



Climate City Contract

2030 Climate Neutrality Action Plan

Guidance and Explanations





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Glossary of Terms

Term	Acronym	Description
Emissions gap	EG	The difference between the city's greenhouse gas emissions baseline and 2030 climate neutrality target
Greenhouse gas emissions inventory	GHG inventory	A list of greenhouse gas emissions sources and the associated emissions quantified using standardised methods





1 Purpose of this Guide

The **objective** of the 2030 Climate Neutrality Action Plan Guidance is to provide you, as part of a Mission City Transition Team, with a manual to streamline the template of the Climate City Contract (CCC) – 2030 Climate Neutrality Action Plan (referred to henceforth as “Action Plan”). In essence, the Action Plan details how you should address the gap between your city’s current baseline GHG inventory and all existing and planned climate action on the one hand, and the 2030 climate neutrality target on the other.

This document explains the overall concept and process for developing the Action Plan as an integral output of your Climate City Contract, and as an instrument to navigate and operationalise your city’s 2030 climate-neutrality ambition using a systems approach. The Action Plan identifies, connects, and helps you strategically implement portfolios of transformative actions necessary to bridge current gaps in policy, regulation, project planning, funding, finance, social and behavioural norms, and implementation to achieve climate neutrality by 2030.



This guidance document supports your work by offering a modular approach on how to:

- capture and understand your city’s current practices and to address climate challenges in line with GHG emission inventories,
- identify additional actions to meet your city’s climate neutrality target, and
- collaborate with stakeholders at multiple governance levels using innovative governance instruments.

This guide is based on the principle that the portfolio of interventions should be cross-sectoral and actor-inclusive and designed to radically reduce greenhouse gas emissions. It will support your knowledge of and use of multiple “Levers of Change”, which serve as enabling factors for the devised action portfolio. These levers include, but are not limited to, governance and policy, regulation, technology, culture, social innovation, citizen engagement and participation, capacity and capability development, finance, business models, and local development strategies.

This guidance further ensures that the Action Plan serves as a robust and coherent foundation for the 2030 Climate Neutrality Investment Plan, which will in turn identify and map out the capital needs for reaching climate neutrality by 2030 and enabling actions. Ultimately, the Action Plan – in combination with the Investment Plan – aims to mobilise the public and private capital needed for a successful climate neutrality transition, develop an efficient capital deployment approach, and employ an integrated impact monitoring framework that translates invested Euros into measurable GHG emission reductions.

For your convenience, the **scope** of this document includes both a Short Guide as a summary, and an in-depth section-by-section guide to help you develop your city’s Action Plan. This Guide is designed as a set of the necessary climate actions helping Mission Cities develop a better understanding on key activities, documentation in the Action Plan template, and the guiding questions for each of the methodological modules of the Action Plan template.

The structure of the guidance is aligned with the Action Plan’s operationalisation process on the Mission Portal as a cloud-based document with upload functions and links to other knowledge products on the Portal. The idea is that dedicated Transition Team members can access the template online at the same time to co-develop the Action Plan in a streamlined way, building on existing planning and able to link various knowledge products hosted on the Portal.





1.1 Action Plan Concept and Approach

Your city's Action Plan should detail the strategies and actions needed to **close the climate neutrality gap to 2030**, as well as the **conceptual and governance strategy**, enabling and supporting measures, and the **main principles** of implementing city-wide, transformative climate action. This means that the Action Plan combines two logical approaches:

- 1) Measurable, reportable and verifiable (MRV) climate action planning based on a GHG emission baseline inventory, clear projects and action descriptions for field of action ("portfolios") and indications around investment and capital needs as a preparatory step to create investment plans.
- 2) Strategic approach based on a comprehensive theory of change to harness social innovation and governance innovation as enabling factors for successful, city-wide and inclusive climate neutrality transformations.

In combination, climate neutrality action planning at the local level under the EU Cities Mission should therefore be based on a **co-creation process**: mobilising key stakeholders, engaging citizens and aligning **actions for systems change and rapid decarbonisation**.

The Action Plan was designed to build on your existing action plans and processes. It focuses on identifying and closing the gap between your existing planning documents with climate relevance (e.g. SECAP, SUMP) and the Cities Mission 2030 climate neutrality target. **Re-using and incorporating existing information** from GHG emission inventories, GHG reporting platforms, your Cities Mission Expression of Interest, and working within your existing governance structures to achieve this goal is explicitly encouraged.

Furthermore, the Action Plan structure follows a **modular approach**. This means that you will be able to selectively fill in the Action Plan template, focusing on one module at a time and rapidly creating an early-stage or first-iteration Action Plan, even if not all of the information is available immediately. Additionally, the modular approach allows you to prioritise and focus on those parts of the Action Plan that are most impactful and beneficial for rapid action implementation. However, the more modules are completed, the higher the synergies and benefits are to be expected from the overall Action Plan planning exercise and its relationship to the Mission Label verification process (still in development and will be added in subsequent versions of this Guide).



The **basic design principles** for the 2030 Climate Neutrality Action Plan include:

- **Building on existing strategies, plans and processes** to address the gap between emission reductions planned for in existing action plans and those needed to reach climate neutrality by 2030, in an accelerated fashion.
- **Rooting in multi-level governance and deep stakeholder and citizen engagement**, systems understanding, and transformative innovation addressing the challenges in an integrated, collaborative, and multi-scalar way.
- **Embracing data-driven analysis, decision-making, and visualisation** of GHG inventories and Monitoring, Evaluation and Learning (MEL) indicators to better inform policies, regulation, investments, assess impact in a measurable, reportable and verifiable manner, and clearly communicate progress towards climate neutrality across diverse stakeholder groups.
- **Using a portfolio approach to cluster and interlink climate actions** alongside specific fields of action to unlock funding and financing opportunities and provide a cross-cutting perspective





of climate actions as basis for social innovation and citizen participation, policy interventions and creation of co-benefits.

- **Offering a flexible and modular guide** to create a customised 2030 Climate Neutrality Action Plan that responds to each city's starting point and needs, ensuring a standard quality level for the Mission Label.
- **Providing a solid foundation and clear direction** to support more detailed operational and financial planning in implementation phases.
- **The 2030 Climate Neutrality Action Plan is a living document**, to be adjusted (together with the 2030 Climate Neutrality Commitments and the 2030 Climate Neutrality Investment Plan) regularly (e.g. annually), accompanying your city's own planning cycle, and responding to changes in the evolving ecosystem.

A complete 2030 Climate Neutrality Action Plan should ideally include all of the elements in the modules described below (Figure 1).



Figure 1: Modular Outline of 2030 Climate Neutrality Action Plan template

Part A helps you set and summarise the current baseline of GHG emissions, existing policies and strategies, as well as the systemic barriers to implementation in your city. Part B of the template represents the core of the Action Plan towards the 2030 ambition, detailing your strategic impact pathways, indicators for monitoring, evaluation and learning, and, most notably, describing in detail the





action portfolios across fields of action and summarising each individual action. Part C looks into enabling factors from a governance, social innovation and finance perspective as crucial prerequisites for actual action implementation.

Parts A, B and C are interlinked: Part A informs Part B and Part C by providing the evidence base (GHG emission baseline and gap analysis and systems mapping) and an understanding of the point of departure and the related conditions. Part C enables Part B (i.e., the implementation of actions towards the 2030 ambition) by creating favourable systemic conditions and providing an understanding of the necessary financing (with links to the Investment Plan) – as illustrated in figure 2 below.

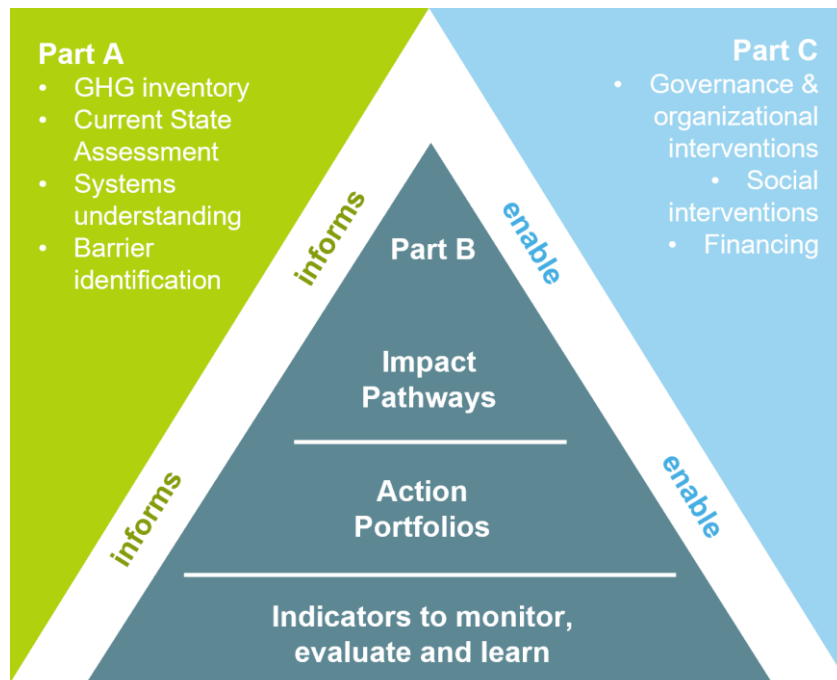


Figure 2: Schematic overview of contents and relationship of the different Parts in the Action Plan

The work process should be aligned with **the modular outline** of 2030 Climate Neutrality Action Plan template (Figure 1).



The Action Plan's design is aligned with the NZC Climate Transition Map, which is based on established climate neutrality frameworks and depicts the NetZeroCities approach to a Just Climate Transition. The Action Plan development corresponds to phases 1-3 of the NZC Climate Transition Map (see figure below):

- **Build a strong mandate** within local government, within the local city ecosystem / all stakeholders, developing a Transition Team, build collaborative governance structures and networks, and, with other government levels, strengthen buy-in and mutual commitments.
- **Understand the system** which is comprised of interconnected and interdependent patterns of actions involving many components: organisations, institutions, people and their relationships, to be understood through setting a GHG emissions baseline, current state assessment, system mapping, and an analysis of the gaps that stand in the way of the 2030 ambition.
- **Co-creating an action portfolio**, involving the exploration of possible impact pathways and co-development of climate actions, as well as a selection of indicators to monitor, evaluate and learn.



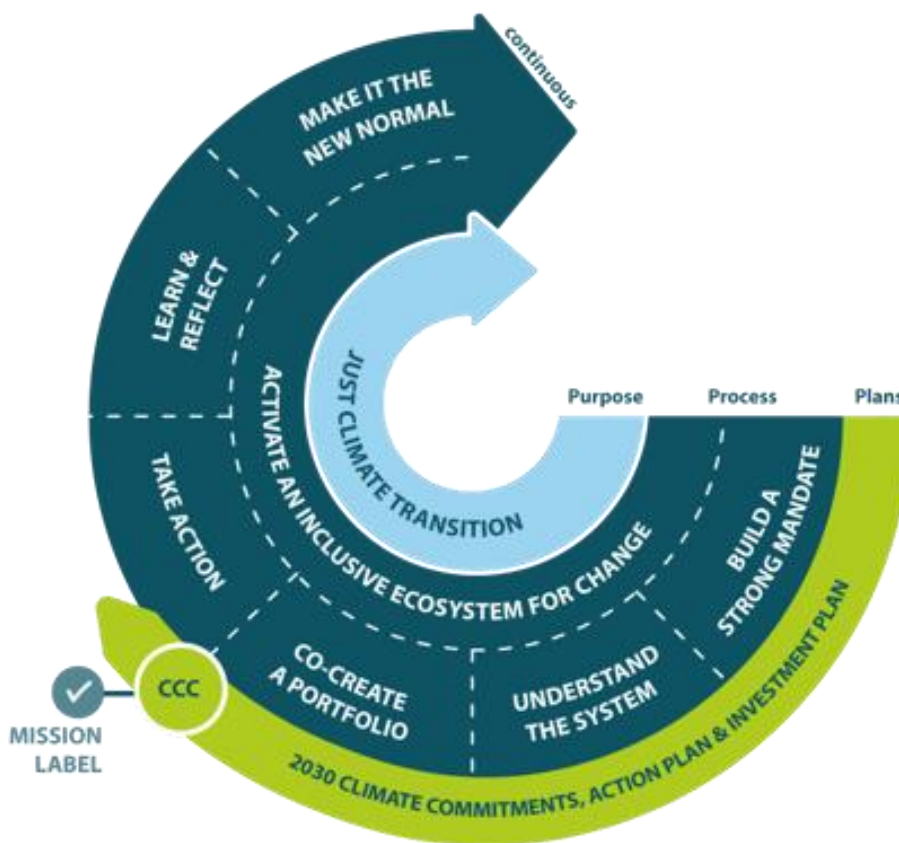


Figure 3: NZC Climate Transition Map





2 Short Guide

The Action Plan template features a section for each module, which should capture the following key elements:

Part A – Current State of Climate Action	
Modules	Expected Content
A-1 GHG emissions baseline inventory	<ul style="list-style-type: none"> Key data and visualisation of latest GHG inventory, according to the coverage (source sectors, scopes and gases) specified in the Mission’s “Info Kit for Cities” to establish the emission baseline. Descriptive assessment of current GHG inventory, including a description of the status quo for each source sector. Quantification of emission gap (gap between emissions baseline (year) and the 2030 climate neutrality target).
A-2 Current policies and strategies assessment	<ul style="list-style-type: none"> Comprehensive list of relevant policies, strategies, concepts, regulations (e. g. SECAP, SEAP, SUMP, etc.) as well as of regional and national legislation that impact climate action. Descriptive assessment of the policy context, summarising the objectives and implementation concepts, addressing e.g., spatial planning, energy, local economy, circular/bioeconomy, waste, transport, housing, urban greening/nature-based solutions). Quantification of the implementation gap (i.e., emissions gap minus reductions already addressed through existing climate action plans / prior GHG mitigation projects).
A-3 Systemic barriers	<ul style="list-style-type: none"> Map of the main system elements (infrastructures, capacities, processes, alliances, funds) that influence the cities’ journey to 2030 climate neutrality. Description of barriers and opportunities with regard to the system elements described Description & visualisation of a participatory model for the city, including the stakeholder ecosystem, partnerships with stakeholders, with other levels of government, with the private sector, with citizens, with other cities, with academia or research & innovation institutions – to overcome identified systemic barriers and exploit on related opportunities.

Part B – Pathways towards Climate Neutrality by 2030	
Modules	Expected Content
B-1 Climate neutrality scenarios and impact pathways	<ul style="list-style-type: none"> List of impact pathways, selected from or inspired by the NZC Theory of Change, including early and late outcomes (strategic objectives) and levers of change structured along the fields of action.
B-2 Climate neutrality	<ul style="list-style-type: none"> A table of planned interventions grouped per field of action, including a short description.





portfolio description	<ul style="list-style-type: none"> • An outline of each intervention (template B-2.2), co-designed by stakeholders, citizens, and further members of the city's ecosystem. The table must contain all information for implementation (e.g., topic, kind of intervention, emission sector, scope, allocation, responsible actors, GHG reduction by gases and estimated costs), including interventions aimed at enhancing carbon sinks to address residual emissions. • A summary of the actions and impact planned to address residual emissions.
B-3 Indicators for monitoring, evaluation and learning	<ul style="list-style-type: none"> • List of indicators to monitor and evaluate progress along the selected impacts pathways and fields of action (see Module B-1). A comprehensive indicator set to select from will be provided by NZC. • Monitoring and evaluation plan, i.e., metadata on each indicator selected as well as milestones and timeline (metadata sheets on each indicator will be included in the NZC indicator sets).

Part C – Enabling Climate Neutrality by 2030	
Modules	Expected Content
C-1 Organisational and governance innovation interventions	<ul style="list-style-type: none"> • Summary list of possible interventions, addressing systemic barriers and opportunities (see Module A-3), e.g., through improving organisational settings and governance models – horizontally within municipal administration and across local stakeholders in the city ecosystem, as well as vertically at regional and national levels. These interventions should be linked to the 2030 Climate Neutrality Commitments if specific commitment to action is identified. • Detailed description of the intervention types, including objectives, stakeholders/ authorities involved, timeline, outcome and reference to NZC impact pathway, selected in Module B-1.
C-2 Social and other innovation interventions	<ul style="list-style-type: none"> • Summary list of possible social innovation topics and social interventions (past, present, future), linked to climate neutrality ambitions. • Summary list of other (e.g. urban planning, nature-based and technological) interventions that could enable and accelerate the transition to climate neutrality in the city. • Description of interventions, including description of projects/ initiatives, goals and relevance to climate neutrality in your local context as well as to the Action Plan, stakeholders involved, resources planned, learnings, capacities and benefits your plan to obtain and a reference to impact pathways, selected in Module B-1. Where relevant, these interventions and stakeholder commitments should be linked to the 2030 Climate Neutrality Commitments.
C-3 Financing of action portfolios	<ul style="list-style-type: none"> • Summary list, including action portfolios (see Module B-2) with GHG reduction estimate, grouped by impact pathways and emission sectors (see Module B-1), related monitoring indicators (see Module B-3) and estimated costs per action. • Description of financing need for action portfolio implementation and associated impact.





3 Section-by-Section Guide

3.1 Introduction

3.1.1 Documentation in Action Plan Template

The Action Plan introduction should **emphasise the importance of achieving** the 2030 climate neutrality objective of the Cities Mission and **state the specific focus** of the 2030 Climate Neutrality Action Plan. Your introduction should **provide background information** about how you developed your city's 2030 Climate Neutrality Action Plan and highlight its **interconnectedness with the other Climate City Contract components** (2030 Climate Neutrality Commitments and 2030 Climate Neutrality Investment Plan). It should also describe any exclusion areas (from the Expression of Interest) and summarise how these areas would be addressed beyond 2030. A more detailed plan for exclusion areas should be included as an Annex. The introduction should also describe how the Action Plan fits into your city's broader context and builds on existing strategies.

INFO BOX 1

A key design principle of the 2030 Climate Neutrality Action Plan is to align with your existing climate action planning and strategy processes. For example, the majority of the Mission Cities were signatories of the EU Covenant of Mayors (EUCoM), with many having submitted a Sustainable Energy Action Plan (SEAP) or Sustainable Energy and Climate Action Plan (SECAP) or have developed other types of national climate action plans or similar strategy documents. The 2030 Climate Neutrality Action Plan is designed to integrate elements from those existing plans with components that need to be developed specifically for the Cities Mission and the Mission Label. This means that contents and data from your existing action planning documents can be used in the 2030 Climate Neutrality Action Plan, if it is not outdated and still deemed relevant.

3.1.2 Guiding questions

- How does the Action Plan fit in your city's existing climate action planning programme / processes?
- Which critical stakeholders need to be engaged to help achieve the 2030 ambition?
- Which climate actions should be highlighted in the Action Plan with a view of investment needs and to be considered in the Investment Plan?
- Are there any other specific circumstances relevant to the Action Plan development, such as formal procedures or planning frameworks in your city which the Action Plan should align to?
- What can you take up from your existing documents or how to adapt your existing documents to develop the Action Plan?
- Which additional information needs to be created or sourced for the Action Plan that is not yet covered in existing plans or documents?

4 Part A – Current State of Climate Action

Part A - Current State of Climate Action should describe your city's point of departure towards 2030 climate neutrality. **Part A informs Part B** - Pathways towards Climate Neutrality by 2030 **and Part C** - Pathways towards Climate Neutrality by 2030 by providing **the evidence base** (e.g. greenhouse gas emission baseline, gap analysis, and systems mapping) and **an understanding of the starting point**





for climate action planning at the local level and the related conditions. Part A consists of three core modules:

- **Module A-1** “Greenhouse Gas Emissions Baseline Inventory”.
- **Module A-2** “Current Policies and Strategies Assessment”.
- **Module A-3** “Systemic Barriers to 2030 Climate Neutrality”.

4.1 Module A-1 Greenhouse Gas Emissions Baseline Inventory

4.1.1 Key activities

Understanding current greenhouse gas inventory practice patterns and gaps in the city: GHG emissions inventories take measured emissions or, if not possible as emissions come from very distributed activities which cannot be measured, they are calculated using a set of equations. Various approaches to emission inventories exist. While accepting in principle all types of inventory accounting approaches (such as e.g. Global Protocol for Community-Scale Greenhouse Gas Inventories (GPC) - [Link](#)), the Cities Mission foresees that specific emission source sectors, gases and scopes should be covered by the inventory reported by your city, both for the baseline and the monitoring inventories.

These, along with many useful definitions, are outlined in the Cities Mission’s *Info Kit for Cities* ([Link](#)), published by the EC prior to launching the open call for Expressions of Interest. You should consult the *Info Kit for Cities* with questions related to the Cities Mission emissions inventory parameters and specific climate neutrality definition, in conjunction with the content provided here.

You are not required to directly report your GHG inventory to the Mission Portal – neither for the GHG baseline inventory nor the subsequent monitoring inventories to be submitted along the way. You will continue to report as you have done previously within either MyCovenant or CDP/ICLEI. If you do not report to either of these platforms, you are encouraged to submit a GHG inventory through either MyCovenant or CDP/ICLEI. The Mission Platform will work with both platforms to obtain your reported inventory data (see Info Box 2 for more details).

Considering the above, you should first:

- Check how old your city’s latest GHG inventory reported on either MyCovenant or CDP/ICLEI is. You do not need to submit a new inventory if the accounting year is 2018 or more recent. If the accounting year is older than 2018, a new GHG baseline inventory should be submitted using either the MyCovenant or CDP/ICLEI reporting platform.
- Note any differences between your existing GHG inventory specifications (i.e., sector coverage, scopes and gases) and the inventory specifications described in the Cities Mission’s *Info Kit for Cities*, as to understand the need for adaptation or additional data (if any) of your existing inventory to match the Mission inventory specifications.
- Reconcile your existing inventory with the Cities Mission inventory requirements. For instance, if particular emission source sectors (such as AFOLU or IPPU) or specific greenhouse gases are not covered by your latest GHG inventory, you will need to update or amend your latest GHG inventory to include the missing data. Updating / amending GHG inventories will occur through the Mission Portal (via the NZC Consortium) - not through MyCovenant or CDP/ICLEI.





4.1.2 Documentation in Action Plan Template

Given the specified columns in the Action Plan template, you should fill in Module A-1 by documenting the outputs of the steps described above, i.e. current GHG accounting and reporting practices as well as relevant analysis (charts) on energy consumption and GHG emissions in the base year for the given sectors and sub-sectors.

Sub-modules in template A-1.1 to A-1.5 relate to listing the basic GHG inventory categories, such as fuel use, emission factors, fuel use by source sector, and emissions by source sector. Section A-1.6 is dedicated to a narrative assessment and description of the inventory to highlight any outstanding facts behind the numbers. Section A-1.7, should – based on the set baseline – identify the *emissions gap* between the baseline and the climate neutrality target. The *emissions gap* is defined as the amount and type of emissions to be addressed by this Action Plan. It is composed of the emissions baseline minus the residual emissions being offset minus the emission reductions already planned. This approach ensures that the 2030 Climate Neutrality Action Plan actually addresses the gap between existing planning frameworks and the 2030 climate neutrality target.

The Mission's climate neutrality definition, as well as other useful conceptual elements, can be found in the two info boxes below.

INFO BOX 2: Elements of climate neutrality definition as outlined in the Cities Mission's "Info Kit for Cities"	
ETS plants	<ul style="list-style-type: none"> Any large-scale energy generation or industrial facilities located within the city boundary which are registered under the EU Emissions Trading Scheme (EU ETS) will be exempt from the Mission on the basis that municipalities have very limited influence over their operation and there is a dedicated EU process to reduce emissions from these sources. It is optional for cities to include them if measures are foreseen.
Local energy generation measures	<ul style="list-style-type: none"> Reflect local energy generation measures through the local emission factor (Scope 2 emissions), splitting on-site consumption and what is provided to the grid.
Share of residual emissions	<ul style="list-style-type: none"> Residual emissions should be reduced to the minimum possible, with a recommended maximum level of residual emissions (20%) and mandatory compensation of residual emissions and rules for compensation (see next 4 lines).
Offsetting – type and location	<ul style="list-style-type: none"> Offsetting is only possible for emissions which are very difficult or impossible to mitigate (i.e., for residual emissions). Limited eligibility depending on project types (i.e., projects within the country/EU, and with high additionally, high co-benefits).
GHG emission removal (within the territory)	<ul style="list-style-type: none"> Pilot projects on carbon capture and storage (CCS) allowed, i.e., to account for negative emissions through GHG removal to address residual emissions. Only applications which result in permanent sequestration of the CO₂ (i.e., injected into geological structures) will be allowable.
Sinks	<ul style="list-style-type: none"> Allowed to account for negative emissions through the enlargement or enhancement of natural sinks within the territory (= within the city boundaries) to address residual emissions (considering all changes in the carbon stock).





Certified renewable energy purchases (Renewable energy credits)	<ul style="list-style-type: none"> Allowed for the reflection of certified renewable energy purchases in the calculation of the local emission factor to address Scope 2 emissions.
Local Emission Factors (see Box 8 in Part II of the Mission Info Kit)	<ul style="list-style-type: none"> Allowed to use of locally estimated Emission Factors (EF) for electricity and heat (double-counting through dynamic national/regional EF has to be avoided).
Reflect grid decarbonisation	<ul style="list-style-type: none"> Change Emission Factor over the years (reflecting changes in the national/regional/local mix) (double-counting through locally weighted EF has to be avoided).
Other methodological considerations	<ul style="list-style-type: none"> Biomass: Zero emission factor only if sustainability criteria are respected (a principle). No negative emissions allowed for biomass energy.

INFO BOX 3

The source sectors, scope and greenhouse gases to be covered by the GHG inventory are outlined in the Info Kit for Cities ([Link](#)). The Mission Platform will cooperate with MyCovenant and the CDP/ICLEI Tracker to get the latest GHG inventory data from Mission Cities. The data will then be uploaded by the Mission Platform onto the Mission Portal in the required format. Remaining gaps in the inventory will need to be filled by Mission Cities, working directly on the Portal (with support from City Advisors). The accounting year of the GHG baseline inventory submitted should not be older than 2018.

Emission sources and sectors that should be covered

	Direct Emissions (Scope1)	Indirect Emissions (Scope 2)	Out-of-boundary emissions (Scope3)
Building	x	x	
Transport	x	x	Recommended by 2030
Waste	x		x
IPPU	x		
AFOLU	x		

GHG gases that should be covered

Carbon Dioxide (CO ₂)
Methane (CH ₄)
Nitrous Oxide (N ₂ O)
F-gases (hydrofluorocarbons and perfluorocarbons)
Sulphur hexafluoride (SF ₆)
Nitrogen trifluoride (NF ₃)





4.1.3 Guiding Questions

- Has my city reported a GHG emission inventory in MyCovenant or CDO/ICLEI Tracker based on the accounting year 2018 or more recent?
- Does the available GHG emission inventory meet the requirements set forth in the Cities Mission's Info Kit for Cities?
- If my city is missing emission data or my data is too old: have activities started to conduct a GHG-emission inventory? (See link for advice)
- What is my city's emissions gap between the GHG emissions baseline and 2030 climate neutrality target?

4.2 Module A-2 Current Policies and Strategies Assessment

4.2.1 Key activities

Implement current state assessment of climate policies and strategies: city's current climate ambition and policies, details on existing greenhouse gas emissions reduction target, existing cross-sectorial or sectoral strategies or action plans relevant to climate change mitigation/greenhouse gas emissions reduction, current climate action sectoral policies (i.e., energy, transport, waste/wastewater management, digitalisation & smart city elements), etc.

- Collect and map relevant policies, strategies and regulations.
- Analyse existing targets and their action plans to refine the scope of the 2030 Climate Neutrality Action Plan as well as explore opportunities for synergies.
- Identify 'implementation gap' by assessing emission reductions accounted for in existing plans in order to determine the actual emission gap to be addressed given the 2030 climate neutrality target.

4.2.2 Documentation in Action Plan Template

According to the steps described above, you should map relevant existing strategies covering a wide range of sectors. Using the specified columns in the Action Plan template, you should list strategies and policies and briefly describe their impact on the 2030 climate neutrality ambition, as well as identify any improvement needs.

4.2.3 Guiding Questions

- What are the existing policies, strategies, programmes and regulations that impact (directly or indirectly) the 2030 climate neutrality ambition?
- Do any relevant policies, strategies and regulations need to be changed / improved in order to support the 2030 climate neutrality ambition?
- What is my city's current implementation gap to reach 2030 climate neutrality?





4.3 Module A-3 Systemic Opportunities and Barriers to 2030 Climate Neutrality

4.3.1 Key activities

Analyse systemic barriers and challenges to the city climate neutrality: critical gaps, barriers and challenges the city faces to achieve climate neutrality by 2030; sector-specific gaps, barriers and assistance needs, across sectors gaps, barriers and assistance needs; risks that could impact the achievement of the city's climate neutrality target by 2030; local specificities of climate policy development and implementation, etc.

- **Barriers, critical gaps and challenges:** understand and map the main elements (infrastructures, capacities, processes, resource flows, alliances, funds) that might hinder the transition to climate neutrality
- **Opportunities:** understand and map the main element's spatial structure (land use / function distribution and density), infrastructures, capacities, processes, resource flows, alliances, funds) that might enable the transition to climate neutrality
- **Create the participatory model for the city:** climate stakeholder ecosystem, partnerships with stakeholders, with other levels of government, with the private sector, with citizens, with other cities, with academia or research & innovation institutions; stakeholder participation and contribution into the city's climate policy development and implementation, etc.
- **Connect:** detect existing connections and links with the actors that populate the system (all urban stakeholders) and the main interests around which they collaborate together
- **Contrast:** compare opportunities and barriers with your strategic goals to understand how to set the most favourable conditions (i.e., prepare the local system) for the implementation of your journey to climate neutrality
- **Learning by doing:** enable a process of designing-testing-redesigning the system to implement the city's journey toward climate neutrality

4.3.2 Documentation in Action Plan Template

In the transition to climate neutrality, understanding the system provides the evidence base (e.g. greenhouse gas emissions baseline, gap analysis, and systemic barriers) and an understanding of the starting point for the transition to climate neutrality at the local level. This includes having evidence of the local conditions, as well as the gaps and barriers to be addressed.

This section in the Action Plan template should aim to establish a baseline to understand links between previous and current initiatives, resources available and gaps identified, and focus on creating a clear connection with the goals and priorities of your local transition to climate neutrality. The existing links with the stakeholders that populate the system should be understood and reported across sectors to report on the conditions that might prepare the ground for collaboration.

You should put special focus on at least three areas: (1) understanding the system linked to the greenhouse gas emissions (patterns and gaps in the city) to build collaborations with the relevant stakeholders and organisations to monitor/reduce their environmental impact; (2) understanding the system linked to policies and strategies to involve all relevant departments and organisations; (3) analyse systemic barriers to 2030 climate neutrality, making sense of the data collected in A1-3 and extracting gaps and priorities.





4.3.3 Guiding Questions

- What's out there and why is it relevant for my city?
- What is missing, what kind of infrastructures, capacities, processes, alliances, funds does the city need for the most favourable conditions (i.e., prepare the local system) to reach the 2030 ambition?
- How can assets and resources be harnessed to achieve a common strategy in my city's local system?
- How can understanding be gained collectively to account for different perspectives?
- How can the system be monitored? What kind of data does my city need to collect and how can it be analysed?





5 Part B – Pathways towards Climate Neutrality by 2030

Part B “Pathways towards Climate Neutrality by 2030” is the **structural element** of the climate neutrality action planning **modular framework** for the development of 2030 Climate Neutrality Action Plan. **Part B represents the core** of the 2030 Climate Neutrality Action Plan, **comprising of the most essential elements**: scenarios, strategic objectives, impacts, action portfolios and indicators for monitoring, evaluation and learning. Part B consists of three core modules:

- **Module B-1** “Climate Neutrality Scenarios and Impact Pathways”.
- **Module B-2** “Climate Neutrality Portfolio Design”.
- **Module B-3** “Indicators for Monitoring, Evaluation and Learning”.

5.1 Module B-1 Climate Neutrality Scenarios and Impact Pathways

5.1.1 Key activities

Build scenarios and develop strategic pathways to climate neutrality by 2030: turning system analysis into tools for decision-making by identifying possible points in the system for transformation and developing the associated scenarios. The development and assessment of the integrated climate change mitigation pathways for the city’s progress towards 2030 climate neutrality.

- Undertake scenario modelling exercise using the NZC Theory of Change to better understand and identify levers of change leading to climate neutrality by 2030.
- Based on the fields of action and systemic levers provided by the NZC Theory of Change, specific outcomes/ strategic objectives and targets need to be identified.

5.1.2 Documentation in Action Plan Template

Module B-1 of the Action Plan Template should document the results of your internal scenario modelling exercise by outlining the selected impact pathways per emission domain. In this, the impact pathways provided by the NZC Theory of Change serve as inspiration and a tool for you to better understand how climate neutrality can be reached, including all types of technological and non-technological trajectories.

The impact pathways selected by your city should then be broken down into short-term and long-term outcomes (strategic objectives) that lead to the desired impact with regard to the fields of action and the associated co-benefits. You can also adapt the impact pathways provided by the NZC Theory of Change to tailor it to the local context or to existing strategic objectives. All of the above should be documented in a log-frame as specified in the Action Plan Template and shall form the basis for an overview table including impact pathways, fields of action, action portfolios and indicators (see guidance on Modules B-2 and B-3 below).





INFO BOX 4

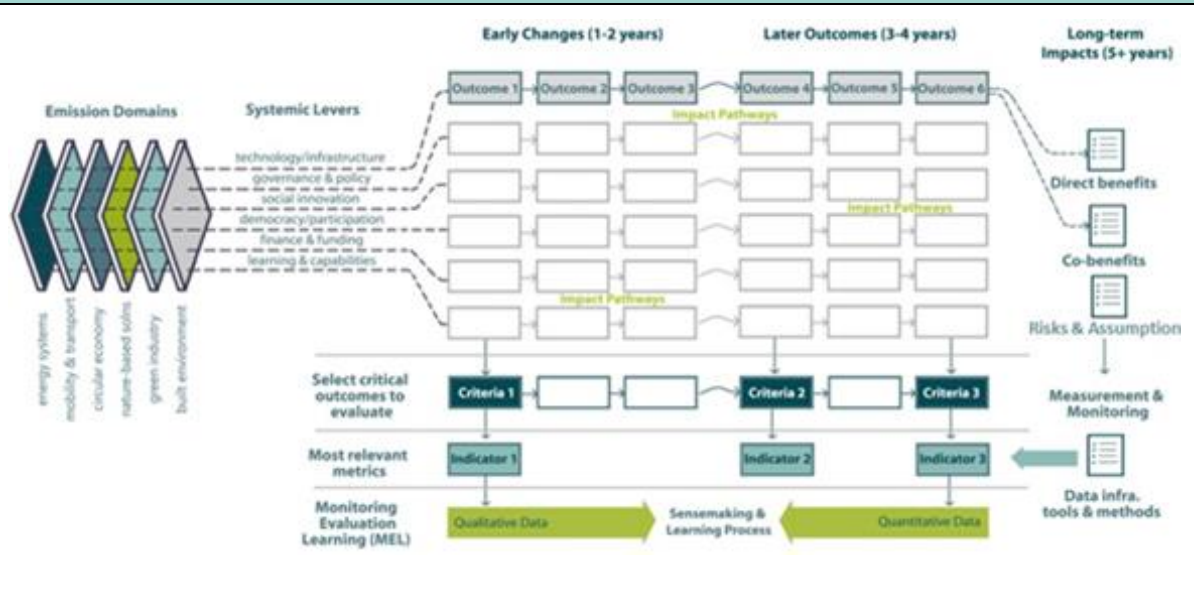


Figure 4 : NZC Theory of Change (ToC) impact pathway framework, linking fields of action with systemic levers, early and later outcomes and long term impact (emissions and co-benefits)

The NZC Theory of Change (NZC ToC) is the key action planning framework that defines impact pathways and links them with fields of action. It describes how action portfolios will lead to short-term and long-term outcomes over time and ultimately to the desired direct (climate neutrality) and indirect impact (co-benefits) by 2030. There are six impact pathways defined by the NZC ToC, each spanning across all fields of action and co-benefits. The impact pathways described by the ToC are the most important NZC framework to cluster actions and indicators within the 2030 Climate Neutrality Action Plan, responding to a multi-dimensional understanding of climate transitions, driven by systemic changes.

5.1.3 Guiding Questions

- What are the strategic objectives, targets or intended outcomes with regard to emissions and co-benefits in your city’s existing climate strategies and action plans?
- Which of the existing strategic objectives, targets or intended outcomes can also be found in the NZC Theory of Change (same or similar)?
- Should some of the existing strategic objectives, targets or intended outcomes be adapted to the NZC Theory of Change? And are there strategic objectives, targets or intended outcomes from the NZC Theory of Change that need to complement the ones existing already in my city’s climate action plans?
- Does my city need additional strategic objectives, targets or intended outcomes to describe its 2030 climate neutrality pathway, which can neither be found among the existing ones nor in the NZC Theory of Change?





5.2 Module B-2 Climate Neutrality Portfolio Description

5.2.1 Key activities

Create portfolios of actions across fields of action for achieving city climate neutrality: Portfolios are clusters of interventions to achieve the target GHG emission reduction in each emission domain. A well-developed, comprehensive and coherent portfolio provides a holistic framework of a variety of interventions, from investments to strategic experiments on the city's pathway to climate neutrality. In order for portfolios to be realistic for implementation, all relevant stakeholders should be included in the design of each action (e.g. GHG emitters, citizens, interest groups, local government departments, utilities, financiers, decision-makers, etc.).

Portfolio co-design is the most important step of the Action Plan to achieve net-zero emissions by 2030, which requires eliminating all GHG emissions in the city as far as possible and compensate or sequester any residual emissions (max 20% of baseline emission gap). This means all actions in a portfolio need to, in sum, lead to the total desired reductions in GHG emissions by 2030.

5.2.2 Required results:

Portfolios have a coherent description for each emission domain on how the portfolio, as a whole, leverages synergies between individual interventions to achieve the overall emission reduction target. This information is filled in Action Plan table B-2.1.

Additionally, individual interventions are described in detail on a project-by-project basis (Action Plan template B-2.2). Each project must contain all information for implementation (e. g. topic, emission sector, scope, allocation, responsible actors, GHG emissions reduction, costs). To ensure the measurability, reportability and verification of the action, the action development must refer to basic information gathering conducted in Part A of the Action Plan template, particularly the identified emissions gap. All interventions to remove GHG emissions (avoid, cut, reduce) must be included in the portfolios (see Modules C-1 and C-2).

5.2.3 The process:

For developing comprehensive portfolios, intensive collaboration with stakeholders is necessary. This may include citizens, interest groups, experts, political leaders, representatives from universities, and those required for implementation, such as private companies, utilities, local government departments, energy suppliers, investors and financial institutions etc. For comprehensive guidance on how to coherently organise such processes city-wide in a transformative manner, cities can refer to the Climate Transition Map.

The portfolio co-design can be organised as a series of events or sessions, each related to a certain emission domain or cross-cutting topic, from a finance and investment perspective, per intervention type etc., involving general and specialised stakeholder groups suitable to each session. If larger numbers of citizens are affected, portfolio co-design events may be extended to public hearings and innovative participatory models. Social innovation events like Hackathons could serve as alternatives to conventional consultations, which may lead to a change in perspectives, governance, co-creation dynamics and outcomes. Digital tools and online information sharing are also available to facilitate such processes and allow knowledge transfer and co-design involvement of citizens via alternative, less labour-intensive avenues.

It is recommended to support any of these processes with clear and user-friendly communication of key figures, data and information on carbon emissions, cost, behavioural requirements etc. in order to ensure stakeholder awareness and a high quality of dialogues. For example, easy-to understand cost-benefit assessments, considering costs and GHG emission reduction, financial or regulatory burdens affecting citizens, as well as tangible and subtle co-benefits of proposed interventions should be shared





with stakeholders. Alternative narratives speaking to interests outside the climate mitigation purpose and the climate neutrality may have to be defined and developed in order to include special interest group perspectives.

5.2.4 Documentation in Action Plan Template

The portfolio table should contain all actions on a project-by-project basis with all of the information required for implementation. Information on synergies can be added to the table as annex, to recognise clusters for coordinated implementation.

Interventions to be developed as part of the portfolio are clustered along fields of actions (energy systems, mobility & transport, waste & circular economy, green infrastructure & nature-based solutions, built environment). Interventions need to be designed in a way as to cater to the achievement of selected outcomes (B-1) and the related direct emission reduction impacts clustered by emission source sector as well as specific co-benefits (indirect impacts). Across the fields of action outlined in the Action Plan Template, interventions may include the following types of actions (non-exhaustive list):

- **Physical/ spatial interventions** focus on re-organising urban function allocation (also known as compact urban development (CUD)) and transport network layout for different transport modes (foot paths, cycling lanes, local and transit roads) through new land use zoning and investing in new public transport networks (bus, BRT, tram, metro, train)
- **Nature-based solutions** contribute both to climate change mitigation and adaptation – serving as a cooling feature, supporting shading and accelerating evapotranspiration and (in case of green roofs) insulating against heat and cold, and enhancing CO₂ sequestration capacity (carbon sinks). Examples include: green roofs and facades, tree lines along streets, parks, water bodies, unsealing and greening paved areas (also supporting flood mitigation).
- **Technical interventions** refer to:
 - improving energy efficiency (effective combustion technology use, use of renewables, heat pumps),
 - change in using energy carriers (substituting fossil fuels by bio-fuels or renewable energy (electrified transport, substitute car-based mobility by public transport (requiring physical, spatial interventions), changes in production processes),
 - reduce energy use through efficient building layout and advanced heating/ cooling systems (building design and insulation, heating system change),
 - enhance effectivity and increase of renewable energy generation and storage (hydro-power, wind-power, solar energy, renewable heat extraction (heat pumps), green hydrogen, pump-storage hydropower plants, etc.).
- **Other interventions** that should be listed under B-2 include social participation and awareness campaigns, procurement actions, or business models, which do have a cost implication and a quantifiable emission reduction impact. All other social and governance interventions that focus on creating more enabling framework conditions for climate neutrality, should be detailed in Modules C-1 and C-2 of Action Plan Template.

The following catalogue gives an overview of the required information for implementation, documentation and monitoring:

INFO BOX 5

1. Project name
2. Action type (see Modules C-1, C-2)





3. Action description
4. GHG emission (sub-) section addressed, (see Module A-1)
5. Removed/ substituted energy, volume of fuel/ energy carrier, energy equiv.
6. Generated renewable energy
7. GHG reduction volume by gas and CO₂e (see Module A-1)
8. Project implementation (reference to a map, narrative comments (e. g. district my))
9. Action extent, addressed entities (e. g. area, buildings, flats, bus network-length, etc.)
10. Affected citizens, households, workplaces, etc.
11. Responsible bodies/ persons for action implementation
12. Costs: total and by CO₂e unit) (see Module A-1)
13. Further efforts, if any
14. Possible barriers and measures to overcome

(2) A priority list of urgent and most effective projects - which also bring synergies – shall be provided. 1st priority projects shall be listed and an implementation schedule shall be drafted.

(3) A summary of the expected GHG emissions reduction achievements (by gas) and costs of the 1st priority projects (by emission sector) and a final table of remaining gaps (by emission sector and gas) should be added. Commitments to 1st priority actions and who will take over responsibility should be documented.

5.2.5 Guiding Questions

- What are the largest GHG emitters in the city and who is responsible?
- What actions must be designed (on a project-by-project basis) to mitigate these GHG emissions?
- How can these actions be implemented, what will be the GHG reduction achievements and what are the key barriers to overcome?
- Who will be responsible for project implementation and financing?

5.3 Module B-3 Indicators for Monitoring, Evaluation and Learning

5.3.1 Key activities

Define climate action indicators for monitoring, evaluation and learning: you need to be able to measure, monitor and evaluate the implementation of the 2030 Climate Neutrality Action Plan. A set of measurable, reportable and verifiable key performance indicators (KPIs) is an important precondition for the monitoring and evaluation, as well as continuously analysing your city's achievements.

- Select indicators from the NZC Comprehensive Indicator Sets, pertinent to the fields of action and impact pathways selected in Module B-1.
- Adapt indicator metadata tables provided in the Indicator Sets to develop a city specific evaluation plan to monitor and evaluate actions/ projects (B-2), progress on identified outcomes and direct and indirect impacts (B-1).





5.3.2 Documentation in Action Plan Template

Module B-3 of the template should contain a selection of indicators taken from the Comprehensive Indicator Sets developed by NZC. As specified by the template (B-3.1), you should cluster the indicators along the impact pathways and the associated outcomes and impacts. Further, the table should include specific targets and a time plan so that you can effectively evaluate your progress. Additionally, you should insert the metadata on each indicator into the template (B-3.2) and adapt it to the specific context of the city. The metadata tables include for instance a description on the indicator, its scale/ scope, the formula for calculation, the data needed, the data owner and references to the fields of action, co-benefits and impact pathways. Metadata tables on each indicator can be taken from the Comprehensive Indicator Sets (still work in progress).

INFO BOX 6: Monitoring and reporting of Action Plan progress	
Purpose	<ul style="list-style-type: none"> Evaluate overall progress of Action Plan implementation and transition towards climate neutrality 2030.
Scope & scale	<ul style="list-style-type: none"> City-wide (2030 Climate Neutrality Action Plan) Project specific (pilot)
Use of findings	<ul style="list-style-type: none"> Verification and validation of impact towards financiers Accountability towards local stakeholders and citizens Project controlling Accountability and transparency in international initiatives and frameworks, UNFCCC and city networks Evidence for evaluation of impact and potential refinement of actions, projects and interventions
Focus	<ul style="list-style-type: none"> Specific pilot projects, actions and interventions (documenting) Outcomes (progress) GHG emissions (impact) Co-benefits (impact)
Execution	<ul style="list-style-type: none"> Mission Cities on Mission Platform
Operation	<ul style="list-style-type: none"> Mission Platform
Basis for reporting	<ul style="list-style-type: none"> Indicators selected and documented in Action Plan
Timeline & reporting frequency	<ul style="list-style-type: none"> Bi-annually (city-specific, depending on launch of first-iteration Action Plan)
Data	<ul style="list-style-type: none"> GHG emissions inventory (imported from MyCovenant and CDP/ ICLEI platforms) Data for calculation of indicators on outcomes (including co-benefits)
Important NZC reference documents	<ul style="list-style-type: none"> D2.4.1/2 Monitoring, Evaluation and Learning Framework D2.14 Theory of Change
Dissemination level	<ul style="list-style-type: none"> Mission City NZC consortium Others (at discretion of Mission City)





In summary, you will report bi-annually on the indicators selected in Module B-3 to track progress on Action Plan implementation and the transition towards climate neutrality 2030. Apart from the initial baseline inventory, you will also need to report GHG-inventories every two years to either MyCovenant or the CDP/ICLEI Tracker. The Mission Platform will import that data from both platforms into the Mission Portal. Gaps in the inventory (see required format in Info Box 2) will need to be filled as necessary by you with support from the NZC Consortium. The Monitoring GHG-Inventories will be the main data needed for climate impact indicators (direct impacts), however, you must collect and process additional data to report on co-benefits and any process outcome along the selected impact pathways (see Module B-1). Parts of Mission City reporting will be visualized on the Mission Dashboard for communication purposes (at the discretion of the Mission City).

5.3.3 Guiding Questions

- What are the indicators pertaining to the outcomes selected in the impact pathway?
- Is there a need for additional indicators (e.g. from existing planning frameworks)?
- Do the indicator metadata sheets need to be adapted?
- Is the required data for the calculation of selected indicators available, or is it necessary to involve additional stakeholders?



6 Part C – Enabling Climate Neutrality by 2030

Part C “Enabling Climate Neutrality by 2030” is the **structural element** of the climate neutrality action planning **modular framework** for the development of 2030 Climate Neutrality Action Plan. **Part C enables Part B** (i.e. the implementation of actions towards climate neutrality) through **creating favourable systemic conditions** and providing an **understanding of the necessary financing** (link to the 2030 Climate Neutrality Investment Plan). Part C consists of three core modules:

- **Module C-1** “Organisational and Governance Innovation Interventions”
- **Module C-2** “Social and other Innovation Interventions”
- **Module C-3** “Financing of Action Portfolio”

6.1 Module C-1 Organisational and Governance Innovation Interventions

6.1.1 Key activities

Plan for the necessary organisational and governance innovation: Define the governance, policy and regulation areas that have the potential to address greenhouse gas emissions sectors/ domains and enable you city to reach climate neutrality by 2030. Explore opportunities and solutions for the interventions of the innovative organisational and governance methods for achieving city climate neutrality by 2030. These should involve local key stakeholders such as civil society platforms to engage with citizens and actively involve them to develop, implement and monitor your Climate City Contract. The aim is to reduce the “silo mentality” that causes fragmentation and to build inclusiveness, trust and legitimacy of the necessary actions. In particular by linking local actions for climate neutrality with some of their co-benefits such as better air quality, reduction of energy bills and road safety, it should also help develop “ownership” of the overall climate neutrality objective and thereby induce stronger local commitment and behaviour change.

Organisational and governance innovations/ interventions refer to various topics which shape framework conditions and trigger (social) behaviour by increasing attractiveness of framework conditions, by decreasing barriers, by defining barriers and further to reduce emission-causing activities:

- Deepen understanding of systemic barriers specified in Module A-2 and A-3, e.g. by desk research and through co-creation and stakeholder events.
- Undertake activities for validation of designed interventions and discuss implementation plans with lead stakeholders.
- Develop an understanding of where these interventions fit into the impact pathways specified in Module B-1, before documenting them in the Action Plan Template.

6.1.2 Documentation in Action Plan Template

In the Module C-1, you should outline how the climate agenda and specifically actions to move towards climate neutrality are dealt with within your city’s administration, by describing the structures in place or planned and the human resources allocated or planned to be allocated in the next phase. Furthermore, it should focus on the wider governance framework that impacts climate action, including multi-level governance as well as non-government actors. The policies and systemic barriers outlined in Modules A-2 and A-3 should form the basis for interventions in this section. You should describe the entity/ entities with primary responsibilities for climate mitigation policies and cross-sectoral coordination of the climate agenda and the working modality. This could include a dedicated department/ unit, a committee, a





dedicated person, external body/ person or an arms-length organisation working in close collaboration with the municipality in the fields in which the city has the legal powers to act/make policy decisions.

Organisational and governance interventions should include:

- Interventions targeted at improving the horizontal governance of climate neutrality, i.e. the organisational set-up within municipal administrations or the relationship and co-creation with non-government actors within the ecosystem of stakeholders.
- Interventions targeted at improving the effectiveness and efficiency of multi-level governance for climate neutrality, i.e. with regional, national and EU level.
- Other innovation interventions, e.g. on tools and procedures used for planning, implementation or financing of climate neutrality.

6.1.3 Guiding Questions

- What is your city's existing climate action governance and which partnerships (horizontal and vertical, sectoral and cross-sectoral) are in place? How are these partnerships helping advance your city's climate policy development and implementation?
- What are the main factors that cause governance fragmentation at cross-sectoral level and in all sectors relevant to climate neutrality?
- What support does your city currently receive from other levels of government (regional/national) to formulate and implement its climate change mitigation policies?





6.2 Module C-2 Social and Other Innovation Interventions

6.2.1 Key activities

Plan for the necessary social and other innovation: define the culture, participation and civil society action areas that have the potential to contribute to building inclusiveness, trust and legitimacy of the necessary climate actions, in particular by linking local actions for climate neutrality with some of their co-benefits. Explore opportunities and solutions for social interventions and other innovations for the stronger local commitment and behaviour change. When working on this part of the Action Plan, consider the implementation of projects/ initiatives in the following areas:

- **Empowerment and inclusion** - plan for the direct involvement of citizens and urban stakeholders in the governmental processes that will lead to climate neutrality, empowering them through active engagement. You might do this by creating a shared mission and shared ownership of this mission. The goal is to help boost the acceptance of (sometimes radical) policy decisions and new regulations, reinforce the awareness of citizens' needs in public administrations, and increase the citizens' sense of belonging and inclusion (i.e. creating a collectively owned body to represent/ involve all parts of society). The actions should also aim to address energy poverty and other unintended impacts by factoring in the adverse social impact climate action might entail and outline ways to mitigate them. Work on improving the engagement strategies of urban stakeholders and citizens and on strengthening the link with public, private and third sectors bodies.
- **Regulation and support** - using parts A1-A3 as starting point, you should plan for specific support to community-led initiatives and small-scale pilots/ experimentations (i.e. build a roadmap to support and emphasise past and present initiatives that provide innovative responses to the needs and challenges of the society linked to climate neutrality, focusing for instance on strengthening social entrepreneurship locally); plan for supporting the scale-up of past and present social innovation initiatives beyond pilots and individual experimentations; plan for testing and prototyping new funding mechanisms that might enhance these initiatives.
- **Top-down and bottom-up systemic initiatives/ projects** - plan for local innovations that will help you tackle climate neutrality systemically. This might include top-down systemic solutions implemented at the level of urban planning and resource circularity (e.g. the 15-minute city). It might also include the creation of local bodies (e.g. NGOs, hubs for social entrepreneurship) that help create the most favourable conditions locally (infrastructure, citizen empowerment, public engagement, etc.).
- **Skills and capacity building** - plan to support the development of capacities related to social and other innovations. This might be addressed to public officials, as well as citizens and other urban stakeholders. Striving for climate neutrality should be done collaboratively. Training public officials and policy-makers regarding human centric approaches is thus also very important in this process, for instance through a pilot city demonstrator carried out at inter-departmental city group (involving the administration as well as private and third sectors organisations and citizen) to co-create and co-deliver new solutions (e.g. public-private-social urban regeneration programme involving mobility, nature-based solutions, and retrofit buildings actions).
- **Change in social behaviour** as a mutual reaction on changing framework conditions (and changing life styles), partly as effect of physical, technical, organisational, governance and regulatory interventions: e.g. avoidance of electrical appliances-use in peak load times, adapting diet habits towards less consumption of food causing high GHG emissions, increased use of public transport due to more attractive tariff models, due to denser networks and higher frequencies, increased use of non-motorised transport modes (e.g. more walking due to more attractive foot paths or more cycling due to more cycling lanes or shorter travel time compared





to the use of cars, or closer places fulfilling certain urban functions – e.g. the ‘15-minutes city’ (quite some interventions require legal and technical interventions as trigger).

6.2.2 Documentation in Action Plan Template

This part of the Action Plan Template aims to depict the social innovation actions needed to reach climate neutrality. This is relevant to ensure that you consider economic development and the overall well-being of people and the planet are intertwined at every step of the transition to net zero; to reinforce the co-benefits of climate mitigation, such as improved public health, job creation, and public budget savings, among others. You should put special focus on ways to create new business models and build the local capacity to address decarbonisation challenges; ways to allow for multiple actors to co-design and co-produce solutions contributing to decarbonisation; ways to support positive behaviour changes by responding to local needs and acting within the cultural context.

As part of your Action Plan, you should list the different innovation projects/ initiatives (past, present, future) that you intend to develop/ link to your 2030 climate neutrality ambition. You might distinguish these activities into several innovation categories: (1) entrepreneurial, (2) social economy, (3) social awareness & mobilization, (4) social cohesion and solidarity; and others. Innovations reported don't need to be all new activities, but you can build on activities you are already conducting, explaining how these will link to and reinforce your goals for 2030.

Consider including:

- A brief description of the project/ initiative, including its goals and relevance for climate neutrality co-benefits in your local context,
- The links of the project/ initiative with the specific climate neutrality goals of this Action Plan, and the types of innovation the project involves,
- The stakeholders involved possibly divided in main/ direct beneficiaries and indirect beneficiaries,
- The resources you plan to use to implement the project/ initiative,
- The learning and benefits you plan to obtain with this project/ initiative (if possible, connect also to the specific area of GHG emissions reduction and co-benefits),
- The skills and capacities that will be created or reinforced by implementing the initiative.

6.2.3 Guiding Questions

- How can you empower and actively include your local ecosystem through specific innovation projects to join the journey towards climate neutrality?
- How can you improve your engagement strategies of urban stakeholders and citizens through specific innovation projects? How best can you bring stakeholders on-board also enabling them to contribute through specific innovation projects? How can you use innovation projects to strengthen the link with public, private and third sectors bodies?
- Can you build a list of the foreseen innovation activities (top-down and bottom-up), detailing the resources needed, the stakeholders involved, and their expected results? How can you link these all together, looking back at your specific objectives for climate neutrality?
- How can you ensure long-term impact and scale up of existing/ planned innovation activities?





6.3 Module C-3 Financing of Action Portfolios

6.3.1 Key activities

Define the financial breakdown for the city climate action: Based on the developed action portfolios, this section provides an overall estimation of the resources and capital required to implement the individual actions towards climate neutrality. While a detailed examination of finance, capital and investment aspects of the city across the portfolios will be developed in the accompanying 2030 Climate Neutrality Investment Plan, this section will provide a summary of key financial information on each action or project included in the portfolios above.

This requires identifying the appropriate funding and financing schemes, a clear responsible organisation or project owner, and some basic financial estimates and data, such as capital expenditure needs, operational expenditure needs, or potential Net Present Value or Internal Rate of Return for each action or project that requires additional financing.

The purpose of this section is to provide at least rough estimates and indications of such figures in order to allow for further in-depth development of each action as a potential investment project. You and your stakeholders will have to take these estimates into account while developing the action portfolio (B-2). Stakeholder communication around these basic financial data points for each action is highly recommended as part of the action plan development, wherever appropriate. Identifying possibilities to avoid cost and investment requirements to achieve the same reduction in GHG emissions (e.g. via alternative solutions, technologies, nature-based solutions, or innovative business models) should be part of the initial action and project design. Similarly, local business development or opening investment and economic opportunities your city for the wider public (e.g. community investments) should be considered, alongside co-benefits such as local green jobs creation and employment in the climate neutrality sector.

The emphasis of this action plan on social innovation in accordance with the NZC Climate Transition Map, co-benefits that support the local buy-in to the climate transition and the alignment with the EU Taxonomy, should be considered during portfolio creation and financial estimations.

6.3.2 Documentation in Action Plan Template

The documentation needed in the Action Plan template for this step should cover, as a summary, the outcomes of portfolio design and pre-empt additional financial needs, project-by-project. Actions and projects that are part of the portfolio but can cover 100% of all required capital and investment needs via existing sources and commitments should be listed here as well, in order to provide a full picture of how each portfolio is financed. Projects or actions that still seek to cover part of their capital needs via unidentified sources should indicate the remaining finance gap as part of the Action Plan under Module C-3.

6.3.3 Guiding Questions

- What projects and actions should be further developed and considered under the investment plan?
- What are the basic capital and investment needs for each action or project?
- What are the existing resources already available for each action or project (e.g. public contributions, existing funding or investments secured)?
- Which entity or organization is responsible for each action or project (project owner) and who is the main contact within the organisation?





- What are the potential financing or funding streams for the projects or actions?

7 Outlook and next steps

This section should summarise any open methodological issues or issues you have related to implementing the Action Plan, as well as specific comments relevant for the Investment Plan. Furthermore, it should outline milestones for the implementation process as well as needs for further improvement to be tackled in coming iterations of the Climate City Contract. The Action Plan is meant to be an iterative document, meaning that you will be able to update it over time until 2030. Local processes such as existing planning cycles, may be indicated in this section to clarify if and how iterations of the Action Plan may be developed over time.

