
THE ROLE OF PHILANTHROPY WITHIN THE MISSION

(Quick Read – NetZeroCities Learning Resources)

INTRODUCTION

“Philanthropy’s true potential lies not in its volume, but in its freedom of action — the ability to take risks for the public good.” — Philea, 2025

Philanthropy refers to the use of private funds channelled through independent organisations to create public good and social value. Philea, the European association representing more than 250 philanthropic organisations and networks, works to strengthen and coordinate the role of philanthropy across Europe.

Achieving climate neutrality in cities requires not only technological innovation, but also new forms of collaboration and financing. In this context, philanthropy plays a crucial role by offering flexible, patient and risk-tolerant capital, supporting cities’ capacity building, and connecting public institutions, businesses, civil society and universities.

Through initiatives such as Philea’s European Philanthropy Coalition for Climate, foundations across Europe are supporting cities in the development and implementation of their climate plans, ensuring that the path to net zero is just and inclusive. Within this framework, [foundations](#) can engage in multiple ways: by becoming signatories of [Climate City Contracts](#) (CCC), offering institutional backing, providing catalytic or grant-based funding, or supporting specific thematic priorities essential to the transition.

(Based on Philea’s report “[100 Climate-Neutral European Cities: Philanthropy’s Role in Ensuring a Just and Fair Transition Through the EU Cities Mission](#)”, 2025.)

♦ KEY CONTRIBUTIONS OF PHILANTHROPY

1 Resources for the Early Stage of Project Design and Structuring

Philanthropy provides early, flexible resources that help cities turn ideas into viable projects. This includes funding that supports initial development stages, enabling work on narrative change, governance innovation, or pre-commercial concepts, areas often overlooked by traditional finance.

By strengthening technical and strategic capacities, foundations help municipalities access European and structural funds. This early intervention bridges the gap between political vision and operational capacity, fostering a coherent and effective climate transition. In addition, philanthropy can help stabilise processes that are sometimes disrupted by a lack of resources, legitimacy or continuity.

2 **Fostering [Citizen Participation](#) and a [Just Transition](#)**

Foundations can strengthen social inclusion and local ownership by funding participatory, deliberative and educational processes that enhance connections among diverse stakeholders, including citizens, civil society and local governments. Philanthropic capital is particularly well suited to supporting socially inclusive approaches thanks to its flexible, trust-based nature. By doing so, it helps shift climate neutrality from a purely technical goal to a socially rooted and equitable endeavour, facilitating creative experimentation and supporting activities such as collaborative spaces, alliance building and participatory governance, as well as initiatives that blend cultural, artistic and scientific perspectives.

3 **Public–Private–Philanthropy Partnerships**

Public–Private–Philanthropy Partnerships (PPPPs) bring together the complementary strengths of public authorities, private actors and philanthropic organisations to accelerate climate action in cities. Philanthropy helps set up and coordinate collaborations, convenes diverse stakeholders, and provides technical support. These alliances enable co-creation, shared governance and mutual learning. By reducing asymmetries between sectors, philanthropy strengthens trust, improves coordination and supports the development of integrated responses to complex transition challenges.

4 **Capacity Building and Knowledge Generation**

Philanthropic actors support by providing methodological expertise, technical assistance and learning facilitation, producing knowledge resources and offering coaching or mentoring to municipal teams. Through peer-learning networks and collaborative formats, they help cities reflect, experiment and make more evidence-based decisions. In many cases, foundations partner with academic institutions to generate applied knowledge, ranging from climate justice methodologies to data infrastructures, that strengthens municipal decision-making. These philanthropy–university synergies, widely recognised on knowledge co-production, reinforce local ecosystems of learning and practice, enhancing cities' ability to plan, implement and evaluate ambitious climate strategies.

Their added value lies in their bird's-eye perspective, which enables them to connect organisations from different sectors that typically work in parallel but rarely intersect. By fostering these shared learning environments, philanthropy strengthens the capacity of cities to move from isolated actions to systemic, data-informed strategies for urban transformation.

5 **Innovative [Financing](#) and Patient Capital**

Philanthropic capital is well placed to address funding gaps that neither public nor private finance can easily cover. Foundations can provide flexible, long-term and trust-based and impact-oriented resources that help reduce the risks of early innovation and make it easier for other investors to participate. Beyond traditional grants, they can use a range of support tools to back projects that are not yet ready for commercial investment, especially in areas

like circularity or social inclusion where financial returns are uncertain. By enabling experimentation and absorbing early risks, philanthropy helps shape more diverse and resilient financing models that allow cities to advance their climate commitments while keeping the transition socially inclusive.

→ ***We can see that the Philanthropy in the Mission Framework acts as connective tissue between vision, capacity, funding, and participation, and not only as “donor” — Philea, 2025.***

♦ What this looks like in practice: Inspiration

Each example highlights one primary contribution of philanthropic work, even though the foundations involved contributed several roles simultaneously.

Example – Next Generation WE in Turin (Italy)

Key contribution: *early-stage project design*; **complementary roles:** *capacity building; [governance](#) support.*

In Turin the *Fondazione Compagnia di San Paolo* launched the “Next Generation WE” programme, a competitive grant scheme with a €10 million envelope to help municipalities across Northwest Italy design sustainable projects and access PNRR and EU funds. By providing non-repayable funding for early-stage design and governance, combined with tailored technical assistance, the programme de-risks project preparation, strengthens municipal capacities and creates a pipeline of investment-ready, climate-aligned projects.

This case shows how philanthropic intervention can bridge the gap between vision and implementation, enabling cities to turn political commitments into structured, fundable climate actions.

Example – València Clima i Energia in Valencia (Spain):

Key contribution: *citizen participation & just transition*; **complementary roles:** *capacity building; community engagement.*

València Clima i Energia, a municipal foundation supported by the City Council, together with Las Naves Foundation (local innovation agency) and various civic initiatives, has become a cornerstone of the city’s approach to inclusive climate governance. Through participatory energy offices, community-led pilot projects, and awareness campaigns, the foundation fosters direct citizen involvement in decision-making around the energy transition. These initiatives not only build local ownership but also strengthen the social legitimacy of the city’s *Climate City Contract*, ensuring that climate neutrality efforts reflect the needs and priorities of all communities. This case highlights philanthropy’s *democratic*

dividend: its ability to cultivate trust, engagement, and shared responsibility for the urban transition toward climate neutrality.

Example – Cross-sector partnership in Milan (Italy) :

Key contribution: PPPPs; **complementary roles:** *financing innovation; cross-sector collaboration; governance innovation.*

In **Milan**, Fondazione Social Venture Giordano Dell'Amore and Fondazione Cariplo have formed a cross-sector partnership with public and private actors to support sustainable urban mobility and [social innovation](#). Rather than a grant call for the municipality, this initiative operates as an impact-investment platform that blends philanthropic capital with public and private co-investment, creating an investment model that balances financial return with measurable social and environmental impact. This partnership illustrates how philanthropy can assume financial and reputational risks that other actors cannot, creating new financing architectures and governance models. The Milan case demonstrates how PPPPs integrate complementary capacities across sectors, enabling coordinated decarbonisation efforts at the city scale.

Example – Learning Ecosystems in Heidelberg (Germany)

Key contribution: *capacity building & knowledge generation;* **complementary roles:** *governance support; learning ecosystems*

In Heidelberg, Stiftung Mercator has supported applied research and policy experimentation on inclusive climate action. Through partnerships with academic institutions, and other European cities, the foundation has helped develop methodologies for assessing the social equity dimensions of decarbonisation policies. This cross-sector collaboration reflects philanthropy's ability to bring together actors that typically work in parallel, creating shared learning environments that deepen collective understanding. The initiative has informed the design of local transition strategies in both Heidelberg and neighbouring Dortmund, and shows how investment in knowledge infrastructures, data platforms, observatories and learning communities, strengthens cities' capacity to plan, implement and [monitor](#) just and effective climate transitions.

Example – Financing the Built Environment in Madrid (Spain):

Key contribution: *innovative financing;* **complementary roles:** *governance innovation; multi-stakeholder coordination; knowledge generation.*

In Madrid, the Laudes Foundation, through its Built by Nature initiative, a European fund and network for sustainable construction, supports the development of climate-neutral and circular building models that require early-stage, risk-tolerant financing. Rather than relying solely on traditional grants, Built by Nature combines different forms of support to pilot low-carbon materials and circular construction approaches that are not yet ready for commercial investment. By working with public authorities, developers, architects and

civil-society organisations, the initiative helps de-risk experimentation, align financial flows with the city's decarbonisation goals, and mobilise additional partners. This case shows how philanthropic capital can act as a lever for structural transformation in the built environment, enabling cities to test solutions and advance a more inclusive and resilient climate transition.

♦ How is philanthropic support accessed?:

Philanthropic contributions are obtained through open calls for proposals or competitive grant programmes launched by foundations and also emerge through direct partnership invitations for cocreation and structured collaboration requests. In many cases, foundations design their strategies alongside their partners' perspectives: – *“foundations want to sit with the cities and define together projects in which they will be one of the contributors”*–

In many cases, foundations activate targeted funding windows to engage municipalities, civil society organisations, and other relevant local actors. Within NetZeroCities, Philea maintains a strategic partnership with the Capital Hub and is a member of the Capital Hub Investor Panel (CHIP).

♦ Integration of Philanthropy in NetZeroCities

Philanthropy is already active across many climate and social initiatives, but there is a growing movement within the sector to make its contribution more intentional and systemic. The aim is to bring social cohesion and a just transition more firmly into the climate agenda, and to do so in alignment with the European Commission's priorities.

In June 2024, this shared ambition was formalised through a Memorandum of Understanding (MoU) between NetZeroCities and Philea. The MoU outlines concrete avenues for collaboration to support cities and is structured around three pillars: knowledge exchange, acceleration of actions, and mutual visibility.

Building on this framework, a detailed Collaboration Agreement clarifies the scope of activities and roles. NetZeroCities, leads engagement with cities and supports them in connecting with Philea and its members. Philea mobilises its network of foundations, coordinates their involvement, develops peer-learning activities, and maintains liaison with the European Commission and the Mission Secretariat. NetZeroCities ensures that Mission Cities are aware of collaboration opportunities and receive support in engaging with relevant foundations, while Philea is informed when cities approach its members, helping to coordinate and align efforts.

The agreement translates this partnership into several **practical areas of collaboration**:

- Shared purpose: a joint commitment to supporting cities in delivering a just transition to climate neutrality.
- Clear roles: NetZeroCities leads engagement with cities and curates opportunities; Philea convenes and mobilises its foundations around urban transitions.
- Joint workstreams: collaboration on Pilot Cities, twinning, policy innovation (labs and sandboxes), governance and democratic practices, storytelling, and narrative design, and climate-finance innovation.
- Knowledge and learning: shared repositories, case studies and peer-learning activities.
- Pipelines and PPPs: identifying city needs, showcasing them to Phileas's members, and co-developing pipelines of actions that can attract blended public-private-philanthropic finance.

As opportunities emerge, the partners commit to co-develop annual workplans, track progress and share learning across all Mission Cities, and beyond, so that successful collaborations with philanthropy can be replicated, scaled and documented.

♦ **Collaboration with the Capital Hub**

Within this emerging architecture, the Capital Hub functions as the primary interface through which collaboration between cities and philanthropic actors is operationalised. The Hub has begun to work with philanthropy on specific assignments and is progressively deepening its collaboration with Philea. Philea is also a member of the Capital Hub Investor Panel (CHIP). In practice, Philea supports cities and the Capital Hub by clarifying what philanthropic organisations can offer in areas that require grant-based or early-stage funding, such as adaptation, social inclusion or circular economy initiatives, and by contributing to the design of new approaches where conventional funding instruments are insufficient.

It also acts as a “sounding board”, providing feedback on emerging project ideas, sharing thematic expertise and helping to connect cities with relevant foundations and knowledge resources. In parallel, the Capital Hub engages directly with individual foundations beyond the Philea network, with early assignments in Spain, France, the United Kingdom and Italy already illustrating how this configuration is starting to translate into tangible, city-focused action.