ENERGYCITIES

policy paper

MISSION INNOVATION CLIMATE-NEUTRAL AND SMART CITIES

Energy Cities briefing - September 2019

Energy Cities welcomes the new mission-oriented approach proposed for the forthcoming Horizon Europe programme. The principles highlighted in the Mazzucato report echo the views of cities, whom to a great extent will be the "delivery arms" of Europe's innovation.

More particularly, the report's recognition that missions should activate innovation "across sectors, across actors and across disciplines" is a paramount principle to uphold across the board.

Governance is so crucial in itself that it should also be one of the ***core focus*** of the Climate neutral and smart cities Mission-derived projects, rather than a mere concept guiding their design and implementation.

Cities will have to invent and design "next-generation" organisational and business models in order to fully unleash the potential of decentralised technologies. Breaking from entrenched dependencies and developing new partnership models around the whole circular economy value chain will also require the development of inventive solutions.

In light of this, governance-oriented projects that reinforce cities in-house climate and energy capacities cannot be all confined to the future LIFE programme, which is less beneficial for local authorities in terms of administrative and financing set-up.

Scaling-up innovative techniques, technologies and products through ingenuous organisational approaches and models is what will place Europe ahead of the innovation curve.

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Recommendation #1: Enable "governance engineering"

Most of the products, services, techniques and technological breakthroughs that should contribute to achieve climate neutrality in cities have already been successfully market-tested. If we take 4th generation district heating for example, or community-based car-sharing, both have been the subject of numerous pilot projects around Europe. However, cities still struggle to find the right model to enable their full uptake.

Cities are the nodes of the future energy system. A genuine "governance engineering" is thus needed when it comes to cities mounting complex agreements and partnerships with their local stakeholders, such as distribution operators, citizens and other economic operators.

In parallel, local governments should benefit from research and innovation support to adapt their entire economic and institutional functioning around the climate issue (see Case 2 below).

Recommendation #2: Regularly adapt Mission workplan & priorities to cities' evolving needs

Research and Innovation priorities cannot be set in stone for too long, otherwise running the risk of creating lock-ins.

The Mission Board should thus heavily rely on regular feedback loops from local authorities to ensure a flexible and modular workplan, responsive to the constantly evolving needs of cities.

This can be done for example via processes that involve the EU Covenant of Mayors for Climate & Energy, the most emblematic initiative tackling energy and climate actions in cities. The 8,000 European signatories are now represented by a board of Mayors from seven different EU countries, with a balanced representativeness in terms of region covered, energy mix, level of advancement, etc.

Recommendation #3: Help cities break free from systemic dependencies

Climate neutrality will not happen without addressing the structural reliance that cities have on fossil fuels (including natural gas), the prevalent use of cars (whatever their fuel) in city centres and the reliance on external resources (for energy and food consumption).

The projects financed within the missions must thus address these structural deficits in a holistic way. In the Netherlands for example, a lot of cities have pledged to create "gas-free districts". In Belgium, the city of Liège is reducing its energy and food import balance via the creation of local supply loops embarking all local stakeholders (see Case 1).

In numerous EU countries, cities are constantly experimenting with creating permanent car-free roads and axes. But they need support to move one-step further and imagine completely car-free urban centres.

Case 1: Liège Ceinture Aliment-Terre

The Liège "Ceinture Aliment Terre" (Food and Land Belt) is a project to mobilize the economic operators of the Liège region in favor of the development of a short, ecological and high-quality food supply chain. Launched in November 2013 by a coalition of citizens, economic and cultural actors from the Liège region, the Ceinture laid the foundations for a reflection and an action plan on the local share of food consumed in the Province of Liège, which is growing significantly. Its very long-term goal (25 years) is to bring the share of local and healthy products to 50% of the local consumption basket. This governance model embarking all the stakeholders from the region has been highly successful and a similar project is under development in the energy sector with the "Ceinture energ'Ethique" ("Energ'Ethic Belt")
https://www.catl.be/qui-sommes-nous/

Recommendation # 4: Leverage and support local energy agencies

Since the end of the nineties, local and regional energy and climate agencies have burgeoned across Europe thanks to the EU Research and Innovation financial backing. They have helped organise local and regional support to climate action in an efficient and systemic way. In a lot of countries, the future of these agencies is now threatened by cuts on public spending. The success of the Mission-driven approach of the Research and Innovation programme will depend on the crucial coordination of these agencies, which should be supported where they exist and created in the regions which lack these essential organizational structures.

Case 2: Oslo's climate-proofed budget

In 2017, the City of Oslo started experimenting the concept of "climate budget" as an overarching governing tool.

The municipal climate budget helps to plan overall city investment needs in line with the GHG emission caps identified in the climate budget.

The regular municipal budget is presented together with the climate one which ensures a real coherence in the city's overall climate strategy.

Recent Energy Cities publications:

- the city-citizen partnership to generate more renewable energy (May 2019)
- investment needs for local energy transition (April 2019)
- local energy and climate 2050 roadmaps

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