across initiatives, while avoiding unnecessary administrative complexity.

## Success Factors

Aalborg's success in advancing Local Green Deals can be attributed to a combination of visionary leadership and a deep-rooted culture of collaboration. The city's longstanding role as a pioneer in European sustainable urban development has laid the groundwork for ambitious, forward-looking partnerships with leading companies and research institutions. Its ability to co-design initiatives across sectors is underpinned by a strong municipal capacity to both lead and listen—ensuring that LGDs are not only well-structured but also widely supported. This is further strengthened by a strategic approach that embraces flexibility, allowing the city to adapt its role along the value chain as needed, whether as initiator, facilitator, or partner. Together, these elements form a resilient foundation for systemic transformation at the local level.

## Key Challenges

Scaling Local Green Deals beyond the pilot phase and embedding them into mainstream urban development remains a significant challenge. A key difficulty lies in mobilising the right parts of the municipal organization, as effective collaboration across departments is essential to fully activate the municipality's role in climate partnerships. Ensuring the long-term financial viability of innovative and often capital-intensive technologies also presents a persistent hurdle, especially as cities work to align high ambitions with economic feasibility. Additionally, fragmented or outdated regulatory environments can impede the implementation of circular and carbon-negative solutions. Sustaining political momentum and maintaining stakeholder trust—both internally within the administration and externally across sectors—are vital as cities navigate shifting priorities and evolving external conditions.

Core cities



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# ALCOI LOCAL GREEN DEALS

## Background

Located in southeastern Spain within the Valencian Community, Alcoi serves as the capital of the L'Alcoià region and acts as a major urban and economic hub for surrounding municipalities. The city spans approximately 130 km<sup>2</sup> and is home to over 60,000 residents, with a broader influence area exceeding 112,000 people. Historically known for its industrial legacy dating back to the 18th century, Alcoi has experienced economic revitalization through technological innovation and smart city development. With two university campuses and a thriving research institute specializing in textiles and cosmetics, the city is positioning itself as a center of sustainable and digital transformation. Alcoi's key infrastructure includes a Local Data Center, smart mobility systems, and the Rodes Urban Technology Park, which supports startups in cybersecurity and robotics. The city faces several challenges, notably the decline of traditional industries, environmental sustainability pressures, and gaps in transport infrastructure. Addressing these, the Alcoi2030 Agenda lays out strategic ambitions across six pillars, including climate resilience, urban economy, and circular resource management.

## Local Green Deal Strategy

Alcoi's strategy stems from a deep-rooted commitment to sustainability, reinforced by its participation in the EU's Intelligent Cities Challenge. Built on strong collaboration across city departments, research institutions, businesses, and the Chamber of Commerce, the initiative leverages local expertise and innovation. The city targets key areas such as renewable energy, energy efficiency, sustainable logistics, and active mobility. Each agreement responds to a specific urban challenge; whether

reducing emissions, tackling energy poverty, or optimizing urban transport; while aligning with the Alcoy2030 vision and EU priorities. Through the Urban Sandbox, Alcoi creates space to test forward-thinking solutions in a real-world setting, turning ambition into practical transformation.

## Structure

The Local Green Deals in Alcoi aim to generate economic, social, and environmental benefits through cooperative, voluntary arrangements. The LGDs encompass a diverse range of sectors: energy transition in industrial areas, mitigation of energy poverty, smart logistics, and active commuting via expanded cycling infrastructure. Each deal includes measurable targets, such as reductions in CO<sub>2</sub> emissions, increased use of renewable energy, and expansion of EV charging infrastructure. Concrete actions include energy audits, solar panel installation, digital curbside management systems, and construction of safe cycle lanes. The model is inherently flexible, allowing for scaling across neighborhoods and sectors as successes are demonstrated and stakeholder engagement deepens.

## Governance and management

Alcoi's transition toward sustainability is guided by a dedicated steering group that brings together municipal leaders, university researchers, business representatives, and technical experts. This interdepartmental team ensures strategic coherence across energy, mobility, digital innovation, and economic development. Coordination is supported by the ICC liaison structure and aligned with the PACES climate roadmap, ensuring coherence with long-term objectives. Regular internal collaboration and integration into existing policy frameworks foster agile decision-making and ongoing improvement.

Broad stakeholder involvement underpins the success of this approach. Adopting a Triple Helix model, the city actively engages academia, the private sector, and civil society throughout the process, from design to implementation. The Polytechnic University of Valencia provides research insights, while the Chamber of Commerce supports business engagement. Citizens contribute through co-creation workshops, sustainability campaigns, and participation in community energy initiatives. Innovative platforms like the Urban Sandbox and smart city data systems facilitate experimentation, learning, and cross-sector collaboration. This strong network of actors ensures local ownership, supports innovation, and builds momentum for lasting change.

## Funding

Funding for Alcoi's LGDs comes from a mix of EU programs (e.g., ERDF, Horizon Europe, RRF), national and regional grants (e.g., PRTR, IVACE+i), and municipal budgets. Participatory mechanisms such as green bonds, local energy communities, and crowdfunding initiatives complement traditional funding streams. Each LGD has its own tailored financing strategy. For example, the energy poverty LGD uses solidarity energy schemes, while the smart logistics LGD benefits from public innovation procurement and private tech investment. This blended finance model enhances economic viability and community engagement.

## EU and national links

Alcoi's LGD approach aligns closely with the European Green Deal, the Spanish Urban Agenda, and national sustainability and mobility strategies. LGDs serve as implementation vehicles for commitments under these frameworks, including carbon neutrality, energy equity, and circular economy goals. The city actively participates in networks like RECI and Innpulso, positioning itself as a leading smart city in Spain. Lessons from EU-funded initiatives are integrated into local strategies, reinforcing policy coherence and enabling knowledge transfer across borders.

## Technologies

Alcoi champions the twin transition by embedding green and digital technologies across all LGDs. The city employs IoT, AI, and real-time data platforms to monitor logistics, manage energy consumption, and optimize mobility networks. Innovations include smart grid deployment, digital curbside booking systems, and data-driven public transport planning.

## Monitoring

Alcoi has established a structured monitoring framework designed to ensure transparency, adaptability, and measurable impact throughout the implementation of its green initiatives. Each agreement is supported by a tailored set of key performance indicators (KPIs), focusing on energy efficiency, emissions reductions, sustainable mobility, and active stakeholder participation.

Evaluations are conducted on a biannual basis and are integrated into a wider performance roadmap, allowing for continuous feedback and refinement. This ensures that progress is not only tracked, but also actively informs decision-making and policy adjustments.

## Succes Factors and Key Challenges

Alcoi's progress demonstrates how strong interdepartmental coordination, cross-sector collaboration, and regulatory innovation can drive meaningful urban transformation. The city's ability to align policies across departments, actively engage businesses, academia, and civil society, and leverage the flexibility of the Urban Sandbox has positioned it as a leader in sustainable development.

While challenges remain, such as scaling investment, ensuring equitable access, and encouraging shifts in mobility culture—Alcoi has laid a resilient foundation for long-term impact. With its inclusive approach, adaptive governance, and commitment to innovation, the city is well-equipped to continue shaping a greener, fairer, and more future-ready urban environment.





# ALBA IULIA LOCAL GREEN DEALS

## Background

Alba Iulia, a historic city in the heart of Transylvania, Romania, serves as a regional administrative and cultural hub with a population of around 64,000 in the city and over 74,000 including surrounding areas. Governed by a proactive municipal administration, Alba Iulia is known for its pioneering role in EU-funded urban transformation. The city is connected through regional road and rail infrastructure, although it lacks a major airport. Key development challenges include the need for energy efficiency at scale, enhanced sustainable mobility, and underutilised tourism potential.

Strategically, Alba Iulia positions itself as a green, smart, and inclusive city. With over 160 EU-funded projects implemented since 2007, worth more than €300 million, it demonstrates a strong commitment to sustainable urban development. The city adheres to the Covenant of Mayors, the Green City Accord, and is aligned with European sustainability targets, prioritizing integrated governance and participatory approaches.

## Local Green Deal Strategy

The city's LGD journey began through its engagement in the EU's Intelligent Cities Challenge. This acted as a catalyst for local reflection on accelerating implementation of sustainability strategies beyond municipal actions alone. Realizing that public sector efforts cover only a fraction of total energy and mobility needs, Alba Iulia adopted the LGD model to foster systemic collaboration among institutions, businesses, academia, and civil society.

The LGD strategy focuses on three core sectors: Energy, Mobility, and Tourism. It leverages strategic partnerships with local energy agencies, transport operators, universities, private companies, and NGOs. These stakeholders co-develop Green Deals, aligning local challenges with EU policy ambitions. The city's LGDs aim to reduce emissions, promote renewable energy, transform local transport patterns, and harness tourism as an economic driver.

## Structure

The LGDs in Alba Iulia pursue environmental, social, and economic goals through cooperative and voluntary arrangements. Each LGD is structured around measurable targets such as a 10% reduction in municipal energy use or increasing public transport use by one million passengers.

In energy, projects include urban energy management systems and pilot energy communities. In mobility, the focus is on behavioral change and creating a data-sharing framework to enable a digital mobility twin. In tourism, LGDs support establishing a Destination Management Organization and boosting capacity ahead of Alba Iulia's Youth Capital 2026 title. All LGDs include clear outputs, KPIs, and are scalable for replication across the region.

## Governance and management

The governance of Alba Iulia's Local Green Deals is led by the Municipality, under the oversight of the City Manager and a dedicated team of public managers and project coordinators. Strategic direction and legitimacy are ensured through decisions by the Local Council, which also authorises formal partnerships. An LGD Steering Group—bringing together representatives from the municipality, academia, development agencies, and the private sector—guides the implementation process.

Management is collaborative and cross-sectoral, fostering alignment across key departments such as urban planning, public utilities, education, and tourism. The ICC team provides additional support for coordination and evaluation. Legal and procedural clarity is embedded through council decisions, ensuring that the process remains transparent and aligned with public mandates.

A strong emphasis is placed on stakeholder engagement, using a Quadruple Helix model that actively involves local businesses, universities, civil society, and public institutions. Engagement formats include workshops, bilateral meetings, and co-creation tools such as thematic sessions and interactive post-it boards. Over 80 stakeholders have been invited to contribute, with 113 participating in sectoral meetings across energy, mobility, and tourism. Stakeholders provide data, technical expertise, and infrastructure, with platforms like ALEA (the local energy agency) and tourism information centers facilitating inclusive participation and knowledge exchange.

## Funding

Funding for the LGDs comes from a combination of municipal resources, ongoing projects, and expected applications to EU programmes, including the National Recovery and Resilience Plan (PNRR). Specific LGDs are supported through existing budgets (e.g., BEMS pilots), while others anticipate leveraging structural funds, Horizon Europe calls, and private sector contributions.

Innovative financing models, such as co-investment with SMEs or public-private partnerships, are explored, particularly for larger-scale infrastructure or service upgrades.



## EU and national Links

Alba Iulia's LGDs are deeply aligned with the EU Green Deal, Fit for 55, and REPowerEU objectives. The city integrates these into its local frameworks through strategic documents such as the Smart City Strategy, Sustainable Urban Mobility Plan, and the Energy Efficiency Improvement Plan. Nationally, the city benefits from legislative advancements in energy communities and prosumer rights, and it uses these as leverage points to structure local pilots.

## Technologies

Technological innovation underpins Alba Iulia's twin transition agenda. The city employs digital building management systems, energy monitoring platforms, and mobility analytics tools. It plans to evolve toward a digital twin for urban transport. In energy, solutions include PV integration, battery storage, and smart dispatch systems, while tourism projects consider online platforms and AI-powered promotion strategies.

## Monitoring

Monitoring of LGDs is conducted by the ICC-appointed municipal team, following a structured roadmap over two years. Each LGD includes a simplified logic model (Inputs–Activities–Outputs–Outcomes) and extended Gantt charts. Monitoring is facilitated through quarterly meetings and a shared digital workspace. Risk management and performance reviews are embedded in the governance model, with escalation to a full Monitoring Committee annually.

## Success Factors

Alba Iulia's Local Green Deals are built on solid foundations: a strong alignment with EU sustainability goals and the ICC framework, a skilled municipal team experienced in cross-sector and EU-funded projects, and a broad, trusted network of stakeholders engaged through transparent governance.

## Key Challenges

As the city advances, it is navigating complex regulatory landscapes around energy communities and data sharing, while also exploring sustainable funding models to scale its initiatives. Maintaining active stakeholder collaboration and refining accountability structures remain ongoing priorities to ensure long-term impact.







# CORK'S LOCAL GREEN DEALS

## Background

Located in Ireland's Southern Region, the city functions as a local authority and is home to over 210,000 residents. As one of the country's five metropolitan areas, the City of Cork plays a key role in regional governance and development. As a designated growth centre under Project Ireland 2040, Cork plays a vital economic role nationally, with strong sectors in food, technology, finance, and education. The city boasts significant infrastructure assets, including Cork Harbour, one of the world's largest natural ports, Cork Airport, University College Cork, and a growing ecosystem of innovation hubs such as the Cork Smart Gateway. Despite these strengths, Cork faces notable environmental and social challenges, including flood risks due to its marshland geography, high greenhouse gas emissions from buildings and transport, and the need to improve energy efficiency and climate resilience. In response, Cork City is pursuing ambitious strategic goals: achieving net-zero emissions, enhancing its natural and built environment, establishing exemplary climate governance, and ensuring a just, inclusive transition. These ambitions are underpinned by five strategic focus areas, built environment and energy, mobility and transport, nature-based solutions, community engagement, and digital transformation.

## Governance, Partnerships, and Pathways: Cork's LGD Approach

Cork's Local Green Deal strategy builds on its active involvement in the EU 100 Climate-Neutral and Smart Cities Mission and the Intelligent Cities Challenge (ICC 2.0). These initiatives have shaped a citywide approach grounded in strong local partnerships and citizen engagement. The LGDs are designed to advance Cork's climate goals through targeted action in key areas such as building retrofits,

low-emission transport, circular economy practices, and broader participation from SMEs and communities. The LGD framework is structured to deliver measurable environmental, social, and economic outcomes. Operating as voluntary yet formalised agreements, each deal is reviewed bi-annually to track progress and ensure alignment with the city's Climate Action Plan. To date, 12 LGDs have been concluded, involving a diverse mix of partners, from corporates like AIB and Ballymaloe Foods to social enterprises such as Ballyphehane Community Association, each committing to tangible actions with clear KPIs. The model is intentionally scalable, encouraging broad engagement while enabling a focus on high-impact initiatives.

Governance is led by Cork City Council through a cross-departmental team, supported by the Local Enterprise Office and an ICC steering group that includes external experts from Energy Cork, University College Cork, and Cork Chamber of Commerce. This integrated governance structure ensures strategic alignment and effective coordination, with a public-facing monitoring platform under development to enhance transparency.

Stakeholder engagement follows a Triple Helix approach, uniting government, business, academia, and civil society in collaborative climate action. Dedicated platforms such as Cork Smart Gateway and Energy Cork support coordination and visibility, while a growing network of local actors helps embed the LGDs as a core mechanism for Cork's sustainable transition.

## Funding

The implementation of the LGDs is supported through a mix of core funding and project-based resources. Institutional backing and alignment with regional development programmes provide a strong foundation for the initiative. Additional financing has been secured through targeted funding streams that support community-led climate actions, business innovation, and sustainability. Support

is also available to help small and medium-sized enterprises lower emissions and adopt greener practices. National schemes contribute to renewable energy and building retrofit efforts, while international funding opportunities foster local capacity building and innovation in both business and community sectors.

## EU and national links

Cork's LGDs are closely aligned with broader European and national strategies. Participation in the EU's Climate-Neutral and Smart Cities Mission, alongside alignment with the European Green Deal and NetZeroCities, ensures that local efforts contribute to continent-wide goals. At the national level, the initiative supports Ireland's Climate Action Plan, Project Ireland 2040, and the Local Government Climate Action Mandate. These are further reinforced by frameworks such as Origin Green, Cork Smart Gateway, and Enterprise Ireland supports, which together provide policy coherence, technical expertise, and access to funding.

## Technologies

Digital tools and technology are playing an important role in how Cork designs, implements, and tracks its LGDs. An online platform is currently being developed to manage and monitor partner commitments, making the process more transparent and user-friendly. On the ground, LGD partners are adopting practical technologies—AIB, for example, is using advanced energy metering in its branch retrofits, while Ballymaloe Foods is exploring solar energy and supply chain digitisation. Mapping tools like ArcGIS are also being used to visualise community climate actions, contributing to a more connected and data-driven approach across the city.



## Monitoring

Monitoring of LGD commitments is led by Cork City Council's ICC team, with input from sector experts where needed. Each deal includes defined actions and targets that are reviewed informally at the six-month mark and formally after one year. These reviews are structured to assess both quantitative progress, such as emission reductions and waste diversion, and qualitative outcomes like stakeholder engagement and awareness. This process helps the city understand what's working, identify any barriers, and adapt the approach where needed to keep momentum going.

## Success Factors

A few key factors have contributed to the success of Cork's Local Green Deals process so far. Strong cross-sector collaboration- spanning business, academia, and local communities-has fostered a sense of shared ownership. Internally, the City Council's coordinated approach, involving multiple departments, has ensured consistency and effective follow-through. In addition, Cork has leveraged its participation in EU missions and existing local networks to enhance the credibility, visibility, and resourcing of the LGD approach.

## Key Challenges

As the number of LGDs grows, so does the demand on internal resources to manage and track them. Balancing support between large-scale corporate deals and smaller community-led projects can also be a challenge. While the non-binding nature of the LGDs encourages flexibility, it also requires ongoing engagement and trust-building to keep partners committed. Maintaining momentum after the initial agreement phase will be essential to ensure long-term impact.



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# ESCH-SUR-ALZETTE LOCAL GREEN DEALS

## Background

Esch-sur-Alzette, Luxembourg's second-largest city with around 37,000 residents, lies near the French border and has undergone a remarkable transformation. Once a thriving centre of the steel industry, the city has reinvented itself as a vibrant hub for culture, education, and innovation. Its dynamic urban landscape is anchored by key institutions such as the University of Luxembourg and the cutting-edge Belval innovation campus. Its administrative structure is built around a municipal government with a proactive role in regional governance via the PRO-SUD syndicate. Despite industrial decline, Esch remains economically significant through its strong SME network and cultural heritage, bolstered by its selection as European Capital of Culture in 2022.

The city faces environmental challenges stemming from industrial legacy pollution, a high reliance on fossil-based heating systems, and increasing mobility needs. Socially, the population's diversity presents both an asset and a challenge in shaping inclusive climate policy. Esch's overarching strategic vision is built on achieving climate neutrality by 2050, supported by ambitious goals in digitalisation, decarbonisation, and ecological transformation.

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## Local Green Deal Strategy

Esch-sur-Alzette's LGDs stem from its participation in the Intelligent Cities Challenge and build upon the city's long-standing sustainability ambitions, notably those crystallised through Esch2022 and the Resilience Plan. These deals are not isolated projects, but rather interlinked instruments driving the city's climate, digital, and social transformation. They integrate seamlessly with key policy frameworks such as the Climate Pact 2.0, Local Mobility Plan 2035, and the Decarbonisation Strategy.

The LGDs operate at the intersection of environmental, economic, and social objectives. Each is based on voluntary but strategically coordinated commitments between the city, its civil society, businesses, and academic institutions. Thematically, they span decarbonised energy systems (heat pumps, micro-PV, solar carports), sustainable mobility (cargo bikes, EV infrastructure), digital innovation (AI-driven pollution monitoring), and cultural transformation (green criteria in event funding).

Each LGD is guided by measurable outcomes- ranging from emission reductions and renewable energy deployment to user uptake and behavioural shifts. Designed with adaptability in mind, they include mechanisms for evaluation, stakeholder feedback, and scaling. This flexible yet structured model ensures the LGDs not only respond to current urban needs but also provide a scalable blueprint for long-term systemic change.

## Governance and management

Governance is led by the Mayor and Aldermen, supported by a dedicated LGD steering group. Sub-committees, comprising experts from institutions such as LIST and UNI.lu, oversee thematic areas including resilience, technology, and cultural management.

Management coordination is handled through regular meetings involving key municipal departments, Sudstroum, Transition Minett, ACAIE, and cultural actors. The ICC expert team provides external oversight, supporting adaptation and coherence with broader European goals. Transparent decision-making processes and shared leadership ensure inclusivity and accountability.

## Stakeholder involvement

Esch applies a dynamic stakeholder engagement model grounded in the Triple Helix approach. Businesses, academia, civil society, and local government collaborate closely on LGDs. Stakeholders are engaged through forums, public consultations, and training events.

Platforms like the APP Esch enhance citizen participation, while organisations like ACAIE and Transition Minett play key roles in outreach. Cultural institutions contribute to awareness-raising around sustainability, ensuring the LGDs resonate widely across community segments.

## Funding

Core funding stems from municipal budgets, with strategic contributions from partners like Sudstroum. Projects are also designed to align with eligibility for national and EU funds. Some LGDs explore public-private financing models, such as the photovoltaic carport initiative.

Funding gaps remain for initiatives requiring national subsidies, particularly those led by private entities. The city is actively restructuring certain LGDs to comply with funding regulations, ensuring long-term viability and potential upscaling.

## EU and national links

Esch's LGDs align with the European Green Deal through local action on emissions, energy efficiency, and sustainable mobility. The city's participation in ICC and the 100 Climate-Neutral Cities Mission reinforces its integration in EU frameworks.

Nationally, the Climate Pact 2.0, Nature Pact, and digitalisation strategies serve as anchors. Esch has leveraged these frameworks to refine its local plans, ensuring cohesion and mutual reinforcement across governance levels.

## Technologies

Driving the twin transition, the city embraces smart technologies including AI-powered pollution monitoring and digitalised building permit systems. Innovative sectoral projects- such as micro-PV installations for balconies, EV infrastructure integrated with public lighting, and a cargo bike sharing platform- highlight its forward-thinking approach. Digital tools play a key role in both public engagement, through platforms like APP Esch, and operational efficiency. At the same time, the city promotes responsible AI literacy via educational LGDs that connect digital art, youth participation, and ethical awareness.

## Monitoring

Progress monitoring is embedded in each LGD through specific KPIs. These range from technical metrics like kWp installed or heat pump counts, to social indicators such as user engagement and citizen feedback loops.

Monitoring responsibilities are distributed among municipal departments and partners (e.g. Sudstroum, Transition Minett), with periodic evaluations used to refine approaches. Annual reviews and public reporting support transparency and strategic recalibration.

## Succes Factors and Key Challenges

Esch-sur-Alzette's Local Green Deals are powered by strong partnerships, long-term institutional collaboration, and a shared vision of a climate-neutral future. Key local actors such as ACAIE, Sudstroum, and Transition Minett provide consistent support, while digital tools like the APP Esch help keep citizens actively engaged and informed. By aligning with established policy frameworks, the city ensures its LGDs are both relevant and resilient.

Naturally, some challenges remain. Limited staff capacity and leadership in certain departments have slowed progress on a few initiatives, and accessing national funding for privately-led projects can be complex. At the same time, ensuring that all residents benefit equally from digital and green transitions continues to be a key priority.

Still, these are seen not as roadblocks but as areas for targeted improvement. With committed partners, an inclusive approach, and a structure built for flexibility, Esch-sur-Alzette is well-equipped to continue evolving as a leading example of sustainable urban transformation.





# KALAMATA'S LOCAL GREEN DEALS

## Background

Located in the heart of the Peloponnese, the capital of Messinia is a dynamic city of approximately 70,000 residents, operating under a streamlined single-municipality governance model that enables effective strategic planning. Its economy is driven by high-quality agricultural exports—especially olives and olive oil—a steadily growing tourism sector, and a strong services industry. With connections via an expanding port and Kalamata International Airport, the city positions itself as both a regional gateway and a rising destination. Despite its strengths, Kalamata faces challenges common to Mediterranean cities: climate stressors such as extreme heat and rising sea levels, traffic congestion, and increasing waste. In response, Kalamata has committed to achieving climate neutrality by 2030 as part of the EU Cities Mission. This commitment is anchored in its Climate City Contract, a comprehensive roadmap outlining targeted investments, emissions reductions, and collaborative governance. Strategic priorities include clean mobility, circular economy development, renewable energy, and social inclusion through digital and green innovation.

## Structure

The city's sustainability journey was galvanised by its CCC, which provided a structured framework for local climate action. Recognising the need to move from planning to tangible results, Kalamata mobilized its stakeholders to co-create specific implementation agreements addressing core themes like clean transport, energy efficiency, and sustainable urban design.

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These initiatives emerged from close collaboration with key local actors: the Chamber of Commerce, business associations, civic groups, and academia. Rather than developing generic sustainability projects, the city identified actions already in the CCC and developed them further through operational plans, stakeholder commitments, and measurable outcomes. This approach ensures each initiative is not only locally relevant but also contributes directly to the city's overarching climate goals.

### Implementation framework

Kalamata's agreements aim to deliver economic, environmental, and social impact. Structured as voluntary yet formal collaborations, they are built around mutual commitments and shared resources. Sectors covered include zero-emissions mobility, energy-efficient schools, sustainable production and tourism, public hydration infrastructure, and community engagement through sport. Each initiative is supported by a clear plan of action, KPIs for monitoring, and flexibility to evolve or scale. The city treats these initiatives as both pilots and proof-of-concept projects—building confidence, demonstrating feasibility, and encouraging wider uptake among residents and businesses.

### Collaborative governance and stakeholder alliances

Rooted in principles of integration, inclusivity, and strategic alignment, the city's governance model is closely tied to the framework of the CCC, creating a strong bridge between long-term vision and day-to-day delivery. Coordination is led by the municipal administration, with the Mayor and Vice-Mayors overseeing efforts across departments. Cross-functional working groups—bringing together internal teams and external stakeholders—play a key role in shaping decisions and tracking progress. Technical experts and dedicated project managers ensure that strategies are translated into concrete, responsive actions. This layered governance structure

is built for transparency, shared ownership, and measurable impact, fostering trust and accountability every step of the way. Beyond formal coordination, Kalamata champions a co-creation model for stakeholder engagement. From the outset, business associations, academic institutions, utilities, and civil society have not just participated but actively shaped the direction of key actions. The city applies a collaborative model akin to the Triple Helix—government, academia, and industry—leveraging the strengths of each to create sustainable, locally anchored solutions.

Public engagement is maintained through participatory planning, joint events, and communication campaigns that bridge technical goals with community values. This deep-rooted culture of collaboration ensures that sustainability is not a siloed policy ambition, but a shared civic mission embraced across sectors and social groups.

### Funding

The city supports its LGDs initiatives through a mix of local funding, drawing on municipal budgets and contributions from businesses and associations, as well as in-kind support like infrastructure access and promotional resources. To scale successful actions, it actively seeks national and EU-level funding, including instruments like the Recovery and Resilience Facility (RRF) and the European Structural and Investment Funds (ESIF). This blended approach helps reduce dependence on a single source and builds a more resilient foundation for long-term implementation.

At the same time, the city ensures its efforts are aligned with broader policy goals, reflecting both the European Green Deal and Greece's national green and digital transformation priorities. Its involvement in the EU Cities Mission has added strategic clarity, access to technical support, and stronger links to international networks—reinforcing both ambition and credibility on the path toward climate neutrality.



## Technology

The city is integrating digital tools across its sustainability agenda, leveraging smart mobility cards, IoT-enabled water stations, and energy monitoring in schools. These tools enhance data collection, improve service delivery, and support citizen engagement. Innovation is also evident in the use of unconventional platforms (such as football culture) to raise environmental awareness. Sector-specific innovations include renewable energy use in hospitality, waste reduction in food services, and circular economy practices in production and tourism.

## Monitoring and Evaluation

A city-wide monitoring structure ensures consistent evaluation of progress. Each partnership agreement includes performance indicators tailored to the initiative, ranging from CO<sub>2</sub> savings to community engagement metrics. Regular coordination meetings, led by dedicated project leads, allow for adjustments and learning.

This systematic approach enables Kalamata to stay on track toward its 2030 neutrality goal and adapt as conditions evolve.

## Success Factors and Key Challenges

Kalamata's progress is driven by strong political leadership, a clear commitment to achieving climate neutrality by 2030, and a robust strategic foundation through its Climate City Contract. Success is further enabled by active public-private partnerships that align interests and foster shared accountability. However, the city faces ongoing challenges, including limited access to external funding, varying levels of stakeholder capacity, and the need to maintain momentum and engagement beyond initial implementation phases.







# PESCARA'S LOCAL GREEN DEALS

## Background

As the leading urban centre in Italy's Abruzzo region, this vibrant Adriatic hub drives regional development with a population of 118,000 and a wider metropolitan area exceeding 350,000 residents. Its strategic position is reinforced by key assets such as a major port, Pescara International Airport, a well-connected rail and road network, and advanced digital infrastructure powering smart city initiatives. The city is actively addressing pressing environmental challenges: including energy dependency, emissions reduction, and climate resilience—while also working to ensure that sustainability efforts are socially inclusive, particularly in underserved urban areas. Its broader strategic vision is anchored in a transition toward climate neutrality, prioritising energy efficiency, renewable energy, and circular economy solutions. Strategically, the municipality focuses on urban resilience, digital transformation, and innovation-led economic development, aligned with the goals of the European Green Deal and Italy's National Recovery and Resilience Plan.

## Local Green Deal Strategy

Pescara's LGD strategy emerged from its involvement in the Intelligent Cities Challenge and was catalysed by the European Investment Bank's 2020 approval of the "Climate Action & Circular Economy" project. This marked a pivotal point in the city's journey toward systemic energy and environmental transformation. The LGD approach began through close collaboration between the municipality and its in-house energy company, Pescara Energia S.p.A., and expanded to include industrial actors, academic institutions, and civil society. Its foundational goal is to support the energy transition by promoting the creation and expansion of Renewable

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Energy Communities (RECs) and integrating circular practices in local governance and business. Projects include wide-ranging partnerships with SMEs and social enterprises, digital solutions for stakeholder engagement, and the development of climate-aligned investment plans. Notably, the city has launched large-scale photovoltaic installations and REC awareness campaigns that engage citizens and private actors alike.

### Coordinated leadership and inclusive partnerships: Pescara's LGD Governance Model

Pescara's LGDs are driven by a structured interdepartmental governance model that ensures strategic coordination and cross-sector alignment. Implementation is supported by the city's energy agency, which oversees infrastructure and leads key energy transition initiatives. This framework is strengthened by steering committees and joint sustainability teams that bridge municipal departments with external partners, promoting coherence across all Green Deal actions. Stakeholder engagement is a central pillar, following a Triple Helix model that actively involves businesses, academia, civil society, and public institutions in co-creation processes. Participation is further encouraged through digital tools, targeted outreach, and platforms such as the REC portal. This inclusive and well-orchestrated approach ensures that Pescara's sustainability transition is both participatory and results-driven.

### Funding

LGDs are financed through a mix of local, national, and European sources. Core investments are secured via institutional mechanisms like the European Investment Bank and Italy's National Recovery and Resilience Plan (PNRR), particularly under its Green Revolution and Ecological Transition mission. These are complemented by stakeholder contributions and additional funding from regional development programmes, EU initiatives, and strategic partnerships that support innovation and sustainability efforts.

### EU and national links

The LGD strategy is strongly aligned with the European Green Deal, particularly in terms of energy transition, digital innovation, and just transition principles. The approach supports the objectives of REPowerEU and leverages synergies with national frameworks like the PNRR and Italy's ecological transition mission. Participation in the ICC and NetZero Cities programme strengthens transnational learning, policy harmonisation, and innovation transfer, making Pescara a model for other EU cities.

### Technologies

Pescara's twin transition strategy integrates green and digital transformation. The city uses digital platforms for energy monitoring, smart lighting systems, and stakeholder coordination tools to support its REC and LGD activities. Sector-specific innovations include solar PV system expansion, electric mobility infrastructure, circular logistics pilots, and eco-design principles in industrial production. Data-driven governance supports the optimisation of resource use and transparent evaluation of sustainability performance.

## Monitoring

Monitoring of LGDs is overseen by a dedicated municipal team. Progress is tracked through quarterly meetings, annual strategic reviews, and stakeholder reporting. Key indicators include energy consumption reduction, renewable energy production (MW installed and GWh produced), CO<sub>2</sub> emissions saved, and community engagement levels (e.g., number of REC members).

By 2025, Pescara aims to cut public energy use by 30%, reach 1.5 MW of installed PV capacity, and engage at least 100 REC members. A 2030 roadmap outlines even more ambitious targets, including 3 MW of capacity and 66% renewable energy coverage in public buildings.

## Success Factors and Key Challenges

Pescara's progress in implementing LGDs is underpinned by strong municipal leadership, effective interdepartmental coordination, and a solid operational backbone provided by its in-house energy management. The city benefits from an engaged network of public, private, and civic actors who actively contribute to shaping and delivering sustainability goals. However, challenges remain- aligning diverse stakeholders in complex agreements, navigating regulatory hurdles related to energy communities, and ensuring long-term funding and capacity-building are essential areas that require ongoing attention.



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# SZOMBATHELY'S LOCAL GREEN DEALS

## Background

Right by the Austrian border, this Hungarian city has carved out an important role as the heart of Vas County. It's well-connected, both institutionally and geographically, thanks to strong ties with universities and its position along key Central European routes, with Vienna just a short drive away. That cross-border closeness adds a real edge when it comes to innovation and economic cooperation.

With about 78,000 people, the city's economy leans on its strengths in manufacturing, especially in the automotive and wood-processing sectors. But there's also a clear push toward health services and digital innovation. Add in solid transport links, an expanding tech park, and strong participation in European development programmes, and you've got a place that's not just holding its ground, but steadily moving forward.

Strategically, Szombathely aims to become a model of resilience and sustainable urban development, focusing on twin transitions, green and digital. Its main challenges include reducing urban carbon emissions, modernising its transport infrastructure, and ensuring inclusive urban regeneration. The city's overarching goal is to enhance quality of life through sustainable economic growth and a low-carbon, knowledge-based economy.

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## Strategy and Structure

Szombathely's sustainability strategy, shaped through the Intelligent Cities Challenge, builds on five interconnected plans—including Szombathely2030, SECAP, SUMP, and the city's Hydrogen Strategy—and responds to both EU-level ambitions and local priorities like resilience and energy independence. Involving key partners such as Pannon Business Network, Blaguss Agora Hungary, Lime Technology, and the Chamber of Engineers, the city focuses on clean energy, smart mobility, and green urban development. These collaborative efforts are structured around voluntary agreements with defined goals, including a 15% CO<sub>2</sub> reduction by 2030, expanded electric and hydrogen transport, and improved urban liveability through green corridors and micro-mobility. The modular design allows for adaptability, replication, and alignment with broader regional and European goals.

## Governance and stakeholder engagement

Szombathely's green transition is supported by a dedicated management structure that brings together the city's leadership, municipal departments, and regional partners. The governance model strikes a balance between strategic direction and hands-on implementation, making sure that sustainability goals stay aligned with the city's broader vision. A steering committee—made up of representatives from business, academia, civil society, and research—meets regularly to monitor progress and shape next steps, while close collaboration continues at the operational level.

What really sets this approach apart is its strong focus on participation. Built on the Triple Helix model, the city fosters close cooperation between the public sector, businesses, and knowledge institutions. This collaborative spirit first took shape during the Intelligent Cities Challenge and has grown through co-creation workshops, public consultations, and active cross-border partnerships, particularly with the neighbouring Austrian city of Oberwart. Local innovation hubs, smart city

networks, and institutions like AM-Lab and the chambers of commerce help keep this momentum going, making sure that long-term strategies are rooted in real community needs and shared ownership.

## Funding

Szombathely's green initiatives are supported through a blended funding approach that combines local public investment, private sector contributions, and targeted access to European and national funding instruments. The city strategically aligns its projects with available financial opportunities, ensuring the long-term viability of its sustainability agenda. By proactively identifying grants and co-financing options, Szombathely is able to advance key projects in clean energy, sustainable mobility, and urban regeneration while managing financial risk and enabling scalable impact.

## EU and national links

Szombathely's LGD framework aligns closely with the European Green Deal, Horizon Europe missions, and Hungary's National Hydrogen Strategy. The ICC programme provided both the impetus and methodological scaffolding to structure local ambitions in line with EU goals.

Cross-border engagement with Austria supports integrated territorial development, especially via the "Pannonia2030" regional strategy, reinforcing joint sustainability objectives with the twin city of Oberwart.



## Technologies

Technology plays a central role in Szombathely's twin transition. The city is pioneering a digital twin system to monitor urban performance, alongside the use of real-time air quality and traffic sensors. Hydrogen electrolysis (a process to produce clean hydrogen fuel), green mobility apps, and circular construction materials are among the sector-specific innovations adopted.

Digital integration also underpins user services, such as smart ticketing and micro-mobility mapping, enhancing operational efficiency and user satisfaction across mobility platforms.

## Monitoring

Monitoring is conducted through a comprehensive system comprising digital twins, KPIs defined within each LGD, and structured reporting cycles. The city tracks environmental and social impacts through sensor networks, app data, and public feedback. Evaluations occur semi-annually with stakeholders and annually via General Assembly reviews. Indicators include CO<sub>2</sub> savings, modal shifts in transport, public satisfaction, and infrastructure readiness, ensuring adaptive management and accountability.

## Success Factors and Key Challenges

Szombathely's progress is underpinned by strong political commitment, a solid strategic foundation, and a culture of cross-sector collaboration that fosters trust and innovation. While challenges remain, particularly around funding access and the complexity of implementing advanced infrastructure, the city's proactive, well-structured approach positions it to continue translating ambition into impactful, scalable results.



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