

NET ZERO CITIES



EU MISSION PLATFORM

CLIMATE NEUTRAL AND SMART CITIES



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 Welcome to the session

Engaging the Private Sector in Urban Decarbonization

The session starts at **9:15 CEST**

If you have any questions about the Online Planning Lab, feel free to ask us directly or post them in the chat.

 In the meantime, get comfortable and grab a coffee or tea until we begin!



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Engaging the Private Sector in Urban Decarbonization: A Municipal Strategy Guide

Strategies for Engaging Large Companies and SMEs



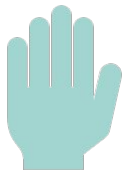
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Housekeeping



Stay muted unless you are invited to speak.



Raise your hand before speaking.



Stay engaged: We invite you to keep your camera on.



Use the chat for questions and to introduce yourself.



Change your Zoom name to include your city.

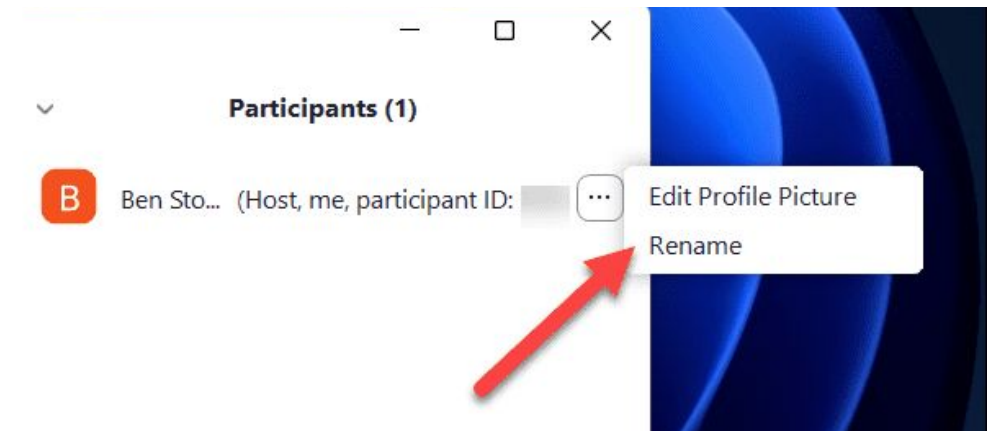


Activate Closed Captions to keep up with the speakers.



Renaming

- In the meeting controls toolbar, click on **Participants**. 
- Hover your mouse over your name, then click **More** or the **ellipsis icon**.()
- Click **Rename**. A pop-up box will appear.
- In the pop-up box, enter your display name.
- Click **Change**.

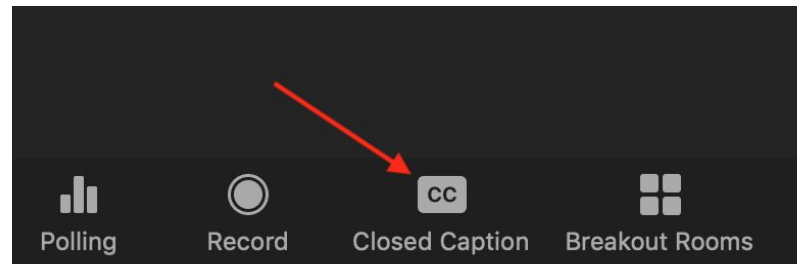




Activating Closed Captions

- In the meeting controls toolbar, click the **Show captions** icon. ()
- Captions will automatically appear above the meeting controls toolbar.

***Caption language:** Please do not change the spoken language of the meeting, as captions will change for everyone.





<https://netzerocities.app/resource-4501>

MODULE 1	Core The NetZeroCities program, service offering, systemic approach, what works for Mission Cities	Spotlight 1 NetZeroCities Orientation	Spotlight 2 Shaping Climate Narratives	Spotlight 3 Climate City Contracts		
MODULE 2	Core Developing a transition team, mapping and activating the ecosystem	Spotlight 1 Transition team & climate leadership	Spotlight 2 Engaging the private sector	Spotlight 3 Citizen engagement for systemic climate action		
MODULE 3	Core Developing the city's action plan for climate neutrality	Spotlight 1 Reporting and MEL	Spotlight 2 Co-Designing a Climate Portfolio	Spotlight 3 Using NetZeroPlanner to Support Climate Planning, MEL, and Implementation Management to Achieve Net Zero Goals		
MODULE 4	Core Levers of change: Technical solutions, social innovation and multi-actor collaborations	Spotlight 1 Passive solutions to reduce energy demand in buildings	Spotlight 2 Systemic energy transition at buildings, districts and city level	Spotlight 3 Data-driven approaches to energy transition in buildings and districts	Spotlight 4 Mobility	Spotlight 5 Scope 3 and other emission domains
MODULE 5	Core Increase finance knowledge of the public administration & learn about options to finance projects	Spotlight 1 Preparing a pipeline of projects for external financing	Spotlight 2 Different investor groups and the key priorities and returns profiles for each and instruments		Spotlight 3 Financing the ambition: Learning from Mission Cities	
MODULE 6	Core Multilevel governance, national platforms and policy strategies	Spotlight 1 Policy and regulations innovation	Spotlight 2 Public procurement – national specificities		Spotlight 3 Just transition	





Participation

This course is intended for all EU (and Horizon affiliated countries) cities with a population above 50.000 that do not yet have a climate Action Plan

- It's open to any municipality as well as to consultants, experts, regional authorities, etc.
- The course guides cities into developing a climate action plan | No funding available for participating cities
- This course is NOT for students
- After each session, facilitators remain online for Q&A

26 online sessions
of which 6 are core
sessions

Tuesday 9.15-11.00 and
Thursday 13.15-15.00

Participation is **free**





Certification

Free

Municipalities that **attend all 6 core sessions** will obtain a certificate of attendance for the city issued by the NetZeroCities project

30€

Participants who **attend all 6 core sessions can obtain** a certificate of attendance issued by **Universidad Politecnica de Madrid**



Online ceremony on December 11th 2025

In-person ceremony at the City Conference in Turin May 2026





Engaging the Private Sector in Urban Decarbonization: A Municipal Strategy Guide

Strategies for Engaging Large Companies and SMEs



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Agenda

1. Introduction (10min)
2. Presentation (30min)
3. Q&A (10min)
4. Break (5min)
5. Perspectives from Businesses (20min)
6. Q&A (10min)
7. Discussion (15min)
8. Wrap-up (5min)





Lecturers



Gabriella Doci

TNO



David Brito

Dark Matter Labs





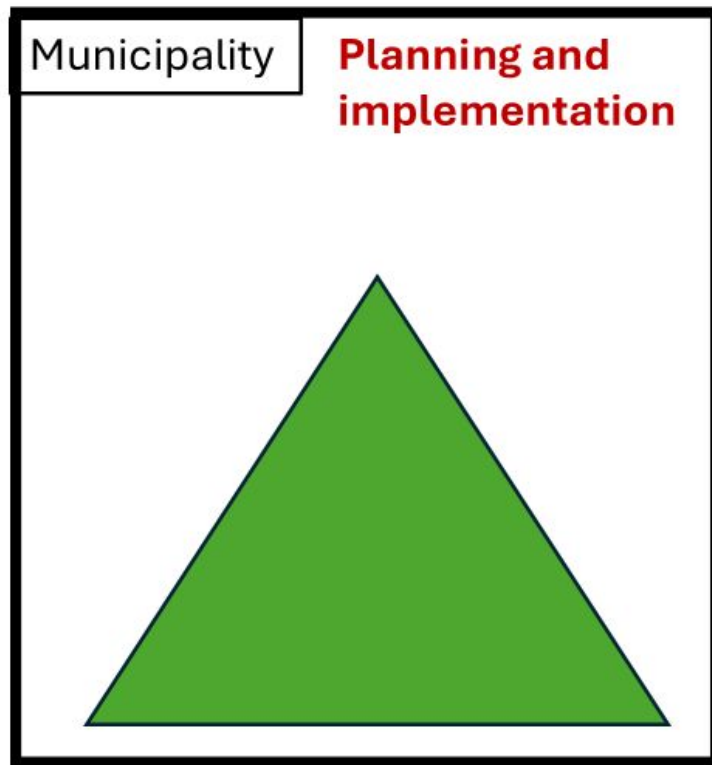
Private Sector Engagement

Strategies

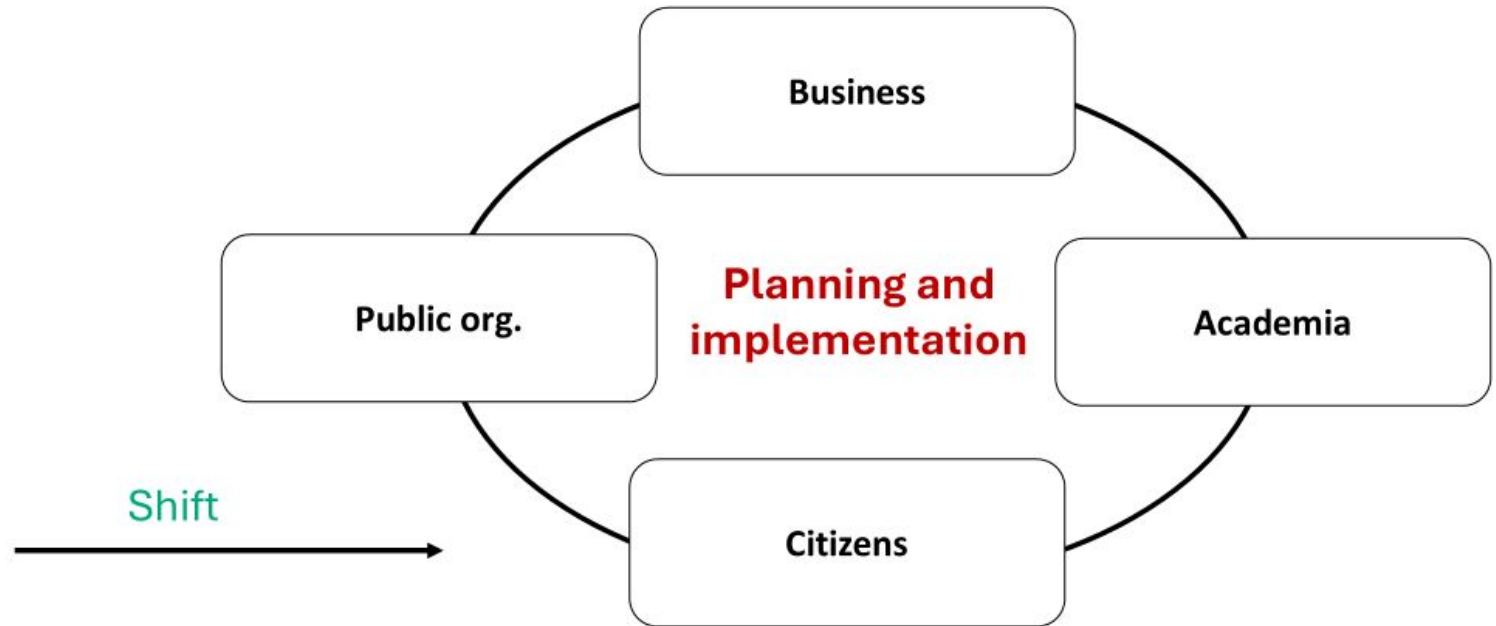




New Public Management



Traditional governance

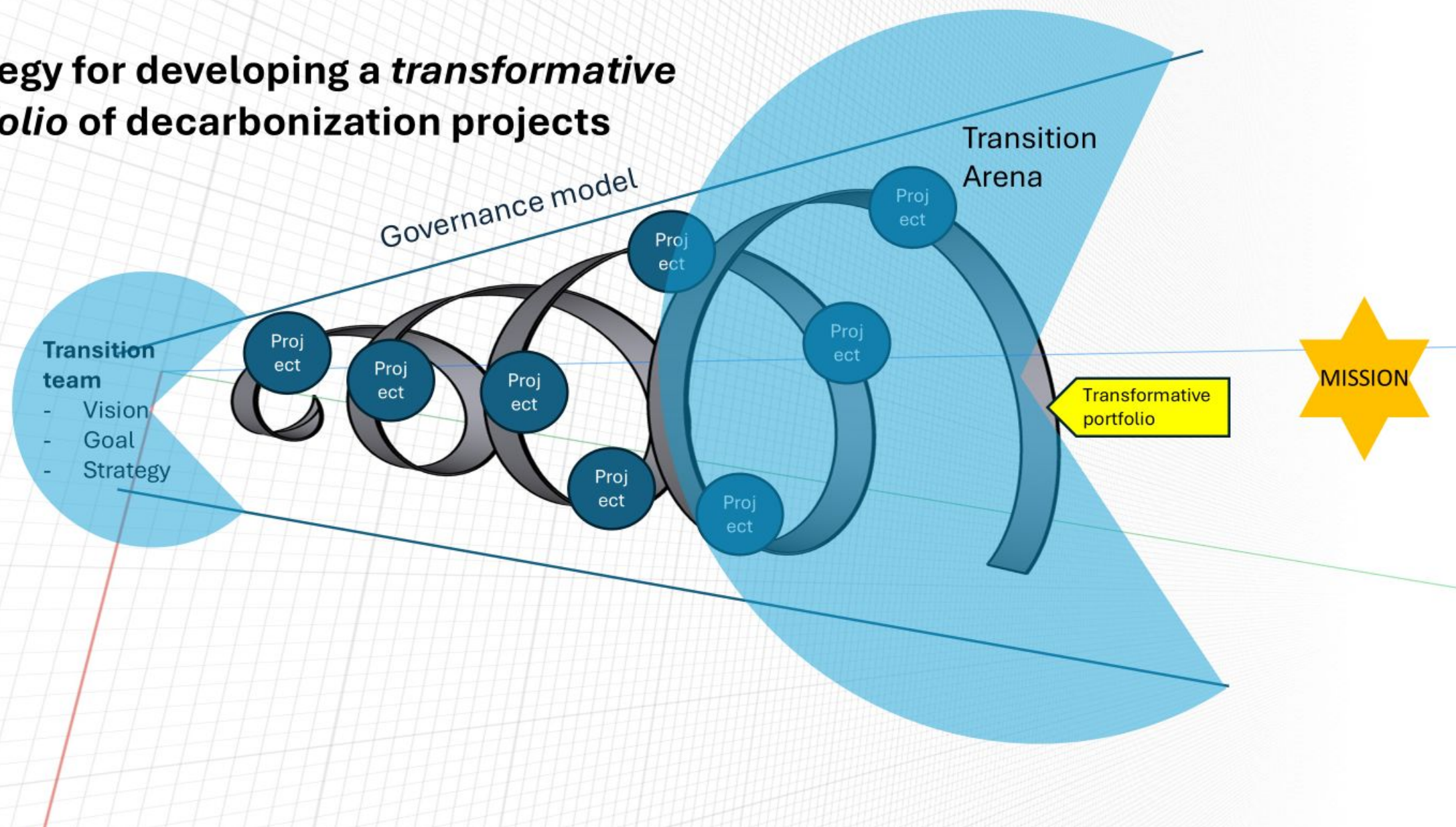


Shift →

Shared governance



Strategy for developing a *transformative* portfolio of decarbonization projects





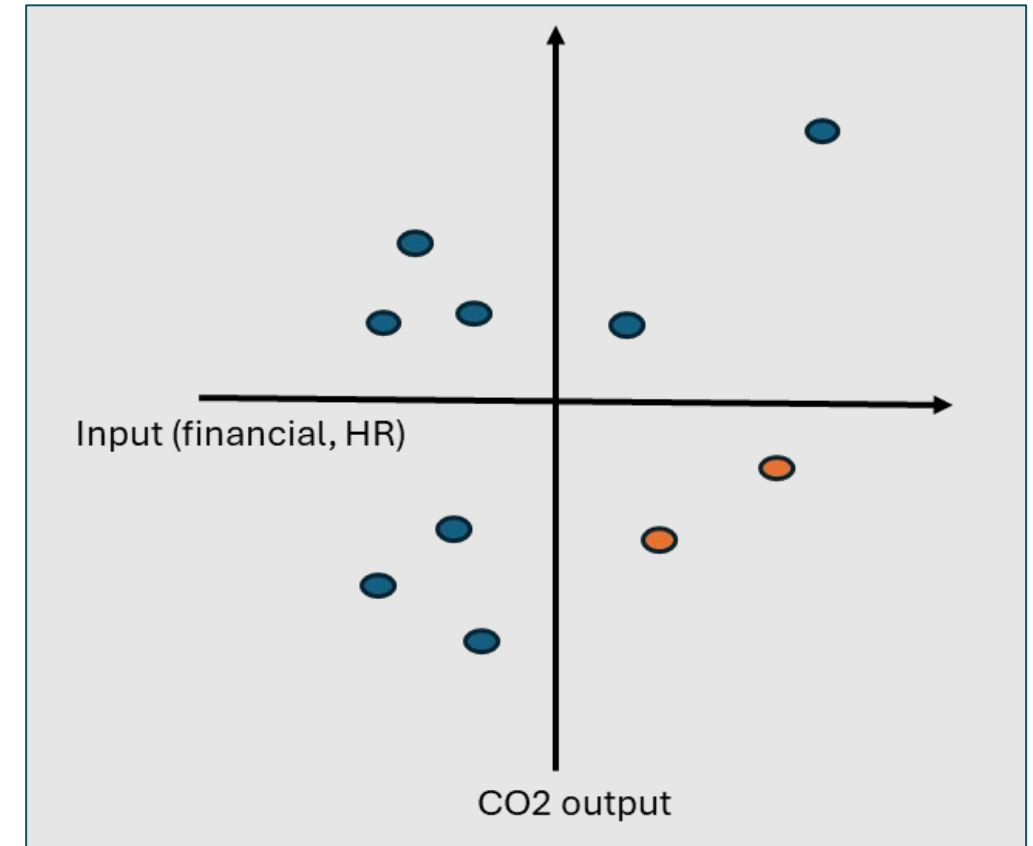
Engaging Large and Mid-Sized Companies in Decarbonization: A Municipal Perspective

Engaging with the private sector involves working with companies of different sizes and through various types of engagement.

Each engagement type requires a tailored approach.

When a municipality is developing its **engagement strategy**, it's crucial to assess the **specific inputs needed**—whether in terms of human resources, financial investment, or policy support—for each **engagement type**.

Equally important is understanding the potential **decarbonization impact** that can be expected from projects resulting from these engagements.





Engagement often depends on company size

While every company is different, larger companies and SMEs generally respond to different approaches*:

Large Companies

- Often have strong corporate climate plans, ESG goals.
- Engage these companies to align their climate plans and ESG goals with city climate objectives.
- However, some companies will respond more to climate dialogues happening at national level.
- Can be motivated to participate in multi-actor platforms to share knowledge and find alignments with other companies.
- Funding, finance and procurement opportunities are also incentives for engaging with cities and other companies on climate.

Small & Medium Sized Enterprises (SMEs)

- Limited knowledge, time and budget for climate initiatives. Workshops and technical assistance can fill these gaps and allow them to more fully engage on climate.
- ESG and CSRD reporting requirements from larger companies often results in SME suppliers being asked to fulfill these requirements as well. Assistance with reporting can be invaluable.
- Multi-actor platforms are good opportunities to network, learn, cooperate with other businesses.
- Funding, finance and procurement opportunities are also incentives for engaging with cities and other companies on climate.

* Eurostat defines business size based on number of employees: micro = < 10; small = 10 - 49; medium = 50 - 249; and large = 250+





All Companies

Municipalities can engage large and mid-sized companies in decarbonization through **three primary approaches**.

The **complexity, resource needs, and potential impact** of each method vary, and all should be considered carefully when developing a municipal strategy.

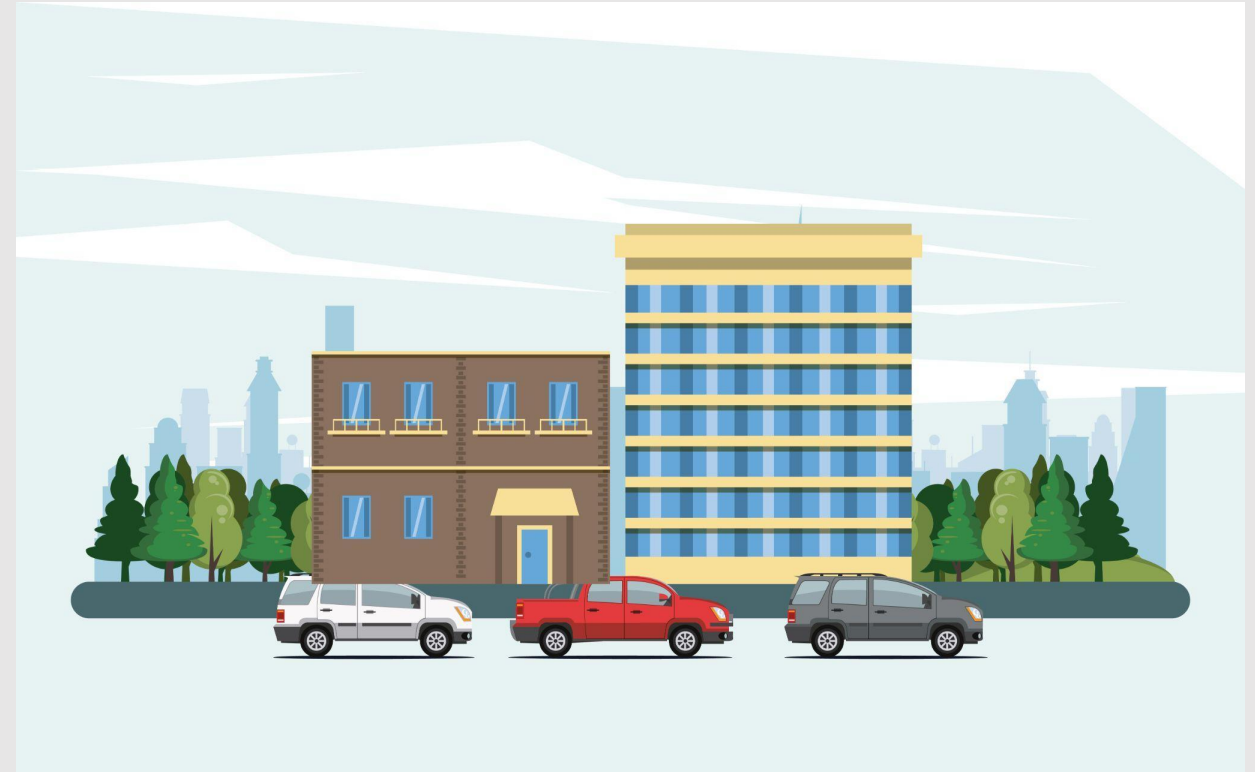




1. Asset Decarbonization

These assets can include *office buildings, energy systems, vehicle fleets, and, if the company is more ambitious, production processes or services.*

A municipality has various tools to encourage companies to take on asset decarbonization. It can involve bilateral discussions, where municipalities reach out to companies to encourage them to decarbonize their assets. But to complement these meetings, a municipality can also use financial incentives, regulations, and even technical support.





2. Public Procurement

This is a big opportunity to use the municipality's purchasing power to shape market and yield large decarbonization impacts. It can be complex and high-impact where the municipality leads large-scale sectoral projects—such as decarbonizing public transport—through public procurement processes. It can also be less complex but still impactful, like using green procurement for a municipality's day-to-day needs.





3. Multi-Actor Platforms

In this model, the municipality acts as a facilitator, helping to initiate platforms that bring together multiple companies—usually around a sector or theme. The goal is to support networking, learning between companies, and joint decarbonization initiatives led by the private sector.





Small and Mid-Sized Enterprises (SMEs)

Engaging SMEs is more challenging due to their diversity, smaller workforce, and limited resources. Municipalities must adopt different strategies tailored to specific SME segments.

Before developing an engagement strategy, municipalities should:

1. **Segment SMEs** by relevance and emission levels.
Prioritize those with significant emissions.
2. **Customize engagement methods** based on each group's characteristics and capacity.





1. Communication Campaigns

One effective method for engaging certain sectors of micro or small companies—such as restaurants—is through targeted communication or climate labelling campaigns. For example, a municipal campaign promoting greener restaurants can offer participating businesses visibility, access to new customers, and positive public recognition.

[Think Sustainably](#) service in Tampere, Finland, is based on criteria which have been developed in cooperation with Demos Helsinki and local experts and stakeholders. The criteria is tailored for every service category. Criteria include energy, food and service, and social sustainability, among others. By filling up the minimum amount of the criteria designated to your service category, a business stands out a red heart sign on Visit Tampere's website and gets the heart sign for its own use.





2. Integrated Sustainability and Business Support Programs

Municipalities can offer sustainability workshops and direct support. This can be a new program, or it can often be integrated into municipal support programs (business advice, technical assistance, or financial aid) for existing and startup businesses. By making environmental performance a condition for receiving support, cities can influence businesses to embed climate-conscious practices.

SMEs often need some baseline workshops and support to be able to get started.





3. Subsidy Programs

Municipalities can also engage SMEs through specifically designed public procurement processes or targeted subsidy programs that prioritize sustainability. These programs are more complex and resource-intensive, as they require careful design, monitoring, and in some cases, accompanying policy support.





Planning the Engagement

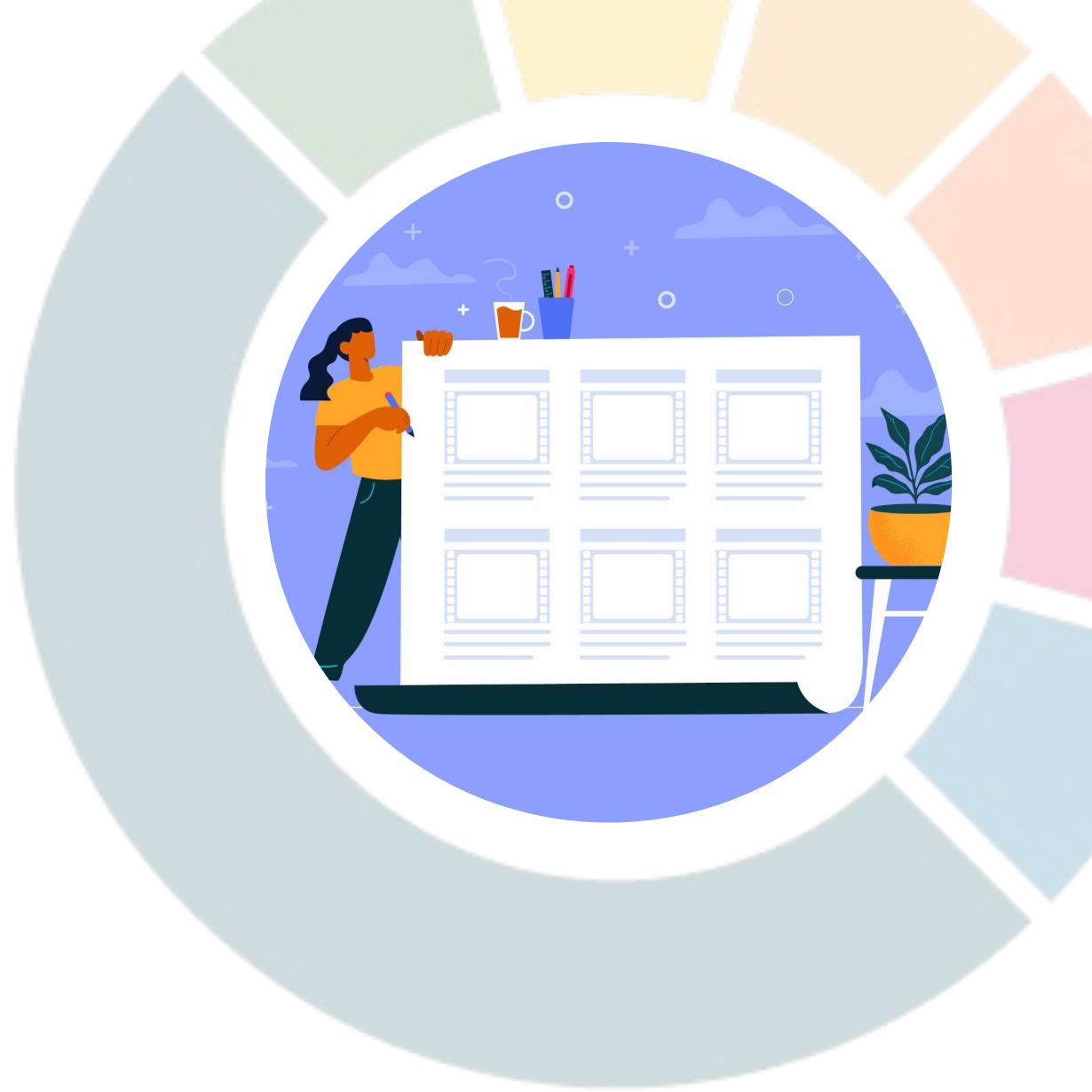


Incentive portfolio

Once the assessment is complete, the next step is to **plan how to select and initiate engagement with target companies**.

Successful engagement depends on the municipality having a well-prepared **incentive portfolio** that can be tailored to different company sizes.

These incentives can be broadly categorized into two types: **hard incentives** and **soft incentives**.





Hard Incentives





Soft Incentives

Technical assistance

Capacity building and training

Business planning assistance



Reputational benefits

Information campaign, networking

Recognition programs



Value Proposition

In addition to providing incentives, municipalities must clearly **demonstrate the value proposition** for companies to engage in decarbonization projects. Companies need to understand how their participation can yield tangible or intangible returns. These may include:

- **Financial benefits**, such as long-term energy cost savings or new business opportunities.
- **Reputational gains**, by being part of a high-profile, city-backed climate initiative.
- **Strategic alignment**, by contributing to their own internal sustainability goals and ESG targets.
- **Market advantage**, through early positioning in emerging green sectors.





Trust-building and risk reduction

Because decarbonization efforts often involve long timelines and some degree of uncertainty, **trust-building and risk reduction** are critical. Municipalities can foster a supportive environment and reduce perceived risks by:



Clearly communicating the value of each project, including expected outcomes and timelines.



Creating public visibility around participating companies and successful projects, which reinforces credibility and motivates others.



Offering guarantees or technical support, such as facilitating access to expertise, legal advice, or feasibility studies.



Fostering a peer community, bringing together companies involved in decarbonization efforts to share knowledge, gain recognition, and create a sense of momentum.



Celebrating ongoing achievements, such as new project launches, emission reductions, or awards, which demonstrate progress and inspire continued engagement.



Demonstrating strong political commitment, with the municipality leading by example through its own decarbonization actions and policies.



Local Climate City Contract

Local Climate City Contract (LCCC) (or [Local Green Deal \(LGD\)](#)), signed between the municipality and a specific company.

These agreements outline shared goals, specific decarbonization activities, and planned investments—but are **tailored to the context, role, and responsibilities of each company**.

They also include provisions for tracking and monitoring progress over time.





Engagement Process

Turning Ideas Into Action





Portfolio of Actors

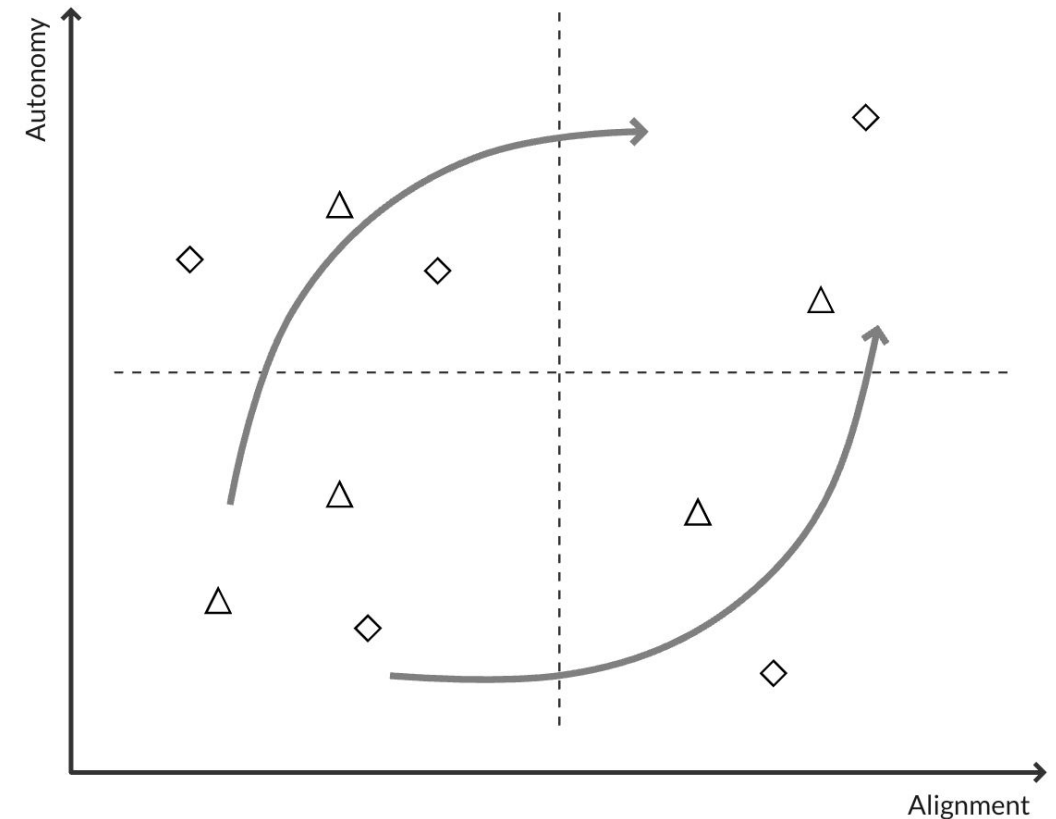
Cities cannot implement a Net Zero transition alone. Progress depends on many actors, each with their own goals, constraints, and timelines.

Engagement in this context means **enabling** others by **shaping the conditions** for shared action, coordination, and learning.

The level of structure and formality of this engagement will fall somewhere on a spectrum ... and will likely evolve over time

- From strong governance structures and multi-actor coordination
- To more on individual, bilateral relationships with companies and less structure

Coordinating autonomous and aligned action





Company Engagement - Process over time

Stage 1

Build Trust & Show Value

Strong political commitment
Initial low level company commitment
Learning and networking opportunities
Technical assistance
Reputational benefits

- Generic climate pledge
- Meetings of businesses
- Workshops
- Assistance w/ GHG inventories, decarbonization plans, reporting

Stage 2

Maturing Engagement

More regular and deeper engagement
Governance with company leadership
More specific company commitments
Exploring collaboration opportunities
Monitoring and accountability

- More established Transition Arena
- Regular, productive meetings
- Local Climate City Contracts (or LGD)
- Indicators and reporting
- Evolving support and assistance

Stage 3

Collaborate & Co-Invest

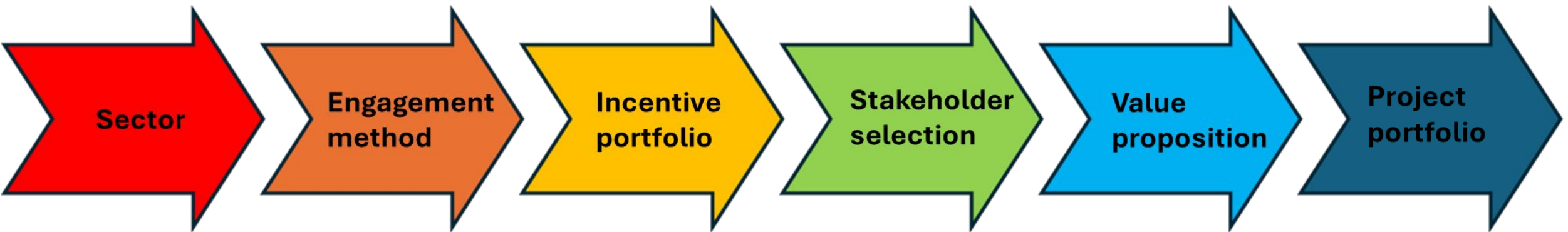
Strong trust
Mature governance structure
Strong value proposition

- Established governance with leadership, staff and funding
- Working groups
- Joint projects and co-investment
- Regular reporting





First steps: Designing an engagement strategy and a transformative portfolio





Guimarães, Portugal

Building Trust and Supporting Businesses



City Profile

- **Guimarães** is a city of **156,830** people located in northern Portugal
- An estimated 17,000 companies in the city
- One of Portugal's most industrialized municipalities. **30% of emissions** come from **industry** - primarily textiles, footwear, metalwork
- In addition, local employment includes large services sector (40%), tourism, and small agricultural sector.
- **Landscape Laboratory** was founded in 2014 and has been key partner in city's climate journey



Climate Transition

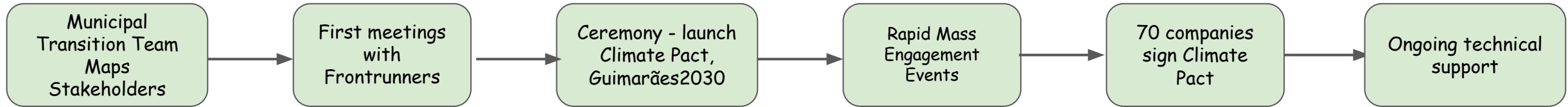
- 70 companies signed [Climate Pact](#) prior to CCC submission in 2023. There are now 150 signatories.
- City emphasizes **celebrating companies' climate work** and **rewarding** companies for participation - during annual Green Week and other ceremonies, [social media](#), [Guimarães2030 website](#).
- **Sports teams and associations** have helped [promote the Mission](#).
- **Guimarães selected as 2026 European Green Capital**





Business Engagement Strategy

- Methodical engagement process



- Started with trust building
 - Political leadership and commitment played an important role, by communicating city's commitment.
 - Started with a low-pressure approach (e.g., signing the Climate Pact) to build trust before deeper work
- Recognition and reward
 - Companies receive promotion and visibility via Guimarães2030 branding, events, and media.
 - Climate Pact participants are given a platform and recognition during public events like Green Week
 - Signatories also involved in city-led EU-funded initiatives (e.g., URBACT Let's Go Circular project).
- Collaborative Action with Tangible Outcomes
 - Companies co-lead some climate actions such as a citywide tree planting initiative
 - City convenes some thematic business groups (e.g., textiles) for targeted discussion/collaboration.





Direct Support to SMEs

- Networking and Collaboration Opportunities
 - Convening businesses to meet and share experiences
 - Sector-specific conversations: have convened sector-based groupings (e.g., textiles, mobility, construction) to share best practices, identify common challenges, collaborate on decarbonisation initiatives, co-create solutions.
- Tailored Technical Assistance
 - Carbon footprint calculations: Laboratory does assessment of companies' carbon emissions.
 - Decarbonisation plans: Laboratory supports companies in creating tailored decarbonisation action plans.
- Support for EU Reporting Compliance
 - Guidance on EU regulations: Laboratory helps SMEs align with reporting requirements, such as CSRD.
 - Training sessions: Organizes workshops to help SMEs understand various sustainability topics and strategies.
- Access to Funding Opportunities
 - The city has involved some engaged businesses in EU projects with funding. E.g., URBACT Let's Go Circular project, which focused on circularity in the textile industry in Guimarães.





Future Improvements

- Make engagement more regular and strategic
 - Companies requested more regular meetings to deepen collaboration and peer learning
 - Focus on sharing, learning from each other, more experienced companies helping to mentor less experienced
- Attract more business to use Landscape Laboratory support, especially among SMEs
 - Businesses that have used the support on carbon footprint calculations, sustainability plans and CSRD reporting have been happy with the support. However, the goal is to work with more companies.
- Facilitate Funding and Financial Support
 - Businesses (especially SMEs) noted that sustainability projects are often not core to their business, and that financing is often a major barrier.
 - Stakeholders want the city to help access EU funds and private financing for their projects.
 - They also want the city to use public procurement more strategically to reward decarbonisation.
- Improve Monitoring and Reporting
 - City lacks data to monitor whether companies are achieving climate results.
 - City wants to encourage annual carbon footprint tracking through Landscape Laboratory's services or otherwise.



Break (5 minutes)



Please be back in 5 minutes for our business speakers



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Business Presentations





Business Speakers

Lars Skou Gøtterup - Director/Owner of Win-Win Textiles - textile company in Guimarães, Portugal





Breakout Groups

Materials





Reflect with your peers

1. Have you worked with private businesses in your city on climate and how was the experience?
2. What challenges or obstacles do you anticipate in engaging private businesses in your city?





Wrap-Up





Wrap-Up and Next Steps

1. Sign up for other sessions
2. Feedback form: [Link](#) and QR code:





THANK YOU

#EUmissions
#MissionCities
#EUGreenDeal





Appendix

Materials





Company Mapping

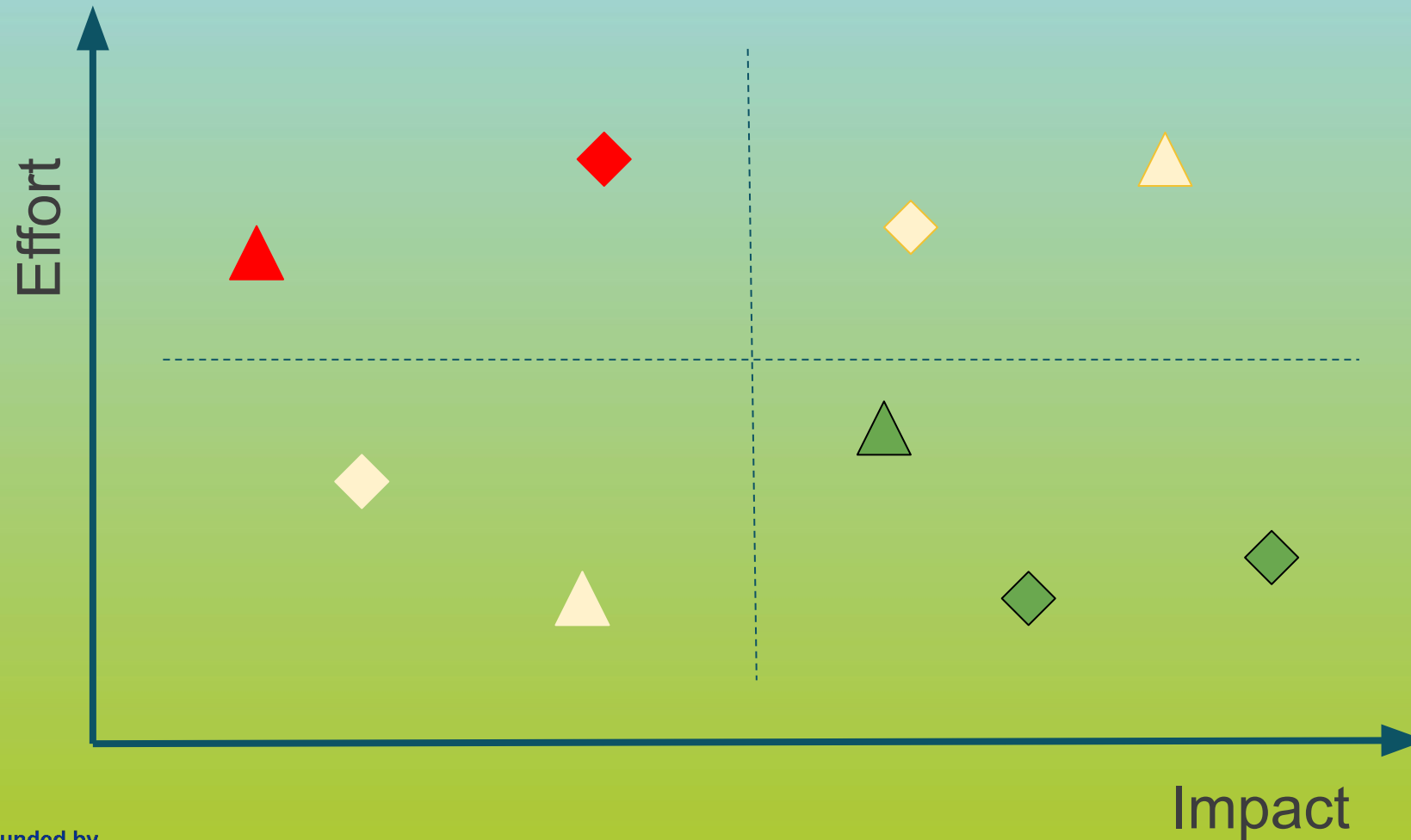


Figure 17. Stakeholders mapping and analysis.





Project Prioritisation





Platforms: City versus Stakeholder Leadership

	City-Led	Stakeholder Led
Pros	• Use existing municipal structures • No "new funding" needed • Municipal control and alignment	• Stakeholder ownership, responsibility • More dynamic, nimble, entrepreneurial • Possible fundraising and revenue generation • Potentially more ambitious and productive • Less legal restrictions on any independent governance structure
Cons	• Stakeholders take less ownership, possibly more passive • More work for city • Less dynamic, spontaneous	• More work to get started in recruiting and supporting stakeholder leaders • Depends on time and funds of stakeholders or donors • Less city "control" and potentially less predictable

** Note that this is meant to show the two extremes. However, a hybrid will often be the solution, with strong stakeholder leadership but significant city involvement.*

