

ERRIN INPUTS TO THE CITY MISSION INTERIM REPORT AND THE GREEN DEAL CALL 1.2 ON SOCIALLY INNOVATIVE CITIES

Established in 2001, ERRIN promotes the regional and local dimension in European research and innovation policies and programmes. The network gathers over 120 members who primarily collaborate through 13 Working Groups, covering both thematic areas and overarching policy issues. ERRIN supports project development and knowledge exchange between members to enhance regional and local research and innovation capacities, with the aim to foster sustainable and inclusive growth in all regions.

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The Climate Contract

New governance

ERRIN is a strong supporter of the principle of multi-level government cooperation as a prerequisite for success of such a complex societal challenge as climate change. We therefore support the proposal of developing an agreement among the public partners at local, regional, national or federal and EU levels. However, we do not think that a 'contract' is an appropriate terminology, considering that the agreement is rather a political commitment than a legally binding contract. We would, therefore, favour the use of words such as *City Climate Deal*, *City Climate Pact* or *City Climate Agreement*. Using one of these terms clarifies the difference between a subsidy contract such as the ones concluded for example through the Horizon 2020 programme, and a joint political commitment bringing different government levels together towards a single long-term objective. The commitment of the national governments is crucial and they could lead by example by assuming a coordinating role with the cities taking part in the mission within their country / member state.

The Mission Board interim report strongly focuses on the need for novel approaches to governance. There is broad agreement that the implementation of the innovations needed to achieve ambitious climate objectives will require local and regional governments to closely look at their decision making and implementing procedures and processes. Achieving the vision will require a broad support base within society and will require local and regional actors to ask themselves the question what they themselves can contribute to address the climate challenge at local/regional level. This means that citizens, NGO's, the knowledge partners and the private sector must consider this ambition as theirs and should be continuously engaged in a meaningful manner. This engagement should be clearly spelled out in the climate roadmap (governance roadmap) and form an important element of the climate city agreement.

This agreement is the tool that allows:

- multilevel governance and coordination among the levels of government
- horizontal governance and collaboration at the local level to bring together all the actors to work towards decarbonisation - with the citizen at the centre.

Clustering for Impact

To create the wide impact with the mission, single projects are insufficient. A critical mass of activity needs to be realised and thus ERRIN considers clustering as an essential element to achieve an impact that goes beyond the 100 cities to be selected. We propose not to use the terms 'front runner' and 'follower' cities as we consider that no single city today is leading or following on all aspects at the same time.

ERRIN considers structured collaboration as an essential element for achieving greater impact. Therefore, we suggest clustering the cities around the identified five key challenges based on their strengths, identified through an in-depth profiling, with a view to enhance the potential impact and the possibility to scale up solutions. The profiling should result in identifying areas where a city has strengths and has expertise (mentor), while other areas will surface where further learning, investment and/or research is needed (pupil).

Based on profiling and common challenges, the cities can be divided into ‘clusters’. Following this approach any city can be in more than one cluster, leading some and learning in others. Such profiling could be linked to the selection process of those 100 cities in order to ensure diversity in terms of cities/metropolitan areas taking part in the mission.

This collaboration should be an essential part of the Climate City Deal resulting in structured and strategic collaboration since the start supporting each other to achieve the mission objectives.

The Green Deal Call

ERRIN is pleased with the draft call towards Climate Neutral and Socially Innovative Cities in the context of the Green Deal Package. We consider that the call will offer an excellent opportunity for a successful ‘lift off’ for the Mission.

At the same time, we do not think that the approach taken of publishing calls for some 30 cities to engage in ‘large scale’ demonstrations, will achieve the critical mass that is the objective of the Mission. ERRIN strongly believes that the process for the climate city contracts or agreements should be developed and implemented before supporting specific demonstrations. We therefore suggest that an effort is made to align the Green Deal Call and the Mission processes much more, by focusing on achieving critical mass in cities/city consortia that work towards signing a Climate agreement, and make this the key deliverable of the Green Deal Call. Also, there should be a clear mechanism to ensure that the demonstrations are not developed and implemented as “one of pilots”. Our proposal for clustering cities based on the challenges and characteristics would help the scalability of such demonstrations.

Therefore, we believe that this call should aim to support a project that has an objective to deliver 100 climate city agreements. Looking at the climate city contract development process proposed by the Mission Interim Report, this would mean supporting the phases 1 and 2 of that process. The final event of this project could bring together 100+ mayors from across the EU with representatives from the Commission and Member States to sign their climate agreements.

We understand that cities/regions are not ‘expected’ as direct partners in the successful consortium. At the same time, it is essential that the Climate agreement is co-designed together with the cities. We propose that a group, including all contracting parties at all government levels, would be established to co-design the instrument.

HORIZON EUROPE and leveraging other funding and financing mechanisms

Bridging between excellence and relevance will be a challenge for the missions as Horizon Europe should support activities, which answer to the criterion of excellence. At the same time missions should be relevant to the daily lives of the European citizen. Therefore, priorities must be drawn to define which activities will be funded through the Horizon Europe and which ones through other European funding programmes and instruments.

Coordination and the support framework for the mission should be funded through Horizon Europe, including the framework for developing the climate city contracts or agreements, as well as the process for supporting and monitoring the mission. At the same time an important effort needs to be made to match and coordinate support from different EU level programmes and instruments, with local, regional and national funding.

Financing transition towards climate neutrality will require significant investments across Europe. Therefore, investing in climate solutions must start making sense for the investors. This means that work needs to be done on the return of investment, the risk and the payback time of such investments. This, in turn, means that investors need to be actively engaged in the co-creation processes of the Climate Agreements from the start, creating the new governance model.

Scaling up

The Mission, thus far, has a strong research focus, not least as the process is driven by the DG R&I. While research certainly continues to be necessary, *achieving the ambition with the set timeframe will, most of all, require significant investment in infrastructure and (existing) innovative solutions*. The key issue at hand is therefore scaling up of solutions that work.

ERRIN considers that one of the urgent issues to be addressed by this Mission is the scale up and marketing of solutions that have been developed and tested in the recent past. A joined up and well organised database of projects (not only FP projects, but encompassing, to start with, all EU funded projects and initiatives as well as the various Knowledge and Innovation Communities within the EIT) should be established to allow solutions to be matched with challenges identified.

Clustering

ERRIN suggests that clusters of cities are formed using as a starting point local SECAPs/Roadmaps and the challenges defined therein. The ensuing networking and joint activities within such clusters should be supported through the HORIZON Europe budget (CSA type of action). We consider that this clustering should be supported financially because the cities engaged would support others in their efforts to implement a solution/a combination of solutions or an adaptation of solutions, while, at the same time actively working towards greater impact in policy areas where it does not score well yet.

A clear link should be made between the cluster challenges and existing project experiences. Research should be directed at matching/adapting solutions to specific use cases; hence one enhances the impact of already invested project budgets and thus the impact of research and innovation. Furthermore, the roadmapping activity will allow identifying gaps in knowledge and this should guide future research and innovation efforts.

ERRIN considers, therefore, that a core pillar of the work should be hands on activities that aim to match challenges identified (in the context of the roadmap development) with already existing solutions. Only if such solutions do not exist, new research agendas are developed, and new research and demonstration projects can be implemented.

- Realising a broad and accessible overview of solutions. This means not only solutions that have been developed under the auspices of the different European Commission framework programmes, but also under other EU and national programmes.
- We acknowledge that cities/metropolitan areas/regions are different and unique, and that (research and analysis) work will be needed to make selected solutions 'fit'. We suggest that the Mission organises the necessary capacity, possibly via the Driving Urban Transitions Partnership, to do so.

ERRIN also considers that a close alignment between this Mission and core elements of the European Green Deal, such as the Sustainable Investment Fund, the Climate law and the Climate Pact are essential. Synergies and complementarities will need to be explored between existing initiatives (such as the Covenant of Mayors, KIC's) and the new related initiatives or programmes such as the Driving Urban Transitions Partnership or the European Climate Pact.

Mission support structure and the next steps

The Mission Board Interim Report is still very open about how the Mission will be financed through Horizon Europe. ERRIN considers that more clarity must be offered on the modalities for financing. Firstly, we are convinced that using the regular Horizon methodology of publishing, evaluating and managing European R&I projects is not conducive to a successful achievement of the Mission objectives. Through this Mission, Europe, its Member States and 100 or more cities are embarking on an unprecedented and uncertain long-term journey of innovation and co-creation. We believe that, apart from all the other innovations needed, we also need an innovative model for supporting and financing the mission. A key characteristic for that must be flexibility to offer enough room for such innovation and continuous input from the wide range of engaged actors.

The Green Deal Call 1.2. proposed a kind of a "super CSA", developing a one-stop-shop that would collect information and provide the necessary technical, regulatory, financial, and socio-economic expertise as well as assistance to the cities, including through open calls for funding. Here the European Commission could take a leading role and explore what would be the most suitable structure / a team (which is sufficiently flexible with an open governance) to provide such as support to the mission. We also welcome the appointment of mission managers to ensure the diversity yet alignment of the missions' project portfolio.

The mission interim report identifies the objectives and approach of the Mission. At this stage it is 'a concept' that should, as the next step, be operationalised. This step is likely to require further support beyond the Mission Board, programming committees and the European Commission. Therefore, other experts, practitioners and multipliers, such as the Mission Assembly members, could be further involved in this step of "HOW" and "WHAT" should be done more concretely. As regions and communities are at the centre of this mission, a group of local and regional practitioners could also be gathered to support this process.

ANNEX 1.

Generic European calls of the type such as Horizon, will not make sense for these highly complex and very individual trajectories. ERRIN suggests, therefore, to identify three phases, very much like the Mission Board already does, where phases 1 & 2 could be the subject of the Green Deal Call (See figure at bottom of this page):

Phase 1. Starts with the development and *publication of an open call for expression of interest* which will include a series of key elements such as political commitment; capacity; developed local consortium including citizens engagement, and so on., followed by a selection of between 100-120 cities and a period of co-creation of 6-8 months

Phase 2. Following the successful completion of the co-creation process engaging the different local, regional, national and EU actors, the second phase culminates in the *signing of the partnership agreement (CCD) between European Commission, Member State and local/regional consortium*. The CCD is based on the clearly outlined roadmap (based/building on EU SECAP), addressing the key challenges and enablers for the local consortium and including an action plan comprising of both an investment agenda and a research agenda. Furthermore, we suggest the organisation into cooperation clusters. These clusters will be based on key characteristics / challenges experienced that determine/impact upon the ability to achieve the Climate Neutral ambition

Phase 3 will then be the actual implementation of the agenda's. This phase would, in principle be a period of 9-10 years, but with regular cut off dates at which certain progress must be achieved.

