



Governance Innovation and Implementation in the Cities Mission

Theme 1: Multi-Actor Collaboration in Mission City Climate Action: Private Sector Engagement

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Abbreviations and acronyms

Acronym	Description
CAP	Climate Action Plan
CCC	Climate City Contract
CIP	Climate Investment Plan
EIB	European Investment Bank
WP	Work Package
AFOLU	Agriculture, forestry, and land use
CA	City Advisor
CSG	City Support Group
EC	European Commission
ECF	European Climate Foundation
NZC	NetZeroCities
JTF	Just Transition Fund
GHG	Greenhouse Gases
TM	Transition Management
SECAP	Sustainable Energy and Climate Action Plan
IPPU	Industrial processes and products use

Summary

This report addresses governance innovation and implementation strategies for engaging the private sector in climate action within the context of the EU Cities Mission. It specifically focuses on the role and mobilisation of the private sector in multi-actor collaborations. The central objective of the report is to analyse how cities structure their partnerships with private sector stakeholders to implement climate actions, highlighting the conditions necessary to foster deeper engagement and collaboration.

Utilizing a comparative case study methodology, this study examines four cities, selected for their diverse contexts and approaches to climate governance: Gothenburg (Sweden), Guimarães (Portugal), Budapest (Hungary), and Valladolid (Spain).

The analysis explores five key dimensions: stakeholder engagement approaches, onboarding processes, collaboration models, implementation and private sector partnerships, and interests, motivations, and expectations of the private sector.

The report identifies significant variations in how cities approached stakeholder engagement and collaboration, shaped by their local economic structures, governance arrangements, and maturity within the EU Cities Mission framework.

Gothenburg leveraged established municipal enterprises to initiate partnerships primarily with larger, frontrunner companies, whereas Guimarães employed engagement and technical support through its Landscape Lab to deepen engagement. Budapest, facing initial challenges, built relationships through targeted municipal outreach to large firms, while Valladolid implemented structured and incentivised stakeholder involvement through grants and consultancy support programs.

Common themes across the cities include administrative complexity, resource constraints, challenges in engaging SMEs, maintaining stakeholder momentum, coordination across sectors, clarity of stakeholder roles and benefits, and monitoring accountability. To overcome these, cities have increasingly employed streamlined communication methods, targeted financial and technical support programs, and adaptive governance mechanisms to sustain and scale private sector involvement.

Successful multi-actor collaborations require strategic frameworks with clear goals, leveraging existing relationships, ensuring mutual benefits, adaptive governance practices, and robust institutional leadership. The report suggests continuous capacity-building, simplified engagement processes, policy alignment, structured monitoring mechanisms, and institutionalised collaborative frameworks as critical for sustained and effective public-private partnerships in urban climate governance. These insights aim to inform future climate governance strategies, encouraging scalable, inclusive, and effective private sector engagement across European Mission cities.

Keywords

Mission Governance, Multi-actor Collaboration, Private Sector engagement.

1 Introduction

Multi-actor collaboration is increasingly seen as essential for addressing complex challenges, like climate change mitigation through urban transformation. In the context of city climate action, multi-actor collaboration allows public sector officials, businesses, and communities to align efforts towards shared decarbonization goals, leveraging diverse resources and expertise (Emerson and Nabatchi, 2012). Collaborative planning functions as means to share responsibility, catalyse action at appropriate governance levels, and incorporate local knowledge and diverse interests (Carter et al., 2015). This is often framed as collaborative governance, involving joint action by public, private, and civil society stakeholders. Ansell and Gash (2008) define collaborative governance as a formal process where public agencies engage non-state stakeholders in collective decision-making to implement public policy. Emerson *et al.* (2012) broaden this concept as *“the processes and structures of public policy decision-making and management that engage people constructively across the boundaries of public agencies, levels of government, and the public, private and civic spheres to carry out a public purpose”*.

A critical component of multi-actor climate governance is private sector engagement and mobilisation for implementing collective climate actions. Given that the private sector contributes significantly to greenhouse gas emissions but also holds vast capacities for innovation and investment, its engagement is widely acknowledged as vital for achieving climate targets (Newell and Paterson, 2010; UNDP, 2019). The United Nations Development Programme defines private-sector engagement in climate planning as the *“meaningful involvement of private sector actors – ranging from micro-enterprises to multinationals – in the planning, implementation, and monitoring of climate actions”*. This refers to the meaningful involvement of businesses and industry actors in planning and implementing climate strategies (Streck, 2020). In practice, this means companies not only make pledges but actively work alongside governments on emission reduction projects, clean technology deployment, and sustainable business model transformation. The Paris Agreement of 2015 further underscored the importance of broad non-state actor participation, including businesses, in accelerating climate mitigation and adaptation efforts (Bäckstrand *et al.*, 2017).

The private sector can play a pivotal role as a partner in both investing in and implementing decarbonization projects. To utilize this, the EU Cities Mission “100 Climate-Neutral Cities by 2030” has invited local governments to develop action and investment plans alongside local stakeholders as part of the Climate City Contract (CCC). The Cities Mission calls for municipalities to work with local stakeholders to co-create collaborative transition ‘impact pathways’ and collectively implement action plans through regular steering group meetings coordinated through a dedicated transition team. Moreover, since greenhouse emissions are embedded in consumption and production activities dependent on the private sector, climate governance necessitates engaging private actors in leadership and implementation, creating hybrid governance arrangements with new role distributions (Bulkeley and Newell, 2015). Still, the forms of collaboration for private sector engagement remain underexplored in the context of European urban sustainability transitions (Alkhani, 2020).

As Mission cities progress with implementation of planned actions, their processes of collaborating with the private sector provides a valuable opportunity to learn from their experiences. Mission Cities represent some of the most ambitious examples of urban climate governance, and focussing on these can provide valuable insights into how private sector collaborations can be effectively structured, what conditions might enable engagement, and what motivations and expectations private sector actors have.

This report provides a comparative perspective of four Mission city case studies and their approaches to private sector engagement. We highlight four cities: Gothenburg (Sweden), Guimarães (Portugal), Budapest (Hungary), and Valladolid (Spain). Each city has pursued multi-actor collaboration with a strong emphasis on private sector engagement to drive urban decarbonization. In doing so, we address the overarching research question(s):

How are EU Mission cities structuring their engagement and mobilisation with the private sector for implementation of climate action plans, and what conditions do stakeholders expect for deeper engagement?

The analysis highlights four key dimensions of private sector mobilisation: focussing on *Stakeholder Engagement* processes, *Onboarding* of partners, *Collaboration Models*, *Implementation* of climate actions, and navigating and negotiating diverse *Interests, Motivations and Expectations*. By comparing these dimensions across the four cases, the report highlights common patterns, unique approaches, shared challenges, and lessons learned for engaging the private sector in collaborative climate governance.

This report details each city's approach through a dedicated case study while also providing comparative synthesis, common challenges and opportunities that emerged through the detailed work on each city. In the next section we introduce the core concepts of reflexive MEL, which is then used to analyse the city cases individually (See Sections "[Individual city cases: Part 1](#)": [Gothenburg](#), [Budapest](#), [Guimarães](#) and [Valladolid](#)) and comparatively in the cross-city synthesis section.

2 Key dimensions of multi-actor collaboration

2.1 Stakeholder Engagement Approaches

Stakeholder engagement refers to the processes through which diverse actors, including private enterprises, civil society groups, and citizens, are involved in decision-making and problem-solving related to a shared goal (Ansell and Gash, 2008). Approaches to stakeholder engagement vary according to the level of participation, ranging from one-way communication (informing) to more interactive methods (consulting, collaborating, and empowering) (Quick and Feldman, 2011). In more recent governance literature, robust stakeholder engagement emphasizes co-creation and co-production, where stakeholders actively shape policy content and outcomes in partnership with public sector officials (Torfing *et al.*, 2012). Co-creation can also help create a shared sense of ownership between actors (Hofstad *et al.*, 2022). These approaches recognize that stakeholders bring resources (knowledge, legitimacy, funding), and that effective engagement harnesses these resources to foster better and more legitimate solutions (Emerson *et al.*, 2012). Regular feedback loops (workshops, joint evaluations, peer exchanges) allow stakeholders to collectively iterate and refine strategies and celebrate interim successes, maintaining which can help maintain or increase motivation (Torfing *et al.*, 2012).

2.2 Onboarding Processes

Onboarding in a collaborative governance context involves the initiation and integration of new stakeholders (organizations and individuals) into an ongoing initiative or network (Bryson *et al.*, 2006). This process typically includes clarifying the overarching goals, defining roles and responsibilities, and explaining the mutual benefits and expectations (Crosby and Bryson, 2005). Key challenges in onboarding often stem from time constraints, misaligned objectives among participants, and uncertainty regarding the level of commitment required (Emerson and Nabatchi, 2015). Additionally, complexity in administrative procedures or unclear communication can deter newcomers from fully joining or sustaining their involvement (Ansell and Torfing, 2021). To address these challenges, cities can employ targeted outreach, streamlined documentation, and capacity-building support to foster a shared understanding of the collaboration's purpose and operational norms (Vangen and Huxham, 2012). Particularly for smaller enterprises or those entering new sectors, targeted training,

consultancy, or shared technical resources can facilitate implementation and encourage more ambitious commitments (Kania and Kramer, 2011). consistent

2.3 Collaboration Models

Collaboration models describe the formal or informal structures and processes through which multiple stakeholders coordinate to achieve shared objectives (Huxham and Vangen, 2005). In the public governance sphere, such models range from loosely connected networks with minimal institutionalization to more formalized partnerships and consortia (Agranoff, 2006). Network governance relies on decentralized interactions among stakeholders, each retaining autonomy while cooperating voluntarily (Provan and Kenis, 2008). More centralized models can involve a lead organization that orchestrates collective action, manages resources, and monitors progress (Kania and Kramer, 2011). Effective collaboration models incorporate clear governance mechanisms (e.g., steering committees, sub-working groups), shared decision-making protocols, and agreed performance indicators to sustain engagement and maintain accountability (Ansell and Gash, 2008; Emerson *et al.*, 2012). Such models also tend to emphasize iterative learning and adaptive management, allowing partners to adjust strategies in response to emerging challenges or evidence (Bryson *et al.*, 2015).

2.4 Implementation and Private Sector Partnerships

In multi-actor collaborations aimed at public goals (such as climate governance) *implementation* typically refers to the stage where agreed policies, plans, or commitments are translated into practical actions and outcomes (Pressman and Wildavsky, 1984). When public agencies partner with private firms, implementation may involve shared financing, resource pooling, and coordinated operational roles. For instance, a municipality might provide regulatory approvals and subsidies, while the corporate partner contributes technological expertise, capital investment, or managerial capacity (Agranoff, 2006; Kania and Kramer, 2011). Successful implementation in private sector partnerships can be strengthened by synergy between public-sector authority or convening power and private-sector innovation and market acumen (Emerson and Nabatchi, 2015). Beyond simply “launching” or “executing” projects, implementation includes establishing ongoing processes for monitoring, accountability, and iterative learning (Bryson *et al.*, 2015). Participating companies often have internal performance indicators (e.g., return on investment, brand reputation) that intersect with the broader public goals (e.g., emissions reduction, sustainable infrastructure). Aligning these objectives can be supported by communication structures (i.e. joint steering committees or shared data platforms) and clearly defined roles in project management and financing of projects (Ansell and Gash, 2008). In this way, implementation transforms commitments into tangible outputs.

2.5 Interests, Motivations and Expectations

Multi-sector collaboration involves interaction between heterogeneous sets of actors, negotiation of interests, and contestation over ideas, framings and discourse. Private sector partners typically anticipate *mutual benefit* in collaborative implementation, seeking both financial viability and reputational gains (Huxham and Vangen, 2005). The public sector, in turn, expects enhanced policy outcomes (such as faster innovation adoption or broader citizen reach) facilitated by corporate resources and expertise. To maintain momentum and deepen engagement, the following conditions are often considered crucial (Ansell and Torfing, 2021; Vangen and Huxham, 2012):

- **Clear Value Proposition:** Companies benefit from a well-defined rationale for participation, such as access to funding, regulatory support, or market advantages. Public agencies should articulate these benefits from the outset to increase motivations for collaboration (Edmondson *et al.*, 2019).

- **Stable Policy Conditions and Clarity of Future Changes:** Private actors generally value predictable, long-term policies (such as clearly articulated procurement schemes or consistent regulations) that reduce investment risk (Bryson *et al.*, 2006). Significant changes should be articulated in advance to allow firms time to adjust their strategies. Once signalled, matching expectations with consistent outcomes can increase the credibility of communication and policy-process outcomes (Rogge and Dütschke, 2018; Rogge and Reichardt, 2016), and help create positive expectations for future engagement.
- **Transparent and Flexible Governance:** Ongoing dialogue and adaptable project structures help address emergent challenges (Brown *et al.*, 2013; Shove and Walker, 2007; Hill and Hupe, 2002). Transparency builds trust among partners, and can be enhanced through regular reporting and open communication (Emerson and Nabatchi, 2015).

Having outlined the core concepts that underlie the approach to this research on private sector engagement, we now introduce the methods and research cases.

3 Research Design and Cases

This section outlines the methodological approach, before providing an overall comparison of the selected cases.

3.1.1 Methodology

This study employs a comparative case study design, focusing on selected Mission Cities' approach to engaging the private sector. The research design utilizes a comparative multiple case study methodology complemented by a mixed-methods approach.

Initially, the study included a desk-based examination of each city's Climate City Contracts (CCCs) and relevant supporting documentation. This phase identified the mitigation priorities and significant planned actions within each city, coupled with an analysis of CCC signatories and existing governance frameworks.

The primary research phase involved engaging city representatives through a structured, multi-step process consisting of three main activities:

City Interviews: The initial discussions were conducted by the project team with city officials. The interviews focussed on: (i) the city's engagement processes, including stakeholder selection, onboarding and ongoing engagement, and (ii) the city's perceptions of stakeholder commitments. These semi-structured interviews involved between one to two officials per city, each lasting approximately 60 minutes, and took place from October to December 2024.

Stakeholder Interviews: Interviews were then conducted with three to four private sector stakeholders per city. The selection strategy aimed at covering a range of private sector stakeholders, that has directly engaged with the city throughout the CCC process, and was assisted through consultation with city officials to help identify key stakeholder to engage with. These interviews utilised a separate semi-structured questionnaire, which was designed to gather: (i) private sector perspectives on the city's engagement processes and their experiences and satisfaction with the process, and (ii) their motivations for supporting the city's work and their expectations. These interviews occurred between November 2024 and February 2025.

City Peer-to-Peer Workshop: The concluding stage featured an online peer-to-peer workshop in March 2025, enabling cities to showcase their specific approaches to engaging the private sector. Preparation for this workshop involved the project team members meeting with city officials to discuss outcomes and findings from the stakeholder interviews. The subsequent presentations facilitated

interactive discussions, fostering direct exchange and collaborative learning among the city representatives.

Table 1 - Interview participants across cities.

City	Interview number	Type of actor
Göteborg	1	City official(s)
	2	Intermediary
	3	Private Sector Stakeholder
	4	Private Sector Stakeholder
	5	Private Sector Stakeholder
Budapest	6	City official(s)
	7	Private Sector Stakeholder
	8	Private Sector Stakeholder
	9	Private Sector Stakeholder
	10	Private Sector Stakeholder
Guimarães	11	City official(s)
	12	Private Sector Stakeholder
	13	Private Sector Stakeholder
	14	Private Sector Stakeholder
	15	Private Sector Stakeholder
Valladolid	16	City Official(s)
	17	Cooperative
	18	Private Sector Stakeholder
	19	Private Sector Stakeholder

This collaborative research design explicitly invited city officials into the sensemaking process through the peer-to-peer workshop, supported by facilitated discussions moderated by the project team. Moreover, through this applied research approach with direct engagement and feedback, and by connecting the four Mission Cities through peer-exchange provided opportunity to provide valuable insights for these cities to support their work.

Full individual city cases were prepared and sent to respective participating cities for review and validation. For each participating city we prepared full individual city cases. The four city cases for this topic are located at "[Individual city cases: Part 1](#)". Please refer to these extended cases for more information on any of the points included in the following synthesis sections.

Synthesis and interpretation were conducted by the project team. While the synthesis of shared insights, identified challenges, and opportunities across city cases drew from these collaborative peer workshops, the final synthesis was conducted exclusively by the project team. Consequently, the

views and insights presented in the discussion and outlook of this report are those of the project team and may not necessarily represent the perspectives of the participating city officials.

3.1.2 Research Cases

Cases were selected to represent diversity of country locations, population sizes, and existing governance structures. The strength of this approach is aiming at broader generalisability and identifying common factors that occur in private sector engagement processes which are not context specific. It also provides an opportunity to highlight a range of approaches which have evolved from these background conditions. This approach makes direct comparison of some practices less relevant, acknowledging the vast diversity and heterogeneity of institutional contexts, social and cultural factors and industrial profiles of the countries and cities. The potential weakness of this approach is that by focussing across multiple sectors and cities with different cultural, institutional and industrial profiles more context specific forms of engagement and mobilisation may not be directly replicable. Even so, we believe that our approach aligns well with the strengths of the NetZeroCities platform and leverages the large network of Mission Cities to enable such cross-boundary learning, while acknowledging the need to adapt such learnings to local context and specificities.

The four cities differ markedly in their size, socio-economic context, and governance structures, which shape their approaches to collaboration (**Table 2**).

Budapest is a national capital of 1.7 million people with a dual governance structure (a city council plus 23 district municipalities). Budapest's economy is diverse with strong service and industrial sectors (e.g. pharmaceuticals, energy), and it serves as Hungary's political and economic center.

Gothenburg is Sweden's second largest city (~597,000 residents), an industrial and logistical hub known for its port and manufacturing economy (e.g. Volvo's headquarters). It has a high business density with numerous innovation clusters and municipally owned companies, indicating an established ecosystem for public-private interaction.

Guimarães is smaller (~158,000 residents in the municipality) and part of the Porto metropolitan area. Renowned as the historic "birthplace of Portugal," its economy includes traditional industries like textiles and footwear alongside cultural tourism.

Valladolid is a mid-sized city (~300,000 population) in northwestern Spain, the capital of Castile and León. It plays a regional role in administration and has a history as a transportation crossroads, with a mix of industries (automotive, food, etc.) and a growing services sector.

Table 2 - Comparative city profiles for the four selected cases.

City	Population	Geographic Context	Governance Structure	Economic Profile	Governance Scale & Collaboration
Gothenburg	~597,000	Industrial and logistical hub in Sweden	City council with extensive municipally owned companies	Strong manufacturing base (e.g., Volvo), port activity, innovation clusters	Large-scale governance; established ecosystem for public-private collaboration
Budapest	~1.7 million	Capital of Hungary, central urban core	Dual structure: central city council + 23 district municipalities	Diverse economy: services, industry (pharma, energy), political and economic capital	Large-scale, complex governance; requires coordination across levels and jurisdictions
Guimarães	~158,000	City in northern Portugal	City council and innovative institutions (e.g., Landscape Lab)	Traditional industries (textiles, footwear), cultural tourism	Smaller scale; focused local governance with regional links; emphasis on community assets
Valladolid	~300,000	Regional capital in northwest Spain	City council with municipal agencies and regional alignment	Mixed economy: automotive, food industry, expanding services	Mid-sized city; operates on local-regional interface with strong administrative role

Decarbonisation Strategy

Despite differing contexts, the cities' decarbonization strategies share commonalities. All cities are focussing on transport and mobility, while Gothenburg, Guimarães, Valladolid all have a strong focus on industrial emissions, which places a strong emphasis on working with local stakeholders collaboratively (Table 3).

Budapest has the highest total emissions of 6.35 million tCO₂e in 2018 but a lower per capita rate (~3.8 t), due to dense urban form and reliance on imported electricity. Its emissions stem primarily from buildings and heating (43%), electricity (26%), and transport (25%). The city's Climate City Contract emphasizes renewable energy, energy efficiency, sustainable mobility, and urban planning to reduce travel needs, alongside stakeholder dialogue to ensure coordinated implementation.

Gothenburg's territorial baseline is 2.0 million tons of CO₂-equivalent emissions in 2020, or about 7.65 tons per capita (including scope 3), with energy (notably district heating and

combined heat-and-power) and fossil-fuelled transport as major contributors. Its strategy focuses on transitioning to renewables (wind, solar, biogas), improving energy efficiency through retrofitting and district heating optimization, and exploring carbon capture and storage (CCS) to address hard-to-abate industrial emissions.

Guimarães works from a 2019 baseline of 680,251 tCO₂e, driven by transport (35%), industry (29%), and energy production (18%), reflecting its urban-industrial profile. Its climate strategy targets public transit upgrades, industrial energy efficiency (notably in textiles and footwear), renewable energy expansion, and waste reduction through “Zero Waste” and bio-waste initiatives, aiming to decarbonize key emitting sectors in a smaller city context.

Table 3 - GHG inventories, main emission sources and key actions by city.

City	Baseline Emissions (tCO ₂ e)	Per Capita Emissions (tCO ₂ e)	Main Emission Sources	Key Strategic Actions
Gothenburg	2.0 million (2020) (Territorial emissions)	~7.65 (includes scope 3)	Energy (oil refinery, district heating, CHP), fossil-fuel transport, industry.	Renewable energy, energy efficiency, CCS, district heating optimization
Budapest	6.35 million (2018)	~3.8	Buildings/heating (43%), electricity (26%), transport (25%)	Renewables, building efficiency, urban mobility, stakeholder engagement
Guimarães	680,251 (2019)	~4.3	Transport (35%), industry (29%), energy production (18%)	Public transit upgrades, industrial efficiency, renewables, zero waste initiatives
Valladolid	1.45 million (2019)	N/A	Transport (~40%), industry (~36%), buildings (~25%)	Building retrofits, clean mobility, circular economy, renaturalization.

Valladolid’s emissions in 2019 were 1.45 million tCO₂e, with transport (~40%), industrial processes (~36%), and buildings (~25%) as the leading sources. It’s 2030 targets include 85% emissions cut with 15% offsets. Valladolid integrates climate goals into broader urban strategies, focusing on building retrofits, sustainable mobility, circular economy, green infrastructure, and strong governance to achieve climate neutrality.

Governance and Stakeholder Commitments

Each city established governance structures to plan and oversee the climate transition, and within those structures solicited commitments to support the CCC from a range of stakeholders, including private sector actors (Table 4).

Budapest formed a “Mission Group” as its collaborative governance model, inspired by the NetZeroCities project’s Transition Team concept. This Mission Group brings together the city’s departments with external stakeholders: municipal companies in transport and utilities (e.g. BKK transit authority, Budapest Public Utilities), academic partners (e.g. a local university), civil society networks (a green NGOs alliance and a sustainability association), and importantly Budapest Global – a platform created by the municipality that convenes private companies in the city. The Mission Group meets regularly (in full or thematic sub-groups) to coordinate the climate neutrality strategy. Through the Climate City Contract process, Budapest secured 19 signatories for its CCC, spanning many city-

owned enterprises as well as private firms and NGOs. Notable private signatories include large multinationals or major employers such as Nestlé Hungária (international food industry) and energy company ALTEO. Most signatories operate at local or regional scale, with only a few international corporations, reflecting an emphasis on actors embedded in Budapest's economy. While Budapest's CCC signatories were fewer than Valladolid's, the inclusion of private companies from diverse sectors (mobility, food, energy, etc.) signalled a broadening beyond purely public institutions. As Budapest has not yet received the EU Mission Label (at the time of writing - having submitted its CCC in Window 4), the governance focus is on solidifying these partnerships in anticipation of more formal Mission status.

Gothenburg's governance is led by the Climate Function in the strategic department of the city, while central steering sits within the City Council and Executive Board. Gothenburg can leverage about 90 municipally owned companies (in sectors like energy, housing, transport, waste) that act as an extended arm of city governance and a bridge to the private sector. This extensive network of city companies facilitated identifying key partners for the CCC. The CCC had 22 signatories, however, given the prominence of municipal owned utilities and businesses, Gothenburg's Climate City Contract had a relatively small group of private sector signatories. The initial CCC signatory list was limited to 2 large organizations already familiar to the city (e.g. Volvo and real-estate firm Vasakronan). The approach to securing private-sector signatories initially focussed on a strategy of close collaboration with a few large frontrunners/champions. Even so, Business Region Gothenburg is a signatory of the CCC, and acts as the city's interface to a large ecosystem of companies and SMEs, even if these are not directly represented as signatories.

Guimarães' governance includes a municipal Transition Team, the Landscape Laboratory, strong relationships with the initial 70 signatories of the Climate Pact, and Local Action Groups to collaborate more deeply in specific sectors of the local economy. The municipal Transition Team is composed of staff from several departments (environment, urban planning, mobility, energy efficiency, etc.) and coordinates the climate action agenda across silos. The Laboratório da Paisagem ("Landscape Laboratory"), founded in 2014 by the Guimarães City Council and two of the main higher education institutions in northern Portugal, is a key member of the Transition Team and central to the Mission efforts. Early on the city and the Laboratory worked hard to build relationships and collaboration with 70 companies that were the initial signatories of the Climate Pact. The Transition Team has also built Local Action Groups for the textile sector and other sectors. Finally, it has used "Rapid Mass Engagement" events at their annual Green Week to deepen all these relationships and draw new companies into these structures.

Valladolid's governance is coordinated locally by the City Council and a dedicated Climate Mission Team the mission, supported by municipal agencies like IdeVa (the Innovation and Economic Development Agency which plays a key role in public-private collaboration) and AEMVA (the municipal energy agency). In addition, city-owned companies for housing (VIVA) and water (Aquavall) are involved, indicating cross-department integration. Regional government bodies (the Junta of Castile and León and its environment/energy departments) are also engaged to align city efforts with regional policies. Valladolid's Climate City Contract was notably expansive in its stakeholder reach: the city obtained 39 CCC signatories across public agencies, businesses, and civil society. Only 6 of these 39 were private companies, but importantly the majority of the rest were intermediary organizations (foundations, professional associations, business federations, etc.) and academic or cooperative entities. This indicates that Valladolid initially enlisted many organized groups (e.g. industry associations, chambers, citizen groups) as proxies for wider stakeholder communities. The commitments were structured – each signatory filled out a form selecting specific climate actions they would undertake (from a provided list of 14 actions across energy, mobility, circular economy, etc.). All private-sector signatories completed this standardized commitment table, ensuring their pledges were concrete and trackable.

Table 4 - Cross case comparison of governance and signatories.

City	Administrative and Coordinating Bodies	Window	CCC Signatories (Initial)	Private Sector Engagement and Signatories	Governance Features & Strategy
Gothenburg	Climate Function. Business Region Gothenburg (BRG). 90 municipally owned companies.	3	22	Private sector engagement not fully reflected in CCC signatories, which only includes 2 large private companies (Volvo and Vasakronan). PREEM refinery also engaged in process, along with many SMEs.	Strong reliance on BRG and municipal companies as public-private intermediaries; early CCC focused on large, familiar actors; collaboration with corporate champions
Budapest	Transition team (three people from municipality).	4	19	5 Private sector signatories. Includes multinationals and large local firms (e.g. Nestlé Hungária, ALTEO).	Governance model inspired by NZC's "Transition Team"; thematic sub-groups coordinate strategy; preparing for formal implementation post-CCC submission
Guimarães	Câmara Municipal, Municipal Assembly, Transition Team (cross-departmental), Laboratório da Paisagem	2	70 ¹	70 signatories to the Climate Pact (open, non-binding) at time of CCC. Today 150 Climate Pact signatories and a smaller subset moving toward formal CCC commitments with technical support	Emphasis on trust-building and technical assistance; Landscape Lab acts as hub for stakeholder coordination and technical support.
Valladolid	City Council, Climate Mission Team, IdeVa (innovation agency), AEMVA (energy agency), regional government	1	39	6 private companies, many intermediary organizations (e.g. business federations). Since labelling now 160+ total signatories by 2024 through outreach and incentive programs	Formal CCC with structured action commitments; significant post-CCC engagement growth; evolving from formal pact to wider movement through events and incentives

¹ Signatories collected via the Climate Pact.

4 Synthesis across cases and challenges

4.1 Cross-city synthesis

We now compare across the four Mission cities focussing on the key concepts previously introduced: **Stakeholder Engagement** processes, **Onboarding of partners**, **Collaboration Models**, **Implementation** of climate actions, and **Motivations and Expectations**. A summary of the analysis is displayed in **Table 5**.

Table 5 - Overview of cross-city synthesis.

Category	Valladolid	Guimarães	Gothenburg	Budapest
CCC submission	Window 1	Window 2	Window 3	Window 4
Stakeholder Engagement Approaches	Top-down initially, evolved to more inclusive format with grants and incentives; 160+ entities involved by 2024.	Broad Climate Pact for early engagement, deeper engagement and technical support through Landscape Lab.	Sector-based platforms via BRG; initial info-sharing evolved to “handshake” partnerships and more inclusive participation.	Initial struggles; improved by direct municipal outreach to large firms, building communities of practice.
Onboarding Processes and Challenges	Short 2-3 month engagement period; financial incentives linked to Mission eased onboarding.	Focused initially on 70 frontrunners. Built support through convening companies and providing technical support.	Focused first on large firms; broader SME onboarding partially hindered by CCC complexity.	Slow start; personal outreach critical; gradual SME targeting planned.
Collaboration Models	Incentive-driven structured collaboration linked to funding opportunities.	Emerging collaboration structures, project partnerships and thematic events.	Thematic platforms and handshake agreements; expanding workshops and pilot projects.	Emerging community-of-practice model; building online and local collaboration structures.
Implementation and Private Sector Partnerships	Financial incentives enabled SME projects in solar, mobility, efficiency; regular monitoring.	Successful collaboration projects (renewable energy community, tree planting, youth environmental education); EU funded projects; strong SME engagement.	Major investments by frontrunners (e.g., Volvo); some challenges in SME participation and eligibility for funding opportunities.	Concrete projects (e-mobility, circular economy) identified; full implementation emerging.
Motivations and Expectations	Businesses expect continued financial support, technical guidance, clearer standards regulatory flexibility.	Companies seek structured networking, accessible funding, expanded facilitation.	Stakeholders expect swift action on announced objectives, streamlined permitting, more leverage of public procurement, and clearer municipal leadership.	Firms want structured roadmaps, regular updates, localized sustainability support.

4.1.1 Stakeholder Engagement Approaches

All four cities engaged broadly with stakeholders, though their approaches varied based on their progress in the EU Cities Mission.

Valladolid (Window 1) built upon existing climate initiatives and municipal subsidies

("Valladolid Misión" grants) to engage private-sector actors, initially linking the abstract Mission concept directly to tangible financial incentives. After achieving the Mission Label in late 2023, Valladolid significantly expanded stakeholder engagement through the "Valladolid Mission" campaign, growing participation to 160 entities, including numerous SMEs, by 2024. Initially adopting a top-down model that involved intermediary groups like business associations and clusters to represent various sectors (transport, building, retail, agriculture), Valladolid later transitioned to an inclusive, incentive-driven strategy.

Post-labelling, Valladolid actively promoted the Mission via outreach events and simplified online sign-ups. All signatories of the CCC were designated "Mission Ambassadors," and were required to engage actively in Mission-related events. Notably, it introduced financial incentives such as the 2023 Decarbonization Grants (€600k) to co-finance private-sector climate projects. Thanks to these grants, 12 funded projects in sustainable mobility, construction, industry efficiency, and education were granted. In 2024, Valladolid further supported SMEs with "Mission Valladolid: Decarbonization Plans," allocating €100k (EU Interreg-funded) for expert consulting services. This initiative helped SMEs overcome knowledge barriers by providing tailored assessments and guidance on improving energy, waste, water, and mobility practices.

Valladolid maintained robust ongoing communication by managing participant databases, regularly inviting stakeholders to events and trainings, and systematically gathering feedback. An example was the 2024 "Mission Valladolid Ambassadors" networking event, fostering discussions, peer exchanges, and stakeholder input. Companies responded positively, valuing both the recognition and practical support provided, despite city officials acknowledging the growing complexity of managing expanding stakeholder networks. Overall, Valladolid effectively sustained active stakeholder participation through consistent communication, recognition, and targeted financial and technical incentives

Guimarães (Window 2) initially leveraged relationships with companies from the sustainability-focused "Mission Structure" created in 2015, the city's company branding initiative called "Guimarães Marca" set up in 2016, and other close relationships that had evolved through various municipal initiatives. Building off these relationships and its identification of other companies that were aligned with the Mission, the city initially focused on engaging 70 frontrunner companies. This engagement involved meetings to explain the city's climate mitigation goals, as well as a ceremony with municipal, regional, and national government officials and company representatives to celebrate the companies' signing of the Climate Pact (a non-binding public pledge). This ceremony generated initial momentum for private sector collaboration and raised the profile of the Mission with other companies in the city.

Guimarães built off this initial momentum by deepening collaboration with the frontrunner stakeholders and broadening the engagement with a wider group of private sector actors. The deep engagement with the frontrunners was explicitly focused on building trust and demonstrating value. This engagement is particularly notable for the tailored technical assistance provided to companies, especially small and medium enterprises (SMEs) through the city's Landscape Lab. For example, Interview 12 and Interview 14 received targeted support for carbon footprint assessments and sustainability strategies, resulting in concrete actions such as solar installations and energy efficiency projects. Larger firms also engaged closely with the city: Interview 13 established its first fully renewable-powered "green store" in Portugal, and Interview 15 chose Guimarães for its innovative mixed-use development featuring sustainable design elements. Both companies noted that

the city's proactive stance significantly facilitated their sustainability initiatives. The trust and value demonstrated to these frontrunners was also intended to generate a buzz that would motivate other companies to join the frontrunners in engaging with the city.

Guimarães also broadened its engagement with a wider group of private sector actors through “Rapid Mass Engagement” events. These events, which have been taking place annually since 2023 with the city's Green Week, include a series of technical workshops that are intended to provide a baseline understanding of decarbonization strategies and motivate companies to collaborate with the city and other companies. Moving forward, the city aims to transition more Pact signatories into specific Climate City Contract commitments.

Gothenburg (Window 3) transitioned from its legacy of bilateral and project-based interactions to a more structured stakeholder engagement model upon its selection as a Mission City.

Initially, Gothenburg leveraged existing relationships, primarily through Business Region Gothenburg (BRG), to engage companies already familiar with city projects. Concurrently, the city organized thematic platforms around sectors like construction, tourism, mobility, and the “Green City Zone” initiative to facilitate targeted dialogue and gather stakeholder input. Early engagement was predominantly informational, lacking deep co-creation; city officials acknowledged this limitation and subsequently shifted towards more proactive collaborations, establishing informal “handshake” agreements with key industry frontrunners. This strategy aimed to foster ongoing, meaningful partnerships rather than episodic engagement. Additionally, Gothenburg allowed for flexible onboarding, accommodating companies driven by their own sustainability objectives who proactively sought to participate in the CCC framework. Nonetheless, significant challenges persisted, including tight deadlines and limited experience with multi-stakeholder processes, which constrained broader participation. SMEs particularly struggled with the extensive and complex CCC documentation, prompting the city to simplify communication and engagement methods to better involve smaller businesses moving forward.

Budapest (Window 4) initially faced challenges in engaging businesses due to the absence of established corporate climate collaboration frameworks, resulting in an early period of hesitation. The city initially attempted to utilize its existing “Budapest Global” public-private network, though this approach generated limited immediate success. Ultimately, leveraging the reputation and authority of the Budapest Municipality proved more effective, attracting larger companies once directly approached. Initially targeting major corporations with global climate commitments, Budapest aimed to set examples for smaller firms, recognizing that engaging SMEs would later require localized outreach through district-level initiatives. Identifying appropriate contacts within companies posed additional challenges, often requiring persistence to navigate corporate structures. Over time, repeated engagement and dialogue significantly increased mutual comfort and receptiveness, transforming initial outreach into ongoing partnerships. Budapest now focuses on continuous dialogue through workshops and building a growing community of practice among businesses.

Across the four cases, stakeholder engagement with the private sector combined approaches.

Strategies ranged from broad but shallow (mass sign-ons, communication campaigns) to more selective-targeted deeper collaboration (intensive work with a core group of companies), with most cities attempting to balance both. Common engagement methods included multi-stakeholder workshops and meetings (all cities held them to some extent), use of networks or associations (Budapest Global, Valladolid's associations, Gothenburg's BRG and thematic clusters), and development of tailored programs or technical support (Valladolid's grants, Guimarães' Lab consultations). The state of engagement also differs due to different timelines of CCC preparations and the time since labelling: Valladolid and Guimarães have significantly expanded engagement after their initial CCC drafting and application, as part of their implementation processes, while Gothenburg and Budapest's engagement processes (to date) have been more focussed on CCC preparation and near-term engagement post-submission. Notably, all cities realized that effective private-sector engagement is an ongoing process, requiring regular communication, trust-building, and adaptation to emerging stakeholder needs.

4.1.2 Onboarding Processes

Bringing private companies into the climate mission posed challenges for each city, initially due to tight timelines and limited dedicated resources for developing Climate City Contracts (CCC).

Valladolid city officials had only two to three months to engage stakeholders. Initially, explaining the EU Mission concept was challenging, so the city linked the Mission to existing decarbonization subsidies, making entry easier. Businesses signed simple principles through a standard adhesion form was introduced, and a section that enabled tailored commitments. Valladolid provided financial and technical support to SMEs through consulting programs, guiding them in developing decarbonization plans, thus formalizing existing sustainability efforts and accelerating new initiatives.

Göteborg faced similar constraints, initially engaging a more limited group of large companies familiar with EU processes. The complex and lengthy CCC document hindered broader SME participation, who have less internal dedicated resources for engagement than large companies. Officials later recognized the need for clearer, streamlined communication and interactive onboarding. Post-Mission Label, Göteborg has hosted events aimed at expanding and simplifying involvement, addressing initial concerns about bureaucratic hurdles and unclear expectations.

Budapest initially lacked precedents for private-sector collaboration, resulting in slow initial outreach via networks like Budapest Global. Leveraging municipal credibility, officials directly engaged large, climate-aware enterprises, adopting a gradual, collaborative approach without immediate stringent commitments. The city recognized the complexity of engaging SMEs, planning future local-level outreach and simplified onboarding processes. Personal outreach by city leaders significantly improved initial participation.

Guimarães benefited from extensive preparatory groundwork, employing a phased, trust-building strategy. Initial meetings to build trust, a symbolic low-pressure Climate Pact, practical "Green Week" workshops, and ongoing technical support through a dedicated municipal team. This supportive method enabled companies to smoothly transition from symbolic pledges to deeper commitments. Guimarães focused on individualized attention and technical support for a select group of companies, leveraging peer examples to encourage broader engagement.

Cities adopted a range of strategies to balance their need for credible, timely commitments with company expectations for clarity, efficiency, and benefit. These included simplifying procedures (e.g., Valladolid's templates, Göteborg's use of known partners), leveraging institutional credibility (Budapest's municipal reputation), offering financial or technical support (Valladolid's grants and consultants, Guimarães' Landscape Lab), and structuring phased engagement (Guimarães' Climate Pact as a precursor to CCC commitments, Budapest's focus on large firms with SMEs to follow).

All cities observed that The EU Mission conferred legitimacy and visibility to local climate initiatives and helped validate the efforts of sustainability-oriented companies. In Valladolid, the Mission enhanced internal coordination within the municipality and provided a strategic opportunity to consolidate policy initiatives under a unified brand. This improved external messaging and helped attract new partners. Similarly, companies across cities reported that the Mission facilitated clearer communication with municipal governments, improved understanding of institutional responsibilities, and created opportunities for shared innovation. These dynamics strengthened decarbonization efforts through collaborative learning and resource sharing. However, when company actions aligned with pre-existing internal plans, it was difficult to attribute those activities directly to the CCC.

These cases illustrate that onboarding challenges were mitigated through persistent outreach and by offering clear value propositions, including recognition, networking, and aligned climate goals. To overcome common challenges (i.e. administrative complexity, time pressure, and identifying the right contacts) cities found that onboarding must be seen not as a one-time transaction but as the beginning of an ongoing, actively maintained relationship.

4.1.3 Collaboration Models

Each city developed distinct stakeholder collaboration models shaped by their local contexts and stages in the mission.

Gothenburg has evolved from informal, project-based interactions to more structured, thematic platform-based partnerships. Utilizing networks such as Business Region Gothenburg (BRG), the city established platforms focused on specific sectors (construction, tourism, mobility) and introduced targeted "handshake" agreements with major companies for projects like electric mobility and green hydrogen. Collaboration also involved municipally-owned firms and financial instruments like Green Bonds. Gothenburg's approach has evolved over time to integrate more regular workshops, working groups, and pilot projects, positioning the city as an orchestrator of a collaborative ecosystem.

Budapest's model, still emerging, emphasizes a community-of-practice approach through targeted workshops, online sustainability platforms, and the formal multi-stakeholder Mission Group. Initial efforts involved extensive preparatory work to engage stakeholders effectively and identify collaborative opportunities. While concrete joint projects are still developing, Budapest encourages peer collaboration and horizontal engagement among companies, fostering ongoing networking and collective problem-solving. Future initiatives include interactive platforms, local energy communities, and circular economy projects.

Guimarães implemented an interactive collaboration model coordinated with the Landscape Lab, providing tailored technical support and facilitating direct partnerships with companies. Central to its approach are annual events (e.g., Green Week), thematic roundtables, and externally funded initiatives like "Let's Go Circular" and "Guimarães Mais Floresta." This hub-and-spoke structure enables intensive project-based collaborations alongside broader outreach through Climate Pact, fostering co-creation and capacity-building with both larger enterprises and SMEs.

Valladolid employed a structured, incentive-driven collaboration model by directly linking Mission participation to funding opportunities, such as decarbonization grants and SME consultancy services. This model involved regular communication, tailored commitment forms, and integration of stakeholders into city-supported initiatives. Companies receiving support often became active ambassadors, contributing to broader outreach efforts. The city maintains frequent dialogue, using events to capture stakeholder feedback and align climate collaboration within broader city-business interactions.

4.1.4 Implementation and Private Sector Partnerships

The four cities illustrate varied stages in translating multi-stakeholder collaboration into tangible climate actions involving the private sector. Each city's progress depended on how long their collaborative framework and CCC in place and how quickly they could mobilize resources after the CCC Labell was awarded.

Valladolid (Window 1) has advanced into implementation by using financial incentives and consulting support. Businesses utilized decarbonization grants for projects like solar installations, cleaner vehicle fleets, and efficiency improvements. SMEs benefitted from tailored decarbonization plans. City mechanisms ensured ongoing monitoring and follow-up, maintaining frequent communication and tracking stakeholder activities. Despite the challenge of managing a growing number of participants, Valladolid's structured approach, including regular events and targeted funding, enabled meaningful progress and increased business involvement in climate initiatives.

Guimarães (Window 2) leveraged close collaborations through its Landscape Lab, assisting private-sector mobilisation. Companies like Interview 14 implemented solar energy projects benefiting their communities, and Interview 13 opened its first green store powered by renewables. Interviewees 12, 13, and 14 collaborated with each other and the Landscape Lab to partially fund and

volunteer in an ambitious tree planting initiative. Interview 15's sustainable construction projects influenced broader supply chain sustainability, demonstrating impactful sectoral collaboration. Although monitoring overall emission reductions remained challenging, qualitative momentum indicated successful private-sector engagement, with companies increasingly proactive and responsive to city support.

Gothenburg (Window 3) is progressing from planning to concrete actions through partnerships focused on mobility electrification and industrial decarbonization. Major stakeholders like Volvo invested significantly in sustainability projects, including renewable energy and electric vehicle initiatives. The city's municipally-owned entities led energy efficiency and renewable energy projects, in collaboration with private sector partners and funded partly through Green Bonds. However, challenges remained in ensuring SMEs could participate effectively due to the complexity and costs involved. Gothenburg's implementation approach currently emphasises ongoing structured partnerships and regulatory adaptations to support scaling up these initiatives.

Budapest (Window 4) is at an earlier stage, with implementation largely in preparatory or pilot phases following CCC commitments. The city identified concrete collaborative projects, such as circular economy initiatives, e-mobility pilots, and energy communities, supported by workshops and stakeholder discussions. Budapest's new online platform offered resources to businesses, signalling readiness for broader implementation. Despite political and administrative delays, stakeholders remained actively engaged in defining feasible projects and establishing collaboration structures, positioning Budapest for imminent tangible actions.

Common implementation themes emerged across these cities. These include the critical role of larger, resourceful stakeholders as early movers, the necessity of city-led financial and technical support to accelerate action, challenges in consistent data monitoring and accountability, and the ongoing effort required to sustain stakeholder momentum beyond initial commitments. Collectively, these cities are successfully transitioning from planning towards substantial collaborative climate initiatives, which generates valuable insights of early results for future climate action partnerships.

4.1.5 Motivations and Expectations

Across all four cities, private stakeholders broadly support the climate-neutral city mission, yet they have distinct expectations to sustain and deepen their engagement.

In Valladolid, stakeholders emphasize the need for both financial and technical support, as well as public recognition. Businesses expect continued access to subsidies and grants, alongside practical assistance such as professional environmental analyses to facilitate implementation. They also seek flexible regulatory collaboration that allows them to help shape supportive local policies. Companies appreciate the city's customizable commitment frameworks, which accommodate the varying capacities of businesses. City-led recognition through branding and marketing is considered a strong motivator, enhancing company reputations and encouraging sustained participation. Private sector partners highlighted regulatory challenges related to their core business areas. For mobility, they support regulations that promote alternative transport among citizens. In recycling, they advocate for clearer standards to prevent unfair competition, where companies with less environmentally sound processes undercut sustainable businesses. SMEs, in particular, struggle with the high investment costs required for decarbonization. While subsidies are helpful, they often do not cover all necessary expenses. As a response, Valladolid is exploring ways to provide special conditions (such as regulatory exemptions) for mission-aligned projects to simplify and accelerate implementation.

Guimarães' stakeholders value structured networking and peer learning to strengthen collaboration. Companies prefer regularly scheduled thematic or sector-based sessions to exchange challenges and best practices. SMEs, in particular, emphasize the need for accessible funding and financial incentives to mitigate the risks of investing in green initiatives. Businesses also seek practical support, including training on climate action, assistance with sustainability reporting compliance, and mentoring. There is a shared expectation for the city to further strengthen its role as a convenor and

facilitator, expanding outreach through educational and capacity-building efforts. Companies additionally suggested that public procurement could be more strategically used to support climate objectives and expressed the need for support in financing climate investments. Similarly, stakeholders in Budapest identified regulatory adjustments—such as reducing subsidies for car ownership or adjusting parking fees—as measures that could strengthen the case for mobility innovations. They also noted that gaps in infrastructure related to waste management, circularity, and energy storage limit the scalability of sustainable solutions.

Gothenburg’s private sector, earlier in the implementation stage, stresses the importance of swift, decisive city action to match ambitious climate goals. Businesses anticipate clear, stable regulatory and financial frameworks, reliable municipal support for substantial investments, and consistent use of city procurement to drive market demand for sustainable solutions. Stakeholders highlight the need for streamlined permitting and clear practical guidance translating city strategies into actionable regulations. They call for greater coherence within city departments and transparency regarding the impact of their feedback. Front-runner companies specifically expect the city to facilitate pilot projects and enabling regulatory conditions, while more cautious firms seek clear regulatory guidelines before committing further. The companies collaborating with Gothenburg anticipated simplified permitting for green building and infrastructure, and supportive policies for sustainable transport solutions such as low emission zones and charging infrastructure. There were also suggestions for national policy and regulatory changes. The municipality of Gothenburg recognized these needs and indicated they actively discuss potential reforms with regional and national authorities to lower barriers.

In Budapest, companies appreciate the proactive and transparent city engagement but expect the transition from discussions to specific project-level actions. Stakeholders request structured roadmaps and clearly defined next steps following workshops. They also express interest in regular, ongoing interactions to maintain momentum and enhance two-way understanding of city challenges and opportunities for collaboration. Financial considerations, although less immediate, are emerging as an important expectation, particularly connections to funding and co-financing options. Additionally, multinational firms expect city support to localize their global sustainability targets through specific local initiatives. Companies emphasize the importance of consistency in city coordination and policy stability, particularly through political cycles.

Across cities, companies appreciated the municipality’s leadership, commitment, and long-term vision under the Cities Mission initiative. They valued alignment with municipal goals and the collaborative platform for learning and networking. However, firms expressed a desire for more tangible, long-term outcomes and deeper, regular engagement. They recognized their role in helping municipalities translate commitments into concrete actions and emphasized the importance of co-creating solutions, especially regarding regulatory reform and integration into municipal platforms. While acknowledging proactive coordination, they called for clearer long-term regulatory frameworks, streamlined administrative procedures, ongoing guidance, frequent policy updates, and scalable platforms for investment.

Persistent challenges included the need for complementary funds to cover non-subsidized items. While companies appreciated the municipality’s efforts to identify new funding opportunities, bureaucratic procedures posed barriers, especially in responding to financial support calls. Despite these difficulties, companies reported overall satisfaction with their role as mission partners and progress achieved. These, and other emerging challenges, will be further discussed in the next section.

4.2 Common Challenges Encountered

Despite the different approaches and contexts, the four case studies reveal several common challenges that cities face in engaging the private sector and coordinating multi-actor collaboration for climate action:

Time Constraints and Administrative Burden: The pace of preparing the application for the EU Cities Mission put pressure on cities to gather commitments quickly, which for some cities limited more extensive initial stakeholder consultation. All cases mentioned time as a limiting factor. The requirement to produce comprehensive Climate City Contracts meant a lot of paperwork and in some instances resulted in a narrower initial coalition, and a process that is more city-driven out of necessity. Gothenburg's 350-page CCC document was highlighted as a barrier for engagement; expecting business leaders to read and absorb such lengthy plans is impractical. Valladolid's structured forms simplified the ask, but still, many companies might perceive signing any official document as risky or cumbersome without legal review. Budapest interviewees indicated that without previously established processes, they were in “a kind of a vacuum”. The challenge is balancing thorough planning with agile, business-friendly engagement. Cities had to act as translators, converting bureaucratic requirements into accessible terms for companies, which also presented challenges given limited time and experience. Several stakeholders expressed desire for clearer guidance and simpler communication from cities during onboarding. Managing this administrative burden continues to be a challenge, requiring cities to possibly streamline climate governance documents and create executive summaries or easy-entry pathways for the private sector.

Engaging Small and Medium Enterprises (SMEs) at Scale: Most cities struggled to involve SMEs to the same extent as larger organizations. Initial engagement tended to focus on big companies who more likely to have dedicated sustainability staff. Reaching the many smaller businesses (sometimes thousands) is a shared challenge. In Budapest, SMEs were “not yet specifically targeted” and would require a more local approach (through districts) and tailored engagement, as they do not have the capacity of large firms. Gothenburg found that complex documentation and processes (e.g. lengthy CCC applications) were daunting for smaller companies. Often, SMEs lack the expertise or resources to formulate decarbonization plans on their own. The challenge is how to efficiently provide guidance or incentives to a very large number of small actors. Guimarães and Valladolid began to address this through expert technical support to SMEs; however, in both cases they have only reached a relative smaller number of the whole business community due to limited municipal funding and limited SME use of these services. Thus, a common challenge is scaling outreach and support mechanisms to engage SMEs broadly, so that climate collaboration is not limited to a few champion companies.

Resource Constraints and Capacity: Both public and private actors face resource constraints that challenge collaboration. City teams running these missions are often small and stretched thin given the breadth of tasks (technical planning, stakeholder management, communications, monitoring, etc.). Engaging dozens of external partners, organizing events, and tailoring support (like Valladolid's intensive programs or Guimarães' Lab work) requires significant staff time and expertise. Not all cities have dedicated units like a Landscape Lab; even when they do, those units commonly rely on project-based funding (NZC, EU grants) that is time-limited. Keeping the collaboration going beyond the life of a specific project or grant is a concern. On the private-sector side, companies often cite lack of financial and human resources to devote to “extra” activities like city engagement and partnerships. They may be willing but cannot afford large investments or to assign staff to attend frequent meetings without clear short-term returns. In Gothenburg, stakeholders emphasized the need for financial viability in sustainability actions; they “want to transition but need financial viability, or they won't survive”. Similarly, SMEs in all cities might struggle to even prepare grant applications or climate reports due to limited capacity, and might require support from consultants or city-supplied data tools. Thus, a major challenge is mobilizing sufficient resources (money, knowledge, people) to support the collaborative initiatives. Cities can advocate for external funding (as Valladolid and Guimarães did successfully with EU funds), but they also have to allocate some of their budget to these efforts, which competes with other municipal priorities.

Coordination Across Sectors and Silos: Multi-actor

collaboration involves a variety of sectors (energy, transport, industry, etc.) and types of organizations. A common difficulty is ensuring coordination and communication across these different groups. Budapest noted a lack of coordination among businesses themselves. Despite many being members of trade associations, there wasn't a unified business voice on climate, which the city had to foster via new platforms. Similarly, within city administrations, internal coordination can be challenging. Guimarães has experimented with groups of companies organised by economic sector; however it has only managed to achieve some level of deep collaboration with one sectoral group (textiles). Valladolid integrated various municipal agencies (IdeVa, AEMVA, etc.) into the mission governance to tackle this, but that requires overcoming internal silos. Coordination with higher levels of government is another level of complexity, as cities commonly depend on regional or national frameworks (for funding, policy support) which can introduce misalignment if those levels are not equally engaged. All these coordination needs make the collaboration effort complex to manage. There is a risk of fragmentation: stakeholders focus only on their niche (e.g. energy companies talk energy efficiency with the city but not with transport companies, etc.), missing synergies and possibly duplicating efforts. The case cities attempted integration via cross-sector workshops (Gothenburg's thematic forums, which at least grouped similar sectors, and Budapest's multi-actor meetings). Still, keeping everyone on the same page is resource-intensive and requires good facilitation, documentation, and follow-up, which cities are still developing.

Clarity of Roles, Expectations, and Benefits: A recurring theme is that private participants expressed wishes for clear guidance on what is expected of them and what they will gain in return. Early on, some confusion existed about the purpose of the Climate City Contract and the role of signatories. For instance, Gothenburg stakeholders felt the city could have communicated the goals and expectations more clearly during onboarding. In Budapest, several companies were initially unsure what participating would entail. In both cases, increased dialogues helped clarify expectations, but the initial ambiguity was perceived a shared hurdle. Moreover, businesses often joined with certain expectations: in Valladolid, it was observed that companies primarily expected recognition and support in exchange for their participation. Recognition might mean public acknowledgment (being seen as a green leader, getting publicity at events or in city communications), while support could be financial (grants, tax breaks) or technical (advice, training). When such expectations are not met, enthusiasm can wane. A common challenge, then, is managing expectations: ensuring companies feel their contributions are valued and reciprocated. Cities have to design engagement such that businesses perceive clear benefits, communicating reputational incentives, learning opportunities, networking, or resources. If a company signs a Climate Contract and then engagement and communications drop-off, or they see no tangible outcomes, they may disengage. The case studies highlight how cities are trying to meet this challenge by providing platforms for visibility (e.g. Ambassador events, stakeholder panels, branding) and practical help (Valladolid's funding, Guimarães' Lab services). Still, scaling up such benefits as more stakeholders join presents increased coordination challenges and resource demands. Thus, maintaining an appealing value proposition for diverse private actors is an ongoing difficulty.

Sustaining Engagement: Initial commitment is only the first step; keeping stakeholders actively involved over the long term is harder. People and organizations have limited time and many priorities. There is a risk of "stakeholder fatigue," where participants tire of attending meetings or providing input without seeing immediate results. In our cases, Gothenburg mentioned that after the intense CCC application phase, they "struggled to maintain engagement consistently afterward". Budapest experienced a slow-down due to elections, showing how external events can interrupt the momentum and require re-engaging actors who might have lost focus. Valladolid explicitly acknowledges that as participation grows, managing relationships becomes more complex and they wish to engage more frequently but have limits. Guimarães recognizes the need to deepen the conversations and collaborations between companies. To combat fatigue, cities need to demonstrate progress and celebrate wins (even small ones) to show stakeholders that their time is yielding results. They also need to institutionalize regular but not over-frequent touchpoints – enough to keep people informed and heard, but not so frequent as to become burdensome. Striking that balance is tricky and requires adaptive management. Additionally, as collaborations widen, each stakeholder's relative influence

may dilute, and large group meetings may feel less personally rewarding, so maintaining a sense of personal connection and agency for each partner is a challenge. Cities might need to create sub-groups or roles to keep everyone actively contributing in a meaningful way.

Monitoring, Accountability, and Trust: Since most of these partnerships are voluntary (not legally binding contracts with penalties), they rely on trust and goodwill. A highlighted issue is obtaining reliable data on what each stakeholder has done and what impact it has. Guimarães noted not knowing if companies are monitoring their climate investments or the outcomes, due to lack of data sharing. Without data, the city cannot quantify progress or identify where additional effort is needed. This is likely true elsewhere: companies may be wary of sharing data (if it's sensitive or they fear being judged) or may simply not have set up internal systems to measure emissions annually. The challenge is to create a culture and mechanism for transparent reporting. Valladolid's approach of maintaining a database and actively soliciting feedback is one way, but it relies on self-reported information and the diligence of city staff to follow up. Ensuring accountability without formal enforcement is tricky. It often rests on soft measures: peer pressure (no company wants to be seen as the only one not delivering on promises), moral obligation, and ongoing engagement to remind stakeholders of their commitments. Trust plays a big role, as stakeholders need to trust that if they share data or admit difficulties, the city will support them. Building that trust takes time and consistent, open communication. It requires continuous relationship management and possibly developing new tools (like public dashboards of commitments, or third-party audits for transparency) to gently increase accountability.

While these four case studies show encouraging progress in city-business climate collaboration, they also highlight systemic challenges: reaching the breadth of the private sector (especially SMEs), overcoming time and complexity constraints, aligning expectations and benefits, keeping all parties engaged over time, coordinating across a diverse stakeholder landscape, ensuring adequate support and capacity, and tracking collective progress. These challenges are interrelated – for example, lack of resources can lead to stakeholder fatigue, or poor communication can lead to unclear expectations and disengagement. The next section will conclude and consider how these insights can inform strategies to overcome such challenges moving forward.

5 Conclusion and Outlook

The set of cases highlights that while private sector engagement is an essential part of driving sustainable urban transformations, a deliberate strategy and continuous efforts are required to succeed.

Despite differences in size and context, all four cities recognised that climate neutrality cannot be achieved by the public sector alone, and that businesses, from major corporations to local SMEs must be co-creators in collaborative transition efforts. Through their Climate City Contracts and related initiatives, these cities have pioneered new forms of collaborative climate action, yielding valuable lessons.

- First, a clear **strategic framework and shared goal** is critical to rally diverse stakeholders. In each city, the Mission label and CCC process provided a common purpose that aligned helped public and private agendas, at least at a high level.
- Second, **relationships and networks are the currency of collaboration** – cities that leveraged existing relationships (Gothenburg's prior contacts, Budapest's municipality reputation) or built new networks (Valladolid's Mission signatories, Guimarães' Climate Pact community) were able to engage stakeholders more effectively. Trust built over time between city officials and business leaders proved invaluable when formal agreements were sought.
- Third, **private sector engagement thrives on mutual benefit**. When companies saw concrete benefits they were more willing to commit and act, including funding, technical help, policy support, or reputational gain. Valladolid's and Guimarães' provision of grants and expertise, or the public recognition companies received as climate leaders, helped maintain corporate buy-in.
- Fourth, **effective collaboration requires adaptive governance**: cities had to iterate and adjust their engagement approaches (shifting from one-way communication to two-way dialogue, expanding outreach after initial contracts, etc.) as they learned what worked and what didn't. This learning-by-doing approach is evident in all cases; for example, Gothenburg realized it needed continuous partnerships beyond the formal CCC, and Budapest shifted to more community-building once it saw limited results from existing associations.
- Finally, **leadership and institutionalization matter** – having dedicated teams (Mission teams, Labs) and political champions (mayors or deputy mayors actively involved) was crucial to drive the collaboration forward and signal its importance to all parties.

Cities faced challenges, including engaging SMEs, reducing bureaucracy, clarifying expectations, maintaining momentum, coordinating efforts, securing resources, and ensuring accountability. To address these, several potential actions could further enhance private sector partnerships going forward:

- **Broadening and Deepening Engagement**: Cities should develop tiered engagement models, ranging from accessible digital platforms with tools like an SME-focused "Climate Toolkit" to intermediate sector-specific roundtables, and an intensive core group working on flagship projects. Collaborations with chambers of commerce and trade associations can amplify SME engagement, supported by targeted recognition programs such as annual climate awards.
- **Capacity Building and Support Programs**: Cities need permanent capacity-building services like Climate Advisory Offices providing consulting, workshops, and training on specific climate actions (e.g., emissions inventories, financing renewables). Encouraging peer-learning through site visits and case presentations can enhance community and knowledge

exchange. Partnerships with local universities or technical institutions could offer valuable capacity and innovation.

- **Streamlining Processes and Communication:** Cities must simplify engagement documents and communication, favouring clear, concise materials such as brief memoranda of understanding or executive summaries. Assigning dedicated city liaisons for major stakeholders can streamline processes and maintain clear, consistent communication. Regular updates via newsletters and unified internal city coordination mechanisms (e.g., mission task forces) will support transparency and coherence.
- **Institutionalizing Collaboration Frameworks:** Embedding climate collaboration into formal governance structures (e.g., Climate Leadership Councils, stakeholder summits) ensures longevity beyond political cycles. Training city staff in partnership management and allocating consistent budgets to collaborative initiatives can institutionalize climate action as standard practice. Documenting successful approaches and lessons learned will guide future city actions.
- **Policy and Incentive Alignment:** Aligning local policies to reward private sector climate action through streamlined permits, procurement preferences, fiscal incentives, and co-branding opportunities can drive business engagement. Cities should advocate for stable national frameworks, facilitating long-term private sector investment and action confidence.
- **Monitoring and Accountability Mechanisms:** Effective tracking of progress requires shared data platforms or dashboards for partners to regularly report actions and outcomes. Third-party verification can enhance credibility, while public recognition of achievements incentivizes continued participation. Maintaining open dialogue ensures mutual accountability, supporting collaborative problem-solving rather than strict enforcement. Over time, deeper trust may allow more binding agreements, embedding accountability into development contracts or formal commitments.

Collectively, these four city case studies demonstrate positive examples that city officials (local governments) and private sectors can work together to pursue climate neutrality, despite challenges of urgency, complexity, and institutional change. Each city has made tangible progress, from implementing clean tech projects to expanding stakeholder engagement, showing that collaborative climate governance is both possible and impactful. The key challenge ahead is to scale and accelerate these efforts: engaging more stakeholders, mobilizing additional financing, and delivering more projects while maintaining trust and inclusivity. Comparative learning plays a crucial role, enabling cities to adopt and adapt emerging best practices to their own contexts, including successful models for stakeholder collaboration or co-funding schemes. Strengthening and maintaining multi-actor partnerships will be needed to meet ambitious climate goals. Accordingly, the next phase of climate action will rely on co-creation and co-ownership, with cities, businesses, researchers, and communities jointly designing and implementing solutions. The four cases provide early examples of such approaches, offering lessons for other cities aiming to drive systemic change toward climate-neutral and sustainable urban futures.

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6 Individual city cases

6.1 Gothenburg

6.1.1 City Profile

City Information (Background)

Gothenburg is Sweden's second-largest city, located on the country's west coast within Västra Götaland County. Strategically positioned between Oslo and Copenhagen, Gothenburg serves as the region's central economic and industrial hub. The city hosts Scandinavia's largest port, making it a significant gateway for international trade and transportation.

As of 2022, Gothenburg has a population of approximately 596,800, with projections indicating growth to around 700,000 residents by 2035. The wider metropolitan region already accommodates over one million inhabitants. The city's age distribution reflects 18.5% of residents aged 0-17 years, a working-age population (18-64 years) comprising 60.7%, and individuals aged 65 and above representing 20.8%.

Gothenburg stands out as a significant economic centre, home to major multinational corporations such as Volvo and SKF. The city's employment distribution spans key sectors, with manufacturing and engineering accounting for 35% of employment, the service industry comprising 45%, and public administration and education making up the remaining 20%. The business density in Gothenburg is notably high, characterized by extensive innovation hubs and over 50 distinct industrial clusters, reflecting a strong emphasis on industrial diversity and innovation-driven economic growth.

The city boasts an efficient and comprehensive public transportation network, including extensive tram, bus, and ferry services predominantly operated by Västtrafik. Gothenburg is actively enhancing its transportation system through investments in sustainability, including initiatives aimed at electrifying public transport fleets and expanding micromobility options to promote environmentally friendly urban mobility.

Emphasis on Decarbonisation Strategy

The total greenhouse gas (GHG) emissions for Gothenburg (territorial) in 2020 amounted to 2,018,246 tCO₂e, and per capita consumption based emissions of 7.65 tCO₂e. Gothenburg has set a target to substantially reduce this number to 3.3 tCO₂e per capita by 2030 (consumption-based emission target including scope 3). The city's primary emission (territorial) sources include the energy sector (particularly oil refineries, combined heat and power (CHP) systems and district heating) as well as fossil fuel-based transportation, encompassing both private vehicles and freight logistics.

Gothenburg is implementing comprehensive decarbonisation strategies across multiple sectors, highlighted by:

- **Renewable Energy Expansion:** Increasing the city's reliance on renewable energy sources, notably wind, solar, and biogas, to systematically phase out fossil fuel dependency.
- **Electrification of Transport:** Substantial investment is planned for electric vehicle (EV) infrastructure, including widespread expansion of charging points, alongside the establishment of zero-emission zones aimed at drastically reducing emissions from conventional fuel-based vehicles.

- **Energy Efficiency Measures:** Public and private initiatives are actively underway to enhance energy efficiency. Notable measures include extensive building retrofit programmes designed to decrease energy demand in both residential and commercial structures, as well as optimization of the district heating system for improved overall energy efficiency.
- **Carbon Capture and Storage (CCS):** Gothenburg is actively pursuing research and feasibility studies into implementing Carbon Capture and Storage technology at key industrial and energy-producing facilities. This initiative aims to significantly reduce emissions that are otherwise challenging to eliminate through conventional reduction methods.

Governance, stakeholders and commitments

Overview of Governance Structures

Gothenburg's governance structure is anchored by the City Council, the municipality's primary governing body responsible for policy formulation and decision-making.

Operational oversight and financial management are undertaken by the City Executive Board, which supervises municipal functions and implements council decisions.

To enhance effectiveness in addressing climate objectives, **Gothenburg has introduced a specialized Climate Transition Function**, an innovative governance mechanism aimed at fostering cross-sector collaboration.

A notable feature of Gothenburg's governance landscape is its extensive network of municipally owned companies, numbering approximately ninety. Prominent examples include **Göteborg Energi AB** and the **Port of Gothenburg**, both critical to the city's infrastructure and economy.

Existing Stakeholder Engagement Processes and Partnerships

The city actively engages the private sector through structured platforms, particularly facilitated by **Business Region Göteborg**, which serves as the central interface for outreach and collaboration with the business community.

Stakeholder engagement in Gothenburg is comprehensive, encompassing robust partnerships across business, academia, and public institutions. Central partnerships within the business sector include joint sustainability initiatives with leading corporations such as Volvo, Vasakronan, and PREEM. These collaborations facilitate industry alignment with the city's climate neutrality ambitions.

Public-private collaboration further extends into financial mechanisms, notably through the issuance and management of Green Bonds. These instruments mobilize private capital, enabling targeted investment in sustainability projects and infrastructure enhancements aligned with climate objectives.

Gothenburg maintains strong cooperative relationships with academia and research organisations, notably including the University of Gothenburg and RISE (Research Institutes of Sweden). These academic partnerships provide essential research support, policy innovation, and technological advancements critical to achieving the city's sustainability targets.

Major Climate Actions and Partnerships by Sector: Table 15 outlines Gothenburg's key climate action areas, associated emissions, initiatives, funding, and partnership arrangements:

Table 6 - Gothenburg's key climate action areas, associated emissions, initiatives, funding, and partnership arrangements.

Sector	GHG Contribution (MtCO2e)	Action	Details	Funding Sources	Partnerships
Energy & Industry	2.0 MtCO2e	Transition to renewable energy	Phasing out fossil fuels, increasing wind, solar, and biogas capacity	Public & Private Investments, EU Grants	Göteborg Energi, Preem, ST1, Municipality
		Carbon Capture & Storage (CCS)	Implementing CCS at industrial sites (Preem, ST1)	Swedish Government, EU Funding, Private Investment	Preem, Renova, Swedish Government
Transport & Mobility	1.5 MtCO2e	Electrification of Transport	Expansion of electric vehicle infrastructure and charging networks	Municipal Budget, EU Funds, Private Investment	Volvo Cars, Municipal Transport Authority
		Public Transport Expansion	Enhancing tram, bus and cycling infrastructure	Municipal Investment, EU Urban Mobility Fund	Västtrafik, Municipal Transport Office
		Hydrogen & Biofuels	Investment in hydrogen-powered freight transport biofuels, and alternative fuels	EU Green Deal, Private Investments	Port of Gothenburg, Logistics Companies
Built Environment	0.8 MtCO2e	Climate-Neutral Construction	Use of low-carbon materials, net-zero energy buildings	Municipal Budget, Private Developers	Vasakronan, Construction Industry
		Retrofitting Existing Buildings	Large-scale refurbishment projects for energy efficiency	Government Housing Grants, EU Green Building Initiative	Framtiden AB, Private Housing Companies
		Smart Energy Management	AI-powered smart grids and demand-side management	EU Digitalization Fund, Municipal Budget	Göteborg Energi, Tech Companies
Waste & Circular Economy	0.5 MtCO2e	Plastic Reduction in Waste Streams	Improved sorting systems, increased recycling	EU Waste Management Fund, Private Waste Firms	Renova, Recycling Companies
		Food Waste Recovery	Expanding biogas production from food waste	Public Grants, Municipal Investment	Renova, Food Industry
		Carbon Capture in Waste Management	Exploring CCS at incineration plants	EU Innovation Grants, Private Investors	Renova, Municipal Authorities
AFOLU (and Green Infrastructure)	0.3 MtCO2e	Urban Farming & Green Spaces	Promoting rooftop gardens and community green spaces	Public-Private Partnerships, EU Nature Fund	Municipal Planning Office, NGOs
		Ecosystem Restoration	Reforestation and wetland restoration projects	EU Biodiversity Fund, National Forestry Grants	Environmental NGOs, City Government
		Climate-Resilient Urban Planning	Nature-based solutions integrated into city planning	EU Climate Adaptation Fund, Municipal Budget	Urban Planning Office, Academic Institutions

Climate City Contract Commitments

Gothenburg entered a Climate City Contract (CCC) and received its label as a Mission city EU's 100 Climate-Neutral and Smart Cities in October 2024. This represents a collective

commitment by the city and various stakeholders toward achieving climate neutrality. The CCC emphasizes deep collaboration and partnership across multiple sectors.

The CCC process significantly engaged stakeholders from diverse groups, including businesses, research institutions, and civil society organizations. This extensive engagement facilitated cross-sectoral cooperation, enhancing the depth and effectiveness of the city's climate strategies.

A total of 22 organizations signed the Climate City Contract, reflecting a broad spectrum of institutional types. Public entities constitute the largest share, with nine signatories, underscoring strong involvement by municipal and regional governments. Non-governmental organizations (NGOs) follow closely with eight signatories, alongside two part-public organizations, two private companies, and one academic institution.

The signatories vary widely in their operational scope, with the majority functioning at the local or regional level. Specifically, eleven signatories operate locally, six regionally, three nationally, one at both regional and national scales, and one with a local-international presence, emphasizing the diverse scales of impact involved in Gothenburg's climate action.

Sectoral diversity among the signatories highlights a predominant multi-domain approach, complemented by targeted sector-specific actions. Fourteen signatories engage in multi-domain activities, while others specifically focus on the built environment (4), transport (2), energy (1), and combined energy and waste management (1). The detailed commitments, organizational types, operational scopes, and sectoral focuses of each signatory are provided in **Table 16**.

Table 7 - Signatories of Gothenburg's CCC.

Organization	Type	Scale	Sector	Commitment
AB Framtiden	Public	Local	Built environment	Enhancing sustainable urban development
ABF Worker's Educational Association	NGO	Local	-	Providing climate education and awareness
Business Region Gothenburg	Public	Regional	-	Promoting sustainable economic development
City of Gothenburg	Public	Local	-	Committed to achieving climate neutrality by 2030
Fairtrade City Gothenburg	NGO	Local	-	Promoting fair trade and sustainable urban policies; Supporting ethical trade and sustainable city development
Gothenburg Region	Public	Regional	-	Supporting regional collaboration for climate neutrality
Göteborg & Co	Public	Local	-	Leading sustainability projects in tourism and culture
Göteborg Energi AB	Public	Regional	Energy	Providing renewable energy solutions

Göteborgs Domkyrkopastorat	NGO	Local	-	Engaging faith-based communities in climate action
HSB Gothenburg	NGO	Local	Built environment	Advancing sustainability in housing cooperatives
IVL Swedish Environmental Research Institute	Part-Public	National	-	Providing environmental research and solutions; Conducting environmental research and solutions
PRO Swedish National Pensioner's Organisation	NGO	Local	-	Advocating for sustainable policies for seniors
Port of Gothenburg	Public	Regional/National	Transport	Implementing green shipping solutions
RISE Research Institutes of Sweden	Part-Public	National	-	Providing research support for sustainability initiatives
Region Västra Götaland	Public	Regional	-	Providing regional support for sustainability and transport; Regional collaboration for climate goals, supporting financing
Renova	Public	Regional	Energy & Waste	Enhancing waste management and circular economy efforts; Improving waste management and energy recovery
Swedish Church Parish of Gothenburg	NGO	Local	-	Engaging communities in sustainability initiatives
Union of Tenants West Sweden	NGO	Local	Built environment	Ensuring fair housing policies align with sustainability
University of Gothenburg	Academia	Local	-	Researching and developing sustainability strategies; Education, research, and co-creation towards climate neutrality
Vasakronan	Private	National	Built environment	Commitment to climate-neutral real estate development; Developing sustainable real estate solutions
Volvo Cars	Private	Local-International	Transport	Committing to climate-neutral vehicle production
Wexus (West Sweden Nexus)	NGO	Regional	-	Academic partnership to drive climate research

6.1.2 Stakeholder engagement processes, collaboration models for implementation, feedback and expectations

Stakeholder Engagement Processes

Gothenburg's climate governance benefits from municipal ownership of major utility and development companies, enabling direct interventions in sustainability. This ownership structure provides the city with strong leverage to drive initiatives and implement sustainability measures directly through its energy and building companies. As one city official remarked:

"Gothenburg [...] own our energy company and our building company, so we can push for sustainability initiatives in a direct way." (Interview 1)

The municipality actively leverages Business Region Gothenburg (BRG) to enhance dialogue and strengthen cooperation with the private sector. BRG is a municipally-owned organization responsible for business development across thirteen municipalities. Despite BRG's established relationships, there was no consistent, city-wide approach to involving external actors.

"BRG has a very good dialogue with stakeholders, but the rest of the city doesn't have a built-up approach for engaging external actors [...]" (Interview 1)

Prior to the EU Cities Mission, Gothenburg city mainly engaged the private sector through Business Region Gothenburg (BRG) and through its decentralised network of municipal companies. Private sector engagement direct with the city administration was previously bilateral and project specific. BRG also ran a climate partnership initiative for companies with climate ambitions which provided a broader platform for engagement. There was not previously a formalized structure for systematic private stakeholder engagement in its climate work, partly due to the complex ecosystem of municipal companies and existing engagement methods. In response to this identified gap, the city adopted a proactive approach, engaging actively with diverse stakeholders. City officials stressed the dynamic, collaborative nature of these engagements, viewing stakeholder interaction as a continuous process of developing partnerships and evolving collaboration methods. This proactive strategy established a solid foundation that significantly strengthened stakeholder involvement in the Climate City Contract (CCC).

"There was no built-up systematic approach for working with external actors; we had to create these processes ourselves [...] We started pretty much from scratch and then in these few months when we wrote the CCC, we created a dialogue and opened up our work to the city. Before this, our department was very closed and we worked very independently. I think we've taken another role in the whole climate transition" (Interview 1).

Private sector engagement in Gothenburg evolved progressively from initial consultation towards more structured and collaborative approaches. City officials acknowledged early engagement phases as more passive, primarily consisting of periodic communication and limited joint activities.

"We involved many partners during the application phase, but we struggled to maintain engagement consistently afterward." (Interview 1)

The municipality employed various strategies to foster collaborative dialogues, such as stakeholder workshops, consultation meetings, and thematic platforms. Officials explained the systematic use of thematic platforms structured around specific areas such as the construction industry, tourism, mobility, and the Green City Zone initiative, clearly stating, *"We have platforms based on different thematic areas: construction industry, tourism, mobility actors, Green City Zone, and so on" (Interview 1).* These platforms were subsequently leveraged to gather stakeholder input,

demonstrating the city's strategy to utilize and enhance existing infrastructure for collaboration rather than duplicating efforts.

Gothenburg's city administration shifted its engagement strategy from a primarily "listening" posture to a more proactive stance in driving the city's climate transition agenda. The city introduced focused platforms and established targeted "handshake" agreements with key industry actors, particularly larger, front-runner companies, to accelerate specific climate initiatives. Officials emphasized that meaningful engagement with companies must be continuous rather than being limited solely to the CCC signatories, reflecting a strategic shift toward deeper, ongoing partnerships.

Onboarding

Gothenburg's approach to selecting signatories for the Climate City Contract (CCC) emphasized leveraging existing relationships and focusing on key actors.

Private sector onboarding processes varied, stemming from their prior relationships with the city and their individual capacity for involvement. For instance, a stakeholder with an existing collaboration on municipal projects described a relatively smooth onboarding, benefiting from their prior knowledge of city processes (Interview 3). Another stakeholder suggested that clearer communication about the goals and expectations from the city would have improved their onboarding experience (Interview 4). One stakeholder expressed concerns about time constraints and administrative burdens, noting these as primary barriers to deeper engagement. They expressed a willingness for increased participation, provided clearer and more streamlined engagement pathways were developed by the city (Interview 5).

Some stakeholders actively initiated contact with the city, driven by their internal sustainability goals or experiences with similar initiatives elsewhere. One stakeholder proactively approached Gothenburg, drawing inspiration from climate programs in other cities, and viewed the city's invitation to join the CCC as a valuable recognition of their ongoing sustainability work, offering an opportunity to formalize an already promising partnership (Interview 4). Another stakeholder reported initially limited knowledge of Gothenburg's broader climate objectives, with their engagement primarily emerging from a longstanding partnership with the municipal energy company (Göteborg Energi) focused on specific projects. While they were not an initial CCC signatory, they indicated openness to deeper engagement, provided clearer processes and sufficient lead times for participation were available (Interview 5).

City officials faced initial challenges during the onboarding phase, partly stemming from limited pre-existing multi-stakeholder processes. The primary challenges included severe time constraints, limited historical processes for engaging private actors, and difficulties in mobilizing stakeholders beyond an initial core group. Communication between the municipality and stakeholders often occurred through platforms and meetings, though city officials acknowledged these interactions were predominantly one-way.

"We provided updates through meetings and platforms, but it was more one-way communication [...] It was more about informing them of what we were doing, rather than deep collaboration".

Deep engagement of SMEs was hindered the complexity of the CCC documentation. The length of the CCC application, spanning approximately 350 pages, created a barrier for deep engagement for some stakeholders without dedicated internal resources. This was recognised by city officials:

"Honestly, many of these companies were not interested in reading all these 350 pages. They want to know what's happening at a general level and then they want action" (Interview 1).

The initial group of CCC signatories predominantly comprised larger organizations, which city officials recognized as a limitation. Officials acknowledged this: *“We could have engaged more companies if we had more time”* (Interview 1). The signatories were specifically chosen due to their familiarity with EU processes, which enabled smoother onboarding.

City officials acknowledged that the actual number of signatories on the CCC was relatively small and mainly consisted of larger companies such as Volvo and Vasakronan. They recognized that broader company engagement was constrained by practical limitations.

“So what we did for the signatories, we took the organizations that we already had in contact with in this particular matter. Those were the same organizations as they were in the collaboration when we did the first application to be selected as one of these 100 cities” (Interview 1).

Officials indicating a commitment to more participatory and co-creative approaches in the future. They acknowledged explicitly that limited timelines initially restricted deeper involvement by stakeholders. One official noted:

“In hindsight, we realize some companies were onboard but not fully engaged in shaping the initiative. We might need to allow more time for that.” (Interview 1)

Despite initial challenges, the CCC onboarding process contributed positively by confirming the city administration’s coordinating role and significantly improving dialogue with stakeholders. A particularly noteworthy milestone was the city’s organization of the EU Mission Label celebration event. The city hosted a label award ceremony in October 2024, and invited a wide representation of companies from the local ecosystem. This event symbolized a new and more proactive level of stakeholder engagement, marking a shift towards deeper interaction between stakeholders and the city administration.

Post-label engagement

The Mission Label celebration sparked broader interest across Gothenburg’s business ecosystem. Many companies became significantly more engaged following the awarding of the Mission label, suggesting potential for greater future participation and co-creation (Interview 1). The ceremony has helped build momentum and increased engagement both directly and through engagement platforms such as BRG.

“We gained a lot of questions from industry actors on how to be a part of this and how to support...questions like, when are things going to happen? When are you launching the initiatives? How can we take part in this?” (Interview 2)

Officials stressed the importance of genuine engagement, tangible action, and shared responsibility from companies, not merely symbolic participation. They viewed the CCC process as instrumental in creating better dialogue, transparency, and inclusivity with external stakeholders. This marks a significant shift towards a more open and collaborative municipal governance model. City officials explicitly highlighted ongoing efforts to enhance stakeholder dialogues, including concrete plans for initiatives to facilitate more systematic and continuous engagement. Acknowledging the complexity of Gothenburg’s existing landscape of climate initiatives, officials expressed a clear preference for emphasizing concrete action rather than adding additional administrative layers or superficial engagements.

City officials expressed awareness of the value of flexible or iterative timelines to deepen stakeholder involvement and co-creation. Interview 2 reinforced this by distinguishing between proactive industry “front-runners,” who eagerly seek leadership roles in climate action, and more cautious firms, who typically engage once regulatory frameworks and implications become clearer.

This distinction underscores the necessity of nuanced collaboration methods, empowering proactive companies while providing clear guidance and regulatory certainty to cautious participants.

Officials also highlighted the importance of building credibility through sustained dialogue and inclusive decision-making processes. They reported that the CCC process cultivated a sense of shared responsibility among stakeholders. For private companies, engagement in municipal climate initiatives provided important external validation, strengthening the internal corporate advocates for sustainability and tipping internal debates toward greener decisions.

Officials noted significant improvements in stakeholder dialogue and municipal credibility as a direct result of Gothenburg's involvement in the EU mission. The legitimacy gained through participation in the EU Cities Mission was seen as essential for enhancing overall stakeholder engagement and trust. Nevertheless, interviews raised questions about the effectiveness of municipal feedback mechanisms, particularly uncertainty regarding the tangible impact of input. This highlights the importance of transparency and feedback loops to clearly demonstrate how stakeholder contributions shape municipal policy and project outcomes.

"We provided input, but we're unsure if it influenced decision-making." (Interview 2)

Stakeholder perspectives on stakeholder engagement

Stakeholders had diverse experiences and pathways into engagement with Gothenburg's climate initiatives. Some stakeholders noted increased enthusiasm among local industry actors following Gothenburg's selection as an EU mission city, observing a marked rise in proactive inquiries about participation opportunities (Interview 2). Others described their involvement as facilitated by existing municipal collaborations, making inclusion in the Climate City Contract (CCC) seamless (Interview 3).

Stakeholder participation varied significantly across different phases of engagement. While several stakeholders actively engaged from the beginning, building effectively on established partnerships (Interviews 3 and 4), others expressed uncertainty due to less clear municipal guidance or limited opportunities for deeper participation (Interview 5). The municipality acknowledged this variation, recognizing that while larger companies often had the resources to engage extensively, smaller businesses typically faced resource constraints, making continuous participation challenging. Officials acknowledged these challenges:

"We involved many partners during the application phase, but we struggled to maintain engagement consistently afterward." (Interview 1)

Stakeholder experiences also emphasised the need for more continuous and sustained engagement. One stakeholder explicitly noted reduced involvement following the CCC's formal signing:

"We were involved in the application, but not much afterward." (Interview 5)

Interviews highlighted areas for improvement to achieve more inclusive engagement. The city's collaboration methods ranged from broad-based workshops to specialized digital platforms. Stakeholders observed that these often-favoured larger companies, inadvertently limiting participation from smaller businesses with fewer internal resources:

"It's mostly big players like Volvo that get involved. [...] The smaller businesses... they do not have [dedicated resources for interaction with the city]." (Interview 2)

Stakeholders communicated strong enthusiasm for climate action, especially following Gothenburg's selection as a mission city. This enthusiasm was accompanied by increased pressure on the municipality to effectively channel stakeholder interest into tangible opportunities.

"We gained a lot of questions from industry actors on how to be a part of this and how to support...questions like, when are things going to happen? When are you launching the initiatives? How can we take part in this?" (Interview 2)

Internal municipal fragmentation was identified as a constraining factor. Interviews notes the limited of unified, central municipal leadership on climate due to the decentralised governance structure of Gothenburg as a potential barrier:

"We have a problem with steering here in Gothenburg... we don't have this central, strong power that pushes the environmental and climate program, because that is handed out to the environmental department instead of having it in the central steering of the city." (Interview 2)

Fragmentation was also associated with delayed or inconsistent follow-up on stakeholder consultations, and was perceived as detrimental for maintaining momentum and engagement:

"[companies] are getting heard... but they are also coming back and saying, but why do you not do anything about that?" (Interview 2)

Stakeholders emphasized a need for holistic, systemic approaches to collaboration, advocating a broader coalition-based model rather than isolated initiatives:

"Taking a more systemic approach... not just individual actors around a particular topic, but a more inclusive collaboration." (Interview 4)

Limited collaboration across municipal administrations and companies was also described as an obstacle to effective cross-sectoral coordination:

"We have the parking company, the grid company, and the electricity company... sometimes it's not necessarily extremely coherent between those." (Interview 3)

Based on their experiences, stakeholders provided several constructive suggestions for improving future engagement. They consistently called for enhanced transparency, reduced short-term political influences, and clearer, structured engagement frameworks. They particularly advocated ongoing structured forums for co-creation instead of occasional consultations:

"A coordination stakeholder forum... to bring together different people and have a co-creation exercise would be helpful." (Interview 3)

Interviewees requested stronger accountability in municipal decision-making, clearly advocating political responsibility for translating climate ambitions into action:

"If the politicians take credit for ambitious sustainability plans, they should also be accountable for their implementation." (Interview 2)

Collaboration and Implementation

Gothenburg's climate actions encompass diverse projects spanning mobility solutions, energy efficiency, renewable energy, and industrial decarbonization. Key initiatives include electric bus pilot programs, the expansion of electric vehicle charging infrastructure, retrofitting existing buildings for energy efficiency, and investigating carbon capture and storage (CCS) technologies at industrial and energy facilities. One significant advantage facilitating these efforts is the municipality's ownership of major utility companies, allowing more direct control and efficient implementation. As one city official noted, *"We own a lot of the energy companies, which allows us to push sustainability projects forward"* (Interview 1). This structure has notably accelerated initiatives such as large-scale heat pump installations, district heating improvements, and smart grid pilots.

An additional strategic approach has been the city's deliberate cultivation of conditions conducive to private-sector innovation. Instead of solely using public resources to address urban sustainability challenges, Gothenburg proactively identifies areas where private companies, startups, or entrepreneurs could provide solutions aligned with the city's climate goals. According to Interview 2, the municipality actively encourages the private sector to *"put pressure on the system"* by incentivizing businesses to propose innovative solutions, thereby fostering market-driven progress rather than strictly governmental interventions.

Many large companies are already actively collaborating with the city on sustainability projects before the CCC. For these firms, the CCC primarily formalized or intensified existing actions rather than creating entirely new initiatives. Stakeholders listed several significant projects that were already underway, highlighting existing momentum:

- **Electrification of transport:** electric vehicle infrastructure, vehicle-to-grid technologies, and fleet electrification.
- **Energy efficiency and sustainable construction:** extensive retrofits of existing buildings, adoption of renewable energy systems, and the advancement of circular economy principles within the construction sector.
- **Carbon capture initiatives:** CCS technologies by companies in collaboration with municipal entities, including waste management operators like Renova.

The CCC has primarily served as an umbrella to aggregate these activities, facilitating discussion, collaboration, and possibly enhancing scalability. Nevertheless, several stakeholders expressed impatience regarding municipal policy support, particularly related to timing. Stakeholders emphasized concerns about potential disadvantages faced by early adopters if regulatory frameworks or incentives lag behind industry initiatives. Stakeholder 2 captured this concern succinctly:

"Being early in the transition was expected to create a competitive advantage. But we are now seeing that front-runners pay more and lose that advantage."

Gothenburg's involvement in the EU mission has helped align municipal efforts more strategically. The mission process encouraged the city to use its procurement power and influence over municipal companies more effectively, steps that private sector actors had long awaited. Stakeholders now explicitly expect Gothenburg, as a climate frontrunner, to demonstrate clear leadership by setting robust examples through municipal operations and decisive climate policies.

Efforts to scale pilot projects into broader deployment represent another key aspect of Gothenburg's strategy. Stakeholder 3, for instance, highlighted practical initiatives like vehicle-to-grid (bidirectional charging) systems tested at Gothenburg Airport, explicitly stating, *"We are already using bidirectional charging at Gothenburg Airport as a test case for scaling up regional energy efficiency"*. They also mentioned structured working groups designed to accelerate regional electrification efforts, emphasizing their ongoing commitment.

Company Partnership Models

Collaboration between the city and stakeholders in Gothenburg has primarily been structured around municipality-led initiatives. This has leveraged municipality established platforms or projects, and stakeholders participate in predefined roles. This approach has fostered structured interactions but has also resulted in some stakeholders feeling limited in their capacity to influence or shape initiatives. As one stakeholder explicitly noted, *"We participate, but we don't always have a say in shaping initiatives,"* clearly indicating a desire for more inclusive, co-creative engagement methods.

Municipality-led initiatives represent the most common collaboration model, characterized by city-driven efforts where municipal agencies convene stakeholders, define goals, and often provide partial funding and support structures. The Climate City Contract (CCC) and the Green City Zone initiative exemplify this model clearly. For instance, Interview 4 described active collaboration with municipal entities such as Business Region Gothenburg (BRG), highlighting concrete efforts like “a handshake for circular building and circular construction with Business Region Gothenburg.” This stakeholder further elaborated on practical collaboration activities:

“We are working together with the business region in Gothenburg to improve transportation, especially micromobility... in Nordstan (one of the biggest shopping centres in Gothenburg), we are trying to use small vehicles like bicycles and electric vehicles to reduce carbon emissions.”

Stakeholder-led initiatives play a role, involving independent sustainability commitments initiated by companies themselves. These initiatives, although developed independently, frequently align closely with municipal climate objectives, benefiting from broader strategic dialogue frameworks such as the CCC. One interviewed organization independently set a robust target for climate-neutral operations by 2030, actively forging partnerships with other construction firms like Skanska to achieve these objectives. Another stakeholder highlighted their ambitious goal of achieving climate neutrality across their entire value chain by 2035. This stakeholder specifically emphasized the need for tailored collaborative frameworks capable of addressing unique operational constraints, pointing out increased challenge of industrial decarbonisation, over other sectors.

Stakeholder initiatives represent significant actions taken by companies. Companies independently pursue ambitious sustainability projects (such as significant investments in fleet electrification, renewable materials, and sustainable supply chains), which align with broader municipal climate goals but are driven primarily by internal company commitments or external market and policy conditions. One interview described the proactive nature of their independent sustainability initiatives, highlighting their significant investments in fleet electrification, renewable materials development, and sustainable supply chains. Another interview described major independent investments in renewable fuel production and substantial infrastructure transitions at their facilities, driven largely by national policy frameworks and market demands rather than direct municipal engagement. These actions significantly contribute to achieving Gothenburg’s climate neutrality ambitions.

While the CCC has undoubtedly catalysed some new collaborative partnerships, several private sector sustainability initiatives run in parallel to coordinated municipal strategies. Looking forward, the municipality aims to leverage the momentum and ambition demonstrated by these leading stakeholder organizations, seeking actively to broaden participation among a more extensive array of stakeholders. Nevertheless, some stakeholders perceive the municipality’s pace of action as insufficient, particularly compared to their own implementation efforts. As one stakeholder stated:

“I don’t think we have really... so to say, contractually agreed in that sense, but to be really honest [...] we’re actually running ahead... we believe that we actually are ahead of the city when it comes to many aspects” (Interview 3).

Implementation Challenges

Several potential challenges hindering quicker implementation of climate initiatives were highlighted. For municipal officials, a prominent challenge is engaging SMEs in climate action. SMEs typically have limited resources to invest in innovative climate technologies without external financial or regulatory support. Therefore, the city faces the challenge of facilitating SME engagement through targeted grants, simplified administrative processes (for application/engagement), and cluster-based support programs.

For stakeholders, several additional implementation challenges emerged clearly from the interviews:

- **Resource and Cost Limitations:** Stakeholders pointed out that companies often struggle to allocate substantial financial resources toward sustainability projects, especially when immediate financial returns are uncertain or regulatory landscapes remain complex. As explicitly articulated by stakeholders, balancing sustainability ambitions with economic viability remains a critical concern. One stakeholder captured this succinctly, stating, *“We want to reduce emissions, but not at the cost of jobs”*.
- **Aligning with Municipal Policies:** Regulatory uncertainty or inconsistency creates significant barriers to stakeholder investment. Without consistent policy guidance, proactive investment becomes risky, potentially delaying critical sustainability actions. One interviewee emphasised that such clarity about future municipal policies is critical: *“Actors that provide transport services in different ways have been the ones most engaged, because when the city moves forward in the climate transition, they want to understand how the regulations will look”*.
- **Front-Runners vs. Late Adopters:** The potential penalization of early adopters due to slow policy support is an explicit concern among stakeholders. Stakeholder 2 emphasized the unintended disadvantages early adopters can face: *“Being early in the transition was expected to create a competitive advantage. But we are now seeing that front-runners pay more and lose that advantage”* (Interview 2). This underscores the importance of municipal and national policies swiftly rewarding early movers to maintain stakeholder motivation.

Resource Allocation

Resource allocation emerged as a common theme from interviews. While the city employs public-private financing mechanisms and procurement policies to guide market action (such as prioritizing electric buses or mandating sustainable construction practices), stakeholders suggested resource distribution remains uneven, particularly disadvantaging smaller businesses.

“The big players get the funding. SMEs struggle to access resources”. (Interview 2)

Stakeholders further called for increased municipal use of procurement as a strategic tool for climate action. There is an expectation that municipal procurement should proactively shape products and services provision, thereby creating market signals and catalysing private-sector innovation.

“Companies are wondering, when is the city also using their procurement power to push in the direction where we have our climate goals? People in the industry wonder why the city is not using it enough”.

Specific resource needs highlighted by stakeholders included rapid rollout of critical infrastructure such as charging stations. Interviews highlighted a need for financial support for infrastructure projects. Similarly, greater policy and regulatory certainty is needed for high-capital-cost investments like CCS (Interview 5). Stakeholders emphasized the necessity of clear regulatory frameworks, financial support, and coordinated investment by local or national authorities to mitigate risks associated with pioneering sustainable solutions.

Stakeholder Commitment to Implementation

Officials see reputational benefits as a strong incentive for companies to collaborate actively. City officials generally perceive private sector frontrunners as valuable allies whose existing ambitious goals can be elevated and aligned through deeper cooperation. One official explicitly stated the goal to “level up the ambitions and really tie them together and work with them,” (Interview 1).

Clear commitments from private stakeholders are evident. Substantial financial investments by companies into sustainability-oriented projects illustrate this strong commitment. Interviewees highlighted several investments. These included an extensive renewable energy initiative, stating explicitly, “We are finalizing a 5.5 billion SEK renewable energy project”. Another stakeholder mentioned significant ongoing investments, noting they are “investing heavily in electrification, renewable materials, and supply chain sustainability”. Such initiatives demonstrate a proactive private sector that often moves independently and sometimes ahead of policy frameworks.

Stakeholders generally expressed a clear willingness to collaborate closely with the city on climate initiatives. Larger companies typically had established internal climate roadmaps aligned closely with municipal objectives, facilitating smoother integration into city-led initiatives.

Interviews highlighted enthusiasm to work jointly on areas such as energy efficiency, circular economy, and mobility solutions. They particularly valued having a genuine voice in shaping projects through co-decision-making processes but also emphasized the critical importance of improved transparency and regular forums to discuss progress. Another stakeholder described a more limited and project-specific form of engagement, primarily driven by a strong, longstanding partnership with Göteborg Energi. This stakeholder noted limited broad and centralized coordination from the city administration in their sector, leading them to operate according to their own internal sustainability strategies rather than through unified city-led initiatives.

Stakeholders appreciated being engaged by the city but expressed concerns about municipal follow-through and internal coordination. They voiced wariness about the stability and predictability of regulations, cautioning that uncertain political climates or administrative inertia could pose risks to their sustainability investments. Stakeholders specifically noted the absence of a strong central authority within the city to ensure cohesive climate action across all departments. This highlighted stakeholders’ expectation not only for ambitious municipal climate goals but also for consistent internal alignment and effective implementation. While the city is proactive and partnership-oriented in its approach, significant opportunities remain to further engage stakeholders comprehensively, improve internal coordination, and enhance municipal accountability.

“The city should be responsible to make sure that...every part of the city is really focused on the same goal.”

Stakeholders expressed a desire for more coordinated and regular public-private collaboration. Several stakeholders expressed the need for more structured forums to facilitate continuous dialogue and joint project development with the city, reflecting a clear consensus on the necessity of co-creation mechanisms. Interviewee 3 expressed “*Stakeholders want a structured forum for co-creation with the city*”, reinforcing the need for continuous interactive engagement to align actions better. This stakeholder also explicitly noted the perception that industry often outpaces the city’s infrastructure and regulatory frameworks:

“Businesses are sometimes ahead of the city in electrification, and alignment is needed”.

Interviews underscored the inherent challenges in aligning business priorities with municipal climate objectives. Stakeholders noted businesses’ genuine support for climate goals, but simultaneously stressed their obligations to shareholders, employees, and market competitiveness. This balance illustrates the complexity of municipal-private sector interactions, emphasizing the critical importance of clear, constructive dialogues that translate stakeholder feedback into realistic, actionable solutions accommodating both economic and environmental considerations.

Stakeholders expressed support for the city’s climate ambitions but identified critical areas for improvement, particularly related to transparency, structured communication, and consistency in regulations. One stakeholder clearly summarized these concerns, stating, “*We want to contribute, but we need clearer guidance from the city on expectations and objectives*” (Interview 4). Another stakeholder highlighted the city’s underutilization of its procurement processes as a tool for driving climate action, directly questioning, “*When will the city use its procurement power to push for climate*

goals?” (Interview 2). These comments illustrate stakeholders’ desire for clearer, more consistent municipal actions and communication to enhance their own ability to contribute effectively to Gothenburg’s climate transition.

Expectations and Conditions

Stakeholders’ perspectives revealed nuanced but generally supportive attitudes toward the city’s climate agenda, balanced with clear concerns about the practical conditions necessary for deeper engagement. Interviews 3, 4, and 5 collectively highlighted three major areas of concern:

- (1) the pace and consistency of municipal policy changes,
- (2) the critical need for stable regulations and supportive financial frameworks, and
- (3) ensuring that sustainability incentives do not inadvertently undermine their economic competitiveness.

A recurring theme from interviews was the perception that although Gothenburg articulated ambitious climate objectives, the pace of implementation often lagged behind stakeholder expectations. Stakeholders expressed eagerness to act as proactive “front runners” in driving the green transition but noted that the city needed to provide clearer policy support, stronger incentives, and decisive regulatory actions to facilitate and accelerate this transformation. An Interviewee explained, companies expect *“more decisive moves like establishing low-emission vehicle zones in the city centre or stricter green requirements in procurement, actions that had been talked about but not yet realized.”*

Interviewees underscored significant financial and regulatory requirements for emission-intensive industries undergoing substantial transformations. They highlighted massive investment needs, particularly in carbon capture and storage (CCS), alternative fuels, and infrastructure upgrades. Without reliable state or municipal support (such as consistent carbon pricing, subsidies, or clear regulatory mandates) the business case for such investments becomes precarious. The stakeholder emphasized that without “consistent policies to enable these investments, it’s difficult to justify them to shareholders.”

Another interview highlighted administrative complexity and called for clearer communication and transparency from municipal authorities. They cited challenges such as slow permitting processes for innovative solutions or uncertainties in zoning rules related to green technologies. They also identified a need for stronger mutual understanding between the city and private businesses, noting the frequent disconnect between high-level municipal climate strategies and detailed practical regulatory guidelines (such as specific building codes). Interview 4 explicitly requested “better guidance on how the city’s climate strategies translate into practical regulations, because sometimes there is a gap between high-level goals and on-the-ground rules.”

External conditions: Stakeholders also identified conditions beyond the municipality’s immediate control, such as alignment between municipal actions and national or EU-level policy support. Stakeholders argued for stronger national policies, including higher carbon taxation and eliminating fossil-fuel subsidies. Interview 5 noted explicitly, *“Other European states take a larger role in supporting sustainability transitions than Sweden does.”*

Stakeholders also stressed the necessity of improved coordination and deeper co-creation processes between the city, private sector companies, and other stakeholders. Using electrification of transport as an example, Interview 3 illustrated the complexities of aligning technological developments with public infrastructure investments: “If we develop electric trucks, the city needs to simultaneously think about charging infrastructure and grid capacity, and both should plan together.” They argued explicitly for structured forums or working groups to collaboratively

develop these integrated solutions. Interview 2 also underscored the necessity of ensuring a fair competitive playing field for companies making significant sustainability investments, stating clearly,

“Companies want to invest in green solutions, but they need assurance of a fair playing field”.

6.1.3 Outlook

Stakeholders highlighted multiple conditions directly influenced by the municipality that would enhance further engagement:

- Accelerated regulatory implementation: Businesses emphasized the urgency of enacting promised regulations. “Regulations are quite slow and not happening at the pace needed,” highlighting a sentiment among stakeholders who are “essentially waiting for implementation” before committing to further investment.
- Strategic use of procurement as a policy lever: Stakeholders called upon the municipality to leverage its considerable procurement power more aggressively and strategically to drive market-wide change toward climate goals. “Actors are wondering, when will the city use procurement to push climate goals? The city has the ability to influence supply chains but is not fully leveraging this power.”
- Municipal leadership in climate action: Gothenburg’s designation as an EU Climate Mission city has significantly elevated stakeholder expectations. “Industry actors have high expectations on the city to make concrete priorities and decisions. If the city is committed to leading the climate transition, stakeholders expect tangible steps.”
- Improved and streamlined coordination: Stakeholders identified municipal complexity and bureaucratic fragmentation as barriers impeding collaboration. Interviews noted, “The city structure is complex, with politics and bureaucracy slowing decision-making. Actors struggle to navigate the city’s processes, which differ significantly from the private sector.”
- Clear economic incentives and consistent regulatory frameworks: Interviews highlighted that without sufficient economic signals, such as removing contradictory fossil-fuel subsidies, investment in green technologies is undermined. “Why invest in an electric truck when diesel is still subsidized?”, emphasizing that companies “want to transition but need financial viability, or they won’t survive.”
- Stable and predictable regulations: Interviews highlighted the necessity of long-term visibility into regulatory changes and policy incentives to support long-term investment planning, observing that “industries need consistent policies... investments are difficult when regulations shift unpredictably.”
- Investment in critical infrastructure: Stakeholders suggested that infrastructure investments required for energy transition, such as widespread electrification and hydrogen infrastructure, necessitate substantial public-sector support. Interviews described these infrastructure needs as “massive,” likening them to “new railways or roads,” and noted, “industry alone cannot upgrade the grid or build hydrogen systems without substantial municipal or national government support.” Another interview emphasized the need for municipal investment to avoid the classic “chicken and egg” scenario, noting, “Should cities invest in infrastructure before the vehicles exist, or should vehicles exist before infrastructure? This demands coordinated public-private investment.”

As Gothenburg progresses with its ambitious climate transition initiatives and has experimented with new forms of coordination and engagement the city has gained valuable insights through experimental engagement models and governance structures. These learnings provide a foundation for enhancing future collaboration with the private sector to accelerate climate action.

The Climate Function, initially established to spearhead the Mission work, has faced implementation challenges. However, the city has demonstrated adaptability by critically assessing procedural aspects and embracing a reflexive "learning by doing" approach to strengthen this function moving forward. This adaptive stance positions Gothenburg to develop more effective governance mechanisms for climate transition work.

Engagement with the private sector continues to evolve through innovative approaches. Business Region Göteborg (BRG) is pioneering new methodologies focused on problem-space orientation and service provision tendering, creating more collaborative pathways for business participation. These experimental approaches signal a shift toward more dynamic public-private partnerships.

Looking ahead, Gothenburg city recognizes several critical areas for enhancement:

- **Procurement as a Strategic Tool:** The city acknowledges the need to leverage its procurement powers more effectively to deliver tangible benefits to private sector participants while simultaneously providing clear directional guidance for climate initiatives. Strategic procurement can serve as a powerful mechanism to align business activities with the city's climate objectives.
- **Streamlining Engagement Processes:** A key priority is simplifying engagement processes to reduce barriers to participation, particularly for small and medium enterprises (SMEs). By creating more accessible pathways for diverse businesses to engage with climate initiatives, Gothenburg can tap into broader innovation potential and distribute economic benefits more equitably.
- **Inclusive Participation:** The city aims to expand eligibility criteria to enable a more diverse group of SMEs to respond to procurement calls and become integrated into the Mission framework. This inclusive approach recognizes that climate solutions will emerge from businesses of all sizes and sectors.

Through these strategic adjustments, Gothenburg is positioning itself to foster a more robust ecosystem of private sector engagement in its climate transition work, potentially creating a model for other cities facing similar challenges in urban sustainability transformations.

6.2 Budapest

6.2.1 City Profile

Budapest, Hungary. Submitted CCC in Window 4. EU mission label not yet received.

Population demographics and socio-economic conditions (e.g., income levels, employment, and urban-rural dynamics).

Geographic and regional context

Budapest is the capital of Hungary and the country's most populous city with the highest population density. Located on both sides of the Danube River, it has a population of over 1.7 million people. Buda, which comprises one-third of the city's area of 525 km², is located along the right bank of the Danube and is surrounded by low mountains. Pest lies across the Danube River on the left bank. Located in the middle of Hungary, Budapest is a key political centre, major transport and economic hub. Budapest operates under a unique dual self-governance system. This structure includes the Budapest Municipality, which serves as the city's central government, and twenty-three district governments. Each district has its own local administration, complete with elected mayors and representative councils.

Population / demographics

In 2022 the resident population of Budapest was 1.685.342 people, with a population density of 3209 persons/km².

Age distribution:

- 0 – 14 years old: 209.733 people (12,4%)
- 15 – 64 years old: 1.120.347 people (66,5%)
- 65 years old and over: 355.262 people (21,2%)

Socio-economic conditions

Budapest's economy is heavily influenced by the pharmaceutical, chemical, gas, and oil industries. Additionally, the service sector plays a significant role in the city's economic landscape. Budapest plays a leading role in education, research, and development on a national level and has a population with relatively high income and education levels compared to the country's average.

- GDP per capita (2021): €30.549
- Employment rate (2021): 82.9%

Access to public transportation

The modal split data from the CCC shows that active mobility modes (walking, cycling) and public transport dominate intra-city transport in Budapest. Every day, around 2300 public transport vehicles operate in Budapest, transporting roughly 3,3 million passengers to 4631 stops throughout the city. However, in the metropolitan area, there is a growing preference for private car use over public transport, cycling, and walking. Due to increasing suburbanization, approximately 1,2 million people cross Budapest's borders daily, with 202.000 using high-speed railways, 47.000 on local trains, 198.000 on intercity buses, and 755.000 traveling by car.

Emphasis of decarbonisation strategy

GHG inventory

- Total GHG Emissions: 6.351.443 t CO₂ equivalent/year
- Per Capita emissions: 3,77 t CO₂ equivalent/year
- Largest emission sources:
 - Buildings & heating: 43%
 - Electricity: 26%
 - Transport: 25%

Table 8 - Budapest's main actions by sector.

Transport	Buildings & heating	Electricity, waste & other
<ul style="list-style-type: none"> • Public transport network developments. • Developing city logistics loading area network. • Developing compact neighbourhoods. • Creating a multilevel network of mobility stations. • Bicycle infrastructure and bike sharing developments • Electrification of the public transport fleet. 	<ul style="list-style-type: none"> • Budapest Climate Agency: Energy-efficiency improvement of the building stock. • Creating Positive (and Clean) Energy Districts (PCEDs). • Reconstructing and energy upgrading the public lighting system. 	<ul style="list-style-type: none"> • Facilitating solar panel development projects on buildings and sites owned by the municipality or its companies. • Improving urban waste management, especially bio waste, inert waste and sewage. • Enhancing mitigation and decarbonisation activities of industrial production and facilities of the tertiary sector.
<ul style="list-style-type: none"> • Raising knowledge and awareness of climate change through joint actions and sensitisation with civil society, businesses and districts. • Working together with the Government of Hungary to develop and implement urban regulations and mitigation proposals, and support climate conscious policymaking by sharing information, experience and knowledge on the urban aspects of climate change. 		

Decarbonisation strategies

For Budapest to be able to reach climate neutrality, the following strategic objectives – as put forward in the CCC – need to be achieved:

- Reducing transport need through sustainable and smart city design and developments, and by promoting affordable housing
- Electrifying public transport and providing comprehensive support for active mobility to promote climate-friendly means of transport
- Increasing the energy efficiency of buildings and accelerating the use of renewables in urban areas, with a special focus on residential homes
- Enhancing climate dialogue with key stakeholders, such as businesses, districts, and the government

The most important actions of the CCC are summarized in **Table 17**.

Overview of governance structures

The Municipality of Budapest has formed a Mission Group inspired by NZC's Transition Team Model A. This collaborative governance structure includes the municipality, private and public companies, academic institutions, and civil society (see **Figure 8**), all working together to develop and implement the city's climate neutrality strategy.



Figure 1 - The governance model of Budapest's climate neutrality transition (figure derived from Budapest's 2030 Climate Neutrality Action Plan).

Members of the Mission Group meet each other regularly, in smaller or bigger groups depending on whether the issue in discussion is inter-sectoral or sector specific. Members include:

- The Municipality of Budapest

- BKK Centre for Budapest Transport
- Budapest Public Utilities Ltd.
- Budapest Global, a network of private companies working together with the municipality.
- Green Budapest working group, a network of civil organizations dedicated to climate protection.
- KÖVET Association, a civil organization specialized in sustainability training for companies.
- Budapest Corvinus University

Stakeholder engagement and partnerships

To design the action portfolio, stakeholders were consulted to ensure the CCC aligns with the city's key strategic objectives and builds on ongoing actions. Local stakeholders, including businesses and citizens, are crucial for this process. Therefore, the municipality emphasizes community engagement activities, such as community design, citizen assemblies, and participatory budgeting, while also increasing efforts to mobilize and collaborate with companies.

Commitments

Budapest Climate City Contract Signatories

Total signatories: 19

By Scale: local (10), regional (7), national (0), international (2)

Table 9 - Budapest's signatories for the CCC.

Name of the signatory (organisation)	Scale	Sector
The Municipality of Budapest	Local	All domains
BKK – Centre for Budapest Transport Plc.	Local	Transport
KV – Budapest Transport Company Plc.	Local	Transport
BKM – Budapest Public Utilities Nonprofit Plc.	Local	Built environment, energy & waste management
Budapest Public Roads Plc.	Local	Transport
Budapest Waterworks Plc.	Local	Water
BFVK – Capital City of Budapest Public Asset Management Center cPlc.	Local	Built environment
BDK Budapest Decorative and Public Lightning Ltd	Local	Built environment

BGYH – Budapest Spas cPlc	Local	Tourism, water
WALLIS AUTÓMEGOSZTÓ cPlc	Regional	Mobility
Nestlé Hungária Ltd	International	Food
ALTEO Plc.	Regional	Energy
Kinnarps Hungary Kft.	International	Built environment
Rakun Lt	Regional	Food
Energiaklub	Regional	Built environment & energy
MTVSZ	Regional	Environmental protection, climate action
Zöld Jövő Egyesület	Local	Environmental protection, climate action
Hungarian Energy Efficiency Institute nLtd	Regional	Energy
KÖVET Association for Sustainable Economies	Regional	Corporate sustainability

6.2.2 Stakeholder engagement processes, collaboration models for implementation, feedback and expectations

Stakeholder Engagement

The stakeholder selection process faced initial challenges, primarily due to the lack of established practices for engaging with companies on environmental projects, which made the identification and engagement of stakeholders particularly difficult. As one interviewee put it, *"So it's basically without precedent to do such things... so that's why we were in kind of a vacuum for quite a few months."*

To overcome the initial reluctance and difficulty in stakeholder engagement, the municipality strategically leveraged existing networks, most notably through its collaboration with Budapest Global, an association established by the municipality itself.

However, while the initial outreach via Budapest Global yielded limited results, the prestige of the Budapest Municipality itself proved to be a significant draw for many companies. As one interviewee noted, *"But at the end basically just two companies came through them, all the others came just because of [...] I think the name of the Budapest Municipality."* This highlights how institutional reputation can be a crucial factor in attracting companies, particularly when direct relationships have not been previously established.

The municipality's engagement strategy focused initially on large companies, given their central role in the Hungarian economy and their global climate objectives, which were seen as more aligned with the municipality's climate goals. These companies were expected to not only directly contribute to Budapest's climate efforts but also serve as examples for smaller businesses, which the municipality found harder to engage. As one interviewee explained, SMEs were not yet specifically targeted as they require a different, more localized approach, at the district level. The municipality's targeting of businesses with headquarters in Budapest, as well as its focus on the growing Shared Service Centers (SSCs) sector, reflected a strategic decision to engage companies with more direct influence on urban emissions. Through a snowball method, starting with larger companies and leveraging the municipality's reputation, the municipality was able to build momentum and initiate the groundwork for broader future engagement with a wider array of stakeholders.

Further complicating the process was the challenge of identifying the right contact people within companies. As our interviewee noted, *"We had this sort of problem with how to contact them and how to find the exact person we need... sometimes we had an e-mail address, sometimes we didn't, just the company's general e-mail address."* This underlines the difficulty the municipality faced in tracking down specific individuals within organizations who could engage with environmental initiatives.

Despite this, once they made contact, the prestige of the Budapest Municipality played a key role in ensuring that the companies were receptive to the initiative. As one interviewee explained, *"When we reached that person, even if we were not known before, the name of the municipality and this call reached them, and they were receptive towards it."* Over time, this outreach process became more familiar, and the municipality's efforts to establish itself in this space grew easier as both the stakeholders and the municipality became more comfortable with the process. This evolution is reflected in the statement: *"Now I think it's more comfortable for us as well... we know exactly what we are doing, and we know exactly what we can expect in a discussion about the CCC."* This shows that despite the initial complexity, the municipality gradually gained confidence in the stakeholder engagement process, which, as the interviewee pointed out, also became easier for companies as they became more familiar with the municipality's initiatives.

In most of the cases Corporate Social Responsibility (CSR) departments within companies responded to the outreach of Budapest, as these departments were particularly receptive to the initiative, and their involvement proved essential in fostering engagement. Moreover, the growing importance of Environmental, Social, and Governance (ESG) reporting played a pivotal role in motivating companies to participate. The increasing pressure on companies to meet environmental standards and report their sustainability efforts acted as an external driving force. As the municipality remarked, *"And they were really open and due to the increasing efforts required by them on the ESG side... sustainability reporting... they are eager to find any opportunity they could, I don't know show up and contribute and say that they do something."* This external regulatory pressure made companies more inclined to engage in the municipality's environmental initiatives.

The municipality's engagement strategy included organizing a workshop that served as a platform for presenting the city's climate efforts and discussing potential opportunities for companies to contribute to these initiatives. Based on the workshop outcomes, the municipality planned follow-up meetings with the participants to discuss content tailored to the companies' needs. This according to the municipality was key to success: *"I think it really helped that we reached out to companies [...] and that we did a lot of preparatory work before the workshops."* This preparatory work was done with the involvement of Budapest Global and KÖVET association. The workshop focused on various aspects of climate adaptation and mitigation, highlighting areas where companies could provide meaningful input or make a tangible impact, such as in mobility plans, greening efforts, and optimizing energy use. The presence of domain experts allowed stakeholders to gain a deeper understanding of the municipality's goals and identify areas where their involvement could be most effective.

The companies' motivations for joining the Cities Mission included previous relationships with the municipality and the desire for concrete collaboration. As one interviewee noted, *"I think there have*

been discussions with the municipality before this... but probably this was a good opportunity to finally seal it," highlighting how prior connections made it easier to engage in the new initiative. Additionally, companies were driven by their commitment to local cooperation, aiming to work together with local actors to address shared urban challenges. The desire for mutual understanding and problem-solving also emerged, with the interviewee from a car-sharing company explaining how complex issues, such as electric vehicle delivery logistics, required joint efforts between the municipality and businesses: *"It's much better if we can sit together, we can identify together... this is where we want to be bold and cooperate."* This focus on collaboration and identifying common goals was a key factor in their decision to participate.

The municipality's initial approach to engaging companies was between information and consultation levels and reflects a focus on collaboration and long-term relationship-building rather than enforcing strict or immediate outcomes. They aimed to prioritize awareness raising and keep local activities at the forefront of the companies' engagement, rather than simply pushing for quick, measurable results. They admitted that they also feel ending up *"a little bit soft"* in the collaborations, which suggests a flexible and inclusive strategy, where the municipality values ongoing dialogue and incremental progress. At the same time, they also recognized the lack of coordination among businesses, despite their involvement in various chambers and associations. As our interviewee from the municipality noted, *"These companies are lacking coordination amongst themselves... to turn it to action, that's something missing,"* indicating that while companies are discussing goals and objectives, there is a gap in moving from dialogue to concrete action. This gap presents a clear opportunity for the municipality to step in and facilitate the process by providing the right tools and means to help businesses achieve their objectives.

Approach

Goals and objectives

The main objective of the Municipality of Budapest regarding private sector engagement is to develop collaborative projects that enable companies to work together towards shared sustainability goals. During the finalisation of the CCC the municipality actively negotiated cooperation agreements and obtained company signatures. Following the submission of the CCC, the focus has now shifted towards implementation—defining the structure of collaboration, clarifying expectations, and determining the extent of commitment bindingness. This phase is currently in progress.

The municipality is committed to support company's in translating global corporate sustainability goals into localized actions, ensuring a direct impact on reducing emissions at the local level. Many of the participating companies already have existing global commitments, making local cooperation efforts focused on collective and region-specific initiatives.

In expanding the portfolio of participating companies, the municipality aims to strike a balance between growth and quality assurance. It seeks to prevent greenwashing by taking the time to onboard partners and ensuring that new partners demonstrate genuine commitment and substantive contributions to climate neutrality in their cooperation agreement. *"So if we keep it small or if until it's small enough to handle these big companies one by one and we are able to go together with them or at least start this journey with them",* stated the municipal representative.

Stakeholders are generally willing to cooperate and align with the overarching goal of climate neutrality. However, the specific pathways and activities required to achieve these goals remain a work in progress. To foster mutual understanding and enhance collaboration, the Municipality of Budapest is organizing workshops where companies can discuss their sustainability activities and identify potential areas for cooperation. This community also serves as a platform for the municipality to showcase its initiatives, providing companies with insight into city-led programs they can contribute to while fostering a broader understanding of municipal responsibilities.

Information sharing

The municipality has launched a publicly accessible website to facilitate information dissemination to all companies, including SMEs that currently may not have direct access to municipal resources. The website serves as an "offering menu of the city," as stated by the municipal representative, providing methodologies, implementation guidelines, and a list of tools available for execution, along with the municipality's potential role in supporting these initiatives.

Stakeholders appreciate the transparency and proactive communication demonstrated by the municipality. Well-prepared workshop sessions, pre-identified opportunities, and open communication have been noted as positive aspects. As one interviewee stated: *"Of course they told us about a lot of projects. I was impressed and I was shocked that so many things are happening, and I didn't even know about them".*

However, there is an increasing demand for more concrete steps and structured action plans to be clearly communicated. Companies are looking to the municipality for coordination, guidance on next steps, and facilitation of alignment and knowledge exchange.

Consultation, feedback and learning loops

The establishment of the CCC process has been recognized as a learning experience for city representatives, requiring the development of new administrative and organisational procedures. Municipal employees expect these processes to improve over time as they now have examples to build on.

The municipality has mechanisms for collecting feedback through workshops, bilateral meetings, and ongoing discussions with stakeholders. A series of events is planned to maintain momentum, with careful attention to timing. During the summer of 2024, the primary focus was on the CCC submission, while the municipal elections in June introduced an additional layer of complexity. Now that has settled down, there is more time and space to look forward.

Stakeholders, including private companies and NGOs, have actively participated in workshops and bilateral meetings, providing feedback on various topics such as circularity, sustainable mobility solutions, buildings, energy systems and waste management. These engagements not only leverage external expertise but are also aimed at creating a shared responsibility in achieving the city's climate objectives and discussing the role of the companies in this journey.

Perceived level of commitment

The municipality perceives stakeholders as committed and willing to engage in sustainability initiatives. Some companies have already formalized their commitments through signed agreements, while others are in the process of doing so. At the time of interviews, many discussions were still at a preliminary stage. The municipality has gained valuable insights from these interactions and is now focusing on operationalising cooperation agreements and establishing concrete projects, such as renewing public spaces along an office corridor, cooperation with financial institutions to provide funding for residential building renovations and promoting active mobility and establishing shared-bike stations at office buildings. Recognizing the importance of accountability, the municipality is working on the development of mechanisms to ensure commitments and to address potential instances of non-compliance. A municipal employee explained: *"If there is a company who seem willing to join but does not appear on the events and seems to not perform well in that sense or is not cooperating then we should make something. To be clear that we demand some efforts from these companies."*

Stakeholders have positively evaluated the municipality's commitment, emphasizing its proactive approach and openness to dialogue. While acknowledging that discussions are still in the early stages, they appreciate the collaborative nature of the process and the opportunity to provide input. Many stakeholders view the cooperation as an evolving joint effort, aimed at determining feasible

implementation strategies. Furthermore, stakeholders find value in networking with like-minded professionals from different companies. As one interviewee notes: *"I think it's mostly like an active cooperation to figure it out together, how we can or what we can implement in what way. So we are actually just at the beginning, and we have just started discussing."*

Leading up to the CCC's signing, the coordination process was well-organized, with effective timing and pacing. The municipality has been diligent in following up on agreements. However, there is a growing demand for more structured planning, thematic working groups, and regular follow-ups to sustain long-term commitment. The cooperation agreement includes biannual check-ins, and stakeholders are awaiting concrete next steps to transition from planning to implementation.

Forms of collaboration

The municipality employed a variety of collaboration methods to engage stakeholders, utilizing both formal and informal channels of communication. Initially, the municipality organized a workshop, which served as key mechanisms for engagement. Additionally, stakeholders participated in bilateral meetings and consultations, which allowed for a deeper exploration of specific concerns and strategies. So, while group discussions provided a broad platform for feedback, one-on-one conversations were considered essential for moving toward concrete agreements, such as signing the CCC.

In terms of collaboration, the municipality focused on a mix of informing, consulting, and co-creation. The workshops acted as an informative platform, where stakeholders were given the opportunity to share their thoughts, as seen in the mobility-focused session: *"The question was how can your service be part of this mission... and what do we need from the city to achieve our goals."* However, the municipality also emphasized the co-creation aspect, allowing stakeholders to actively contribute to shaping the project by sharing case studies, research materials, and ideas. Despite these efforts, barriers to full collaboration were evident, such as the slow pace of decision-making due to changes in the municipality following elections, as noted by one interviewee: *"There was some turbulence at the municipality after the elections... things slow down a bit."* These challenges, however, did not completely hinder the engagement process, as the stakeholders remained hopeful about future interactions, with the expectation that follow-up meetings and collaborative action would become more regular and structured.

Private sector stakeholders generally had a positive evaluation of their collaboration with the municipality, particularly appreciating the proactive approach and the consultative nature of the engagement. Reflecting multiple respondents' feedback, one interviewee expressed that they *"really very much appreciate the proactive approach by the municipality"*, and emphasized the thoroughness with which the municipality explored the issues and opportunities, and how it led to valuable insights. The workshops, where companies had the chance to collaborate and discuss shared challenges, were also highlighted as productive.

However, while stakeholders acknowledged the positive aspects of the collaboration, they also expressed a desire for more concrete next steps and specific project-level planning, and facilitation on how to move from shared ideas to actionable projects. Additionally, while stakeholders were impressed by the municipality's existing initiatives and the scope of ongoing projects, some still felt that more detailed guidance on practical collaborations and shared opportunities was necessary to make the cooperation more effective in achieving tangible outcomes.

The collaboration between the municipality and companies is generally evaluated positively, with companies recognizing the opportunity to explore sustainability initiatives through joint efforts. For instance, one company highlighted that they are actively looking for *"opportunities within the circularity project,"* which aligns with their internal priorities. They also emphasized that while they have been exploring these initiatives independently, working with the municipality and other stakeholders would make these efforts more effective. A representative noted that they are focusing on initiatives like

creating a "*greener logistics*" system and improving the environmental impact of their office surroundings, illustrating how companies are leveraging the collaboration for practical, local sustainability changes.

Furthermore, there is an openness to working with other businesses, with one example being a discussion with a bank about establishing a "*composting point in the neighborhood*," which is viewed as a "*low-hanging fruit*" initiative that could be easily implemented in collaboration with other stakeholders. Despite these positive aspects, companies also express a need for more structured collaboration. One company noted that they would like to move beyond vague commitments, saying they want to "*explore our logistics*" and "*work together with other stakeholders*," signaling the desire for more specific and actionable projects. This reflects the expectation that the collaboration should progress from discussions to concrete initiatives, allowing for more impactful and tangible outcomes. Thus, while companies appreciate the opportunities the municipality provides, they also seek clearer pathways to implement shared sustainability projects with defined goals.

Implementation

Municipal Initiatives

The municipality has been exploring various projects to advance its climate commitments, although many are still in the conceptual or early development stages:

Energy communities: There are non-definite ideas about creating energy communities to engage more private sector stakeholders. This is seen as a future point of cooperation with the private sector.

E-Mobility pilot project: This initiative is currently in the research and development phase, focusing on the potential for electric mobility solutions.

Circularity implementations: A preliminary meeting has been held to discuss circularity implementations, particularly for a business coalition around small packaging. However, actual cooperation has not yet commenced.

Platform on website: Plans are underway to develop a platform on an existing website that offers an overview of municipal services to the private sector and making such a platform accessible to all companies in the area.

Green Budapest Foundation: This foundation serves as a vehicle for greenfield development, with plans to scale up its activities through company donations.

Private Sector Initiatives

The private sector has also been active, although most projects are still in the planning or exploratory stages. In general, private sector interviewees indicate a lack of concreteness in the current commitments; a general contract has been established, but it lacks specific deadlines or activities. "*I don't like meetings when we talk about something and then nothing happens for months, and I think that's very important because in the business everybody has thousands of emails in the inbox.*" (Int. #8)

The aim or hope is to have a concrete plan by next year. According to a car sharing company representative, there is no concrete plan due to the unique situation following the election, which has left the responsibility for the shared mobility topic unclear. Despite this, a budget has been allocated for potential plans. Another company has expressed a preference for collaborating on waste management and circularity, particularly focusing on giving furniture a second life. Similarly, a third company representative expressed interest in the circularity measure and offered concrete ideas for

recycling coffee capsules and using compostable packaging. Another straightforward initiative for this company (*“low hanging fruit”*, Int. #10) is to make their head office fleet of cars greener.

In sum, it seems both parties recognize that efforts are being made, and that they are now actively looking for synergies and pathways to move forward.

Municipal Challenges

The municipality faces several challenges in implementing climate actions in collaboration with the private sector:

- Localizing global commitments: One significant challenge is how to downscale companies' global commitments into locally relevant actions
- Encouraging company effort: It is crucial to make clear that some effort is needed by companies without binding them to unattractive contracts. The municipality needs to find ways to back up agreements effectively.
- Clarifying municipal responsibilities: Companies are often unaware of what the municipality is responsible for, leading to confusion and inefficiencies.
- Coordination across companies: Companies often lack coordination among themselves, making it difficult to turn discussions into concrete actions.

Stakeholders in the private sector also face several challenges, both internally and in their interactions with the municipality:

- Relevance of local issues: Companies are more willing to get involved if local issues seem relevant and connect to their global commitments.
- Resource strain: The extra efforts towards sustainability need to be shared across a larger group of companies, rather than being borne by single companies alone.
- Policy tensions: There are often tensions between city and national level policies and strategies, which are considered to complicate implementation efforts.
- Infrastructure status: The current insufficient status of and dependency on local infrastructure, such as waste management, can pose significant challenges.
- Resource limitations: Companies often face a lack of resources for the CCC goals, which prevents them from committing to the necessary budget for sustainability initiatives.

The private sector has several expectations when collaborating with the municipality. Although the process has not fully started, making it difficult to evaluate concrete outcomes. Additionally, they aim to understand the municipality's challenges and how they can assist; interviewees expressed their preference to co-create solutions rather than simply receive orders. They emphasize the importance of solving problems with long-term solutions rather than short-term actions, as well as raising awareness among citizens about climate change. They also expect support for their own sustainability challenges, for instance regulatory changes around no longer subsidizing car ownership and or changing parking fees, or the integration of their service offers into municipal platforms.

“Frankly, I would really... So we've been doing the mindset, the communication part for a while and I'm happy to see that many companies... and Budapest is also communicating effectively and I can see smaller projects being implemented here and there. But I would, as I also said

to the team, I would really love to see some very tangible results. Results that can also maybe on the long term be extended and make a difference.” (Int. #10)

Expectations and Motivations

Municipality's perceptions of collaboration and progress

Initially, the municipality faced several challenges, such as unclear steps in assigning cooperation agreements and handling administration and municipal bureaucracy. However, these issues have been smoothed over, making the process easier.

Stakeholders' perspectives on collaboration

The private sector notes that the process has just begun. They appreciate the joint approach with the municipality, the transparency in information sharing on progress towards climate goals, and the opportunity to provide input. Building alliances is seen as a beneficial outcome. However, stakeholders feel that more facilitation is needed, and that concrete next steps and project-level plans are currently missing.

It seems that the key takeaway from both sides of the collaboration is that it is quite early to evaluate, but the process is relatively satisfactory so far. There is need for coordination and municipality can take a role here.

Municipality's perceptions of enabling conditions

The municipality believes that better coordination among companies is essential, and this is an area where they can provide support. Additionally, involving multiple municipal departments in discussions and collaborations is crucial to ensure a comprehensive overview of activities and policies. Relying on just one department is considered too narrow to effectively address the complexities of climate action initiatives.

“It's very important to have people involved from the municipal side who have an understanding of different activities of the municipality. So if it's too narrow.. we couldn't do this with [just] one of the departments, because they would only understand what they are doing.” (Int. #6)

Private sector perceptions of conditions for commitment

Conditions influenced by the municipality

With the disclaimer that interviewees indicate it may be too early to properly evaluate the process, they do highlight that better coordination among companies is essential, and that the municipality could facilitate this. Proactive coordination by the municipality is required to move from brainstorming to realization, preferably in a structured way, such as through a framework agreement. In addition, practical support, like scheduling calls and taking care of meeting summaries, is needed since businesses often lack dedicated staff for these tasks. Stakeholders indicate they would value the municipality's involvement during the implementation phase, not just during planning. They would highly appreciate focus and prioritization on specific topics over set periods to ensure deeper

cooperation and effective use of resources. Regular working groups and more frequent discussion opportunities with other businesses, including a timeline and agenda for future exchanges, are also desired. Information sharing, such as municipal research on climate-related issues, is stated to be helpful, as is a strong relation with the city administration or the mayor's office more in general.

"What I expect is to make it much more clear and not to have several projects with similar companies with really small teams, but to have the clear direction to say that OK in this year or in the next two years, we are focusing mainly on one topic. And then there we have a deeper cooperation and then move to another for the next period because if we are just cutting it into too many separated actions, we are not able to join to these meetings, we are not able to keep this knowledge all together and also not able to finance it." (Int. #8)

The type of government-influenced conditions needed depends on the topic or domain, e.g. regulatory conditions could improve the business case for mobility innovations, such as subsidizing car ownership and parking fees. In addition, current infrastructure conditions limit sustainable alternatives in for instance waste management, circularity, and energy storage. The current infrastructure cannot manage circularity at the required rate, but infrastructural changes require heavy investment that cannot be borne by single businesses. This in turn necessitates commitment from a larger group of stakeholders, including budget contributions. For such collaborative activities, good project management, risk assessment and feasibility of proposed changes are considered crucial; plans need solid and realistic foundations for businesses to commit.

"Obviously, no one among the companies has the budget to do it alone. So I think this is also one of the reasons why it should be managed realistically. If you see a very good business case, I mean, why not? If it works for many of us, or at least three of us including the municipality, then it already makes sense." (Int. #10)

However, stakeholders recognize that not all these issues can be solved at the municipal level, especially in terms of laws, and there is significant tension between Budapest and the national government. In addition, recent elections caused turbulence, slowing climate neutrality efforts down.

Other external or internal conditions for commitments

In terms of external conditions, businesses deem it necessary to affect mindset and behavior changes by way of awareness campaigns. The municipality can also support these.

A key internal condition, particularly for larger commitments, is approval from upper management. Alignment with companies' sustainability KPI's is a requirement, although which KPI's matter remains unspecified. Activities should not be too linked to political agendas but rather to general codes of conduct and missions. Avoiding greenwashing is considered important.

One interviewee stated that financial support is not expected or required, *"because we know the Hungarian reality, they are just not in that position."* (Int. #8) The level of involvement however does depend on the amount and type of required resources from the company. In addition, the process should not take too much time from employees.

In sum, areas where municipality can make a difference are educating inhabitants (e.g. on sustainable mobility alternatives), regulatory support (e.g. subsidies/financial incentives), infrastructure improvements, and perhaps most crucially, coordination of private sector efforts towards climate neutrality. Internally, companies require management approval, clear and feasible plans, and a manageable input of their own resources.

Overlaps and blind spots in perceptions of enabling conditions

Both the municipality and private sector agree that better coordination among companies is essential. The municipality sees this as an area where they can provide support, and stakeholders also highlight the need for the municipality to facilitate this coordination.

Stakeholders express the need for practical support, such as scheduling calls and taking care of meeting summaries, which may align with the municipality's understanding of the need for comprehensive involvement, even though they are not taking this role currently. Both parties also value information sharing. The municipality's role in providing research on climate-related issues is seen as helpful by stakeholders.

However, stakeholders appreciate a clear focus and prioritization on specific topics over set periods, which seems to be lacking still. Furthermore, private sector stakeholders emphasize the need for regulatory conditions to improve the business case for sustainable innovations and highlight the limitations of current infrastructure. It is not sure whether such expectations are on the municipality's radar.

The municipality does not explicitly acknowledge the relevance of companies' internal conditions for a more successful collaboration or increased commitment, such as the need for approval from upper management for larger commitments and the importance of aligning with companies' sustainability KPIs. Stakeholders also mention certain resource management concerns (time invested, lack of dedicated staff), or the fact that companies require each other's commitment to be able to commit themselves.

In summary, while there are significant overlaps in the need for coordination, involvement, practical support, and information sharing, there are also notable mismatches. These include the need for regulatory and infrastructure improvements, consideration of political and external factors, internal approval processes, and collectively managing resource constraints. Addressing these mismatches could enhance the effectiveness of collaborations between the municipality and private sector stakeholders.

6.2.3 Summary and Outlook

The municipality of Budapest has been actively working to engage businesses in its climate initiatives. Initially, the city faced challenges in identifying and engaging the right stakeholders, particularly due to a lack of established practices for environmental projects. However, by leveraging its institutional reputation and partnering with business networks like Budapest Global, the municipality successfully attracted large corporations with aligned sustainability goals.

To give substance to the collaboration, the municipality has been exploring various projects, including e-mobility pilot and circularity projects. However, many initiatives are still in the early stages. Complementary, the private sector has also been active, focusing on waste management, circularity, and greener logistics, but faces challenges in making concrete commitments.

To further improve the collaboration, both the municipality and private sector recognize the need for better coordination and practical support. The municipality believes involving multiple departments is crucial, while the private sector emphasizes the need for regulatory conditions and infrastructure improvements. Internal conditions like management approval and alignment with sustainability KPI's are also important for successful collaboration.

While progress has been made, both the city and private sector acknowledge that deeper collaboration and more tangible outcomes are needed to achieve Budapest's climate goals. A key strategy involved organizing workshops and bilateral meetings to present climate efforts and discuss potential contributions, emphasizing collaboration and long-term relationship-building. Other good practices include:

- Leveraging existing networks: Using networks like Budapest Global to attract companies.
- Targeting large companies: Focusing on large companies to set examples for smaller businesses.
- Collaborative approach: Prioritizing awareness raising and local activities over quick results.
- Transparency and proactive communication: Demonstrating transparency and open communication.
- Information sharing: Planning to launch a website for disseminating information and tools.
- Consultation and feedback mechanisms: Collecting feedback through workshops and bilateral meetings.

While the municipality of Budapest has implemented several good practices in engaging stakeholders and fostering collaboration, significant obstacles remain. The following obstacles stand out:

1. Initial engagement challenges: Difficulty in identifying and engaging stakeholders.
2. Identifying the right contacts: Challenges in finding the right contact persons within companies.
3. Coordination among companies: Lack of coordination making it difficult to turn discussions into actions.
4. Localizing global commitments: Translating global commitments into locally relevant actions.
5. Resource strain: Lack of resources preventing companies from committing to sustainability budgets; need for broader engagement to share sustainability efforts.
6. Policy tensions: Conflicts between city and national policies complicating implementation.
7. Infrastructure limitations: Insufficient local infrastructure posing challenges.
8. Need for structured planning and coordination: Demand for more structured planning and regular follow-ups; need for practical administrative support like scheduling calls and meeting summaries.

6.3 Guimarães

6.3.1.1 City Profile

Geographic and Regional Context

Guimarães is a municipality located within the Minho Province in northern Portugal. Known for its rich historical significance, Guimarães is often referred to as the “Birthplace of Portugal” as it was in this city that the first King of Portugal, Afonso I (Afonso Henriques), established his power in the 12th century and went on to establish the Portuguese kingdom.

Guimarães' historical center is a UNESCO World Heritage Site. It was designated as such in 2001 due to its well-preserved medieval architecture and its pivotal role in the formation of Portugal as a nation. In 2023 the UNESCO world heritage area was extended to the Couros zone as a result of the water resilience strategy of the city in building the retention basins that protected the area from extreme flooding events.

Population and demographics

According to data extracted from the Instituto Nacional de Estatística ([INE](#)) for 2023, the municipal population was 156,789 with a median age of 47.2 and a gender breakdown of 48.5 percent male and 51.5 percent female. The total population has been relatively stable over the last decade.

Guimarães is part of the Urban Quadrilateral, covering the municipalities of Barcelos, Braga, Famalicão and Guimarães, which has a total population of approximately 600,000 people. The Urban Quadrilateral is the third most populous urban territorial aggregate in Portugal, it generates almost 20% the business volume in northern Portugal, and almost 6% of the total business volume in all of Portugal. It also integrates the Intermunicipal Community of Ave Region (8 municipalities). Guimarães is also located about 60 kilometers from the city of Porto.

Socio-economic conditions

Guimarães has a strong local economy, with approximately 17,000 businesses, primarily small and medium sized enterprises (SMEs). Key sectors in the economy include textiles, footwear, metalworking, and tourism. Industry represented 30 percent of the employment in 2023.

Transportation

In Guimarães, private car usage remains high, leading to traffic congestion, especially during peak hours. However, the city has been focusing efforts on reducing reliance on private vehicles by promoting more sustainable modes of transport.

Guimarães has made significant strides in improving its transportation network to support sustainable urban mobility. The city operates local bus services through GuimaBus and a complementary service-by-request with VitrusBus, which together provide essential connections within the city and to surrounding areas. These bus services are part of the city's broader efforts to reduce traffic congestion and improve air quality by offering more convenient and efficient alternatives to car travel. The GuimaBus fleet consists of 83 buses, 26 of which are electric buses, and the goal is full electrification. In terms of charging stations and infrastructure for electric vehicles, the municipality has 18 charging stations and intends to install 500 in the coming years.

Additionally, Guimarães is well-connected through the national rail operator, Comboios de Portugal (CP), which links the city to Porto and other surrounding cities, enhancing the city's regional connectivity. The city is also exploring the possibility of a bus rapid transit system.

Guimarães has developed infrastructure for cycling, including dedicated bike lanes and bike-sharing programs, to encourage cycling as a greener alternative to car use. The [Laboratório da Paisagem](#) (Landscape Laboratory) in Guimarães collaborates with GetGreen to develop the EducaBicla program, promoting cycling education among students. This initiative integrates cycling mobility into the school curriculum. Through this program, students participate in activities that include understanding traffic rules, signs, and infrastructure; engaging in practical bicycle riding sessions; and learning bicycle maintenance skills. Upon completing the full course, participants are awarded a cycling license.

Soft mobility is also promoted by the Landscape Laboratory through the development of the [MetroMinuto](#), co-created with students in the design of pedestrian routes in the city.

Emphasis on decarbonization strategy

GHG inventory

The Guimarães Greenhouse Gas (GHG) baseline inventory for 2019 outlines total emissions of 680,251 t CO₂e. The inventory categorizes emissions across several sectors, with the highest contributors being transport (35.07%), industry (28.80%), and energy production (17.73%).

In terms of direct control, the municipality believes it has the most potential to directly impact energy consumption and transportation. The municipal fleet renewal program and the transition to electric buses in public transport are examples of how the city is addressing emissions within its control.

However, while the municipality can influence certain sectors, it does not have direct control over emissions from private industries, which generate approximately 30 percent of the city's emissions.

Decarbonization strategies

The focus of Guimarães' CCC decarbonization include the following strategies:

Mobility and Transport: A flagship initiative in the transport sector is the public transit system upgrade, which aims to reduce emissions by transitioning to electric buses and enhancing public transport infrastructure. This is expected to deliver significant GHG reductions in the mobility sector.

Industry: The municipality is focusing on reducing industrial emissions through collaboration with local companies, especially in the textile and footwear sectors. The action plan proposes support for energy efficiency measures and a shift towards sustainable production processes.

Energy Production: A major action in this sector involves increasing the use of renewable energy sources. Guimarães is working towards decarbonizing its energy grid and reducing the carbon intensity of electricity consumed within the city.

Waste: Initiatives aimed at improving waste management, such as the Zero Waste Plan and the Bio-Waste Management Plan, will contribute to reducing emissions from waste processing, particularly methane emissions from landfills.

Governance

Municipal Structures

In Guimarães, there are two main governing bodies that play distinct roles in the municipal government structure. The Câmara Municipal (City Council) consists of 11 members (including the Mayor and other elected councillors) elected by residents and serves as the executive body of the municipality, responsible for the day-to-day administration and execution of local policies. There is also the Assembleia Municipal (Municipal Assembly), which consists of 98 members elected by the 48 parishes of the city and serving as a legislative assembly that debates and approves policies, budgets, and laws that the Câmara Municipal proposes.

Several departments make up the municipality's Transition Team and contribute to Guimarães' sustainability and climate action agenda. These include the Department of Environment, responsible for environmental programs and initiatives; the Department of Urbanism and Planning, which guides the city's sustainable urban development; and the Department of Mobility and Transportation, which oversees public transport and promotes sustainable mobility solutions. Additionally, the Transition Team works across other municipal departments to coordinate actions, foster collaboration, and ensure that all climate commitments are met; these include departments such as the Office of Energy Efficiency, Department of Smart Systems and IT, Department of Urban Services, Department of Economic Development, and Department of Green Spaces.

The Landscape Laboratory is also a key member of the Climate Transition Team. The Laboratory was founded in 2014 by the Guimarães City Council and two of the main higher education institutions in northern Portugal, the University of Minho and the University of Trás-os-Montes and Alto Douro. The team of 19 currently includes biologists, environmental scientists, engineers, landscape architects and urban planners. It uses the context of Guimarães to test important and innovative solutions related to nature and biodiversity, landscape, water resources, circular economy, climate, environmental management, and health and well-being.

The [Laboratory](#) has played a key role in the Mission and has been at the center of the municipality's efforts to engage private companies through events, workshops, and technical support. A dedicated team was set up at the Laboratory to provide direct support to businesses.

Citizen engagement

The municipality and the Laboratory have had a broad engagement approach with citizens of Guimarães since 2015 with the launch of the Mission Structure, described later in this document. Some of the programs stand out as particularly successful and innovative.

The [PEGADAS Program](#) is focused on ecological learning and sustainable environmental development in Guimarães. It is aimed at enhancing environmental education across different sectors of the community, particularly the youth, to foster sustainability and behavior change. The program reaches all public and private schools in Guimarães, involving students and teachers in a wide variety of activities, with more than 800 activities per year.

There are several key activities that make up the PEGADAS program. Guimarães Mais Floresta involves tree planting initiatives aiming to increase forest coverage, with the goal to plant 30,000 native trees by 2030. The Biodiversity Education program includes activities related to biodiversity conservation, with tools such as the *Biodiversity Go!* app, a citizen-science initiative for documenting local flora and fauna. The Eco-Schools and Eco-parliament initiatives aim to embed sustainability and environmental education within schools and local governance, involving the youth in ecological decision-making and climate action.

Another key part of the local citizen engagement strategy is the Green Brigades, which focuses on encouraging volunteers in environmental tasks such as waste management and ecological

preservation. The Green Brigades program involves local groups of volunteers at all ages in environmental initiatives, promoting active engagement with climate change mitigation and biodiversity conservation efforts. Brigades have been formed in various parishes in Guimarães, and members are trained to be leaders in climate action within their communities. The Green Brigades work alongside various stakeholders including local schools, and local entities and organizations such as Vimágua, Vitrus, and Resinorte to promote sustainability at a local scale.

The Citizen Assembly program in Guimarães uses a participatory budgeting strategy with citizens. The program empowers citizens to propose and vote on projects for municipal funding. Through participatory processes, residents influence how public funds are allocated, particularly for initiatives that address sustainability and local environmental challenges. As an example, four new [proposals were approved](#) in early 2025 for implementation in Bairro C (District C), which is one of the main neighborhoods targeted for climate action and transformation. The projects aim to improve public spaces, enhance mobility, circular economy, energy efficiency and green areas, while increasing community engagement in sustainable practices.

Stakeholder Engagement

Guimarães fosters strong partnerships with local businesses, academia, and civil society through collaborative co-creation processes. This process is the focus of the case study and is described in more detail in the next section. However, the municipality has held public workshops, conducted online surveys, held ceremonies to launch the [Guimarães 2030](#) website and the [Guimarães Climate Pact](#), and organized workshops to involve stakeholders in the creation of the climate action portfolio and to provide technical understanding of specific climate topics.

The city is working particularly closely with the industrial sector, because it accounts for a significant share of emissions. The goal is to create the conditions for the sector to play an active role in achieving climate neutrality.

Commitments

The **Climate Pact**, which gathered more than 70 signatories in the kick-off, is a central mechanism for aligning local stakeholders with the municipality's climate goals. At the time of approval of the Mission Label for Guimarães, over 70 companies and entities had committed to the Pact. These commitments come from a variety of sectors, with a no focus on industrial emissions, where companies have pledged to reduce their carbon footprints and adopt more sustainable practices. The number of signatories to the Climate Pact is currently 150 companies and entities.

6.3.1.2 Stakeholder engagement processes, collaboration models for implementation, feedback and expectations

Stakeholder Engagement

Guimarães' work on the Mission built on previous work and previously built relationships.

The city's climate journey started with the city's commitment to a climate agenda in 2013 with an ambition to become European Green Capital. As part of that process, they asked the University of Minho to do a preliminary environmental analysis of the situation in Guimarães. This led to the formation, with Mayor's leadership, of the Landscape Laboratory in 2014 and the Mission Structure in

2015, “aiming to (i) transfer knowledge and innovation to territory management, (ii) establish a short-term local action plan for sustainable development, (iii) gather the private sector and (iv) involve citizens in the goals of sustainable development.” (Source: [Loureiro, Ribeiro, Sepúlveda](#))

The city had also worked with private sector stakeholders on the [Guimarães Marca](#), a branding of the companies in the city. This initiative aims to increase visibility of the city’s companies both nationally and internationally, positioning it as a hub for investment and innovation. Central to this initiative is the establishment of the "Guimarães Marca" seal, introduced officially in 2016, which identifies and distinguishes local products and services that embody the city's values and heritage.

Through these and other municipal initiatives, the municipal government had strong relationships with many companies prior to engaging with the NetZeroCities Mission (Mission).

Stakeholder Selection and Identification

When starting the Climate City Contract (CCC) drafting process as part of the NetZeroCities Mission, the climate Transition team performed the first climate analysis. One of the key points that emerged was that 96 percent of emissions in the city came from the private sector and citizens. It was clear that, although they already had a strong citizen engagement process, further engaging the private sector in decarbonization activities was also critical.

With this in mind, the city’s Climate Transition Team, in consultation with the City Councilwoman responsible for the Environment and Climate Action (Sofia Ferreira), mapped out possible private sector saboteurs, influencers, recommenders, end users, economic buyers, and decision makers. This stakeholder analysis and mapping was crucial to understand how Guimarães could co-create meaningful relationships and pathways with the stakeholders.

Based on this analysis, the city identified frontrunner companies that they would engage first in building collaboration with the private sector of Guimarães. The companies that the city identified as frontrunners were companies that either the city had constructive relationships with and/or companies in Guimarães that were aligned with the city’s climate neutrality goals. The frontrunners ranged from small-and-medium sized businesses (SMEs) to large international corporations.

Onboarding process

Municipality perspective

The goal for the city was to first build relationships and trust with the companies they identified as frontrunners. The idea was to start with a relatively easy first step, which was the signing of the Climate Pact. As described on the Guimarães 2030 website, the Pact:

“...aims to highlight that this neutrality is dependent on joint climate action, and therefore the mission and responsibility must be shared with the various agents in the municipality, in a pact that, essentially, commits subscribers to adopt sustainable behaviors in the community and common strategies to reduce the environmental footprint in the short, medium and long term...”

The Pact does not involve specific commitments. As one city official explained:

“Sometimes it is important to have a small step (Climate Pact) that gives a big huge impact for the next one ... we need to go slowly with them, to not scare them, because if you go and say, ‘sign with us, with the municipality, a contract ... with the European Commission’ .. sometimes it's difficult... We started with the Climate Pact.” (Dalila Sepúlveda, Head of Sustainability and Environment Department)

In addition to building trust and starting slowly, city officials felt that they needed to demonstrate clear value to the frontrunner companies that engaged with the Mission. These were the guiding principles in building engagement for the Mission.

City officials described a four-step process to involve these frontrunner companies in the Mission.

- **Step 1: Meet with frontrunners.** The transition team, along with City Councilwoman Ferreira, organized an online meeting with the companies in Spring 2023. They described to the companies the city's ambition to be climate neutral by 2030, the important role that the city wanted the private sector to play in decarbonizing, the strong political commitment, and the plans to have an important ceremony with the municipal and national government to launch the Climate Pact.

"This meeting was important because the fact that you have a politician say, 'we are committed to the private sector. This is what we want for the city.' I think that was very crucial at the time.... And I think that meeting showed them that there was a sense of belonging, that they could trust in the process." (Isabel Loureiro, General Coordinator of the Mission Structure Guimarães 2030)

- **Step 2: Ceremony to launch the Climate Pact.** The event on the environment day, June 5th 2023, included the Mayor, representatives of the national government, and the 70 frontrunner companies that signed the Pact. The branding of the local Mission, "Guimarães2030: Join the Green Transition", including the [website](#) and logo, was developed based on feedback that the frontrunner companies gave the city during the online meeting and it was launched during this ceremony.
- **Step 3: Rapid Mass Engagement (RME) events.** Building off the momentum and publicity generated by the ceremony, the RME events took place two weeks later. The goal of the RME events was to engage a large number of companies quickly. This phase included co-creation workshops with stakeholders and citizens to brainstorm what the city, the companies and the citizens could do to reduce emissions and accelerate the climate transition in Guimarães. For companies there were several thematic workshops on the key thematic areas of mobility, energy, and waste. The workshops were designed to provide companies with the tools and knowledge to begin their green transition.

"It's not about only bringing the most people on board, but also providing them with knowledge that could help the companies change their culture" (Isabel Loureiro) .

The RME events were first organized in June 2023 and have since become incorporated into the annual "Green Week" event that takes place in June of every year. Workshop topics in 2023 included energy, mobility and transport, and waste and circular economy. In 2024 workshop topics included carbon footprint calculations, sectorial needs for the transition, and funding/financing.

Step 4: Ongoing technical support. The city set up a dedicated team in the Landscape Laboratory to support businesses in their climate work. Services for companies include carbon footprint calculations, help developing company decarbonization plans, help on EU Corporate Sustainability Reporting Directive (CSRD) requirements, and any other company ambitions related to climate and sustainability

“Most of our companies are SMEs, which is why we created a dedicated team at the Landscape Laboratory to provide them with the technical support and collaboration they need to advance their climate and sustainability goals.” (Carlos Ribeiro, Executive Director of the Landscape Laboratory)

Through these steps, the hope was to build momentum for the Mission, demonstrate clear value to the frontrunner companies for participating, and thereby draw more companies into the Mission, as these companies saw their peers getting involved.

Private Stakeholders perspective

When asked what they remember about becoming involved with the “100 Climate-Neutral Cities Mission” and the climate agreements, the companies all expressed it happening very naturally. All companies interviewed explained that the city had been showing leadership on climate and the environment before the Mission began.

Two of the companies had long-standing relationships with the municipal government. The manager of the Interview 13 store, in the city, part of an international corporation, explained that he and his team had been supporting the youth environmental education programs since 2014 and had since become involved in other municipal initiatives. Interview 14, a Primeira Liga football team in Guimarães, had long had a strong relationship with the city, and had promoted various municipal initiatives over several years.

The other two companies interviewed had developed relationships with the city in the few years before the launch of the Mission. Interview 12, a textile distribution company, had invited the municipality to participate in an event the company organized with a local yoga studio about how citizens could make a positive impact on the environment in their daily life. The owner was so impressed that a City Councilwoman attended the event, that he set up a meeting with city officials afterwards and the relationship developed from there. Interview 15, a large international real estate development company, became engaged with the city as part of the approval process for its mixed-use development in the Minho Innovation and Technology Hub (MITH). City officials became interested in the company's more sustainable industrial construction methods and visited the company's offsite building fabrication operations in the neighboring city of Braga.

When the city called on these companies to sign the Climate Pact and become engaged in the Mission, these companies all felt like this was a natural extension of the relationship they already had with the city.

Level of Engagement

Municipality's intended and achieved level of stakeholder engagement

The intention for the city of Guimarães has been to show businesses that working with the city on this has benefits for everyone. The city focused on giving the frontrunners the tools and capacity to make real commitments. Through support to the frontrunners, the city hoped to show all 17,000 companies in the city that there are clear benefits to working with the city on the climate Mission.

As the city sees it, there are four categories of benefits to engaging with the city on the climate Mission.

Promotion. City and Lab officials highlighted that companies are motivated by the visibility and recognition of being part of the city's climate Mission. This visibility helps companies both locally and on a national/global scale. Companies that sign the Climate Pact can use the Guimarães 2030 logo in their own company materials. In addition, the city uses the Guimarães 2030 website, LinkedIn, and social media to promote good practices and climate actions by companies, which helps their reputation both locally and beyond.

Another way that the city promotes Climate Pact signatories is holding ceremonies, and celebrating the participation and achievement of Climate Pact companies. An example is the Climate Pact labeling ceremony held during Green Week 2024, a couple of months after the city received the Mission Label. This event was again attended by regional and national government representatives.

“After we were labeled, we started to also label our subscribers in a big ceremony. It’s a celebration. We need to celebrate ... We made a stamp that says “We are part of it”... they can use it in their own communication and with their clients... because some of the clients of our companies come from the world and they are very keen with the climate issues.” (Isabel Loureiro, General Coordinator Mission Structure Guimarães 2030).

The city also spread the message of the Mission through the sports sector. A recent example is [a match between two local clubs](#) in where players and children came on the field with shirts that promoted the city’s (ultimately successful) candidacy for the 2026 EU Green Capital. Although this is a more recent example, the city has been working with its sports teams in this way since the beginning of the Mission with the [Zero Carbon Sports](#) project.

“If we want to use sports as a driver to spread climate messages, the sector must lead by example — that’s why we created the Zero Carbon Sports project.” (Carlos Ribeiro, Executive Director Landscape Laboratory)

Voice with the city. City officials believe that the companies like having a partner in the municipal government, and a voice with both the municipal and national governments.

An example that they highlighted is with an electric car company that wanted to promote their product in a public space owned by the city. While the city would not typically allow such promotion in public space, they allowed it in this case because the company signed the Pact, is supporting the city’s climate transition, and is helping the city work towards its climate goals. In this case and others, the city wants to reward those companies that are investing in and working with the city on climate.

An example of having a voice with the national government has to do with transportation connections. For many companies in the city, strong transport connections are important to their businesses. The Bus Rapid Transit project that the city is exploring, as well as the regional and national investment in the rail lines and the roads, are important improvements that companies value and have opinions about. Guimarães is able to elevate the companies’ perspectives on issues such as this to the national government.

Learning and support. As described earlier, the city focuses on offering value to companies, including workshops during Green Week and direct technical support from the dedicated team at the Landscape Laboratory.

Involvement in funded projects. The city also demonstrates value to companies by involving them in EU and other funded projects. An example is the URBACT Let’s Go Circular project, which involved several companies from the local textile industry in exploring circular economy practices. There are several funded projects like this in which the city has involved stakeholders.

Stakeholders’ perceptions of their level of involvement, and whether it met their expectations

Stakeholders conveyed that they were happy with the engagement process and that they appreciated the city’s leadership. They all remembered attending the Climate Pact launch ceremony with the national government in June 2023. What they most talked about from the engagement process prior to the Climate City Contract (CCC) submission was meeting the other companies at that ceremony, and hearing about the climate goals and experiences of these companies.

Stakeholders conveyed that their main input into the actual CCC was through the visioning workshops in June 2023. They also spoke about being involved in the Rapid Mass Engagement workshops.

However, they did not speak about a more detailed or specific role in the development of the CCC beyond these main interaction points.

Stakeholders also confirmed the value of the technical support provided by the city and the Laboratory. This will be discussed in more detail later, but the technical support from the Laboratory has been especially important for small and medium-sized enterprises (SMEs). The two SMEs that were interviewed both felt they had learned a lot from this experience and that the city was backing up their talk with real investments in supporting the businesses.

Collaboration Models

Strategies and processes for collaboration employed by the municipality

The focus of the municipality, both in the development of the CCC and since finalizing the CCC in 2023, has been on demonstrating leadership and political commitment, generating interest in the climate mission, and building trust with the companies. As described earlier, there were opportunities for co-creation with the stakeholders and for their input into the CCC. However, the primary idea was first to build relationships with the stakeholders and build support for the Mission.

Since completing the CCC in 2023, the city has continued convening the businesses. Through the annual Green Week each June it has continued its series of workshops and networking opportunities. More recently the city convened 15 companies in the fall of 2024 to move the conversations to a deeper level based on more specific themes (textiles, construction, retail, transport, and cutlery). In parallel, the Laboratory is providing technical assistance on climate actions to several businesses on a one-on-one basis.

Over time the city has built more collaborations with companies. One example is the [Guimarães Mais Floresta](#) tree planting initiative. The goal is to double the number of native trees planted in the municipality, from 15,000 to 30,000 trees, distributed across different areas of the city. The Laboratory identifies and plans the locations for tree plantings according to the Radial Green Strategy.

From there it engages companies and citizens in the actual tree planting. Interview 12 has made the promise to cover 25 percent of the Guimarães Mais Floresta goal of 30,000 trees (7,500 trees). In order to reach this goal, they involve other companies in Guimarães and their employees. In January 2024 15 companies helped fund and plant 422 trees. In [January 2025](#) 36 companies helped fund and plant 1,250 trees. In addition to Interview 12, two of the other three companies interviewed participate in this initiative, including professional football players from the Interview 14. In 2026, the year Guimarães is the European Green Capital, Interview 12 has plans to make the January tree planting even bigger. They also plan to organize events with Interview 14 to generate funds through special football games and merchandise, as well as to involve other schools and citizens. Apart from funding and planting trees, these events clearly engage people in a different way, generating an amazing atmosphere and helping participants better understand what biodiversity is about.

Another example of collaboration with the companies in Guimarães is the [URBACT Let's Go Circular project](#) with the textile industry. As part of this project, the city organized a textile industry Local Action Group. This Local Action Group, composed of entrepreneurs, researchers and local entities, was divided into four focal groups, namely the municipality, citizens, companies and institutions. The problems encountered in the textile sector were prioritized, and the actions to be implemented and the resources to be used to solve the problems were identified by each of the groups were outlined. The final results of this co-creative work were included in the Integrated Action Plan for circularity in the textile sector for Guimarães.

These are just some examples of the city collaborating with and involving companies in decarbonization efforts.

The city has been happy with the participation of companies in their climate mission. The number of Climate Pact signatories has grown from the original 70 in June 2023 to 150 today. The city is now preparing to work with the companies to make specific climate commitments and sign the CCC.

As the general Coordinator of the Mission Structure Guimarães 2030 explained: *“These first subscribers are really with us. They believe in the process. They think that we can facilitate and now they are spreading the word and celebrating with us too.” (Isabel Loureiro)*

Stakeholders' experiences with collaboration

Stakeholders expressed support and satisfaction with the support and collaboration opportunities.

Larger companies are enthusiastic and supportive of the city plans. They already have strong climate plans and are working to implement them. They feel there is strong alignment between the city's goals and their corporate goals. The large companies also expressed strong interest in continuing to explore how their plans can support the city's climate goals and how they can share more of their knowledge with the city and other companies.

Smaller companies were very enthusiastic about the overall value they see in participating. This includes the learning, the assistance in developing decarbonization plans, and the opportunity to help the city.

Interview 14 appreciated the support from the Laboratory in converting their intentions on sustainability into a concrete plan.

Regarding his company's experience in working with the city, Interview 12 explained:

“...this is one of the things I'm getting from it is that I'm getting a wider perspective on sustainability and what it means not only for a business and textile and apparel companies, but also regular citizens. How is the city improving and reducing impact? So there's clearly something that we can learn from this engagement which we can use in our business...And I can clearly see how it changes the motivation of staff ... I think that the city has managed to eliminate the usual barriers you see in collaborations between the government, the private sector and citizens. And this is about being open-minded and also putting some resources available, and also the businesses investing some resources in the collaboration... because for us as a small business, usually when you see these collaborations it's always about big businesses...”

Implementation

Types of implementation and actions taken

Stakeholders interviewed are actively working towards understanding their emissions, developing plans to address those emissions, and implementing those plans.

Interview 12 has worked with the Laboratory to do their carbon footprint calculation, to develop their sustainability plan and to get assistance with CSRD reporting. Interview 12 is currently working to develop their specific climate commitments to the city.

Interview 14 has worked with the Lab to do their carbon footprint calculations and develop a sustainability plan. They have installed solar panels on the roof of their training facilities and used the electricity to create an energy community for the surrounding area. They also worked with the municipal company Vitrus to increase recycling at their facilities, and worked with the municipal company Vimágua to reduce water usage at their facilities.

Interview 13 has had a corporate sustainability plan and has been reporting on that plan for six years. The company opened its first “Greener Store” in Portugal in Guimarães. Among other things, the store in Guimarães runs on 100 percent green electricity.

Interview 15 has a corporate sustainability plan that they have been monitoring progress towards for several years. Their industrial construction process allows the construction process to be more materially and energy efficient, reduces truck trips to construction sites, and reduces construction time onsite. The company also has high targets for the percentage of construction materials from wood.

Interview 15 works to reduce emissions in their value chain and to align them with corporate Environmental, Social and Governance (ESG) ambitions. To do so, they have held conferences with up to 500 suppliers, where they explain their vision of what sustainability is, what suppliers need to be thinking about, what the organisation needs them to do, and sharing what the organisation has been learning from their ESG efforts.

In part because of Guimarães' strong commitments to climate, Interview 15 decided to pilot an approach to its mixed-use office, housing, and hotel mixed-use [Minho Innovation and Technology Hub \(MITH\)](#) project in Guimarães. The project master plan emphasizes more pedestrian connections, more nature based solutions, and a shared mobility platform that will be owned by the residents and workers at the MITH site. The company felt the city was very aligned with their sustainability goals and that the city understood what the company wanted to do. Now that the master plan is approved and the project is being built, the company often points to this project when they seek approvals in other cities and this may help the other cities be open to this different, more pedestrian-oriented and nature based solution (NBS) approach to mixed use developments.

“I think that it does matter when municipalities have a drive because basically it also presents them in a better light when companies are choosing where to build their developments that are also a little bit different... When you see something that is mutually reinforceable, then the conversation just gets easier and easier” (Interview 15)

Implementation Challenges

Challenges faced by the municipality during the implementation of climate actions

The primary challenge that the city described is not knowing if companies are monitoring their climate investments and measuring the carbon emission impact of those investments to date. They do not have the data for most companies. While the carbon footprint calculation service the Lab provides does give them some of this data, very few companies currently do this analysis with them on an annual basis.

The city is happy that the Landscape Laboratory is offering strong support to companies. However, they would like to see more companies using these services and they would like to see companies do the footprint calculations annually, so they can monitor whether progress is being made towards company goals.

As mentioned earlier, the city and the Laboratory are now interested in working with the companies to make specific climate commitments and sign the CCC.

Challenges faced by stakeholders

Stakeholders also identified some challenges. The two SMEs spoke of their limits in terms of time and knowledge. They both explained that, before working with the Landscape Lab, they had intentions to focus more on sustainability but did not have the knowledge, time or resources to turn those into

specific goals. They also did not have the resources to pay for expensive consultants. The Lab has helped them both develop these plans with specific actions.

Stakeholders, but especially the SMEs, spoke of the limits to what they can invest in transition and decarbonization projects. These projects are not directly related to the business activity and profitability of the business, which means such investments carry a risk with them. Three out of the four private sector businesses interviewed expressed an interest in the municipality helping to finance such projects. They felt this could make a big difference.

Some stakeholders felt that it could be hard to get all Climate Pact subscribers to make specific commitments. They explained that it is a big step from signing the Climate Pact to making specific commitments and signing a contract. This is especially true for SMEs. The SMEs suggested that the city provide the strong technical support that they received to more small businesses, in order to reduce these barriers, demystify sustainability for them, and help them develop their sustainability plans.

Expectations and Conditions for further engagement and commitments

Conditions for further engagement identified by the municipality

The municipality believes there are some conditions that could enable more commitments and collaboration from private sector stakeholders.

City officials expressed the need to give companies more time to get to know each other and to discuss climate topics with each other. They believe that providing opportunities for companies to dive deeper into topics would be beneficial.

They spoke of wanting more companies to use the services of the Lab, including the carbon footprint calculations and the assistance with sustainability plans.

City officials spoke of wanting to better leverage procurement to encourage specific outcomes and reward Climate Pact subscribers. They talked about moving from “green public procurement” to “climate public procurement” that includes climate criteria.

Finally, city officials have heard from companies that, if they are making investments in reducing their emissions, they believe they would like help accessing funding that helps them do that. Stakeholders that are engaged on the Mission have expressed interest in having some sort of preference to EU funds for decarbonization.

One new way that the city is trying to support businesses with financing is through the Guimarães Matchmaking event to be held during Green Week in June 2025. This event aims to bring together the local community, project promoters, technology providers, and investors to support the implementation of circular economy and decarbonisation projects. Its ultimate goal is to accelerate the implementation and financing of projects in the territory of Guimarães, where the Municipality of Guimarães will act as a facilitator of matchmaking between promoters, projects, and reputable investors or potential partners. Different stakeholders from Guimarães (including individuals, businesses, industries, academia, students, and associations, among others) will be invited to submit their ideas and projects aimed at decarbonising the territory of Guimarães (projects or ideas in sectors such as water, energy, mobility, waste, environmental education, among others).

Conditions for further engagement identified by the stakeholders

Stakeholders also described several conditions that would help them and other companies make more commitments and take more action.

They all spoke of the unique role that the city has to convene companies and facilitate conversations between them. They would like to go deeper in their conversations with other companies and feel that it is important to structure those conversations around areas that companies want to pursue (e.g., energy, mobility, etc.). Stakeholders would like to explore how they can help each other and what they can learn from each other. For example, they would like to see companies presenting their decarbonization plans and goals as a way to learn and find collaboration opportunities. There was a general consensus that these sessions would be most valuable when organized by theme or sector, so that companies have the opportunity to dig deeper into topics of common interest. They feel the city could be a matchmaker to bring companies of similar interests together so they can learn from and collaborate with each other.

Stakeholders also expressed an interest in meetings being more regular and being scheduled further in advance to ensure they are available. While they have felt the meetings have all been very interesting and organized, there was a sense from the stakeholders interviewed that meetings are irregular and sometimes announced with too short of notice.

Interviewees from the companies talked about the importance of funding and financing to enable them to make the investments they want to make. SMEs talked about their limited financial resources to make such investments, especially if the investments are not directly related to their business activities. But all stakeholders interviewed spoke of the importance of funding and financing to help them make more investments in decarbonization.

Based on its satisfaction working with the Lab, Interview 12 suggested the city and the Lab create an onboarding educational program for companies in Guimarães who do not know much about climate change and what they can do to reduce impacts. This could include an orientation and overview on important topics, as well as having some companies that are already taking action share their experiences. This would make it easier for companies to join, especially for smaller businesses. Many just do not know what to do or how to begin.

For all companies engaging in the climate mission, Interview 12 felt training for company employees designated as climate “ambassadors” could be helpful. Lars has seen how his employees have become more motivated from participating in city workshops on climate topics and from the company itself taking action. This training could give designated company ambassadors training in climate leadership within companies. It could also bring these ambassadors together to share their experiences of pushing for change inside their companies.

Interview 12 also felt that the Lab could offer real value to companies by providing assistance on EU reporting requirements (e.g., CSRD). These requirements are not legally required of SMEs yet. But some SMEs will soon be subject to these requirements, and larger companies that are subject to these regulations are already asking suppliers to meet these requirements. As with the onboarding materials, Interview 12 felt the Lab could help demystify reporting for many companies and help them get prepared.

Interview 13 in particular was interested in more opportunities to share their experience and knowledge, and to help inspire other businesses. Interviewees from the company also suggested that the city's engagement with companies in Guimarães could be inspired by an ecosystem innovation approach used by the [Moving on Lab](#). This “Think and Do Tank” has been gathering companies to talk about sustainability since the 1990s. They bring together hundreds of public, private, and NGO actors to work together on systemic, collaborative opportunities.

Interview 15 would also be happy to share their experience, including their more sustainable construction methods, their efforts to promote sustainability mobility usage by employees employed at their operations in neighboring Braga, and their experience giving ESG training to their suppliers. Beyond participating and sharing knowledge, they are still looking for how to align their climate actions with the city's actions.

Interview 15 also suggested that the city could use public procurement more strategically to encourage desired results. In particular the interviewee focused on encouraging more sustainable construction methods by contractors and real estate developers. However, for construction this would require encouraging a “design and build” model. This is different from the current model used by most municipalities of having bidding for the design stage and then construction stage be based on price, which does not encourage the best outcomes.

6.3.1.3 Summary and Outlook

Key Process and Good Practices

- **Building Trust Through Relationship-Driven Engagement:** The city of Guimarães leveraged its existing relationships with local businesses to foster trust and buy-in for the climate mission. Initially, the city focused on engaging with frontrunner companies through informal, low-pressure actions, such as the signing of the Climate Pact, before moving on to more concrete commitments. This gradual approach helped ease businesses into the climate agenda.
- **Demonstrating Value to Participation:** The city focused on offering various forms of value to incentivize participation in the Mission and reward good practices. From technical workshops and technical support from the Laboratory, to ceremonies and other forms of visibility for participation, to a voice with municipal and national governments, to the opportunities to participate in funded projects such as EU funded projects. This very conscious effort to reward companies for participation and thereby incentivize participation was a very conscious effort on the part of the city and the Laboratory.
- **Technical Support and Capacity Building:** The city established the Landscape Laboratory as a key resource to provide ongoing technical support, including carbon footprint calculations, decarbonization plans, and assistance with EU sustainability reporting requirements. This support was particularly valuable for SMEs that lacked internal resources to pursue sustainability actions independently.

Main obstacles the city faces in advancing work on multi-actor collaboration / private sector mobilisation

- **Financial Constraints:** Smaller companies reported challenges in terms of limited time, knowledge, and financial resources to dedicate to decarbonization projects. While they appreciated the technical support, the financial risk associated with these projects, particularly when they did not directly align with their core business activities, was a significant barrier.
- **Limited Data and Monitoring:** One of the main challenges faced by the city was the lack of data on the emissions impact of the businesses’ investments. The city would benefit from more companies engaging in annual carbon footprint calculations to track progress toward their decarbonization goals.

- **Irregular Engagement Opportunities:** Stakeholders expressed a desire for more regular and structured engagement, with clear advance notice of meetings. They also wanted to explore collaboration opportunities in more depth, including through sector-specific meetings.

Next steps and support needs: future plans and areas where external support is required

- **Increased Support for SMEs:** The city should continue to focus on providing technical support to SMEs, helping them develop tailored decarbonization plans. Additionally, offering more guidance on financial aspects, such as EU funding opportunities, would alleviate concerns about the financial burden of climate actions.
- **Onboarding and Educational Programs:** There is a clear demand for more educational programs aimed at companies new to climate action, especially for SMEs. This could involve providing training and guidance on sustainability and decarbonization, as well as sharing success stories from more advanced companies to inspire smaller businesses.
- **Ongoing Technical Support and Reporting Assistance:** Companies, especially SMEs, would benefit from continued technical support in areas such as climate reporting and sustainability plans. Offering guidance on EU reporting requirements (e.g., CSRD) would help businesses, particularly SMEs, comply with upcoming regulations and align with industry standards.
- **Leveraging Public Procurement:** The city is exploring the potential to integrate climate criteria into public procurement processes. This would allow it to reward companies that contribute to the city's climate goals and incentivize sustainable practices across the local economy.
- **Financial Assistance.** There is a clear need to help companies fund and finance their climate investments.

Key recommendations

Enhance Engagement Through Regular, Structured Meetings: Stakeholders would benefit from more predictable and regular engagement opportunities. Scheduling these meetings in advance and providing more thematic depth in discussions could increase active participation and lead to more meaningful collaborations.

Foster Sector-Specific Collaborations: The city should continue facilitating deeper, thematic discussions between companies in related sectors (e.g., textiles, construction, retail). This will enable more targeted, actionable solutions and facilitate knowledge sharing among businesses with similar challenges and opportunities.

Incorporate Lessons from Other Cities: Drawing inspiration from other innovative approaches, such as the “Think and Do Tank” model, could help the city structure more impactful, cross-sector collaboration efforts. Additionally, sharing successful case studies and industry-specific best practices could inspire broader engagement and foster a culture of innovation.

Expand and Formalize Technical Support: It would be helpful that the city find a way to increase the number of companies, particularly SMEs, that utilize the Laboratory’s technical support services and ensure more businesses can benefit from resources such as carbon footprint analysis and decarbonization planning.

Improve Access to Funding and Financial Support: Given the financial constraints of many SMEs, the city should explore opportunities to link businesses with funding sources, such as EU decarbonization funds, to support their transition efforts. This could alleviate concerns about the upfront costs of implementing sustainability initiatives.

6.4 Valladolid

6.4.1 City Profile

Population demographics and Socio-Economic Conditions

Geographic and Regional Context

Location: Valladolid is a Spanish municipality located in the northwestern quadrant of the Iberian Peninsula, in the Autonomous Community of Castilla y León. The city's metropolitan area is composed of 23 municipalities, and it is ranked the 20th largest city in Spain.

Region: It is the capital of the province of Valladolid, and the seat of the Cortes and the Junta of the Autonomous Community of Castilla y León.

Background: Valladolid is part of the **Atlantic Corridor for Transport** connecting Europe from Stockholm to Casablanca and with Portuguese cities. The city possesses a wide and extensive network of highways, high-speed rail, conventional railway and an airport.

Population and demographics

- Total Population (2024): 299,816
 - Annual change: + 0.9%.
 - Historical maximum population (2004): 321.713
- Age Distribution:
 - 0-16 years: 12.1%
 - 16-64 years: 60%
 - 65+ years: 27.9%
 - Average age: 47.8
- Metropolitan Region Population (2024): 417.205
- Gender Distribution:
 - Women: 52.2%
 - Men: 47.8%

According to the data provided by the Residence Registration of the Municipality, the city of Valladolid has registered **303.843 people, at the date 22nd of January of 2025¹**, a positive increase of 1,34% of the population ([INE](#) 2024).

The population of Valladolid shows a progressive aging, especially acute on women. In 2025, 32% of the total population has reached and surpassed the age of 65.

Socio-economic conditions²

The predominant sector in the region of Valladolid is the Service sector. The economic output divides as follows as dates of January 2025, in terms of contracts registered:

- Service sector: 73.5%
- Industry: 19.4%
- Construction: 5.1%
- Agriculture: 2%

The state of unemployment in Valladolid City (January 2025): 14,474 people. This number has decreased from the past year.

In Valladolid province, there are 12,225 companies (March 2025). **The 92% of companies in Valladolid are Limited Liability Companies** (Sociedad Limitada), 4% are Public Limited Companies (Sociedad Anónima), and the remaining 3% fall under other legal forms. In the last 12 months, **741 companies have been created** in the province.

The top **companies with higher billing** which operate in Valladolid are Renault, Michelin, Horse Powertrain, Queserías Entrepinares(dairies) and Agropecuaria del Centro Agrocesa Sau. Michelin and Horse Powertrain have adhered to the Valladolid's Mission.

Access to public transportation³

The public transportation of the municipality of Valladolid relies on 51 lines of urban buses, which connect 98% of the city area. This service and a **bike-sharing service called BIKI**, is provided and managed by **AUVASA, a public company** of the municipality.

Emphasis on decarbonization strategy

GHG inventory⁴

The city of Valladolid uses two instruments to measure its emissions: The Sustainable Energy and Climate Action Plan (SECAP) and the Economic model proposed by NZC methodology.

The Sustainable Energy and Climate Action Plan (SECAP) comes from Valladolid's Covenant of Mayors Commitment. It has a focus on (buildings, transport, and industrial processes). As described in the CCC and according to the PACES **inventory of 2019**, the total amount of emissions is **1,454,056.85 t Co2 eq** and the **main sector which contributes to their emissions is the Transport Sector** (577,033.10 tCO2eq), **followed by Industrial Processes and Product Use (IPPU)** (518,647.75 tCO2eq) or industrials and Buildings (358,376 tCO2eq).

On the other hand, the Economic Model for Decarbonisation from NZC uses a "systems" approach to account for GHG emissions in cities. It looks at the entire urban system, including buildings and heating, transport, electricity and waste, and identifies emission sources and pathways.

The total emissions of Valladolid City by 2019 based on the Economic model and the references to set the city strategic objectives were 1,102,000 t CO2eq.

In their Climate City Contract, Valladolid establishes a **reduction of 85%** of their emissions and **offsetting the remaining 15% of residual emissions** (a decrease of 939 kTCO₂equiv by 2030).

Decarbonization strategies

The city of Valladolid is part of several **sectoral and global strategies to represent the commitment** to the development of the Climate Mission: The General Urban Development Plan approved in 2020, Valladolid Climate Change Strategy, Valladolid Urban Agenda 2030 (AUVA 2030), Integrated, sustainable and safe urban mobility plan for Valladolid, Sustainable Energy and Climate Action Plan (SECAP), and Circular Economy Action Plan.

Through these strategic priorities, they **organize around 5 key systemic changes**: 1. Sustainable refurbishment and comprehensive energy efficiency measures. 2. Sustainable and safe urban and metropolitan mobility; 3. Circular economy for sustainable consumption and production. 4. Renaturalising the city. 5. Governance for Climate Neutrality

Overview of governance structures

The governance model for Valladolid City is based on a strong collaboration between different actors, with different administrative levels and sectors working together, with a multi-level and transversal governance approach:

Local governance:

Municipal Government: The **City Council is the primary governing body**, responsible for decision-making and policy implementation.

Climate Mission Team: A governance innovation to improve cross-sector collaboration on climate goals.

IdeVa: The Innovation and Sustainability Hub is the Innovation and Economic Development Agency of Valladolid City Council, coordinates the Valladolid Mission and plays a key role in building public-private collaboration.

AEMVA is the **Valladolid Municipal Energy Agency** is a management unit under the City Council

VIVA is the **Valladolid Municipal Housing and Land Company**, managing social housing policies for the City Council.

Aquavall is a local **public business overseeing the water supply**.

Regional Level:

The Government of the Autonomous Community of Castilla y León (Junta de Castilla y León JCyL) has powers conferred through the following entities (public units, public companies and foundation): **ICE , Department of Economy and Finance , Regional Ministry for the Environment, Housing, and Territorial Planning , SOMACYL: A public company** (projects related to environmental quality, water infrastructure, transport, renewable energy, urban development, and subsidized housing in Castilla y León), **Natural Heritage Foundation of Castilla y León, Department of Mobility and Digital Transformation, EREN (Castilla y León Regional Energy Agency)** (Public body)

Connection to the National and European Platforms - citiES2030 and NetZeroCities. The Climate Mission Team participates in the activities of the national platform cities 2030 where there are other

actors with private national and international enterprises that has such as Repsol, Iberdrola, Tecnalia, Acciona, Ferrovial.

Stakeholders' Engagement: Commitments

Valladolid Climate City Contract Signatories

Multiple (39) commitments aligned with the NetZeroCities model and the goal of climate neutrality by 2030. **39 CCC signatories:**

- **By Type:** Public (6), Foundations (4) Citizens Associations (3), Trade Union (1) partnerships (7), Private (6), Professionals Associations (5) Federations (1) Other Associations (2), Academia and R&D&I Centres (3), Environmental Cooperative (1)
- **By Scale:** Local (8), Regional (16), National (6), International (9)
- **By Sector** (known): Transports (4), Buildings (1), Energy systems (2), culture (3), retail (2), cross-sectorial (1), Consumption (2), Health care (1) AFOLU (2)

Each commitment form consists of two sections:

The **first section** agreed upon by all signatories, whether they were public institutions or private entities and focused on supporting and developing actions that contribute to Valladolid's climate neutrality, raising stakeholder awareness, actively participating in climate initiatives, and offering innovative, sector-specific solutions through collaboration with the City Council.

And a **second section that includes the strategy implemented by the Valladolid City Council: a structured table listing potential actions, allowing each organization or entity to select commitments aligned with their operations and objectives** (14 proposed actions categorized into 4 sectors: Energy sector, Mobility and transport, Circular economy and renaturation, and Others).

As a result, **all signatory entities from the private sector completed the table, ensuring clear and trackable action commitments.**

Additionally, a designated section at the end of the table allowed companies or entities to propose new specific commitments if desired. However, only a few choose to include additional commitments.

Table 10 - Valladolid's CCC signatories.

Type	Scale	Sector area	Commitment **
Business organisation	National	Tourism, culture	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Business organisation	International	Cross-sectoral	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Business organisation	Local	Retail	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Business organisation	Local	Retail	Energy, Mobility and transport, Circular economy and Renaturation, and Other

Business organisation / Individual Company	International	Transport	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Business organisation	Regional	Agriculture, Forestry, and Other Land Use (AFOLU)	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Business organisation	National	Energy generation	Energy, Circular economy and Renaturation, and Other
Business organisation / Individual Cooperative	Regional	Transport	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Citizens' association	Local	Social Cohesion	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Citizens' association	Local	--	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Foundations/ Civil Citizens' association	International	Culture /Social cohesion	Energy, Circular economy and Renaturation, and Other
Trade Unions	National	--	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Academic institution or R&D&I centre	International	--	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Academic institution or R&D&I centre	International	--	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Academic institution or R&D&I centre	International	--	Energy, Mobility and transport and Circular economy and Renaturation
Professional Association	Local	--	Energy, Mobility and transport, Circular economy and Renaturation and Other
Professional Association	Regional	--	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Professional Association	Regional	--	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Professional Association	Regional	--	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Professional Association	Local	--	Energy, Mobility and transport, and Other
Partnerships	Regional	Consumption	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Foundations	International	Health care	Energy, Mobility and transport, Circular economy and Renaturation, and Other

Academic Institution / Foundations	International	Education / rural development	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Foundations	Regional	Transport	Other
Partnerships	National	--	Other
Federation	Regional	--	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Other associations	National	–	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Partnerships	Local	Consumption	Circular economy and Renaturation, and Other
Other associations	Regional	Transport	Energy, Mobility and transport, and Other
Partnerships	Regional	–	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Partnerships	International	–	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Partnerships	National	Stationary energy	Energy, Mobility and transport, Circular economy and Renaturation, and Other
Foundations	Local	Agriculture, Forestry, and Other Land Use (AFOLU)	Energy, Mobility and transport, Circular economy and Renaturation, and Other

** In this table, only the sector in which each company or entity has made commitments is indicated. The detailed list of actions can be found in Annex 3 of the CCC of the city of Valladolid.

Valladolid Mission Signatories

After the CCC approval and Mission Label recognition, communication and outreach improved. The municipality promoted the initiative through sustainability events and an easy-access link for participation.

In 2023, Valladolid launched Decarbonization Grants with a €600,000 budget to support decarbonization projects. The grants were open to private businesses, associations, and other economic entities registered in the city.

Accepted organizations became Mission ambassadors, committed to participating in at least three Mission-related activities. Out of 20 applications, 10 companies were selected to develop 12 diverse projects across mobility, construction, industrial engineering, and cultural dissemination.

Valladolid's Call for Decarbonization Plans to Support Local Businesses

In September 2024, the city introduced another funding call, "Mission Valladolid: Decarbonization Plans," with a €100,000 budget to support 12 local businesses. Fully financed by the Interreg ADAPT CLIMA CENCYL project, this initiative provides SMEs with expert guidance to develop tailored decarbonization strategies. Companies receive free assessments of facilities, production processes, and resource management, identifying improvements in energy efficiency, waste reduction, water use, and mobility.

Table 11 - Private sector actors, small and medium-sized enterprises (SMEs) who were selected to be part of "Mission Valladolid: Decarbonization Plans"

Type	Scale	Sector Area	Commitment**
Business organization	International	Industry of vehicles	Private content. Not accessible
Business organization	International	Laundry services	Private content. Not accessible
Educational centre	Local	Design	Private content. Not accessible
Business organization	National	Agriculture, Forestry, and Other Land Use (AFOLU)	Private content. Not accessible
Business organization	Regional	Industry of acoustic absorption solutions	Private content. Not accessible
Business organization	International	Industrial Machinery	Private content. Not accessible
Business organization	International	Industrial Machinery in the churro sector and other services	Private content. Not accessible
Business organization	International	Construction	Private content. Not accessible
Business organization	International	Consulting and Software solutions	Private content. Not accessible
Business organization	Regional	industrial supplies of hydraulic and pneumatic products	Private content. Not accessible
Business organization	Regional	Circular economy of construction waste	Private content. Not accessible
Business organization	Regional	Renewable energies infrastructure	Private content. Not accessible

***If it is needed, the city and companies can be contacted to get this information.*

6.4.2 Stakeholder engagement processes, collaboration models for implementation, feedback and expectations

Stakeholder Engagement

During the technical development of the Climate City Contract (CCC), Valladolid pursued a parallel strategy to engage stakeholders and secure political backing at multiple levels.

"What we did was run a kind of parallel process: developing commitments as well as securing political support—not just locally but also at regional and national levels".

While working on emissions inventories and economic modelling, the city leveraged support from the Spanish National Platform CitiES 2030, which facilitated national-level engagement with ministries and major corporations (like Iberdrola and Repsol) to strengthen the agreement's impact.

This collaboration allowed Valladolid to focus on local private sector involvement while benefiting from broader institutional support.

This dual approach aimed to engage and secure commitment of the private sector but also to reinforce political support from other public actors of different governance levels.

"There was also support from CitiES 2030 (...). That collaboration was valuable in the intense effort all participating cities put into getting this agreement off the ground. Each city had its own local structure, but CitiES 2030 had two crucial components: involvement from major corporations—I remember that out of those 39 entities, Iberdrola played a significant role, as well as, if I recall correctly, Repsol and some other energy companies."

Stakeholder Selection and Identification for the CCC

The **municipality's perspective** focused on a **top-down approach**, initially engaging **associations, professional organizations, and business chambers** to disseminate the Climate City Contract (CCC) message broadly.

"The strategy was to **start from the top**, working with associations, representative organizations, and professional bodies that could help us introduce and disseminate the message."

This strategy aimed to leverage existing networks before transitioning to direct engagement with individual businesses. The selection process prioritized **diverse sectoral representation**, like **Chambers of Economists, Engineers, and Architects** *"as crucial links to reaching individual companies"*. However, direct private sector involvement in the CCC was limited — *"maybe four or five out of the 39 entities"*

"The process of identifying them involved analysing the economic model and key areas of the Climate City Contract."

"We also leveraged past work. (...) we have a unit dedicated to local businesses, entrepreneurship, and new business opportunities. We organize events and activities and maintain strong connections with the Chamber of Commerce and local business chambers. (...) to identify key players."

From the stakeholder perspective, companies in the construction and mobility sectors were involved, though their specific contributions were not always clear. Some businesses already had prior relationships with the municipality, often as dissemination or technology partners. While engagement occurred, the process was **less structured for individual companies**, highlighting a gap between the municipality's broad outreach strategy and direct individual business participation.

"Well, primarily there are companies related to construction, which have a significant impact in terms of emissions within cities, but I wouldn't be able to name them. *There are also some companies linked to mobility, specifically in goods transport.*" (Stakeholder 17)

"We made an agreement with the City Council, especially in terms of dissemination and being the technological partner in matters of (...) we have worked on different aspects that are not related to decarbonization subsidies" (Stakeholder 17)

Onboarding processes

The **municipality's perspective highlighted the challenge of engaging private companies just two to three months** before finalizing the Climate City Contract (CCC). Since the document was still being developed, outreach required careful planning and multiple interactions.

"This process took approximately 2 to 3 months before the submission of the Climate City Contract. That was the period when we were reaching out, calling, and informing stakeholders. It was a continuous process, though not a very long one, it required several interactions. There was also some internal planning, mapping out whom we should contact first to ensure success."

Additionally, communicating the EU Mission: Climate-Neutral and Smart Cities was difficult, as it was a new concept for both municipal representatives and stakeholders. The city had to make the mission's objectives tangible while navigating an evolving learning process.

"We had to figure out how to make the concept of the mission and all its elements tangible and public. That challenge of facing something new and determining how to engage stakeholders was part of the learning process."

Over time, the municipality improved its communication strategies and involved more stakeholders.

"I wouldn't say **the "no" responses were** due to opposition to the initiative. Rather, it was often **due to a lack of awareness**—either because we had difficulty reaching them effectively or because of internal bureaucratic hurdles in some organizations. **Over time, we managed to bring in more participants.**

As the municipality has stated since the beginning of this work, they kept listening to the stakeholders and learning on the way:

"Some companies reached out to us, but their participation didn't quite fit within the initiative's scope. There was some back-and-forth, especially regarding the criteria for participation. (...) this process has helped us reflect internally on how to structure future expressions of interest and improve our outreach strategies."

From the stakeholder perspective, companies were aware of the Valladolid Mission through their involvement in decarbonization subsidies but often confused it with the CCC, particularly in relation to grant policies. Their engagement with the city's climate neutrality efforts was primarily through financial aid programs, without a formal onboarding process for the CCC. Instead, their participation was more fluid, often based on **pre-existing collaborations** with the municipality.

"Yes, we're familiar with it because we participate in the Valladolid Mission projects. These are subsidies provided by the Valladolid City Council as part of programs aimed at reducing pollution and achieving climate neutrality. " (Stakeholder 17).

"Mainly through our participation in the decarbonization subsidies within the Valladolid Mission program. Additionally, we have a collaboration agreement with the Valladolid City Council, under which we jointly promote sustainable mobility. (...) The signing of the collaboration agreement between

the City Council and our entity took place before the start of the subsidies for the decarbonization projects." (Stakeholder 17)

The process of joining the Mission appeared smooth and informal:

"When the subsidy process started (2024), most of the entities, signed an agreement with a decalogue of measures to reduce the climate impact. We simply made a public (...) and sign a decalogue of good practices that we must implement from within, both externally and internally." (Stakeholder 17)

The reliance on intermediary agents at the beginning of the stakeholder engagement strategy, helped disseminate information but delayed direct commitments from individual companies.

"The advantage of our initial approach was strategic. However, one downside was the difficulty of securing concrete commitments. For example, if we reached out to an association of food companies, the association itself could help communicate the message. But the specific commitments of individual companies were not immediately clear. Real, actionable commitments only materialize when you engage directly with businesses that can implement specific actions."

Securing concrete commitments was challenging, as many entities faced bureaucratic or logistical barriers **rather than opposition.**

"Not all invited entities signed it—some did not participate, but often due to **logistical or bureaucratic challenges**, such as finding the right person to sign. It was less about rejection and more about procedural hurdles."

Led by IdeVa, group activities, training sessions, and monitoring meetings facilitated engagement, with both collective and individualized follow-ups.

"This is done within a working group with other organizations led by the Innovation and Development Agency of the City Council of Valladolid, (...). And then, (...), different monitoring activities and training sessions have been carried out in which all the entities that are part of this Climate Neutral Valladolid agreement could participate. So, **we have participated jointly**. Then, there were some individualized follow-up activities (...) But almost the whole process, (...) was a group process." (Stakeholder 17)

Companies perceived that the municipality expected them to demonstrate tangible progress beyond theoretical commitments to emission reduction.

"The City Council, what it expects is that new initiatives can be carried out in the city (...), the City Council hopes, that we can put into practices the projects that we had more as a conceptual sheet." (Stakeholder 17)

Level of Engagement of Stakeholders

As explained before, the municipality initially approached engagement as an informative process, relying on intermediary organizations to spread awareness about the Climate City Contract (CCC).

"Rather than a participatory process, it was more of an informative one—meaning we held meetings to explain the commitments and key principles that had to be followed. (...) However, there was some exchange involved. When we reached out to these entities, **they also contributed their perspectives**, with many expressing enthusiasms and saying, 'This aligns with what we're already doing, so of course, we want to participate'."

While some exchanges occurred, the focus was on engaging intermediaries as they were able to contribute significantly to effectively amplifying the municipality's message to a wider network of businesses.

“The idea was for larger entities to help disseminate and raise awareness about these commitments within the organizations they influence—whether through communication, outreach, or, in some cases, concrete commitments in specific areas.”

The city prepared an executive summary of the CCC and later introduced a customised flexible commitment form, allowing stakeholders to tailor their involvement ticking boxes on a table with options. It served to make alignment with the CCC’s objectives:

“As the City Council of Valladolid, we had our own commitments, and we shared an executive summary of our Climate City Contract with potential partners.”

“We developed our own version of the commitment form, refining it through internal discussions to strike a balance. We wanted something generic enough to represent all participants but also tailored enough to allow for specific commitments depending on the type of entity signing it. That’s how we created our adhesion form.”

The intention was to *“allow organizations to express their interests in a flexible way, depending on their level of maturity in this area.”*

*“The main reason for structuring it this way was to **give each entity a voice** and ensure they felt comfortable identifying their specific areas of interest and involvement. (...) a simple and effective way to gather information and classify the interests of the entities represented. The table (...) allows us to keep the overall structure aligned with our major objectives while providing flexibility for each entity to express its commitment in a way that suits them.”*

As the process progressed, engagement became more consultative, with stakeholders providing feedback and requesting modifications to better align with their roles.

“It is also an open format—some entities have requested modifications to better reflect their participation. (...) A few organizations, feeling that the format did not fully capture their participation, asked for changes to better reflect their role.”

The companies stated that they have participated in meetings with the city, where the municipality provided information and clarifications on the actions outlined in the CCC.

“Additionally, the city council has hosted informational sessions explaining all the planned climate actions for Valladolid. I found them very interesting” “There was a week where multiple sessions were held to explain various elements of the project (...) and everything was explained very clearly”

The municipality stated that during the exchanges and engagement with various companies, **two main types of expectations from the private sector became evident: recognition for their sustainability efforts and support (financial and technical).**

“The first thing they need is support—in all its forms. Financial support is a top priority, meaning they want to see how we can assist them practically.”

*“One key expectation is **recognition**—companies want their efforts to be acknowledged. For many, this is part of their identity and business model. (...) to be included in events and communication efforts, whether through marketing, networking, or brand visibility. (...) (...) we collect company logos, provide them with mission-related branding materials, and coordinate social media efforts (...). This branding exchange strengthens the visibility of both the mission and participating companies.”*

“Yes, we have two subsidies within the Valladolid Misión program. They fund decarbonization projects in the city of Valladolid. (...) we expect similar funding opportunities next year, although the focus might shift.” (Stakeholder 17)

Stakeholder Perspective: Focused on Funding and Collaboration. Private stakeholders perceived engagement primarily through **subsidies and financial support**, with **less emphasis on structured onboarding** for the CCC. Their involvement was often linked to **pre-existing collaborations** with the municipality, such as technological partnerships or sustainability initiatives.

“Additionally, we have a collaboration agreement with the Valladolid City Council (...) we jointly promote sustainable mobility. For instance, we act as a technology partner during certain local events.” (Stakeholder 17)

This collaboration is aligned to stakeholders’ goals and allowed them to continue and scale their work and spread the word on sustainability practices:

“What we expect is that the civil society of Valladolid gets to know these mobility alternatives (...) And also, on the other hand, to spread the word. That is, we also cared a lot, (...) make people aware of the indications of pollution, (...). So, these were the two legs that we wanted to obtain with these projects”

They also highlighted the **importance of partnering with the municipality to work on regulations:**

“This process began before we started with the climate agreement. But we are going to say that **its main development has taken shape since the beginning of the signing of the climate agreement** and what has allowed us, (...) to be able to explain the benefits of these measures and (...) that is why we have been able to take the step forward in modifying, well, in including **this new legislation** within the Valladolid City Council.” (Stakeholder 17)

Flexibility was something that many private sector actors also highlighted as a positive and necessary factor for companies to commit to implementing realistic actions:

“There are a huge variety of situations. I’m lucky that we have our own building with a great roof space for solar panels. But many businesses operate out of rented spaces in multi-story buildings, so they’d have to convince their building’s management to install solar panels, which isn’t in their direct control.” (Stakeholder 18)

Stakeholder Engagement Post CCC / Mission Label

Overcoming Challenges in Communication. The municipality unified key policies under the Mission Label, creating a recognized brand and clear messaging strategy to strengthen outreach and impact.

“While the Mission Label itself did not directly provide funding, it helped us unify these initiatives under a **recognizable brand and messaging strategy.**”

Initially, engaging private companies was challenging, but as the process scaled, businesses gained better access to information, documentation, and flexibility in participation. The municipality also became more attuned to companies’ needs, refining its approach over time.

“As the process has scaled and become more well-known, companies joining later (...) can access all the documentation, read our published Climate City Contract, and ask us specific questions. (...) We are also more aware of this need than we were at the start, so the process has naturally evolved over time.”

Expanding Collaboration and Support for Decarbonization —from an initial few signatories to 160 affiliated entities by 2024. Valladolid expanded its engagement strategy beyond intermediary organizations, implementing direct outreach and financial incentives to encourage private sector participation.

“To give you an idea of the scale of engagement, in 2024, we reached 160 affiliated entities—a significant increase from the initial Climate City Contract stage.”

The municipality also integrated Mission affiliation into the evaluation of project proposals, successfully increasing stakeholder commitment.

“We have used various approaches: **Direct outreach to different sectors**; The **grant and consulting programs**, which also encouraged participation; **Making affiliation a factor in evaluating project proposals**—being part of the mission added points in the assessment process.”

The Climate City Contract (CCC) helped identify key areas within the private sector that required collaboration and support. The industrial sector, responsible for 30% of the city's emissions, became a priority.

“One of the key aspects we identified in the Climate City Contract (...) one major area we needed to address was the industrial sector in the city. Valladolid has two major industrial zones located at the city's geographic boundaries. These areas contribute a significant portion—around 30%—of the emissions we measured in our emissions inventory.”

To support local SMEs and boost engagement, Valladolid launched the two key initiatives mentioned before:

Grants/Subsidies Decarbonization Grants – A €600,000 municipal fund (2023-2024) allocated through a competitive application process.

Consulting and Advice "Mission Valladolid: Decarbonization Plans,"– A program offering free decarbonization planning for 12 small businesses, supported by European project funding.

“We have taken concrete steps—between the 2023 and 2024 budgets, we allocated direct funding for decarbonization projects. Under the Valladolid Mission framework, we made municipal funds available for these initiatives, totalling €600,000 over two years. (...) through a competitive process, some secured funding to implement their decarbonization projects. (...) was entirely funded with municipal resources. Once we were in the process of obtaining the Mission Label, the city government approved allocating a budget specifically for this initiative. The consulting services program, on the other hand, did receive external funding. It was tied to one of the European projects we are working on.”

“We are, of course, **actively seeking additional funding**. Some of our European project proposals are still under evaluation, and if approved, they could help finance new initiatives. These projects could involve both local and non-local entities, expanding the reach of our work. For now, **the two main funding sources have been: Municipal funding** – Used for the subsidy program. **European project funding** – Used for the consulting services program. Being a Mission City is **also opening up new opportunities**.

These measures were part of a broader strategy to redirect existing business **support frameworks toward decarbonization**. While the city had a history of subsidies for sustainability, these were refined to focus specifically on emissions reduction.

“These subsidies have been changing a little over time. They used to be called circular economy, now they have been renamed decarbonisation. And well, we understand that for next year there will be some type of subsidy line similar in concept to this one.” (Stakeholder 17)

The Mission Valladolid: Decarbonization Plans was particularly well-received due to its flexibility—structured as an expression of interest rather than a bureaucratic grant process, making participation easier.

“The consulting initiative was structured as an open call for expressions of interest, (...) This approach made participation easier and more flexible, allowing companies to engage with fewer bureaucratic barriers. (...) it allowed companies to take an initial step toward concrete commitments and actions.”

The city continues to seek new funding opportunities, including European partnerships, to sustain and expand its decarbonization efforts.

“We continue to explore new opportunities. For example, in February, we are working intensively on new proposals to secure additional funding.”

Profile Scope of companies involved in the case study (pre-CCC and post CCC) Pre-CCC

During the process of developing commitments for the CCC, the profile of private sector actors was primarily characterized by associations of companies from strategic sectors. However, the municipality successfully established contact with **private entities with which it had previous collaboration.**

One such example is one of the interviewed private entities in the sustainable mobility sector, which had already been involved in previous municipal initiatives and had even participated in discussions with the municipality to address regulatory aspects and challenges related to their field. As they stated:

“Some of our technicians’ held meetings with the Department of Mobility (...) I recall (...) to explain the regulations and how they needed to be adapted to the city. (...) they successfully shaped the new regulations.” (Stakeholder 17)

Companies were keen to be part of the mission because they were already part of the group interested in this topic:

“We already had these emission reduction plans integrated into our cooperative’s founding principles.” (Stakeholder 17)

In the subsequent phase (post-CCC), city representatives emphasized their focus on local companies that were interested in decarbonization but lacked the internal resources to implement concrete actions. The priority was to ensure that the implemented actions generated the greatest possible impact. One example is a selected local company that manufactures food industry machinery and exports its products from Valladolid to 110 countries worldwide (Stakeholder 18).

“The goal was to support companies interested in decarbonization but lacking the internal resources to implement it. (...) It’s a small company, but it has a significant economic impact in terms of development goals, export levels and revenue generation in the city. It’s a great example of the kind of businesses we aim to support.”

The interviewed companies participating in this second phase stated that they were already familiar with the Mission for 100 Climate-Neutral Cities but were only contacted during the recent stage. When they received the invitation, they did not hesitate to participate.

“We had already heard of it because, (...). However, businesses weren’t contacted directly until now, (...) Once we received the invitation, we signed up immediately.” (Stakeholder 18)

The 160 companies that joined after the presentation of the CCC signed their respective commitments to undertake concrete actions, based on what is realistic for the stakeholder.

“I remember there was a checklist. (...) When I was filling it out, I thought, “Wow, we’ve already done so many of these things. There were a few pending commitments, though.” (Stakeholder 18)

“The commitments are mostly about (...) understanding where your company currently stands and committing to improvements based on that.” (Stakeholder 18)

The expectations described by the recently joined companies during the interviews align with those previously expressed during the pre-CCC process. These companies emphasize their **desire to receive support for the implementation of actions and measures, as well as recognition** for both the efforts they have already undertaken and those they plan to implement in the future.

"I realized that we were already highly aware of these issues. It's not just about doing everything you can on your own; it's also about **having the support of an institution** that can guide you and help you identify aspects you might not have noticed. (...) Plus, it's also an opportunity for others to **recognize** the work we do. (...) I believe that it's not only important to do good work but also to make it known." (Stakeholder 18)

"Whenever we receive an award or recognition, **it enhances our reputation beyond Spain.**" (Stakeholder 18)

Climate Action Implementation

The three stakeholders interviewed had established their commitments to climate change prior to the Valladolid Mission's work although there is space for improvement when it comes to the actual implementation. **New commitments were made when adhering to the Mission as a continuation** to their existing plans, some to benefit from subsidies, some to be implemented with their own budget.

"Yes, our cooperative has climate objectives, which are directly outlined in our bylaws. (...) these commitments were already reflected in a set of best practices guiding our supplier contracts and operations." (Stakeholder 17)

"I do think we are an environmentally conscious company. Sustainability is one of our core values." (Stakeholder 18)

"So, our main objectives are to continue with the transition that we started three years ago, to continue with this objective and, if possible, to extend this same objective to other provinces of the autonomous community of Castilla y León." (Stakeholder 19)

Companies are **motivated by the opportunity to access subsidies that align with their priorities, collaborate with other stakeholders to maximize impact, enhance dissemination and social awareness, and overcome regulatory barriers that hinder sustainable initiatives.** They also seek continuous engagement with the municipality to **advocate for favourable regulations and secure funding within active municipal programs.** Companies understand that the municipality needs them to make progress, including translating their theoretical commitments into concrete actions. However, small businesses require additional public support to achieve this.

"Plus, I appreciate that they are providing an official report because otherwise, I wouldn't have spent money to create one myself. I'd rather invest those resources in implementing solutions rather than paying for a report on what we've already done. So, having a professionally prepared environmental report is incredibly valuable." "Each step required planning, investment, and execution. (...) And beyond the environmental benefits, these measures have made us a more efficient company overall." (Stakeholder 18)

Follow-up by the municipality on implementation

The municipality asserts that it maintains regular and sustained contact with participants. Internally, they manage **a database that helps track engagement, send invitations to events, training sessions, and activities, and collect feedback on stakeholders' needs.**

The last major engagement event was held in November 2024 called "Mission Valladolid Ambassadors" where all those that have signed on to the mission were invited.

"The event included panel discussions, networking activities, and more informal sessions. It was another opportunity to capture insights and understand their needs."

Also, **the interaction with these companies and entities that have committed** is not solely framed around the Mission. Rather, these are entities that **collaborate with other areas of government as well.** Regarding this, municipal representatives stated:

“For associations and certain key organizations, we have more frequent interactions—not just through our climate mission team but also via our economic and business development division, which maintains ongoing engagement”

This is supported by the companies:

“There is a follow-up and there is an economic contribution.” (Stakeholder 17)

However, they also acknowledge that this is an ongoing challenge and express a desire to enhance engagement further:

“Ideally, we’d like to engage with them even more frequently, but as participation grows, managing these relationships becomes increasingly complex”

Types of implementation and actions taken

Post - CCC

The two interviewed companies that were selected as winners of the 2024 municipal call are currently in the planning stage, receiving guidance and support as part of the program. Given their early stage in the process, it is still too soon to address the implemented measures.

These companies already had a prior interest in implementing internal policies focused on sustainability and decarbonization. As they stated, many of the actions and commitments requested by the municipality were already in place.

“There were a few pending commitments, though. For example, one of our company vehicles is scheduled to be replaced in May with a non-plug-in hybrid that recovers energy.” (...) “Another commitment involved our new facility expansion. Since construction isn’t finished yet, we’ve committed to installing LED lighting and additional solar panels there.” (...) “Right now, we have another project in development. It’s not yet in industrial production, but we are working on a prototype for induction fryers.” (Stakeholder 18)

However, they also acknowledge that as small companies, the support provided through the program will allow them to be more ambitious and move forward with the implementation of new measures.

“(...) is very good because it allows local initiatives to take a step forward, and even a small idea can later become an important transformation. (...) these frameworks of the European Union and Spain, give the possibility to innovate.” (Stakeholder 17)

The (12) entities joining after the CCC was handed (Stakeholder 18 and Stakeholder 19) signed also a commitment. They went through a process of being informed about the Valladolid Action Plan together with a City Council representative and a consultancy service. **The consultant required them data from the last 3-4 years to inform (study phase) and design an adequate decarbonisation plan for the entity. The level of ambition was adequately designed to the stage of the company.**

“(Starting point) It was last year. (...) we signed up as soon as we received the communication” “Since then, there have been various activities: consultancy teams came in, including a representative from the city council and an external company, to conduct the necessary evaluations. They requested data on air conditioning systems, fuel consumption, and comparisons before and after the solar panels were installed to measure energy savings” “We have provided all the requested data.” (...) The first step is to get a clear picture of your company’s environmental impact. From there, we can determine how far we can go. (...) Each business will improve according to its own situation.” “Yes, now that you mention it, I remember there was a checklist. (...). That part of the advisory process is still ongoing.” (Stakeholder 18)

Some of the data requested was focused on how to make the city more sustainable:

“Well, as I mentioned, our interactions with the city council have involved several aspects. One of them was the series of workshops we attended. There was a week where multiple sessions were held to explain various elements of the project. This initiative has many different facets. It’s not just about companies—that’s only one part. Another key aspect is making the city itself more sustainable, such as improving heating systems. (...) I wasn’t directly involved in that part because it was managed by our accounting department, which handles all supplier related data. We simply requested the information from them.” (Stakeholder 18).

6.4.3 Summary and Outlook

Strong Public Sector Involvement: The inclusion of businesses in the **Climate City Contract (CCC)** was the **initial step** in a much broader city strategy. The **municipality** first decided to reach out to **intermediary associations** representing **key sectors** identified in the CCC, such as **business associations and professional organizations**.

Professional Associations Play a Key Role in SME Engagement: Engaging **SMEs** proved to be more effective through **professional associations**, which facilitated participation and representation.

The Post-CCC Phase Was More Impactful Than the Initial Stage: The city achieved **160 signatories** for the **Valladolid Mission**, demonstrating strong business engagement.

Companies’ Expectations Were Focused on Recognition and Support: Businesses saw participation as a way to **gain recognition**, making **communication strategies crucial**, while also expecting **specific support**, highlighting the importance of **designing tailored assistance programs**.

Two Core Strategies Were Developed: The municipality designed **two key strategies**—one focused on **communication** and the other on **providing direct financial support to businesses** through dedicated funds.

The Industrial Sector Is a Key Priority: Given its **significant share of emissions**, the municipality developed **specific programs for this sector**, including the **selection of 12 companies** for targeted support.