EUROPEAN U R B A N INITIATIVE

RESHAPING POLICY, UNLEASHING TALENTS, SHIFTING MINDS FOR THE GREEN TRANSITION

EUI Capacity Building event

Tourcoing, Lille Metropolitan area (FR) November 8th and 9th 2023

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Co-funded by the European Union



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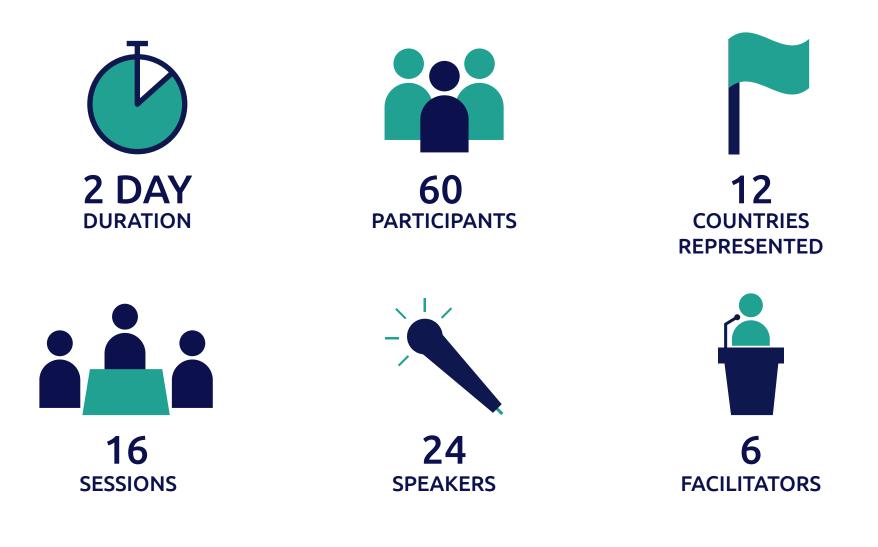
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01 Introduction



Infographic — THE EVENTS' NUMBERS AT A GLANCE



SETTING THE SCENE

Urban areas are crucial arenas for the unprecedented shift toward a greener future. However, navigating this path brings many challenges. For cities, it calls for highly effective collaboration between urban authorities and all stakeholders. Together, they must implement sustainable urban development strategies, retain and/or attract talent, shift mindsets and create a green culture amongst citizens. All this, while ensuring the necessary financial means are in place to ensure that the transition upholds the principles of democracy, equity and equality, so that "no one is left behind".

In support of this, the first EUI transnational Capacity Building event focused on supporting the climate neutral transition took place on November 8 and 9, 2023. Echoing earlier industrial transitions, this was at the symbolic venue of the "La Chaufferie", the enormous boiler room built for the once-thriving textile industry at the heart of Tourcoing, in metropolitan Lille, France. This report shares the objectives and scope of the event, the design approach behind it, and the main highlights of the learning journey. Built as a series of interactive sessions where European cities took centre stage and shared their stories, practice and tools, the event addressed three broad cross-cutting aspects of the Green Transition:

- 1. Anticipating Tomorrow's Green Skills
- 2. Financing a Green Future
- 3. Nurturing a Green Mindset

This report synthesizes, for urban practitioners and stakeholders, how these three broad topics were addressed during these two days.It summarises the city contributions and the capacity-building methods used. It also shares the main learning points, relating to content and format. The report is also addressed to the EU institutions who intend to capitalize on this experience to build and improve the capacity of cities to tackle the multidimensional change that a just, green transition entails.



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The event was built to create a dynamic and engaging environment for participants through:

1. Methods and tools created for/during the event aim to encourage a shared culture, focusing on practical urban experiences rather than policy frameworks. i.e. the Green Ville Metro Map, format of sessions like World Cafe and "tasters" study visits to offer boots on the ground type of experience.

2. Learning awareness as crucial element for capacity building, with microlearning, and game-based elements like polls and brainstorming used to capture and retain knowledge.

EUROPEAN U R B A N INITIATIVE

Green Commitment and Policy Line

This line connects you with the most relevant values, agreements, policies, strategies, initiatives and approaches adopted at international and EU level at the basis of the Green Transition.

L2 Green Europe Boulevard Line

This line connects you to the main EU institutions and initiatives involved in the European governance of the Green Transition.

3 Green Networking and Advocacy Line

This line connects you to the many public and private initiatives and networks of cities / stakeholders involved in the promotion and implementation of the Green Transition.

Green Financing and Resourcing

This line stops at some of the most representative initiatives and institutions at EU level that can provide tools, funds and other important resources to implement the Green Transition.

LS Green Thinking & Knowledge Line

This line stops at some of the most relevant sources of knowledge and support, including think tanks that operate at EU and international level for the Green Transition.

GREENVILLE METRO MAP KEEP CALM AND TRANSITION ON



SETTING THE (EU) STAGE AND SHARING A VISION

The initial sessions of the event laid the foundation for the two days of intensive work. We began by gaining insights from the European Commission (DG Regio) on the overarching policy governing the Green Transition, with a particular focus on the delivery of the <u>European</u> <u>Green Deal</u> through the <u>Fit for 55 package</u>. This initiative aligns EU legislation and initiatives with the ambitious target of reducing net greenhouse gas emissions by at least 55% by 2030. A pivotal element of this policy panorama is the EU Cohesion policy 2021-2027 framework, with a reinforced urban dimension, serving as the basis for investments at national, regional, and local levels.

Integral to delivering this framework is the European Urban Initiative, dedicated to supporting innovative pilot projects and capacity-building actions. Notably, EUI recently launched the urban knowledge reference point: <u>PORTICO</u>. In the EU a range of tools, data, and studies, are complemented by initiatives such as the <u>Just Transition Platform</u> and the <u>Cohesion for</u> <u>Transitions Community of Practice</u> (C4T).

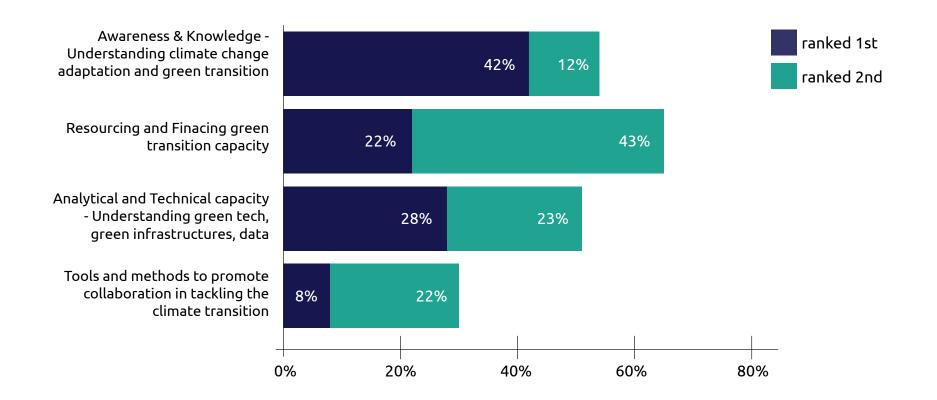
Both EUI and URBACT have made substantial efforts to understand how the Green Transition impacts on cities, identifying urban-specific challenges and needs that may require EU support. The <u>EUI Just Transition Study</u>, a comprehensive two-year research project, analysed over 86 UIA projects with a focus on three critical areas of human vulnerability during disruptive transitions: Jobs and Skills, Accessibility and Affordability, and Democracy. The study addressed key questions around barriers, lessons learned, and successful approaches that could be replicated and scaled across Europe.

The URBACT study on cities' Green Transition Needs underscored the primary capacitybuilding topics that municipalities prioritise to navigate this transition. These include the imperative to de-complexify, ensure integrated cross-sectoral and multilevel engagement and facilitation, secure technical expertise, and address related funding and budgeting challenges.



Infographic — POSSIBLE INTERVENTIONS

Decomplexifying green transition Engagement and facilitation for green transition Integrated approach of green transition Funding and budgeting for green transition Technical expertise













THE REALINES





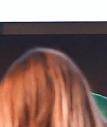












02 Green skills and jobs for all today and tomorrow



HOW CAN EUROPE'S CITIES BOOST SKILLS, CREATE JOBS AND SUPPORT NEW BUSINESSES AS PART OF THE SHIFT TO CLIMATE NEUTRALITY?

In a fast-moving labour market environment, city authorities have a key role to play. This requires new skill sets within municipalities, as well as an approach that encourages collaboration, mutual trust and humble leadership.

An industrial revolution is required for the EU to secure its commitment to climate neutrality by 2050. The impact of this transition will be uneven. Some regions, more reliant on carbon-intensive industries, will be hardest hit and the EU forecasts that some industry sectors (such as lignite mining) will disappear altogether, whilst others, like the construction sector, will be transformed. No industry sector will remain unaffected.

This presents many challenges, but also opportunities. New sectors will emerge, as processes, production methods and consumption patterns are transformed. Cities, which consume 78% of the world's energy and generate more than 60% of Greenhouse Gas Emissions (*UN Habitat*) are in the vanguard of exploring these. The event brought together some pioneers relating to 'Green Jobs and Skills' to share their experiences with participants.



City Authorities clearly have a key role to play. They can help set the vision, frame the change narrative and fulfill a key enabling function. A systemic transversal approach is needed. However, this is complex, challenging work. For example, a cross-departmental culture is required and cities are exploring different ways to tackle this. The Hauts de France region has an ambitious, coherent regional strategy (*REV3*) requiring all departments to respond to climate-related targets. In other cases, municipalities - such as Groningen (NL), have established a specific department to assume the lead on this. Cities have much to learn from one another on the most effective approaches to this structural issue.

A multi-stakeholder approach is also required. Businesses are key players here, and effective city approaches include new ways to collaborate with them. One example is the mission-based approach, exemplified by Viladecans (ES), which provides focus and brings different players to the table. Another is the Field Lab model, widely used in *Rotterdam* (NL), which assumes an industry sector focus to enable stakeholders to address changing skills needs. The development of a Business Climate Pact, for example in Munich (DE), provides another vehicle for dialogue and collaboration around changing technical needs.





City authorities also have a key role in demystifying the climate transition for citizens. Although major infrastructure projects are disruptive, they can be used to share a narrative with residents, around benefits that include future job opportunities. The city of Lille (FR) has mobilised large scale housing renovation projects in this way. Digital tools and gaming approaches can also be harnessed to strengthen our understanding of future skills implications. Through *Passport4Work*, Eindhoven (NL) has created a digital tool to improve jobseekers' awareness of their own competencies, and how these relate to a fast-changing labour market. Their approach underlines the need for greater skills transparency, reflecting the growing importance of meta-competencies (adaptability, learning capability, problem-solving etc) in the job market. They describe the shift from CVs towards 'Skills Passports'.

Improved skills forecasting is a prerequisite for anticipating future skills demand in a labour market being transformed by Green and Digital megatrends. The project's impressive steps to build a new skills taxonomy, within the <u>O*NET</u> classification system, has huge potential for cities across Europe and this work also underlines the heightened value of lifelong learning.

Training participation rates are lowest for those with the lowest skills (EUI *Skills for a Green Future*). This means that groups already vulnerable in the labour market are most at risk of being left behind. City authorities are addressing this in a variety of ways. One is to support reskilling projects focused on growth sectors - like waste recycling - as Rotterdam has done through the *Oscar Circular* project.

Another is to work closely with employers to identify skills shortage areas, then to design and deliver related training opportunities. Viladecans has done this in the case of solar panel installation, and along the way has created a new set of vocational qualifications. A third example is to exploit the potential for transferable skills to new growth sectors. REV3 has done this through supporting workers in the automotive sector to retrain for opportunities in the local e-battery gigafactory.

Emerging sectors like these provide a range of opportunities at different skills levels, and the scale of this shift can be significant.

Cities including Rotterdam, Munich and Vila Nova de Gaia (PT), provide good examples of fully embracing the circular economy. A useful starting point is to consider the city itself as a huge open cast mine, which provides a potential source of materials for reuse. These leading cities each spoke of the wide-ranging implications of such an approach - for example in relation to city planning, cataloguing and storage of materials and construction. Again, the value of city to city collaboration was underlined, for example through the Munich experience of the URBACT <u>URGE</u> and <u>Let's Go Circular</u> networks.



03 Nurturing and nudging green mindsets and behaviors

GREEN BEHAVIOUR RELAY GAME













WHAT CHOICES AND STRATEGIES CAN CITIES ADOPT TO FOSTER A SHARED GREEN CULTURE TO SHAPE INCLUSIVE AND GREENER URBAN LANDSCAPES?

[Green] Transformation is a challenge that requires a new mindset: just and systemic change, bold leadership and strong commitment of action. This message was reiterated in many ways from different perspectives during the two days in Tourcoing.

The shift towards sustainable urban development and the green transformation goes beyond infrastructure and policies. Rather, it centres on the collective mindset of city authorities, officials, stakeholders, and citizens alike. Cities can choose different ways to encourage their communities to make greener choices and adopt sustainable behaviors. The different sessions and exchanges concerning shifting mindsets and nurturing Green minds highlighted some cross-cutting aspects - and some nudging methods - of urban strategies and actions.

City authorities and officials stand at the forefront of decision-making, setting the tone for urban trajectories – and governance - towards the green transformation. The city of Essen (DE), in the Ruhr area has shifted from a coal-mining, heavy-industrial economy to a diversified economy based on energy, science, medicine, cultural industry and services. Within this, the urban regeneration of Niederfeld – Altendorf has been a complex lengthy process which exemplifies the city's attitude towards forward-thinking governance.

This entails reshaping not only physical infrastructure, but also embracing the social ecosystem, through continual engagement with inhabitants, offering new job opportunities, and enhancing the overall quality of life.







A Green Culture also revolves around the concept of the People-Centred approach. This is inherently connected with gender and diversity considerations, emphasising the power of inclusivity and equity. It also recognises the diverse needs and experiences of all individuals within a community. In Tourcoing, the cities of Umea (SE), and Treviso (IT) illustrated their commitment to gender-equal and age-responsive urban green policies.

In Umea, understanding and addressing the distinct needs and challenges faced by different genders in the urban environment is a long-standing principle that goes hand in hand with the different urban development and governance actions of the municipality. Since 1989, the city has incorporated the gender perspective into all its long-term urban development strategy and investments. This commitment extends to decisions concerning the green transition, creating a symbiotic relationship between gender considerations and the city's transformations. In this regard, Umea engages in genderresponsive green policymaking, taking into account the diverse impacts on individuals' vulnerabilities and the associated costs.



One example is the strategy for sustainable urban mobility and diverse mobility behaviours of men and women. Ensuring safe and accessible public spaces for women - such as well- located and lit stations or bus stops that can be extended to and benefit all citizens - is a key part of this approach.

The city of Treviso, awarded with the European Green Leaf 2023 alongside Viladecans, presented its plans to embrace change, including through the use of storytelling and communication at intergenerational level and using gamification to engage young people.

The intergenerational activities involve a range of initiatives, such as using the popular game Minecraft to create innovative and sustainable solutions for the city, neighborhoods and schools. Participants can compete for prizes and even implement their online projects. Additionally, there are activities aimed at fostering the adoption of sustainable behaviors across all generations. This includes embracing traditional practices of older individuals, such as tending to vegetable gardens, conserving water, observing seasonality for growing vegetables and fruit, repairing small appliances and equipment, and preparing traditional food, including recipes with leftovers.

Through these initiatives, Treviso intends to normalize eco-friendly behaviors across homes, schools, workplaces, and leisure activities, leveraging the collective impact of diverse age groups to drive substantial change and instill a widespread green culture throughout the community.

The examples of Umea and Treviso show consideration of the perspectives of individuals from diverse backgrounds, including different genders, ages, and abilities in order to avoid marginalisation. They also demonstrate a dual-tiered mainstreaming effort: gender and green/ sustainability mainstreaming into different urban domains.

The examples of Essen, Umea and Treviso share a fundamental concept, crucial for nurturing a green culture: the active participation and empowerment of citizens and stakeholders. Citizens' assemblies on climate, are yet another example of this, as the city of Warsaw (PL) presented during their taster.

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The Assemblies are participatory democracy forums that bring together a (randomly chosen) representative group of citizens to discuss and deliberate on issues related to climate change. In Warsaw this focused on the energy efficiency policy of the city, generating <u>recommendations and commitments</u> around urban policies and acti-ons. Bringing stakeholders and citizens onboard to address the complexity of the Green Transition is anything but straightforward and linear.

It intersects with the concepts of collective resilience on the one hand, and resistance to change, prompted by habits and lifestyles, vested interests, lack of skills, or simple mistrust of public authorities and science on the other. Changing behaviours and creating a green culture for cities involves a delicate dance between these two concepts. One step at a time. Vila Nova de Gaia's experience emphasizes the need for a collective buy-in to a common vision, supported by clear and realistic Key Performance indicators.

The key message from this experience is that awareness raising and reliable and transparent communication are the tenets for defining shared values and principles. Starting small to scale-up, allowing space for experimentation - but also embracing failure - while adopting inclusive decision-making with stakeholders and citizens. These agile and resilient features can impart a sense of purpose and help foster a cohesive community approach.

EASIER TO RETROFIT A BUILDING OR RESET HUMAN BEHAVIOUR? HOW NUDGING CAN HELP MAKING THE RIGHT CHOICES TO ADVANCE A GREEN CULTURE

The use of behavioural economics spans sectors, including policymaking and governance at different levels. Indeed, several governments have adopted the nudge approach theorized by economics Nobel prize winner Richard Thaler to communicate with and softly encourage – nudge - citizens and stakeholders towards sustainable behaviours and attitudes. The climate crisis and "green transitions" are complex and multidimensional issues that require a paradigmatic shift of behaviors. Consequently, although nudging alone cannot solve the crisis, it is well suited to this terrain.

We need to reframe policies, create new norms, incentives and standards. This is what the EU Green Deal, and its related initiatives, stand for. Perhaps the most relevant concept concerning the Nudge approach is Choice Architecture, which involves designing the way choices are presented to people to influence their decisions without restricting their options. In the urban realm, Choice architecture could be referred to as «Choice Urban Development». This matters in a context where citizens often report a sense of 'no control' in the face of legislative changes and the scale of the Climate Emergency.

The brainstorming session on nudging presented a scenario where participants were asked to identify ways to encourage residents to conserve energy in their homes. The emerged ideas indicated a mix of policies and nudges that incorporate various green urban development choices. From carbon taxation to incentives or subsidies, to awareness - but also regulation and caps - on energy savings; from clear information and disclosure on emissions and consumption, as well as immediate feedback on the implications of citizens' actions, to making the green options such as renewables or thermostat temperature the easiest or automatic choice.

These different options appeal to various mechanisms that trigger behavioural responses or change such as the human aversion to monetary or social reputation loss, the tendency to adopt "green" default settings rather than modify them, and to prioritize immediate rewards over long-term benefits. All these actions should become - as Thaler suggests – an "all tools on deck" set of urban policies and strategic nudges for shifting mindsets and behaviours to encourage a positive transition towards a greener urban future.



04 Funding and resourcing



HOW CAN CITIES UNLOCK THE RESOURCES REQUIRED TO SUPPORT THEIR CLIMATE NEUTRAL TRANSITION?

The EU policy priority to tackle the Climate Emergency is enabled by a significant envelope of financial resources. However, public funds alone are insufficient. This event highlighted the growing importance of attracting and packaging mixed funding streams, and the capacity challenge this presents to many cities.

The climate finance support package launched by the EU and its Member States in 2021 amounts to €23.04 billion. Despite the enormity of this figure, it will not be nearly enough to meet the scale of its ambitions. To fund their transitions to climate neutrality, cities will need to effectively navigate the complex network of public funding channels, but also be adept at leveraging finance from other sources, particularly the private sector.

As part of its pillar to build capacity around funding and finance, this event focused on three particular aspects:

- Helping make the funding map easier to visualise and understand
- Showcasing tools to support cities access to finance



Highlighting ways in which municipalities can optimise their public spending power

Under the auspices of the European Green Deal, there has been a growth of funding streams designed to help finance the climate transition. This is widely welcomed and the positive impact of initiatives including the EIB's <u>Climate Bank Roadmap</u> and the J<u>ust</u> <u>Transition Fund</u> are already evident. <u>Thessaloniki's use of EIB funds</u> to reduce its waste levels provides one good example whilst the Cadiz (ES) Microalgae project illustrates how the latter fund is being utlised. However, access to finance remains a priority concern for many cities - especially small and medium-sized ones - as URBACT's Green Cities survey showed.

Knowing what's available is an important starting point for cities

wishing to address this. For the event, our • Link with city-focused initiatives across team developed a specific tool - the Greenville Metro Map which provides an interactive visual tool aimed at helping cities see what is available.

Through QR codes, which are embedded in the design, users can guickly identify potential funding sources and link directly to their websites.

Mediation in doing this is valuable for city authorities. As part of the Cities Mission, *NetZeroCities* has developed a *finance auidance tool* to do this. This interactive instrument provides a thematic entry point (Building, waste, Energy etc) for users, who can then utilise it to:

- Gather a picture of relevant public funding opportunities
- Explore potential private sector capital opportunities
- Examine financial innovation options

Europe

The tool is designed to be simple and accessible to finance non-specialists. Cities involved in the EU Climate Mission are required to develop a Climate Plan with detailed costings and the guidance tool was developed specifically to support this. It is also very relevant to a much wider audience of cities sharing this climate neutral journey. The overview section provides pros and cons of various funding options, together with a growing group of city case studies as part of a useful knowledge repository.

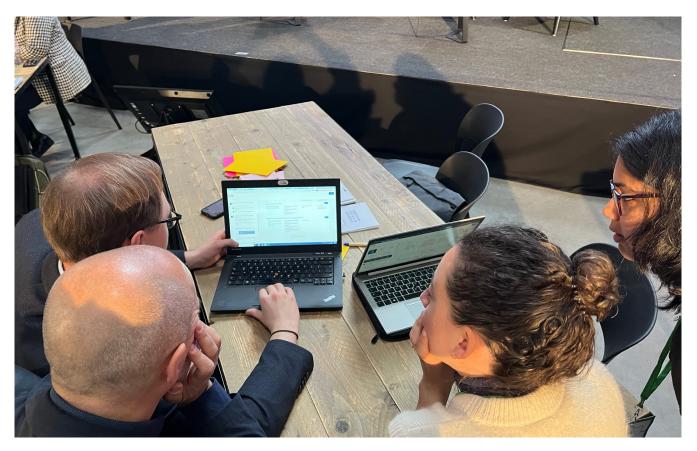
As well as improving their ability to attract new funds, city authorities can also explore ways to harness their existing resources more effectively to support the climate neutral transition.

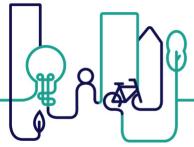
According to the EU Urban Agenda

<u>Partnership on Public Procurement</u>, every year, over 250,000 public authorities in the EU spend around 14% of their gross domestic product (GDP) (around €2 trillion per year) on purchasing services, works and supplies. There is a growing focus on how these funds can be more effectively mobilised to help achieve policy priorities.

Encouraging climate neutral business behaviors at local level is one of these, and municipal procurement can be an important contributory factor in this. However, procurement is a complex technical area, bound by tight regulatory frameworks, and participants identified a number of challenges from their experience, which included:

- Low carbon services are often more expensive (if financial cost is the primary factor) and this can can inhibit the awarding of contracts
- Choosing low carbon solutions may be at the expense of smaller, local businesses, lacking the funds to invest in state of the art technology
- Adding restrictive environmental criteria may be seen as creating an uneven playing field for businesses



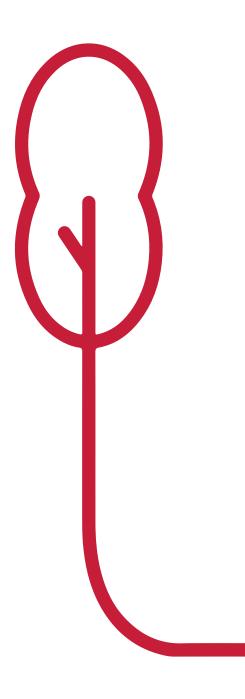




Despite these challenges, public procurement has enormous potential to stimulate climate neutral business behaviors. To help build the capacity of municipalities in this respect, *ICLEI* has designed a programme to boost their capability. This has an international range and is open to all local authority employees. The programme offers a generic element as well as focusing on specific industry sectors. The organisation has also published a *handbook on green public procurement*.

New perspectives on procurement are part of a wider movement around financial innovation designed to stimulate positive environmental behaviors. Amongst the most visible of these is the Green Bonds concept, initially developed by Gothenburg (SE) and one of the featured cases in the <u>Handbook</u> for Sustainable Urban Development.

The growth of digital tools has encouraged these innovative behaviors, which include smart ways to stimulate changes in local mindsets. As part of its ongoing Vilawatt experiment, Viladecans developed a local *digital coin* partly as a tool to raise the visibility of their energy transition work, but also as a way to involve local businesses. This coin - the Vilawatt - is equivalent in value to the Euro, but can only be spent in local stores. It has proven to be a clever way to get citizens and local retailers on board with the city's energy transition plans.









WHAT DID WE LEARN FROM THIS EXPERIENCE?

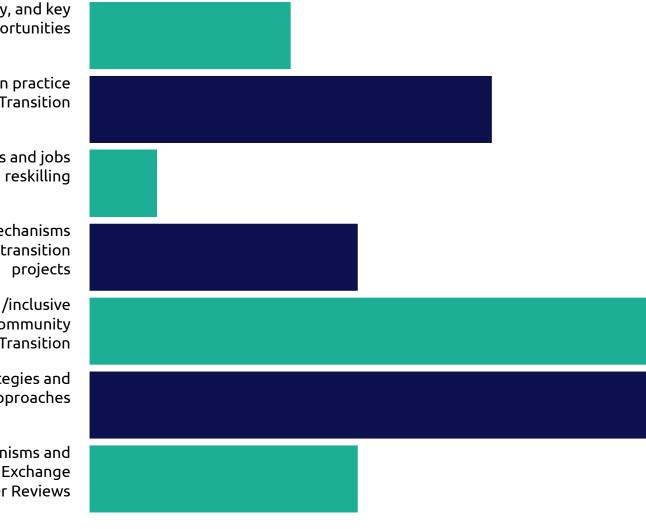
"Reshaping policy, unleashing talents, shifting minds for the Green Transition", was an ambitious EUI capacity building event. In terms of content, it put city needs and experiences centre stage, whilst the format emphasised learning by doing, built around practical examples. The goal was to showcase pioneering urban activity related to climate neutrality in order to inspire and stimulate participants. The hope is that they will utilise other EUI and URBACT opportunities to take their next capacity building step.

In this respect, and despite all of the delivery challenges we faced, the event might be seen as a blueprint for future EUI capacity building activities. The participative format, the focus on practical learning and placing cities centre stage should certainly remain as key principles.

Infographic — PARTICIPANTS' LEARNING ASSESSMENT AT THE END OF THE EVENT



Infographic — MAIN AREAS OF LEARNING



Navigate through the EU policy, and key support facilities and opportunities

Understand the dynamics and urban practice of Just Green Transition

Use methods and tools on skills and jobs forecasting, upskilling and reskilling

Identify appropriate funding mechanisms and sources available for green transition projects

Apply effective and equal /inclusive governance structures, community engagement for the Green Transition

Deploy behavioural change strategies and mainstreaming green transition approaches

Use the EUI/URBACT mechanisms and opportunities such as City2City Exchange and Peer Reviews



