



EU Mission “Climate-Neutral and Smart Cities”

Review Procedure of Climate City Contracts and Award of the Mission Label

Draft version pending approval of the Amendment of the Horizon Europe 2023 Mission Work Programme

Introduction

Climate City Contracts (CCC) are an innovative governance tool that is central to the EU Mission “100 Climate-Neutral and Smart Cities by 2030”. All cities that participate in the Mission will develop and implement a CCC with the help of the Mission Platform. CCCs are not legally binding, but constitute a visible public commitment of those who sign it – the Mayor as a minimum, but ideally also all relevant local stakeholders as well as regional and national authorities and stakeholders. The European Commission will witness the signing of CCCs.

As stated in the [Implementation Plan](#) for the Cities Mission, the Commission intends to award a **Mission Label** “to the selected cities having signed a CCC, recognising the quality and feasibility of their commitments under the CCC”. The Mission Label is first and foremost an acknowledgement of the successful completion of a process that was followed by the cities to develop their CCC. As such, it should help facilitate access to EU, national and regional funding as well as to private investment. On the other hand, it does not guarantee automatic funding and financing from these investment programmes.

As explained in the Implementation Plan, the Mission Label is intended to **boost confidence** in the soundness of cities’ climate neutrality plans among other EU, national and regional (funding) programmes and among private investors.

Obtaining the Mission Label should not be the only goal of cities working on CCCs. There is great value in the **CCC as a process** to rally all actors behind a common plan. This is also why there is no deadline for the submission of CCCs. A timeframe of about a year should be feasible for most participating cities. However, cities are strongly encouraged to carry on improving their CCC after its submission and

throughout the lifetime of the Mission. It is only through such an **iterative approach** that the full benefits of the process can be reaped.

The following sections describe how the CCCs will be reviewed in order to decide whether a Mission Label should be awarded, how the Mission Label will be awarded and how the implementation of CCCs will be monitored. **Annex I** contains a CCC completeness checklist for cities (developed by NetZeroCities), and **Annex II** contains criteria for the review of the CCCs.

Preparation of CCCs

All CCCs consist of **three parts**: (1) the Main Commitments (Core Contract), (2) a Climate Neutrality Action Plan and (3) a Climate Neutrality Investment Plan. The three elements interrelate and form a coherent whole. Cities have received a **Resource Pack** with **templates** ([Commitments](#) | [Action Plan](#) | [Investment Plan](#)) and detailed **guidance documents** ([Commitments](#) | [Action Plan](#) | [Investment Plan](#)) for all three parts of the CCC. The checklist in Annex I helps cities and their City Advisors in the assessment whether the CCC is ready for submission.

Completeness check by the Mission Platform

Once the city, after consultation with its City Advisor, is confident that the CCC is ready for submission, the Mission Platform carries out a **completeness check**. A CCC will be considered complete and mature enough for submission to the Commission by the Mission Platform – in agreement with the city – when the Mission Platform can confirm:

- The completeness of the **co-creation process** in which all relevant stakeholders have been involved and agreed to the vision and related activities set out in the main commitments part of the CCC;
- The completeness of the **Climate Neutrality Action Plan**;
- The completeness of the **Climate Neutrality Investment Plan**.

The completeness check should not take more than **four weeks** – save for exceptional cases.

The version of the CCC submitted to the Mission Platform and to the Commission should be in **English**.

There are two cut-off dates for the submission of CCCs to the Commission, on **15 April and 15 October (or the first working day thereafter)**.

Review process in the European Commission

Upon receipt of the CCC, the Cities Mission Secretariat in the Commission will carry out a *prima facie* check. The three parts of the CCC will then be reviewed as follows:

- (1) The **Main Commitments**: As this part describes the overall strategy and policy, it will be reviewed by the **Cities Mission Secretariat**.

- (2) The **Climate Neutrality Action Plan**: As this part includes the setting of a baseline, 2030 gap analysis, impact pathways, agreed systemic solutions, portfolio of actions, timeline, KPIs and attribution of responsibilities for the implementation of the Action Plan, it will be reviewed by the Commission's scientific service, the **Joint Research Centre**.
- (3) The **Climate Neutrality Investment Plan**: As the capacity to assess plans of this nature is very limited in the Commission, a group of **independent financial experts** will be established by the Mission Platform to carry out the review of this part. The activity of this group will be strictly separated from the work of the Mission Platform with the cities.

The European Investment Bank (EIB), through its advisory mandates with the European Commission such as the [InvestEU Advisory Hub](#) and [JASPERS](#) (Joint Assistance to Support Projects in European Regions), will act as an observer in the group of financial experts that will review the Climate Neutrality Investment Plans and will contribute with its expertise to the process.

All three reviews in the form of short assessments will then be sent to the Mission Board and to the Commission-internal Mission Owners Group (composed of representatives of all Commission services with an interest in the Cities Mission).

Following the **consultation of the Mission Board** and following a **recommendation from the Mission Owners Group**, the Mission Manager will decide whether to **endorse** the CCC and award the Mission Label.

All cities whose CCCs have gone through the review process (with positive and negative results) will receive **feedback** on the CCC's quality and ways to improve further.

The review phase in the Commission should – save for exceptional cases – not last longer than **four months**.

Award of the Mission Label

Following the endorsement of its CCC, the city will receive the **Mission Label**. The award of the Label could take place as a public ceremony involving a Commission representative. Following the award, the city may use the Mission Label in its communication.

The Commission intends to publish the list of cities carrying the Mission Label.

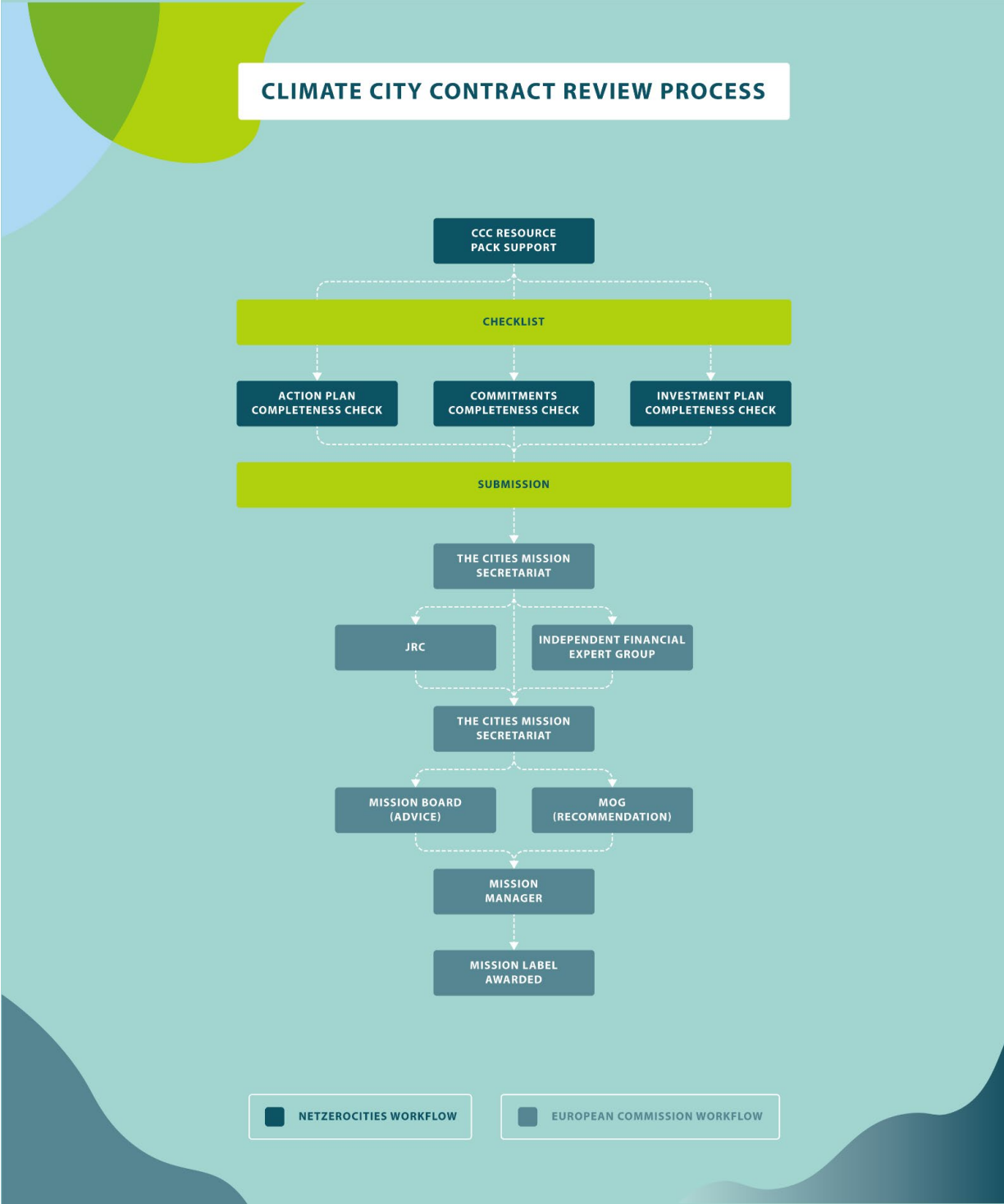
Member States will be regularly informed about the overall progress of the development of CCCs through the Strategic Programme Committee of Horizon Europe.

Monitoring of the implementation of CCCs

The Mission Platform will carry on working with cities to update their CCCs and will monitor their implementation. It will keep the Commission and the Mission Board informed about the state of play and will recommend to the Commission whether to maintain or possibly suspend the Mission Label or to withdraw it altogether. **Suspension or withdrawal of the Mission Label** can only be decided on by the Mission Manager, following a consultation process with the concerned city in which the city will

be invited to address the relevant concerns, and after consultation of the Mission Board and recommendation of the Mission Owners Group.

Workflow of the review of Climate City Contracts



Annex I: Completeness Checklist

The aim of this checklist is to establish if all essential building blocks have been included in the Climate City Contract (CCC).

- It refers to all the three sections of the CCC: 2030 Climate Neutrality Commitments, Action Plan and Investment Plan.
- Please select a “Yes” or “No” whether the Climate City Contract includes the elements listed.
- The CCC can be considered “complete” from a Mission Platform perspective, when all listed elements have been included.
- Completeness does not guarantee awarding of the Mission label, but places the city in a good position towards this.
- Please use the notes section to make a record of potential next steps, support needs, questions or other points of note.

Download the checklist [here](#).

1. CCC – General criteria & 2030 Climate Neutrality Commitments

| ID | Building block/element | Template section links | Yes | No | Notes |
|-----|---|-----------------------------------|--------------------------|--------------------------|-------|
| | | | ✓ | ✗ | |
| 1.1 | 2030 Climate Neutrality Target Does the CCC have a 2030 climate neutrality target for the whole or part of its area, matching or exceeding that in the EoI? | Section 2- Goal | <input type="checkbox"/> | <input type="checkbox"/> | |
| 1.2 | Document completeness Does the CCC include a Commitments document with an annexed Action Plan and Investment Plan? | General | <input type="checkbox"/> | <input type="checkbox"/> | |
| 1.3 | Consistency Is there consistency between the vision, actions and necessary investments outlined in the Commitments, Action Plan and Investment Plan? | General | <input type="checkbox"/> | <input type="checkbox"/> | |
| 1.4 | Co-benefits Does the Commitments document outline the co-benefits of climate action for the city? | Section 2 - Goal | <input type="checkbox"/> | <input type="checkbox"/> | |
| 1.5 | Citizen Engagement | Section 4- Principles and Process | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | | |
|------------|--|---|--------------------------|--------------------------|--|
| | Does the Commitments document include evidence of citizen co-creation or engagement? | | | | |
| 1.6 | Citizen Engagement Does the Commitments document include evidence of lowering barriers for participation of marginalized groups of society in the Action Plan development process? | Section 4- Principles and Process | <input type="checkbox"/> | <input type="checkbox"/> | |
| 1.7 | Stakeholder Engagement Has evidence of stakeholder co-creation or engagement been included? | Section 4- Principles and Process | <input type="checkbox"/> | <input type="checkbox"/> | |
| 1.8 | Key priorities and strategic interventions Have key priorities and strategic interventions to guide the implementation of the CCC been identified? | Section 3- Key priorities and strategic interventions | <input type="checkbox"/> | <input type="checkbox"/> | |
| 1.9 | Plan for iterations Does the CCC specify a plan for future iterations, with a minimum 2-year review cycle? | Section 4- Principles and Process | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | | |
|--------------------|---|-------------------------------|---------------------------------|---------------------------------|--|
| <p>1.10</p> | <p>Links to relevant policies and regulations Does the CCC refer to relevant EU, regional and national policies and regulations?</p> | <p>General/Introduction</p> | <p><input type="checkbox"/></p> | <p><input type="checkbox"/></p> | |
| <p>1.11</p> | <p>Signatories Is the CCC Commitment document signed by the mayor / supported by a council decision?</p> | <p>Section 5- Signatories</p> | <p><input type="checkbox"/></p> | <p><input type="checkbox"/></p> | |
| <p>1.12</p> | <p>Signatories Have other signatories been included?</p> | <p>Section 5- Signatories</p> | <p><input type="checkbox"/></p> | <p><input type="checkbox"/></p> | |

2. 2030 Climate Neutrality Action Plan (AP)

| A-Current State of Climate Action | | | | | |
|-----------------------------------|--|---|--------------------------|--------------------------|-------|
| ID | Building block/element | Template section link | Yes ✓ | No ✗ | Notes |
| 2.1 | Has a GHG inventory been submitted to serve as baseline for the AP? | AP Module A-1 CDP-ICLEI Track; MyCovenant | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.2 | Is the geographic boundary of the baseline inventory clearly defined? | AP Module A-1 CDP-ICLEI Track; MyCovenant | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3 | Do you have a current/recent emissions inventory in addition to your baseline inventory? (Indicatively not older than 2018). This can be provided within two years. | AP Module A-1 CDP-ICLEI Track; MyCovenant | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.4 | Are there gaps in the greenhouse gases included in the baseline inventory as compared to the specifications outlined in the Mission Info Kit ? | AP Module A-1 CDP-ICLEI Track; MyCovenant | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.5 | Does the baseline inventory include all the scopes / sectors identified in the Mission Info Kit ? If not, has a rationale been included? | AP Module A-1 CDP-ICLEI Track; MyCovenant | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | | |
|------|---|---------------|--------------------------|--------------------------|--|
| 2.6 | If the baseline inventory does not include all the scopes / sectors identified in the Mission Info Kit , has a rationale been included? | AP Module A-1 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.7 | Does the AP include the results of the '2030 emissions gap' calculation , determining the total quantity of emissions to be addressed through the AP? | AP Module A-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.8 | Are residual emissions below 20%? | AP Module A-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.9 | Is there a strategy included to address residual emissions? | AP Module A-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.10 | Does the AP identify strengths of existing climate-relevant strategies, policies, and plans ? | AP Module A-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.11 | If the AP does not identify strengths of existing climate-relevant strategies, policies, and plans , is there a rationale for why these are not included? | AP Module A-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.12 | Does the AP identify gaps of existing climate-relevant strategies, policies, and plans ? If not, | AP Module A-2 | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | | |
|-------------|--|---------------|--------------------------|--------------------------|--|
| | is there a rationale for why these are not included? | | | | |
| 2.13 | If the AP does not identify gaps of existing climate-relevant strategies, policies, and plans , is there a rationale for why these are not included? | AP Module A-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.14 | Does the AP identify systemic barriers for climate action in the city's ecosystem to support the planning of corresponding strategic actions? | AP Module A-3 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.15 | Does the AP identify systemic opportunities for climate action in the city's ecosystem to support the planning of corresponding strategic actions? | AP Module A-3 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.16 | Does the AP map out and plan for or describe engagement with the relevant stakeholders in the city's ecosystem? | AP Module A-3 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.17 | Does the AP include evidence of citizen engagement and co-creation ? | AP Module A-3 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.18 | Does the AP include evidence of lowering barriers for participation ? | AP Module A-3 | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | | |
|--|---|--|--|--|--|
| | of marginalized groups of society in the AP development process? | | | | |
|--|---|--|--|--|--|

| B-Pathways Towards Climate Neutrality by 2030 | | | | | |
|---|--|------------------------|--------------------------|--------------------------|-------|
| ID | Building block/element | Template section links | Yes ✓ | No ✗ | Notes |
| 2.19 | Does the AP identify and detail the short-term and long-term outcomes leading to net-zero? | AP Module B-1 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.20 | Does the AP identify co-benefits (indirect impacts) related to climate neutrality? | AP Module B-1 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.21 | Does each action in the AP reference one or more direct impact (emission source sectors)? | AP Module B-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.22 | Does each of the actions reference a field of action, and intended outcomes ? | AP Module B-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.23 | Does each action contain an estimation of emission reductions per source / sector (to coherently address the emissions gap)? <i>Note: All actions listed in Module C-1 or C-2 (e.g., enablers) are not included in this check.</i> | AP Module B-2 | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | | |
|------|--|-----------------------------------|--------------------------|-------------------------------------|--|
| 2.24 | Does each action in the AP identify a responsible person / organization and/or other stakeholders involved? | AP Module B-2 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 2.25 | Does each action in the AP outline contain a timeline for implementation ? | AP Module B-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.26 | Does the AP estimate the total cost of actions to be addressed in the Investment Plan? | AP Module B-2; Investment Plan | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.27 | Does the AP include indicators to monitor progress towards outcomes and impacts outlined in Module B-1? | AP Module B-3 | <input type="checkbox"/> | <input type="checkbox"/> | |

C-Enabling Climate Neutrality by 2030

| ID | Building block/element | Template section links | Yes ✓ | No ✗ | Notes |
|------|---|------------------------|--------------------------|--------------------------|-------|
| 2.28 | Does the AP identify, and outline interventions aimed at governance and organisational (municipal & other stakeholder) innovations that address the systemic barriers described in Module A-3? | AP Module C-1 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.29 | Does the AP identify, and outline interventions aimed at boosting social innovations that address coherently the systemic barriers described in Module A-3? | AP Module C-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.30 | Does the AP outline next steps with regards to its development and iteration cycle (e.g., improvements and milestones to be tackled in the next iteration of the CCC)? | AP general | <input type="checkbox"/> | <input type="checkbox"/> | |

3. 2030 Climate Neutrality Investment Plan (IP)

| A-Current State of Climate Investment | | | | | |
|---------------------------------------|---|------------------------|--------------------------|--------------------------|-------|
| ID | Building block/element | Template section links | Yes ✓ | No ✗ | Notes |
| 3.1 | Does the IP describe existing funding and financing options for climate activities by fields of action or sectors (for example % of budget allocation & precise amount of allocated investment)? | IP Module A-1 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.2 | Does the IP include a description of existing strategies for capital deployment by fields of action or sectors? | IP Module A-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.3 | Does the IP identify existing regulatory policies that support capital deployment , and their associated impact? | IP Module A-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.4 | Does the IP include an assessment of the city's capacity and/or capabilities needs to develop an IP? | IP Module A-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.5 | Does the IP include an assessment of existing financial and related non- | IP Module A-3 | <input type="checkbox"/> | <input type="checkbox"/> | |

| | | | | | |
|--|--|--|--|--|--|
| | financial barriers to deploy capital? | | | | |
|--|--|--|--|--|--|

B-Investment Pathways towards Climate Neutrality by 2030

| ID | Building block/element | Template section links | Yes ✓ | No ✗ | Notes |
|------|---|--------------------------|--------------------------|--------------------------|-------|
| 3.6 | Does the IP describe the cost analysis across identified fields of action or sectors? | IP Module B-1 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.7 | Does the IP describe the direct/indirect monetization of benefits ? | IP Module B-1 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.8 | Does the IP describe the public and private capital sources available to meet the estimated costs? | IP Module B-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.9 | Does the IP indicate some (innovative) financial structures/instruments to raise capital ? | IP Module B-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.10 | Does the IP include a selection of key economic and financial indicators ? | IP Module B-3 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.11 | Does the IP demonstrate alignment between cost analysis, capital planning and a monitoring framework ? | IP Modules B-1, B-2, B-3 | <input type="checkbox"/> | <input type="checkbox"/> | |

C-Enabling Financial Conditions for Climate Neutrality by 2030

| ID | Building block/element | Template section links | Yes ✓ | No ✗ | Notes |
|------|---|------------------------|--------------------------|--------------------------|-------|
| 3.12 | Does the IP include a description of additional climate policies to be implemented that enable capital deployment in the city? | IP Module C-1 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.13 | Does the IP identify risks and appropriate mitigation strategies for them? | IP Module C-2 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.14 | Does the IP map relevant stakeholders and outline their engagement strategy? | IP Module C-3 | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.15 | Does the IP identify relevant knowledge gaps on developing and delivering the plan? | IP Module C-3 | <input type="checkbox"/> | <input type="checkbox"/> | |

Annex II: Criteria for review of Climate City Contracts

1. Principles

- For each Mission City, the initial “Commitment” should be consistent with the EOI commitment declaration, clarifying where there might be ambiguity around the climate neutrality scope and timeline; future iterations could go beyond that commitment.
- Criteria for review must be clear and apply across the wide diversity of Mission Cities.
- CCCs should be Mission appropriate – ambition, scope, timelines.
- Iteration of CCCs and the associated Plans based on learning and progress is a crucial aspect of the review process.
- CCCs are the result of a local co-creation process and will reflect a great deal of divergence between cities.
- Climate Neutrality Action Plans & Investment Plans must translate ambition/commitments into clear implementation actions.

2. Commitment review

The focus lies on the city’s commitment to climate neutrality, based on its EOI submission:

- Appropriate climate neutrality scope for 2030
- Clarity on breadth – i.e., citywide or substantial districts
- Sets forth expectations for advancement via future iteration
- Demonstrates coherence between the overall strategy and policy on the one hand and the Climate Neutrality Action Plan and the Climate Neutrality Investment Plan on the other hand
- Is in compliance with relevant EU, regional and national policies and regulations
- Is the result of due process with respect to citizen engagement and stakeholder consultation

3. Climate Neutrality Action Plan review

Climate Neutrality Action Plans include all modules described in the Climate Neutrality Action Plan template. In doing so, a city delineates how this Action Plan builds upon previous and existing climate actions, representing a substantial step forward from current action plans.

- It must be based on robust data and analysis, incl. a comprehensive baseline emission inventory, and provide a compelling assessment of current policies and actions.
- It must describe with clarity and rigour the systemic barriers to climate neutrality, including those beyond immediate city control.
- It must outline action in view of reaching climate neutrality across all sectors, including actions for addressing residual emissions (if applicable).
- It must describe actions with sufficient detail to allow for an assessment of credibility and effectiveness, with explicit delineation of direct and indirect impacts, actors, resources, timelines, and KPIs.

- It outlines key areas of strategic innovation to overcome identified barriers and key enabling interventions to support implementation across action portfolios. It must demonstrate that it results in a credible mobilisation of a comprehensive and inclusive stakeholder ecosystem required to advance the portfolios and pathways, with explicit delineation of roles, responsibilities and interactions.
- It must delineate monitoring, evaluation and learning frameworks, define milestones and outline the process of advancement of the action plan over time.

4. Climate Neutrality Investment Plan review

- The first Climate Neutrality Investment Plan will by necessity identify key areas of work for both short-term and mid-term development; successful initial plans will be clear and tangible about how a city will advance that work in concert with the Climate Neutrality Action Plan.
- If a city has not done the initial economic analysis to determine the total capital needed for climate neutrality, the Climate Neutrality Investment Plan must lay out how that will be done and when that will be complete. [Note: NZC are working to deliver analytics to every Mission city without upfront costs as a barrier.]
- The city must have identified and described key economic and financial capacity/capability needs, key partnerships, and timelines consistent with the needed rapid development of both capacity and capabilities.
- The Climate Neutrality Investment Plan must describe key policy needs related to mobilising and deploying the required funding and financing for large-scale, climate-neutral implementation as described in the Climate Neutrality Action Plan, with clear delineation of actors responsible for policy actions and timelines for action.
- The Climate Neutrality Investment Plan must set out objectives for needed capital structure design and execution work for the scope/scale of their needs, with timelines and clear objectives and have identified and described clearly the risks related to capital formation and deployment and the mitigation actions and key actors to address these risks.