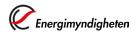




# Climate City Contract 2030

Between Örebro Municipality and the government agencies the Swedish Energy Agency, Vinnova, Formas, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration, the Swedish Environmental Protection Agency and Viable Cities.

**VERSION 2022** 















## **Contents**

1. Purpose of the Climate City Contract 2030 4	
2. Parties	4
3. Municipal commitments	4
3.1. Municipal climate goals.	4
3.2. Strategy	.5
3.3. Organization and management	7
3.4. Collaboration with business, academia and citizens	8
3.5. Climate Investment Plan	9
3.6. Digital support for implementation	
3.7. Innovation hub for climate-neutral municipalities	
3.8. Climate adaptation	12
3.9. Climate-smart mobility	13
3.10. Reporting and follow-up.	14
4. Viable Cities' commitments	14
4.1. Better regulation.	15
4.2. Innovation	
4.3. Coordinated funding	
4.4. Cooperation with the EU Cities Mission.	
5. Commitments by the government agencies.	16
5.1. A learning approach in policy development	
5.2. Funding for research, innovation and development	17
5.3. Coordinated funding	17
5.4. Participation in European initiatives for sustainable cities	
6. Strategic development projects 2023	18
6.1. System demonstrations.	18



6.2. Competitiveness and funding.	
6.3. Citizen engagement.	20
6.4. International Cities Mission 2030.	20
7. Joint monitoring, evaluation and updating	21
7.1. Most important updates for the municipality	21
7.2. Most urgent experiences to share for the municipality	22
7.3. Most important updates regarding Viable Cities	22
7.4. Most important updates regarding government agencies	24
8. The contract	26
Climate City Contract 2030	27
Appendix 1 – document links	28



## 1. Purpose of the Climate City Contract 2030

The purpose of this Climate City Contract is to accelerate the pace of the climate transition in cities within the framework of the 2030 Agenda, while contributing to the recovery of the Swedish economy in the wake of the coronavirus pandemic. The Climate City Contract expresses the partners' intention to raise the level of ambition in sustainable urban development and climate transition. The Climate City Contract also provides Sweden and Swedish cities with a good foundation to be international role models for climate transition in cities. This will be achieved through mutual, long-term commitment to efforts on the part of the undersigned government agencies, the Viable Cities innovation programme, and the city/municipal authority as set out below.

## 2. Parties

#### Parties in the Climate City Contract 2030 are:

- Örebro Municipality.
- The government agencies: The Swedish Energy Agency, Vinnova,
  Formas, the Swedish Agency for Economic and Regional Growth, the Swedish
  Transport Administration and the Swedish Environmental Protection Agency.
- The Viable Cities strategic innovation programme.

## 3. Municipal commitments

## 3.1. Municipal climate goals

In 2020, Örebro Municipal Council adopted a programme for sustainable development, founded on the global Sustainable Development Goals (SDGs) of the 2030 Agenda. The programme establishes the desired political direction, and expresses core values and desirable societal developments in Örebro Municipality up to 2050. The programme contains a goal structure with six goal areas, three overall goals up to 2050 and 51 interim goals up to 2030 (with some exceptions). Goal area 5, A climate-positive Örebro with healthy ecosystems and good biodiversity, includes the following interim goals for Örebro Municipality:

In 2030 Örebro municipal group is climate neutral.

<sup>&</sup>lt;sup>1</sup> Viable Cities is a strategic innovation programme funded jointly by the Swedish Energy Agency, Vinnova and Formas. The programme runs 2017–2030 and has approximately 130 members. The host organization is KTH Royal Institute of Technology.



- In 2040 Örebro municipal group is climate positive.
- In 2045 Örebro municipality as a geographic area is climate neutral.
- In 2050 Örebro municipality as a geographic area is climate positive.

The climate goals encompass consumption-based emissions, i.e. emissions that occur beyond Örebro Municipality boundaries. Örebro Municipality does not have sole authority over the geographic area. A strong partnership between different stakeholders in society is therefore necessary to achieve the climate goals and other goals for sustainable societal development in the programme.

In Örebro Municipality, the transition to a sustainable society is integrated with existing governance and management. The Sustainable Development Programme, the Comprehensive Plan and the Municipality's annual budget are the governing documents for Örebro Municipality. In Örebro Municipal Management's Overall Strategies and Budget for 2022 including a plan for 2023–2024, there are six goal areas that describe the political ambition for the current mandate period, and correspond to the goal areas in Örebro Municipality's Sustainable Development Programme. In each goal area, the Municipal Council has defined council goals and annual guidelines that will be put into practice by committees and company boards. Goals and priorities should make a clear contribution to ensuring the goals in the programme are achieved within the given timeframe.

## 3.2. Strategy

The societal transition we are facing must take place globally, but also locally. Örebro Municipality shall be a pioneer and show the way in the climate transition, uniting ecological and social sustainability with renewal, innovation, growth and greater competitive power. Örebro Municipality shall collaborate with others to drive this development in Örebro as a geographic area, but also have an impact more broadly, for example through efforts in sustainable production and consumption.

Örebro Municipality's Climate Strategy was adopted by the Municipal Council in 2016 and is the primary governing document for achieving the Municipality's long-term climate goals. Several of the goals in the Climate Strategy have passed, and the municipal group's goal for 2030 and the long-term goal for 2045 are now included in the Municipality's Sustainable Development Programme. Because of this, coupled with the fact that a lot has happened in the field of climate in recent years, the Climate Strategy now needs to be revised. A revision has been initiated, and the first stage has been to prepare a current status report with an accompanying carbon budget. Based on the status report and carbon budget, the process of preparing the new Climate Strategy has begun. The strategy will guide the Municipality's efforts to reduce greenhouse gas (GHG) emissions and help break down and concretize the goals in the Sustainable Development Programme. The main focus will be on the



municipal group and municipal efforts in the geographic area, but the importance of collaboration with other stakeholders in society, both within and beyond municipal boundaries, will also be highlighted as key to achieving the climate goals in the geographic area. The Climate Strategy is not the only climate-related governing document; there are a great many other municipal governing documents, which all contribute to the climate goals being met. These include a Comprehensive Plan, vehicle guidelines, a Travel Policy, guidelines for charging infrastructure, a Transport Programme, The *Cirkulära Örebro/Circular Örebro* waste plan, and guidelines for sustainable procurement. The Climate Adaptation Plan is another important governing document, which aims to create a robust society that is resilient to the consequences of climate change. Some of these (above-mentioned) governing documents, like the Climate Strategy, are being revised at the time of writing.

Climate is a complex area, and Örebro Municipality is one of many stakeholders that must all do their part to bring about the changes needed in society to achieve the climate goals. The Climate Neutral Örebro initiative aims to establish a foundation for joint development, where the Municipality, academia, the private and non-profit sector work together to achieve the climate goals. The ambition is to establish a platform for collaboration that will help to accelerate climate transition, and develop both structural and cultural systems innovations to make this happen. A collaboration platform will enable shared working methods to be developed and efforts to be scaled up. The process is based on the good examples and strengths that already exist in Örebro, but it will also help to establish cooperation on the climate challenges that require systems innovations, in both the short and long term. In order to ramp up efforts in consumption-based emissions, mobility, climate impact from construction and other areas, forms of collaboration, tools and processes must be found that can capture and actuate the innovations and existing initiatives that are necessary to achieve the goals. Within the framework of the process, Örebro Municipality is therefore working with players that can help to establish these conditions. A number of work packages have been identified alongside these players, and these will be in focus when developing forms of collaboration.

- Energy Communities: Jointly develop smart governance and coordination to aggregate/optimize production, storage and sharing of energy, the aim being to move the system boundary from the individual property to the entire city.
- Climate-neutral District Heating: Formulate a shared goal for climate-neutral district heating and an action plan for the players' joint objectives.
- Climate-neutral Construction and Infrastructure: Develop the entire chain for climate-neutral construction and infrastructure/civil engineering projects.
- Local Transition Opportunities: Explore how a sharing economy and reuse can become integral aspects in different housing areas and citizens' everyday lives.



This applies both to infrastructure and other physical preconditions, as well as the awareness, norms and choices of individuals and groups.

- Citizen Assembly: Explore deliberative discussion and citizen participation as processes for driving changes in behaviours and attitudes, as well as decision-making, towards sustainable resource allocation. A citizen assembly will be held for this purpose, focusing on matters such as the sharing economy and resource allocation linked to the living environment.
- Climate-smart and Sustainable Mobility: Develop a joint idea of the transport system's sustainability challenges, and begin the implementation of actions over which participants have authority and which genuinely make a difference.
- A Connected Örebro: This is about promoting a development towards climateneutral and sustainable municipalities, supported by digital development. The work package supports the other packages by opening up the opportunity to create new pilot projects in the field of digital innovation.

Örebro Municipality intends to produce a new Climate Strategy during 2022–2023, and wants to involve players in Climate Neutral Örebro as an external reference group during the process. In this way they will help to shape the content and be able to influence how the Climate Strategy can best be formulated to help lay the foundation for and inspire the acceleration of the climate transition among other stakeholders in the geographic area. Örebro Municipality also intends, alongside the stakeholders in Climate Neutral Örebro, to develop working methods for cooperation, and execute concrete measures, that will contribute to a higher rate of transition in identified work packages.

## 3.3. Organization and management

The Municipal Executive Board has political responsibility for the climate issue in Örebro Municipality, and is responsible for ensuring that decisions are put into practice, followed up and evaluated. Örebro Municipality's budget and governance model shall strive towards the goals in the Sustainable Development Programme, and the same applies to the business plans of municipal enterprises. This means that all committees/administration and enterprises shall incorporate the issue of climate into decisions, operational planning and follow-up. Certain committees and enterprises have a defined responsibility for specific climate goals/focus areas, through decisions in different governing documents, but they all have a responsibility to do what they can based on their field of operation. Central functions within the municipal group contribute coordination, development, support and follow-up of climate efforts.

Various clusters and networks, both internally within the municipal group and also in the Municipality generally, exist for the express purpose of driving transition. A process is currently under way to revise Örebro Municipality's Climate Strategy, and within the framework of that process one of the ambitions is to develop new



working methods and forms of collaboration to help speed up the pace of climate transition. One suggestion is to look into the possibility of forming an internal Climate Steering Committee. This committee would, for example, help out with prioritization and goal conflicts, but would also be a party in monitoring developments in climate-related areas.

Climate Neutral Örebro is an aspect of collaboration in the geographic area, and comprises a consortium of the following stakeholders:

- Örebro Municipality
- Futurum Fastigheter (property management company)
- Örebroporten (property management company)
- ÖrebroBostäder (municipal housing company)
- Örebro University
- E.ON
- Örebro Föreningsråd (club/association council)

The steering committee for Climate Neutral Örebro comprises representatives from each player, and is responsible for ensuring that the efforts achieve the goals and ambitions behind the collaboration. The Project Council is the forum where the consortium comes together to jointly develop new forms of collaboration and working methods, exchange experiences and find synergies in order to evolve efforts towards climate neutrality.

Örebro Municipality intends, within the framework of revising its Climate Strategy, to develop and establish a more clearly defined internal organization to drive transition efforts. The ambition is that the internal organization will have a clear link to the external arena, and be designed in such a way that enables the further development of collaboration and co-creation in a geographic context.

#### 3.4. Collaboration with business, academia and citizens

A strong partnership between all players in society is pivotal in achieving the goal of climate neutrality and the goals in Örebro Municipality's Sustainable Development Programme. No one party has sole authority over the societal transition we are facing; we must all come together to jointly drive the transition – public and private sector, the academic sphere, civil society and individual citizens.

A strong business community working together with the public sector, civil society and academia lays the foundation for ongoing economic development, innovation, jobs and meaningful occupation, as well as for capital for investments. At the same time, innovative businesses that contribute to the transition and a circular, biobased



economy help to establish solid competitiveness. A private sector with sustainable operating and business models is pivotal in achieving Örebro Municipality's goals in sustainable consumption and production. Commercial development and growth must take place within ecosystem boundaries, and must also go hand in hand with altered and more sustainable consumption patterns among consumers.

Civil society, popular movements and employers have an important, indeed key, role to play in disseminating knowledge, generating engagement and making meeting-places available for experiences, education and lifelong learning, with the aim of contributing to more sustainable societal development. There are forces in civil society which clearly advocate human rights, the life-sustaining capacity of the planet and innovative economic models that assure this development.

Örebro Municipality works with many players in the private sector, academia and civil society through different forums, networks and platforms, all of which aim to bring about a sustainable and climate-smart municipality. Some focus on specific issues and areas, while others are more general. Climate Neutral Örebro is part of this network, and also of some of the shared efforts and initiatives that will jointly drive climate transition. One important forum is the region's Energy and Climate Council.

It is also worth stressing that several important and powerful means of control are not available at the local level; changes are needed at the national (and EU) level in order to jointly achieve sustainable development locally. Örebro Municipality, like other players, therefore also strives to influence national politics through referral responses, active participation in national networks and so on. This work ideally takes place alongside other municipalities and organizations, partly through participation in the Klimatkommunerna network and the Viable Cities Climate Neutral Cities 2030 programme. Through the Climate Leader Programme, which is coordinated by Fossil Free Sweden, Örebro Municipality has also been part of a cooperation with five other municipalities to hone public procurement by developing working methods and models that will help to accelerate climate transition.

In order to further ramp up the rate of climate transition, Örebro Municipality intends to evolve forms and working methods for collaboration with citizens, business, academia and civil society within the framework of Climate Neutral Örebro.

#### 3.5. Climate Investment Plan

According to Örebro Municipality's Sustainable Development Programme, the municipal group's investments shall create value economically, ecologically and socially by 2030, so that the generations that benefit from them do not diminish the economic, ecological or social scope for future generations.



For several years, financial operations within Örebro Municipality have worked with sustainable investment of assets, as well as issuing green bonds to fund climatesmart and sustainable investments within the municipal group. But to achieve climate neutrality, knowledge of climate investments as a tool for making climate transition a reality needs to increase, and the process needs to evolve. Efforts need to be developed both internally within Örebro municipal group, and alongside other players in society, so as to establish an overall idea of what investments are needed to achieve transition to a climate-neutral municipality.

Investment costs for the investments and actions necessary to reduce climate emissions need to be identified, while the costs and benefits to society need to be clearly visualized. This will clarify which actions have the greatest benefit to the climate and society per krona spent, and which investments contribute to achievement of the goals in the Sustainable Development Programme.

During 2022–2023, Örebro Municipality intends to develop efforts to establish an overall idea of what investments are needed to become a climate-neutral municipality.

#### 3.6. Digital support for implementation

Digitalization and digital tools are enablers for a transition to a climate-neutral and sustainable municipality. Through a network called *Ett sammankopplat Örebro/A Connected Örebro*, the Municipality has built up capacity that makes the project's digital ambitions realistic for scaling up into a quadruple helix collaboration. The network is run by Örebro Municipality alongside Örebro University, and includes the following players: ÖrebroBostäder, Örebroporten, Futurum, Länsgården, Akademiska Hus, Kumbro, and Alfred Nobel Science Park. The aim of the network is to build capacity to enable a data-driven transition, supported by AI, in the field of spatial planning. Simply connecting smart technology is not enough: we must be interconnected and work across organizational boundaries to solve the problems that arise at the systems level.

For many years, Örebro Municipality's municipal real estate companies have been working systematically to reduce energy consumption in their properties. ÖrebroBostäder is a leading player in this work, both in Örebro and across Sweden. ÖrebroBostäder has developed, tested and implemented a raft of innovative energy solutions in homes and neighbourhoods, and this will now be scaled up in the new city district of Tamarinden. In Tamarinden, system solutions for energy will be scaled up to a whole new level than before, and the ambition is for the district to become one of Sweden's fist climate-smart housing areas. E.ON is one of the partners in Tamarinden, and is also an important party in the ongoing collaboration with the Municipality's real estate companies to reduce heating power output when need is at its peak in the city. To scale up the concept in Tamarinden, an Innovation Community has been formed within the municipal group. The ambition within the Innovation



Community is to jointly develop smart governance and coordination to aggregate/optimize production, storage and sharing of energy, the aim being to move the system boundary from the individual property to the entire city.

Al Impact Lab is a collaboration platform that bolsters the region's development in artificial intelligence, by acting as a meeting-place where the private and public sector have access to the latest developments in Al. The platform is based on a collaboration between Örebro University and Region Örebro County, and is the private and public sector's portal to Al expertise at Örebro University. Al Impact Lab aims to bring together the academic, private and public sectors in an innovation system to jointly accelerate the development of Al in the region. This takes place within the framework of ORU Innovation Arena, a physical meeting-place at Örebro University. Al has huge potential and can help to tackle the climate challenge and accelerate climate transition, in everything from basic climate research to initiatives that contribute to innovation and lower emissions. With Al Impact Lab and ORU Innovation Arena, there is great potential to accelerate responsible climate innovation using Al.

Green AI is an example of a development project in which Örebro Municipality is working with AI researchers to build a greener, more sustainable city. The concept of Green Space Factor (GSF) is today being used as a tool in urban planning, to make sure that green spaces are close by in a city. In the project, Örebro Municipality wants to develop this process with the support of AI. The aim is to develop an innovative and automated tool that conveys knowledge of the green structure in the municipality, with a focus on the GSF. The results of the project could have a positive impact on people, wildlife and the climate, and the ambition is to be able to disseminate the solution to be used also outside of Örebro Municipality.

Another initiative is an ongoing project with Spacescape, where the aim is to further develop the climate calculation tool to work out the climate impact of detailed plans. Land use, construction & civil engineering, and transport are areas included in the calculation, and Örebro Municipality is a pilot municipality alongside Nacka and Uppsala.

The use of digital tools and digital support is also an enabler with huge potential in the Municipality when it comes to monitoring and visualizing climate data. Clear visualization of climate data can generate participation and engagement in transition efforts, while efficiency and quality assurance in monitoring can be enhanced. Qualitative data can serve to support dialogue and citizen engagement, and can help ensure that climate-smart decisions are made that develop the Municipality towards climate neutrality.

Örebro Municipality intends to continue developing its capabilities and efforts in digitalization and digital tools, in order to establish a structure for data collection, reducing climate emissions and visualizing the transition. Ongoing efforts and



collaborations will be evolved, while the Municipality will strive to initiate new collaborations in order to learn and develop together with others. Open data and common standards are important components in efforts to enable digital collaboration.

#### 3.7. Innovation hub for climate-neutral municipalities

Örebro already has established innovation hubs at e.g. Örebro Municipality, ÖrebroBostäder, Örebro University and within Region Örebro County, and these will be used to develop and scale up innovations for sustainable societal development.

At Örebro Municipality's Municipal Board Administration, there is an Innovation Team providing cohesive strategic and operational support for innovative development within the Municipality. The team comprises qualified innovation leaders, one of whom is certified through RISE Research Institutes of Sweden. The team offers training courses for management and working groups, support for innovative cross-border collaboration (internal and external) and other kinds of coaching, for example. In order to boost expertise and stimulate cooperation, there is an internal Network for Innovation Support led by the Innovation Team. Two representatives per administration are invited to take part. In addition to this collective support, the Municipality also manages various efforts for more innovative development, for instance linked to test beds.

At ORU Innovation Arena, the aim is to boost sustainable development by addressing relevant societal challenges and showing how academia and society can tackle them together. The arena brings together university-related stakeholders in innovation and collaboration, along with partners, to run the process.

There is an innovation system in Region Örebro, a network of players with a shared ambition to strengthen innovation in the region. Different areas of expertise and different tools lay the foundation to enhance competitiveness, from a public, private and social perspective. Inkubera is one of the players in the network, a company and growth incubator financed by public funds which supports innovative enterprises. Innovation and technological progress contribute to the conditions for sustainable societal development, and sustainability is a pivotal aspect of Inkubera's operation and a key factor when selecting companies for the incubator.

Örebro Municipality intends to continue developing its capabilities and its efforts in innovative development, as an enabler in climate transition – partly internally within its own organization, and also alongside other players through the networks, projects and platforms where the Municipality operates, locally and regionally, and also nationally and internationally.

## 3.8. Climate adaptation

Since 2020, Örebro Municipality has had a Climate Adaptation Plan in which the highest priority areas are flooding/torrential rain and extreme heat. The actions outlined



in the plan are primarily of an exploratory nature, as our greatest need at present is to acquire more precise knowledge of the consequences and how they can be dealt with. During 2022, for example, we have been quality assuring and supplementing the results of the flooding models used to ascertain relevant physical measures. This process will continue in 2023. A heat mapping of the Örebro urban area was conducted in 2021, and will be supplemented in 2023 with more in-depth analysis of temperatures in municipal premises and how we can prevent them becoming too high in cost-effective, energy-efficient ways.

During 2023, Örebro Municipality intends to continue the process of quality assurance and supplementation of the results from the flooding models used to ascertain relevant physical measure, and to supplement the heat mapping conducted in 2021 with more in-depth analysis.

## 3.9. Climate-smart mobility

The Municipality's efforts in climate-smart mobility focus on two principal areas. The first is about reducing the need for physical transportation. This includes assuring proximity to destinations, focusing on existing centres and not thinning out the city, and providing a good digital infrastructure. This development is well supported in the Municipality's Comprehensive Plan. The other principal area is about creating incentives to choose walking, cycling, public transport and other sharing services above the car when we need to go somewhere. The approach is to use a combination of carrots and whips, with the overall aim of making it easy to make the right choice.

Spring 2021 saw the start of a parliament-backed process to draft a new Transport Strategy, which should be finished in 2023. In the meantime, a raft of activities are under way based on the current Transport Programme, such as:

- Extension of a Bus Rapid Transit (BRT) route through the city, and redirection of the bus service network to make public transport faster and more attractive.
- Continued extension of main cycle routes and missing links in the cycling infrastructure.
- Continued review and adjustment of parking charges, so that it makes financial sense to leave the car at home; this could also encourage an increase in travel by public transport when commuting into Örebro from around the region.
- Low number of parking spaces in new developments, to enable an evolution that is dense yet green.
- Development of attractive change points, in order to maintain good accessibility to the city for people living in rural areas.



- Campaigns and trial offers for more sustainable travel, e.g. short-term offers of free bicycle servicing, electric bike trials, winter cycling and travelling by public transport (the latter in association with the region).
- The municipal groups' fleet of vehicles will be developed in accordance with vehicle guidelines adopted in 2022, whereby electricity and biogas are prioritized in order to achieve climate neutrality by 2030. The same applies to procured contracts that are transport intensive.

During 2023 and in dialogue with other stakeholders, Örebro Municipality intends to complete work on a new Transport Strategy, while continuing its programme of action based on already adopted governing documents.

#### 3.10. Reporting and follow-up

The new Climate Strategy, along with a new follow-up model, will form the basis for collecting data and reporting indicators to monitor how climate efforts develop in Örebro Municipality. Work on the new Climate Strategy and follow-up model is underway at the time of writing, so it is not yet certain what the delimitations will be. The focus will be on the municipal group, but indicators for development in the geographic area will likely also be monitored within the framework of the strategy. Furthermore, internal climate efforts will be followed up as part of the Municipality's normal follow-up process in status reports, interim reports and annual reports. Each work package within Climate Neutral Örebro will also be followed up through regular status checks and reporting to the steering committee for the initiative.

## 4. Viable Cities' commitments

The innovation programme Viable Cities is implemented in a broad collaboration in order to contribute to the transition to climate-neutral cities by 2030 as part of Sweden's commitment to meet the Sustainable Development Goals (SDGs) of the 2030 Agenda and the aims of the Paris Agreement. This includes being international role models for climate transition in cities.

Viable Cities works with a wide range of stakeholders across disciplinary boundaries, industries and societal sectors. The programme connects centres of research excellence with large, small and medium-sized enterprises in a range of industries, as well as with public sector and civil society organizations.

Within the framework of Viable Cities' strategic innovation role, the programme shall strive to achieve the following:



#### 4.1. Better regulation

Viable Cities intends to create competence support with policy labs to provide the municipality with a better overview of current and proposed Swedish and European legislation, regulation and standards of relevance to the cities' climate transition. This includes process support for changing regulations and standards to facilitate the climate transition in practice. In the initial phase, this will be linked to work to develop system demonstrators (see Section 6).

#### 4.2. Innovation

In order to make it easier for the municipality to implement innovations that can accelerate the pace of climate transition, Viable Cities will provide a competence network and process support, including by engaging other strategic innovation programmes in the ongoing development of Climate City Contract 2030, particularly in the areas of mobility, energy, built environment, the circular economy, health and digitalization. Based on the collaboration agreement on climate-smart mobility signed with the strategic innovation programme Drive Sweden, this area of collaboration will be further developed with both cities and government agencies, not least the Swedish Transport Administration.

## 4.3. Coordinated funding

Viable Cities will work in the following ways to support the municipality's funding needs for the climate transition and to promote collaboration and synergies between government agencies and other stakeholders that fund climate transition and sustainable urban development.

- Viable Cities shall continue to work with Climate City Contract 2030 with the 23 cities and five government agencies involved in the programme.
- Through the Council for Sustainable Cities, Viable Cities has launched a collaboration to create synergies between urban climate transition grants from government agencies and Climate City Contract 2030. The agencies are currently working to coordinate the various initiatives under way in the field of sustainable urban development, see Section 5.3 Coordinated funding.
- Viable Cities collaborates with Kommuninvest and the European Investment Bank (EIB) among others in order to develop forms for strengthening the long-term funding of municipal climate investment plans.

Viable Cities continues to develop forms for climate investment plans for cities, the aim being to support all cities in their efforts towards climate neutrality by 2030.



#### 4.4. Cooperation with the EU Cities Mission

Viable Cities cooperates closely with the support structures built up around the EU's Cities Mission – including the NetZeroCities platform (an EU mission platform), CapaCITIES (a network of national nodes), and the Driving Urban Transitions (DUT) Partnership programme.

## 5. Commitments by the government agencies

The government agencies commit to collaborating within the strategic innovation programme Viable Cities. The agencies thereby contribute to the purpose of the mission-led work to transition to climate-neutral cities by 2030 with a good life for all within planetary boundaries.

Climate City Contract 2030 means that new working methods need to be developed, both between different actors and organizations, and between different levels of governance.

During 2023, the agencies will continue to develop work in the interagency innovation team. Continued dialogue with cities and regions is important in order to capture needs and contribute to systems transition. This work entails active participation in the Transition Lab Forum facilitated by Viable Cities, in which joint workshops, reflective discussions and teaching seminars are important aspects. New working methods may also entail that government agencies initiate experiments and pilot projects.

The agencies undertake to continue joint efforts to support the municipalities' climate transition in the following areas in 2023:

## 5.1. A learning approach in policy development

The government agencies work together to create the conditions for proactive dialogue and learning regarding policy development, and existing and proposed regulations on sustainable urban development and climate transition.

During 2023, the agencies will explore and test forms, such as policy labs, for identifying obstacles and challenges in policy and regulations for sustainable urban development and climate transition.

The agencies will continue to contribute to activities that promote the development of climate investment plans, digitalization and data sharing, system demonstrators and collaboration processes that relate to multi-level governance.



During Sweden's EU Presidency in the first half of 2023, the government agencies will be involved in several of the 150 or so EU meetings to be held in Sweden. The meetings are forums for learning and policy development, and cities and regions are important participants. Planned discussions include the EU's urban agenda on sustainable urban development and a conference on Green Cities.

## 5.2. Funding for research, innovation and development

The government agencies fund initiatives for research, innovation, development and systems innovation that support accelerated climate transition.

The agencies' funding focuses on different types of research, innovation, application and demonstration, and to some extent investment support. Funding is provided through open calls and other forms, such as client networks, needs-owner networks and innovation procurement.

As part of the transition process, the agencies<sup>2</sup> and Viable Cities have launched an initiative on urban system demonstrators. During autumn 2022, an initial 'design phase' was carried out as part of the initiative. A follow-up call will be made in 2023. The purpose of the effort is to create a form of initiative that takes a clearer systems perspective to the transition process.

#### 5.3. Coordinated funding

To create better foresight and centralized information, the government agencies continuously develop coordination of the various efforts under way in the field of sustainable urban development and climate transition. Development takes place within the framework of several of the agencies' existing tasks and assignments, such as the Council for Sustainable Cities, strategic innovation programmes, the national research programmes for climate and sustainable community building, as well as the European Regional Development Fund.

During 2022, the agencies have begun initial tests with some of the cities, in order to develop, in dialogue, a method for portfolio analysis of the agencies' collective funding for cities. The innovation work is planned to continue in 2023. The long-term goal is for the work to contribute to work on cities' climate investment plans.

Hallbarstad.se is the Council for Sustainable Cities central website. Development work on the website will continue in 2023, partly to publicize upcoming funding opportunities, and partly to make it clearer and more user-friendly.

<sup>2</sup> Vinnova



#### 5.4. Participation in European initiatives for sustainable cities

The government agencies are involved in and work with several different European initiatives to support the development of sustainable cities and communities.

Work to support Swedish participation in the Horizon Europe 2021–2027 research programme includes contributing to the design of calls and activities, and informing and advising actors planning to take part in applications for different European efforts. The government agencies also collaborate in the execution of the EU's Regional Development Fund 2021–2027 with efforts for sustainable urban development.

The agencies will continue to collaborate in the Driving Urban Transitions to a Sustainable Future Partnership³, where there will be calls and other activities in the field of sustainable urban development in the years to come, as well as the European Commission's New European Bauhaus⁴ initiative, the European Urban Initiative (EUI)⁵ and URBACT⁶.

The agencies will also contribute to develop support functions for the cities selected to participate in the Cities Mission. One example is the CapaCITIES<sup>7</sup> programme. Through CapaCITIES, national change processes are initiated and strengthened to establish national networks and governance structures.

## 6. Strategic development projects 2023

The following strategic development projects will be conducted during 2023 within the framework of Viable Cities Transition Lab in collaboration with other municipalities, with the aim of further developing the content of the Climate City Contract 2030 during its upcoming revision.

## 6.1. System demonstrations

In collaboration with the involved government agencies, Viable Cities is developing a new form of initiative to drive systems innovation for transformation in line with the Cities Mission. A system demonstrator will be conducted to demonstrate the

<sup>&</sup>lt;sup>3</sup> The Swedish Energy Agency, Formas and Vinnova

<sup>&</sup>lt;sup>4</sup> New European Bauhaus highlights the significance of aesthetic, social and cultural values in the green transition.

<sup>&</sup>lt;sup>5</sup> The European Urban Initiative is a hub for sustainable urban development on an EU level. The EUI will offer funding for cities to improve and increase their capacity in designing strategies, policies and projects for sustainable urban development (urban-initiative.eu).

<sup>&</sup>lt;sup>6</sup> URBACT is a European collaboration programme for exchange and learning in sustainable urban development, Swedish Agency for Economic and Regional Growth,

 $<sup>^{\</sup>scriptscriptstyle 7}$  the Swedish Energy Agency and Viable Cities are taking part.



transition of entire social systems in a real-life environment. An important part of this kind of approach is a portfolio of efforts where new solutions, models, initiatives and experiments are linked to a greater whole. Many actors from different sectors are being mobilized in order to learn how to scale up The system demonstrators start from central areas in the Climate City Contract 2030 and are intended to contribute to revisions of the contract based on insights arising from the work.

During 2022, Vinnova and Viable Cities have jointly begun a design phase to explore how system demonstrators can be a powerful tool in the transition to climate-neutral cities. In collaboration with a number of cities, six consortiums began the design phase in autumn 2022. A call is planned during 2023 for the establishment phase, with the ambition of enabling a number of system demonstrators in Sweden. In tandem, four system demonstrators are being planned Bogotá (Colombia), Bristol (UK), Curitiba (Brazil) and Makindye Ssabgabo (Uganda) within the Climate Smart Cities Challenge alongside UN-Habitat. The aim is to strengthen the exchange of experiences between system demonstrators both nationally and internationally in 2023.

## 6.2. Competitiveness and funding

One of the foundations of mission-oriented innovation is that the state and public organizations at different levels of society play an active role in co-creating and redesigning markets in collaboration with business and other players in society, such as academia and civil society. Concerted mobilization for the transition to climate neutrality can lay the foundation for companies in Sweden to develop new business strategies that enhance competitiveness by driving a transition to a sustainable, climate-neutral society. This is crucial to Sweden's ambition of being the world's first fossil-free welfare nation, and to our climate policy framework. During 2023, Viable Cities will further strengthen its collaboration with business in order to muster forces for transition. This will take place on several levels, particularly through collaboration in initiatives such as Fossil Free Sweden and The Green Transition Leap. In addition, there will be development to strengthen the local mobilization of companies in the Climate City Contract 2030.

A central aspect of the Climate City Contract 2030 is to create a Climate Investment Plan with a broad perspective on what investments need to be made to achieve climate transition in a city by 2030 (with broad referring to a wide range of stakeholders such as citizens, civil society, companies, academia and public organizations). The municipality is believed to have control over about 15% of the required investments on average. One crucial task is to bring together the right actors from business (including the financial sector), public bodies and civil society to bring about the necessary investment and redirect financial flows to transition to climate neutrality, while also securing auxiliary benefits from the climate transition such as jobs, improved health, inclusivity and attractive living environments. Procurement is also a pivotal



issue here. Viable Cities' work will continue in 2023 in order to secure the mobilization of investments and develop methods for climate investment plans.

#### 6.3. Citizen engagement

Various societal challenges currently exist, adding further crises to the climate crisis. For example the pandemic, the war in Ukraine, crises relating to energy, food, raw materials and critical minerals, biodiversity and demographics. This also presents a demographic challenge where a growing percentage of the population feels excluded.

This increases the need for efforts aiming at inclusivity, and at putting citizens front and centre for the transition to climate neutrality and a sustainable society, for instance through new forms for citizen involvement (e.g. citizens' councils) and the development of attractive living environments (e.g. New European Bauhaus). During 2023, Viable Cities will further develop collaboration with cities, government agencies and other actors in order to create conditions for citizen engagement in the climate transition. This will be done primarily by developing new forms for citizen involvement in local climate city contracts and collaboration with European efforts in the area.

#### 6.4. International Cities Mission 2030

In October 2021, the EU launched five missions as a new and innovative approach to working together to improve the lives of people in Europe and beyond. The five missions are intended to tackle major societal challenges such as health, climate and the environment and to formulate ambitious goals and deliver solutions by 2030. One of these missions is 100 Climate-Neutral and Smart Cities by 2030 – by and for the citizens (known as the Cities Mission), an important element of the delivery of the European Green Deal and a climate-neutral continent by 2050. This will considerably strengthen Swedish efforts to achieve climate-neutral cities by 2030 and to utilize the Climate City Contract 2030 as a tool to do so.

During 2023, work will be done to further strengthen links between Swedish and joint European efforts to achieve climate-neutral cities by 2030. This will take place within a range of initiatives involving cities, government agencies and the Viable Cities programme; for example, NetZeroCities (a platform for the implementation of the Cities Mission which will be developing e.g. an EU Climate City Contract and climate investment plans), the Driving Urban Transition Partnership, CapaCITIES, New European Bauhaus and others. Launched by the European Commission in January 2021, the New European Bauhaus initiative connects the European Green Deal to our built environment. In its implementation plan for the Cities Mission, the European Commission mentions that the EU's Climate City Contract should enable participating cities to integrate and strengthen the values and principles in the New European Bauhaus initiative in its plans for climate neutrality. The Swedish National Board of Housing,



Building and Planning (through the Council for Sustainable Cities) has been tasked by the government with coordinating Swedish work on New European Bauhaus.

Work on achieving climate-neutral cities by 2030 will continue to be developed globally. This will primarily be based on several already ongoing projects, e.g. linked to Sweden's EU Presidency in the first half of 2023, and the continuation of the Climate Smart Cities Challenge in the four cities outside of the EU in association with UN-Habitat.

## 7. Joint monitoring, evaluation and updating

Viable Cities and the municipality agree to conduct an annual review of the municipality's results within the framework of Climate City Contract 2030. Viable Cities shall prepare documentation for annual follow-up at municipal and national levels

#### 7.1. Most important updates for the municipality

Since Örebro Municipality signed the declaration of intent in December 2021, new Vehicle Guidelines for the municipal group have been adopted. One of the aims of the Vehicle Guidelines is to manage what type of vehicles Örebro municipal group acquires for its own operations, and what demands should be placed on vehicles used in major contracts and service provision. An inquiry into charging infrastructure has also been conducted, which has resulted in an analysis of the need for charging stations, both public and for the Municipality.

Alongside Örebro University and Örebro Föreningsråd, a process is under way to explore how sharing economy and reuse can become integral aspects in different residential areas and citizens' everyday lives. This applies both to infrastructure and other physical conditions, as well as the awareness, norms and choices of individuals and groups. People's and associations' attitudes towards different solutions for more efficient use of resources in housing/premises, travel and gadgets will be tested using the methods of focus groups and citizen assembly. The focus groups are planned for 2023 and the citizen assembly for 2024. A decision has also been made to begin reusing construction materials during 2023.

To reduce climate impact from district heating, the local energy company, Örebro Municipality and the municipal real estate companies are working together to increase understanding for local conditions, and achieve consensus around the objectives and joint measures for achieving climate-neutral district heating. These efforts will be developed during 2023.



Five construction stakeholders are jointly building the new housing area Tamarinden in Örebro, and ground was broken in autumn 2022. Tamarinden will be a smart, sustainable city district characterized by fresh thinking and innovation. More information about Tamarinden can be found under 7.2 below.

#### 7.2. Most urgent experiences to share for the municipality

Construction of Örebro's new housing area, Tamarinden, is currently under way. Tamarinden will be a smart, sustainable city district characterized by fresh thinking and innovation. The area is being designed with the aim of being a vibrant urban living space, where people can come together and green spaces interact with buildings, movement and activity. Lush courtyards free of vehicles create added value for residents, and the range of sustainable mobility solutions will make cycling the preferred choice of transport. Tamarinden will also be an energy-smart district where the goal is to enable the area to reduce, produce, share and store energy in two local energy systems, one for electricity and one for heating. The aim of this is to contribute more locally produced, renewable energy, reduce output peaks on the main grid, increase flexibility and save huge amounts of energy. The energy system in Tamarinden should be seen as a model for how to accelerate the energy transition in new construction projects by being smart, together. Pilot studies show that the energy solutions in Tamarinden could save 30% energy and cut the output requirement by 50%. An important aspect of the climate transition in Örebro is to scale up the concept of Tamarinden and the opportunities that accompany such an approach. The aim is to move the system boundary from the individual property to the housing area, and onward to the entire city.

## 7.3. Most important updates regarding Viable Cities

During 2022, far-reaching efforts have been made to lay a good foundation for all 23 signatory cities to deepen their work on the Cities Mission, as 14 cities were added in October 2021. The platform for faster learning has been evolved through the Viable Cities Transition Lab Forum, City Labs, Climate Breakfasts and a range of other formats for meetings between cities, government agencies and other actors. The collaboration with the signatory government agencies has been enhanced so as to further hone the Climate City Contract 2030 process. Viable Cities has also provided documentation for the government's task relating to local and regional climate transition, which is one of the foundations for the government's upcoming climate policy action plan.

During the year, efforts to develop practical, research-based tools and methods for climate investment plans have intensified. An initial prototype of a calculation tool has been available to all 23 signatory cities since October. Development of the system demonstrator concept also continued during the year, and in the autumn



a design phase for a brand new effort was launched in a partnership between Vinnova and Viable Cities, which involves several cities.

During 2022, Viable Cities has had responsibility for a government assignment, Thriving North (support for innovation work for sustainable urban and community development in Norrbotten and Västerbotten). An initial prototype of a regional climate contract has been developed with a working group of representatives from the regions and county administrative boards in Västerbotten and Norrbotten. Moreover, a platform for regional societal transition has been initiated in northern Sweden. The platform is called Thriving North, and is now being carried forward by several players in Sweden's four northern regions.

The EU's work on the Cities Mission has been intensified during the year. September 2021 saw the launch of the Cities Mission, one of five EU missions. Cities across Europe were invited to register their interest in becoming forerunners in the transition to climate neutrality. As many as 377 cities applied. In June 2022, 112 cities were chosen to be pioneers in the climate transition, 100 in the EU and 12 in associated nations. These 112 include seven of the Swedish cities that are among the 23 signatories of the Climate City Contract 2030.

Over the past year, the European platform NetZeroCities has begun efforts to support implementation of the Cities Mission within the EU, primarily to facilitate the transition in the 112 cities. Viable Cities is also involved in this work. NetZeroCities is currently designing a Climate City Contract for cities throughout the EU as a tool for accelerated climate transition. Climate investments are an important aspect of this.

Two new complementary initiatives were begun during 2022 to support the Cities Mission in the EU. The first is the Driving Urban Transitions Partnership, in which Viable Cities is taking part together with Swedish organizations Vinnova, the Swedish Energy Agency and Formas. The partnership is a collaboration between national bodies from a large number of nations. The focus is on funding international efforts in three sectors that can help accelerate the climate transition: Positive Energy Districts, Circular Urban Economies and 15-minute City. The other is the CapaCITIES initiative. This EU collaboration aims to facilitate the establishment of national structures to enable climate transition in cities similar to Viable Cities in Sweden and CitiES2030 in Spain.

The Climate Smart Cities Challenge, a global innovation competition, has entered a new phase during the year, and teams of companies and organizations are now working in the four cities outside the EU in association with UN-Habitat.



#### 7.4. Most important updates regarding government agencies

#### Work in the interagency innovation team

During 2022, the government agencies in the Climate City Contract have continued to develop work in their interagency innovation team. For instance, the team has compiled a summary of the government agencies' various forms of funding and financing instruments, and helped in ensuring that calls related to climate transition and sustainable cities are continually published on the hallbarstad.se website.

The innovation team has participated in Viable Cities Transition Labs, as well as workshops and meetings, in order to learn more about cities' climate investment plans and the agencies' role in the process. Alongside some of the cities, the innovation team has tested developing support and forms for analysing the government agencies' joint funding (including various research and innovation (R&I) programmes, city environment contracts) over the past five years. The aim in the longer term is that this work should contribute to commitments regarding coordinated funding and the cities' work on planning climate investments.

The government agencies' ongoing work includes many measures and initiatives that are of significance to the cities' work on climate transition. Compiling and providing information about these are important tasks for the government agencies. Below is a selection that relate to the cities in some way.

#### Funding for research, innovation and development

During the year, the government agencies have announced several calls aiming to facilitate the transition in cities.

Vinnova has worked with Viable Cities to publish a call for a design phase for urban system demonstrators, for instance. A follow-up call will be published in spring 2023. Other examples from Vinnova include Sustainable accessibility across Sweden, on mobility in sparsely populated areas, in association with Drive Sweden and Viable Cities, Civil society's solutions for climate transition, and Innovations to reduce electricity consumption in cooperation with the Swedish Energy Agency.

The Swedish Agency for Economic and Regional Growth has had calls from the European Regional Development Fund: Produce a local strategy for sustainable urban development and Drive a platform for collaboration and experience exchange. The city as a hub for green and digital transition is an initiative within The Green Transition Leap which is also financed by the Regional Development Fund. The initiative aims to develop practical new working methods for working with system innovation for local green transition.

Formas has published the call Climate-neutral and inclusive municipalities to increase the capacity and ability of municipalities to accelerate transition work towards



climate neutrality which is characterized by social inclusion and equal living conditions. Within the national research programme for sustainable community building, Formas has published a call for Research schools for sustainable community building. The aim of the research schools is to bolster skills and knowledge development, and they are all distinctly interdisciplinary, practically oriented and challenge driven. Several municipalities are included in the research schools. Formas also funds many R&I projects every year in the fields of environment, community building and areal industries in many national and international calls.

In the Swedish Transport Administration's calls for City Environment Contracts, municipalities and regions can apply for funding that leads to a higher proportion of passenger transit by public transport or cycling and sustainable freight solutions.

The Swedish Energy Agency has published calls in the following programmes that are relevant to sustainable cities and communities: Humans, Energy Systems and Society (MESAM), Energy efficiency in cultural heritage buildings, Design for Everyday Energy Efficiency, Transport-Efficient Society and E2B2 (energy-efficient building and living), Graduate School in Energy Systems, and Bio+ (biobased society).

For many years, the Energy Agency has funded client groups and networks to create a platform for close collaboration between business operators and the state, with the aim of reducing energy use in buildings. The Energy Agency also finances the municipal and energy/climate advice service intended for households and private players.

Impact Innovation is the name of the next-generation strategic innovation programme. A call for preparatory projects was opened during the year. One of the three focus areas is Attractive, functioning communities, with cities being a particularly important target group.

On an international level, Formas, the Swedish Energy Agency and Vinnova jointly publish calls for funds enabling bodies active in Sweden to take part in international R&I projects tackling urban challenges in the European Driving Urban Transition (DUT) Partnership. The first call includes 27 nations. On a general level, the partnership addresses issues relating to energy, mobility and use of resources in an urban context.

#### Government agency work and special government assignments

The Swedish Energy Agency has worked alongside the Swedish Agency for Growth Policy Analysis, Transport Analysis and the Uppsala County Administrative Board to draft supporting documentation for the government's next Climate Action Plan. The assignment regarding local and regional climate transition involved a great many dialogues with municipalities, regions, government agencies, research bodies, business and other relevant players, which form the basis for the barrier analysis, and the proposed means of control or suggested actions that were presented. Many assignments are under way at the Energy Agency related to the electrification strategy,



energy efficiency and secure energy supply, as well as the establishment of a national centre for carbon capture and storage (CCS).

The Climate City Contract agencies are also five of the 14 members on the government's Council for Sustainable Cities. In March 2022, the council was given an extended and modified remit, with more of a focus on working towards the 2030 Agenda's Sustainable Development Goal II, Sustainable Cities and Communities. Several of the agencies have been involved in the National Board of Housing, Building and Planning's coordination assignment as part of New European Bauhaus (NEB). One example is the call Ideas for future habitats in Kiruna, Gällivare, Boden, Luleå, Skellefteå and Umeå – idea sketches ready in the project *Visioner:* i norr – Hållbar Stad (hallbarstad.se).

The Swedish Transport Agency's knowledge forum – Arena for Transport-Efficient Urban Environment – is part of a government assignment (2019–2022) to carry out communication and knowledge-enhancing measures for the transport sector's transition to fossil freedom. An R&I programme for geofencing, financed by the Swedish Transport Administration and run by Closer at Lindholmen, brings together the necessary players in society, business and academia to jointly develop solutions to promote the use of geofencing in controlling the transport system.

Some of the projects related to the development of systems innovation are Evolved working methods and processes for greater synergies between regional, national and international innovation efforts, Systems innovation in cities (Vinnova), Strengthening the regional work on sustainable development (various government agencies), Contributing to upcoming discussions on the EU's urban agenda (Formas), and Vinnova's initiative to support cities' ability to lead and organize innovation, for instance through the companion researcher network which for nearly ten years has been following the development of the Innovation Platforms for Sustainable Cities initiative, and the *Accelerera* project, which is developing and offering support for innovation management in municipalities to ISO standard.

#### New signatory agency

The Swedish Environmental Protection Agency decided to sign the Climate City Contract 2030 in December 2022, and will therefore participate in the process moving forward.

## 8. The contract

The parties agree that their joint commitments as formulated above shall apply for 2023. The first version of Climate City Contract 2030 was signed in 2020. The Climate City Contract shall be updated and renewed prior to each new year.





## Climate City Contract 2030

Between Örebro Municipality, the government agencies the Swedish Energy Agency, Vinnova, Formas, the Swedish Agency for Economic and Regional Growth, the Swedish Transport Administration, the Swedish Environmental Protection Agency and Viable Cities.

Stockholm, 8 December 2022. The parties agree that their joint commitments as formulated above shall apply for 2023. The first version of Climate City Contract 2030 was signed in 2020. The Climate City Contract shall be updated and renewed prior to each new year.

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## Appendix 1 – document links

Below are links to the most relevant documents in relation to Climate City Contract 2030 for Örebro Municipality

#### Links to relevant documents

Our Sustainable Örebro – Development Agenda for 2050 and Interim Goals for 2030 (in Swedish)

Our Future Örebro – Comprehensive Plan for Örebro Municipality (in Swedish)

An Örebro for the Future – The Municipal Management in Örebro's Overall Strategies and Budget for 2022 including a plan for 2023–2024 (in Swedish)

Örebro Municipality Climate Strategy (in Swedish)

Örebro Municipality Climate Adaptation Plan (in Swedish)

Transport Plan for Örebro Municipality (in Swedish)