

# TRANSFORMATION AGENCIES TO INVOLVE LOCAL ECONOMIC ACTORS IN THE GREEN AND ENERGY TRANSITION

.....  
**Case studies from  
Valencia, Vienna and Leuven**  
.....

Nathan Sourisseau – Energy Cities – May 2024

Document created  
with the support of



## ABSTRACT

To meet their ambitious climate objectives, such as becoming climate neutral, several cities are developing new tools like local agencies to bring together and transform the production processes of the economic actors in their areas, and thus involve them in the green and energy transition.

These new bodies operate outside local authorities' departments but work closely with it. Their aim is to activate and boost the local economic ecosystem, relying mainly on project-based innovation.

This paper aims to provide an initial overview of these innovative practices by analysing three models: Valencia, Vienna and Leuven.

## 1. CONTEXT: A MISSING TOOL TO STRUCTURE A REGION'S TRANSITION

French and European local authorities should be able to involve local businesses in their efforts to respond to the climate challenges they face, both in terms of mitigation and adaptation, especially to achieve the objective of being climate neutral by 2050. Until now, local authorities have been primarily interested in decarbonisation and adapting their own services and skills, sometimes considering citizens' inputs through surveys but rarely including economic actors in their policies.

Although a few initiatives involving economic actors – such as climate clubs and local PACTs<sup>1</sup> – have been developed by local authorities as part of their development plans, they don't usually include supporting tools. On a broader level, they have so far focused mainly on supporting business growth in their territories to boost economic development.

The so-called '**transformation agencies**' are one of the tools that can help integrate the climate perspective into economic processes and make a paradigm shift. As stated in an article of *La 27e région*<sup>2</sup> this new green development framework could be designed to reflect regions' long-term needs, such as using land sparingly. It would be based on alliances between local authorities and the economic sector covering large areas to include various municipalities and avoid territorial competition. This will enable the development of new tools, theories and methods to support the transition of businesses at a local level, by drawing up a common strategy for all the economic stakeholders in a specific area.

---

1. <https://energy-cities.eu/wp-content/uploads/2021/04/energycities-PACT-Create-your-own-COP21-1.pdf>

2. <https://rebonds.la27eregion.fr/2024/04/01/new-approaches-to-economic-development-in-8-questions/?lang=en>

## 2. THE TRANSFORMATION 'AGENCIES': THEIR ROLE AS 'ENABLERS' AND DRIVERS

These new tools must not only drive and organise the local ecosystem, but also act as enablers. They should work alongside public authorities to involve as many economic actors as possible in the green and energy transition, which is crucial given the climate challenges being faced, the commitments made by governments, the European legislative framework and the cities' will to implement these new policies at a local level.

From a theoretical point of view, these agencies<sup>3</sup> should be able to lead communities of practice through working groups, act as a single point of contact, provide scientific and technical advice and collaborate on research and development projects. Governance-wise, they should act as an intermediary between economic actors and local authorities and public and private services (other agencies, consulting firms, funding and technical support).

## 3. INSPIRING CASE STUDIES: VALENCIA, VIENNA AND LEUVEN

To provide a concrete overview of the role that these new agencies can play, we will look at three cities that are members of the European programme 'Cities Mission' and are developing tools that can help attain the above-mentioned objectives. **Although the three of them are based on the same objective, which is involving companies through project-based innovation**, we will present three different approaches to implement these tools

They are members of Energy Cities.

**Las Naves** is an agency in **Valencia (Spain)** that promotes urban and social innovation and is managed by the city's innovation delegation and chaired by the mayor. Although it was established in 2011, its role has been reinforced in recent years, in line with the city's status as an EU Mission City. The agency is developing several pilot projects as part of the Missions Valencia 2030 strategy. One of these 'missions' is to support business innovation through a collaboration scheme. Two calls for projects are launched every year, enabling local businesses to join forces to develop new initiatives. Nevertheless, the new government is changing this approach and focusing more on innovation based on technological solutions.

Located in **Vienna (Austria)**, **Urban Innovation Vienna** works as an urban planning agency, a climate and energy agency, a consultancy firm and an engineering office. It was created in 1997 as a company owned by the municipality. It works for local authorities – renovating schools, drawing up a charter for forests and meadows, designing action plans to tackle summer heat or providing support for urban projects – as well as for companies wishing to use its services such as consultancy or project support. It also runs projects that work as urban laboratories fostering innovation in mobility and smart city development.

In **Leuven (Belgium)**, the **Leuven 2030** agency is governed on a much more horizontal and participatory basis. It operates on a membership basis and now brings together 600 stakeholders. Member companies are required to contribute a fee of €500. A 2050 roadmap has been drawn up collectively, with the city having the same role as the other partners, even if it is the main funder of the structure. The agency is now working to meet the objectives of this roadmap, particularly by developing calls for projects that are also based on the notion of innovation.

---

3. [in French] <https://www.i4ce.org/publication/prochaine-etape-cle-pour-service-public-adaptation-climat/>

|   | VALENCIA<br>800,000 habitants  | VIENNA<br>2,006,150 habitants   | LEUVEN<br>104,000 habitants   |
|---|--|---|---|
| <ul style="list-style-type: none"> <li>■ <b>One agency</b></li> <li>● <b>'Onboarding' tools</b></li> <li>▶ <b>Partners</b></li> </ul> | <ul style="list-style-type: none"> <li>■ <b>Las Naves</b><br/>Urban and social innovation centre</li> <li>● <b>Collaboration scheme</b><br/>Incubator for social and urban innovation start-ups – 2 calls for projects per year</li> <li>▶ <b>Valencia Clima i Energia</b><br/>(municipal institute)<br/>– works especially with private individuals</li> </ul>  | <ul style="list-style-type: none"> <li>■ <b>Urban innovation Vienna</b><br/>Vienna climate and innovation agency</li> <li>● <b>Policy lab</b><br/>Urban policy labs, focusing on mobility and smart cities</li> <li>▶ <b>Mostly public partners (universities) and limited companies</b></li> </ul>   | <ul style="list-style-type: none"> <li>■ <b>Leuven 2030</b></li> <li>● <b>'Revolutionary projects'</b><br/>Calls for innovative projects</li> <li>▶ <b>Leuven 2030 urban lab</b><br/>– limited to a small number of partners (municipality, Leuven 2030 agency, universities): building, exchange and knowledge-sharing forum</li> </ul>        |
| <b>Date of implementation</b>   | <p><b>2011:</b> opening of a venue promoting contemporary design and innovation</p> <p><b>2022:</b> implementation of the 'EU Mission: Climate-Neutral and Smart Cities'</p>   | <p><b>1997:</b> creation of a climate and energy agency under the name TinaVienna, renamed <i>Urban Innovation Vienna</i> in 2017</p> <p><b>2022:</b> creation of the 'policy lab'</p>  | <p><b>2013:</b> with an initial roadmap for climate neutrality by 2050 and reduction targets for 2030</p> <p><b>2022:</b> launch of EU climate-neutral mission city</p>   |
| <b>Framework</b>  | <b>Missions Valencia 2030</b><br>(included in Valencia 2030 Climate Mission)   | <b>Vienna Smart City and Climate Strategy</b><br>(2014, revised in 2022)  | <b>Roadmap of Leuven 2030</b>   |
| <b>Missions of the agency</b>   | <p>Implementing the strategy Missions Valencia 2030:</p> <ul style="list-style-type: none"> <li>▶ Lead innovation</li> <li>▶ Create an innovative brand and culture</li> <li>▶ Promote social and urban innovation</li> <li>▶ Strengthening alliances and building an ecosystem through networking</li> <li>▶ Transmit the value of innovation to society</li> </ul> <p>Uses European funding to finance innovation with a <b>single objective: climate neutrality</b></p> | <ul style="list-style-type: none"> <li>▶ Advice on <b>energy, climate change, digitalization, urban development, mobility and real estate</b></li> <li>▶ Communication and networking (organisation of events and public and professional meetings)</li> <li>▶ Knowledge transfer (organisation of trainings and workshops)</li> <li>▶ Project management</li> </ul> <p>Operates on behalf of local authorities in the same way as a traditional urban planning agency, but also on behalf of companies (consultancy, etc.)</p> | <p>Implementing the roadmap by supporting innovative projects to test the potential of new solutions in Leuven in line with the roadmap (providing expertise in terms of process structure, funding and communication).</p> <p>Topics covered:<br/><b>Energy, mobility, buildings, consumption, adaptation, circular economy, financing</b></p> |

|                            |  |   |  |
|----------------------------|--|---|--|
| <p><b>Management</b></p>   | <p>A local public entity reporting to the Innovation Delegation of the City of Valencia.</p> <p>This committee is made up of a chairman (the mayor), a vice-chairman (appointed by the mayor) and representatives of all the political groups (appointed by the city's executive council). The rector of the University of Valencia and the Polytechnic University, as well as a representative of the Valencia International Trade Fair and the Chamber of Commerce are also present.</p> <p>Involves the following sectors in its missions: public, private, academia and civil society.</p> | <p>A limited liability company, 100% owned by Vienna Holding, which is 99.9% owned by the City of Vienna and comprises 75 extra-municipal companies (theatre, port, airport, etc.).</p> <p>The Chairman of the Supervisory Board is the Director of Planning for the City of Vienna. The Vienna Holding Company, the Mayor's Office and the Deputy Mayor for the Economy, Finance, European and International Affairs and the Deputy Mayor for Innovation, Urban Planning and Mobility are also represented on the Supervisory Board.</p> | <p>6 types of members: citizens, civil society organisations, businesses, academic institutions, authorities and semi-public authorities.</p> <p>Each group is entitled to exactly the same number of votes at the AGM and has the same number of representatives in the Board of Directors (3 for each group, i.e., for example, 3 elected municipal representatives).</p> <p>Target of 86 innovative projects.</p> |
| <p><b>Resources</b></p>    | <p>Around <b>40 employees</b> (2022)</p> <p>Substantial increase in budget from €5.4 million (2023) to <b>€9 million</b> (2024), including €1.3 million from European funds.</p>   | <p><b>67 employees</b></p> <p>Budget: not disclosed</p> <p>A budget has been set aside for grants to third parties.</p>   | <p><b>12 employees</b></p> <p>City of Leuven grant: €400,000 in 2024, increasing (€70,000 in 2019 and €230,000 between 2020 and 2023).</p>   |
| <p><b>Some results</b></p> | <p>214 events in 2022 gathering 36,077 face-to-face participants</p> <p>+ 8 exhibitions (2022)</p> <p>+ 4 observatories</p> <p>+ 3 chairs</p> <p>Call for collaboration projects : 15 teams per event. 57 companies (startups) involved so far</p> <p>Constraint: political change in 2023</p>   | <p>Limited number of projects supported other than those for municipal services</p> <p>Advantages: the agency's flexibility and speed (compared with the city's internal services)</p>  | <p>600 members (citizens, organisations, businesses and authorities)</p> <p><b>5 'innovative projects'</b> developed: the creation of a one-stop shop for renovation, 1 property performance contract to reduce the consumption of buildings, 3 food projects (short distribution channels), etc.</p>  |

While these new agencies appear to be effective tools and are proving their usefulness, **some constraints** have nevertheless been identified:

- The call for innovative projects leads to particular and non-permanent initiatives, and the monitoring and evaluation process of the companies is not always implemented.
- The principle of application or membership generally implies mobilising companies and organisations that are already committed to and aware of climate issues, whereas the challenge is also to involve those that have not yet embarked on their transition process.
- The goal of fostering cooperation between economic actors is not always achieved, as tenders are sometimes awarded to a single company/startup. Furthermore, the concept of business networking isn't at the core of the initiatives when it would be essential for a collective transformation.



## BIBLIOGRAPHY

### LAS NAVES – Valencia

- <https://www.lasnaves.com/>
- [https://www.lasnaves.com/wp-content/uploads/2022/07/Memoria-Las-Naves-2022\\_cas\\_compressed-1.pdf](https://www.lasnaves.com/wp-content/uploads/2022/07/Memoria-Las-Naves-2022_cas_compressed-1.pdf)

### Urban innovation Vienna

- <https://urbaninnovation.at/en/>

### LEUVEN 2030

- <https://en.leuven2030.be/>