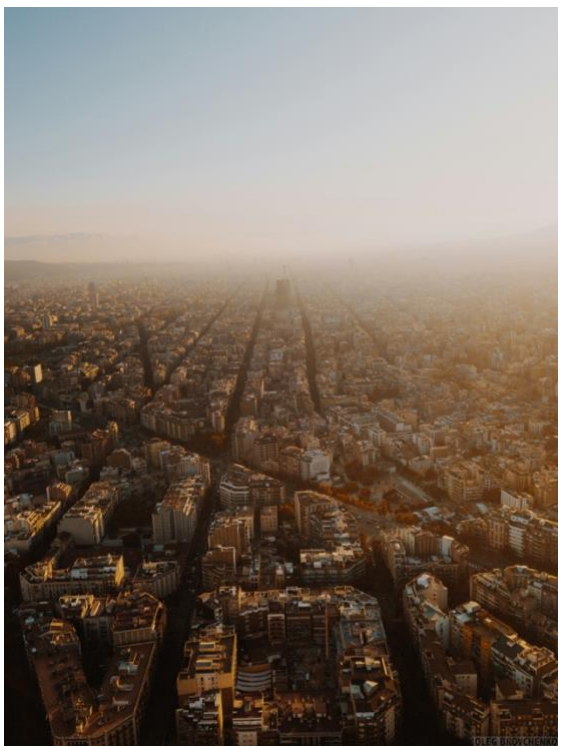
Climate KIC response to the EU Vision for Cities Consultation

INTRODUCTION

Europe's cities are on the frontlines of climate action, economic renewal, and social transformation. They are the places where European policies most tangibly intersect with people's daily lives – and where more than 75% of energy consumption and more than 60% of greenhouse gas emissions in Europe are produced. Europe's cities are a focal point for risk and our most dynamic source of opportunity. With the right frameworks, cities can become drivers of innovation, hubs for mission-led investment and social inclusion, and the heart of Europe's green and digital transition. With two-thirds of the world's population projected to live in urban areas by 20501, Europe's ambitions for a thriving, net-zero society and economy will succeed or fail in its cities.

Based on Climate KIC's daily work on innovation and policy-enabled transformation with cities across the European Union at all scales, we understand Europe's cities and metropolises to hold the keys to European prosperity – by creating just beautiful, sustainable and resilient environments in which most European citizens live and work. Europe's future competitiveness and democratic stability depend on its ability to adopt a systemic approach - one that aligns economic renewal with climate and environmental limits and responds to the poly-crisis with inter-connected, future-oriented policies that comprehend the importance of meaningful change. Cities are where this integration becomes real: where policies meet people, where complexity can be managed locally, where innovation can be shaped by place-based realities, and where action taken on the ground can forge a sense of well-being-based pride and identity.



Furthermore, the most effective form of **security and resilience for Europe lies in the creation and maintenance of well-designed cities that amplify social activity, foster inclusive and thriving communities, and support sustainable economies**

of scale. Cities are partners for Europe in the realisation of a vision for Europe in which we are globally competitive, connected and innovative, socially inclusive, and climate resilient. They are both diverse and aligned on the best possible future that can be achieved by working together.

Yet, cities today face a paradox. While they are expected to deliver on the EU's sustainability, competitiveness, and security agendas, they lack the authority and capacity to respond to the opportunities and challenges they face. This disconnect is a structural barrier to effective policy delivery, efficient use of EU funds, and citizen trust. Urban challenges: whether in housing, energy, mobility, biodiversity, economic inclusion or land-use, are deeply interconnected, yet are still addressed through fragmented systems and competing mandates.

Reliance on national and European policy and funding structures often leaves cities without the strategic authority, financial autonomy, or organisational capacity needed to act effectively. Many lack access to the sustained resources and capital frameworks required to attract private investment or nurture the talent necessary to lead systemic change.

For cities to realise their full potential as strategic partners in Europe's transformation, structural reforms are needed: giving them the mandate, means, and tools to act. This empowerment will find a natural synergy in democratic practice, as city elected leaders are the most responsive and accountable to citizens, bringing added credibility to European governance. If Europe embraces this vision, rooted in planetary boundaries, social foundations, and adaptive governance, its cities can become not just resilient, but vibrant engines of prosperity, belonging, and long-term security.

Climate KIC Recommendations for the Cities' Vision

1. **Reinforce policy coherence and multi-level governance: horizontal and vertical**
2. **Embed systemic, mission-oriented urban transformation with integrated planning and de-risking at its core**
3. **Make real use of active citizen participation and direct democracy**
4. **Turn cities into hubs for skills, capacity building, and transformation intelligence**
5. **Position European cities as leading-edge centres of innovation - hubs of economic and cultural renewal**
6. **Restore European cities to centres of European culture, creative Industries and the arts**
7. **Deliver green, liveable and regenerative cities by implementing nature-based solutions**
8. **Champion circular and resource-efficient cities as a strategic priority for Europe's sustainable competitiveness**
9. **Treat data sovereignty as strategic infrastructure with A.I. enabling systemic approaches to innovation and implementation**
10. **Upgrade funding and investment supporting cities – investment models, direct funding, discretionary fiscal tools, programmatic support for cities and regions**

To unlock the transformative political, social and economic power of cities in Europe, a bold and achievable Vision for Cities is a timely intervention, but it must be based on a holistic and systemic approach, coherent and consistent policy making, and empowerment of cities to act through effective multi-level governance. Based on Climate-KIC's place-based experience and our direct work with over 100 cities who are part of the EU Cities Mission, as well as regions, relevant stakeholders, and further enriched by our active engagement in the EU.

Climate Adaptation Mission and the EU Soil Mission, we offer the following 10 recommendations for an EU Cities' Vision.

1. **Reinforce policy coherence and multi-level governance: horizontal and vertical.**
    a. **Overarching policy coherence, institutional alignment and multilevel governance are critical.**

The efforts of 112 of Europe's cities as part of the Horizon Europe Mission for "100 Climate-Neutral and Smart Cities" illustrate how important it is to take steps to **improve Europe's capacity for multi-level governance.** Thanks to European Commission leadership to introduce a bold Mission-led approach to accelerate urban transformation and peer-to-peer learning, EU Mission cities are readying to deliver on key European objectives and have dramatically elevated their ambitions and their potential to deliver on a critical imperative. Because of its scale and coordinated nature, this programme is allowing us to see the extent to which European cities tend to be directly undermined or constrained by national structures and policies, which either limit the authority of cities to act or prevent the adoption of innovations needed to enable implementation at scale. In urban contexts, the incoherence between strategic directions at EU level and their treatment at national levels, becomes very noticeable, often paired with the perception of autonomy. This dilutes impact and the benefits of transformation for all of Europe, in addition to damaging public perception of the value of the European Union. We will come back to this issue across all our recommendations as one that is key to be addressed in the upcoming EU Cities Agenda. It is critical to recognise that the **EU strategic value lies in giving European cities the agency and resources needed to deliver on Europe's economic, social and environmental goals.**

In fact, cities are Europe's most durable and reliable partners in delivering across the previous and current terms of the European Commission – from the European Green Deal to competitiveness, resilience and security agendas. Cities and their metropolitan areas are the critical contexts in which to achieve the integrated objectives of the European Green Deal, Clean Industrial Deal, Circular Economy Action Plan, Union of Skills, revision of the Public Procurement directives so that they include sustainability principles, FP 10 and the next MFF overall. This integration must also extend horizontally across portfolios, ensuring that urban priorities shape policies related to energy, transport/mobility, health, digital, skills, soil health and food systems and land-use, climate and environmental resilience, circularity.

    b. **Multilevel governance must move from consultation to co-decision**

Despite accounting for over 60% of public investment in climate action, local and regional authorities are rarely included in the design of innovation funding instruments that determine the feasibility and speed of their transition strategies. Embedding multilevel governance means formalising structured, permanent dialogue

between the EU institutions and sub-national authorities, not as implementers of centrally defined agendas, but as co-shapers policies and funding logic. This approach echoes the subsidiarity principle of the EU Treaties and has been repeatedly endorsed in foresight reports and by the Systems Transformation Hub2: systemic change cannot be delivered through vertical hierarchies alone. Horizontal governance, based on trust, mutual accountability, and shared intelligence, must be the new norm.

Multilevel governance is not simply a procedural improvement; it is a structural condition for resilience, legitimacy, and speed in delivering Europe's transformations. To sustain ambition and ensure effective delivery, regional and local authorities also require robust capacity-building programmes. Linking funding access to organisational learning and institutional capability enhancement, will help local governments build the strategic and operational muscle needed for system-wide transitions.

c. Enabling governance and legal experimentation is vital to overcoming regulatory friction.

The EU should support policy sandboxing, interoperability pilots, and multi-level dialogue on shared competencies. The Cities Mission provides a natural, existing platform for such collaborative regulatory learning, but needs clearer interlinkages with the EU Mission on Climate Adaptation and the Mission SOIL and other related policy implementation programmes to ensure that governance and legal experimentation are systemic in nature and empower local actors to innovate across silos and think long-term – beyond the thematic scope of the EU Cities Mission and towards a more comprehensive urban agenda with resilience at the core.

2. **Embed systemic, mission-oriented urban transformation with integrated planning and de-risking at its core**

The EU Vision for Cities must prioritise systemic, cross-sectoral policy approaches since these are essential as the foundation for effective urban transformation. Cities are ecosystems where climate, health, mobility, land use, and economic inclusion intersect. Siloed interventions not only limit impact but can actively undermine progress elsewhere: siloed action leads to inefficiencies, contradictory outcomes, duplication or unintended and even harmful trade-offs. Systemic, long-term thinking must guide the design, financing, and governance of city transitions as it enables integration across domains including mitigation with emissions reduction, adaptation to climate risks and their impacts, circularity, spatial planning and the restoration of natural assets such as soil.

Land use is a prime example of how interconnected policy challenges play out in practice. A single decision, such as converting urban land for housing, infrastructure, or green space, immediately affects multiple domains: Social: who has access to housing, green space or mobility options? Who is displaced or included? Economic: What types of investment, jobs, or land value generated, or foreclosed? Climate and environment: Does the type of land use increase emissions and impermeable surfaces, or support biodiversity, cooling, and carbon sequestration?

For instance, densifying urban centers may reduce commuting emissions, but can strain local infrastructure or displace lower-income residents. Preserving green space may support public health and flood management but limit available land for other uses and hence needs to be carefully considered.

a. Integrated Spatial Planning for Systemic Outcomes: decarbonisation, adaptation and healthy soils for enhanced urban resilience

Systemic framing is not an abstract concept - it manifests in very tangible ways e.g. through integrated spatial planning that aligns housing, mobility, energy, and logistics in place-based strategies tailored to local realities. For Europe to realise its objectives, every city and metropolitan area will need to proactively embed climate change adaptation, intelligent soil management, water resilience, and biodiversity into urban design. The EU Climate Adaptation and Soil Missions reinforce this imperative: to build urban systems that are not only decarbonised but also resilient to current and future climate impacts, while restoring natural ecosystems to enhance liveability and human wellbeing within city boundaries. The EU Climate Adaptation Mission demonstrates that **climate neutrality must go hand in hand with adaptation strategies** that incorporate a wide range of different adaptation measures (such as nature-based solutions) that address multi-hazard climate risks. Climate adaptation needs to be mainstreamed into other policy domains including urban planning and land-use planning and should be explicitly included in the EU Vision for Cities given its crucial role in making urban cooling, flood prevention, and the development of resilient infrastructure possible.

In the Soil Mission and the EU Soil Strategy, soil health, emerges as a foundational asset for integrated planning - being critical not only to ecological stability, but also to long-term urban liveability given that soil health underpins carbon storage, water retention, cooling, and public health. These elements must be integrated into planning and regulatory frameworks and supported by investment in land restoration, reuse, and unsealing. To advance this, we call for the **integration of soil health indicators into urban planning, regulatory frameworks, and financing tools** – ensuring they are treated as essential infrastructure in Europe's transition to sustainable cities.

b. Single Market benefits: pan-European regulation for economies of scale

Europe must enable regulatory harmonisation and aligning of procedures across Member States, especially for permitting, procurement, and certification, to ensure Single Market benefits like interoperability, economies of scale and scaling up across key sectors like construction, mobility, and

energy. Without this, the role of cities as demand aggregators will remain unrealised and constrained by fragmented frameworks that slow innovation and increase costs.

c. A mission-oriented model - a core governance and delivery model, de-risking sustainable investments and innovation.

The EU Cities Mission demonstrates in practice how mission-led, place-based transformation can align EU priorities with real-world action by aggregating demand, co-designing with industry, and generating feedback-rich environments for continuous learning and policy refinement. For cities to drive systemic change across their everyday challenges and policy areas this approach must be matched with modernised evaluation methods, institutional innovation, and skill-building infrastructures (both for emerging industries and public authorities). Cities need tools not only to experiment, but to adapt in real time: linking implementation with foresight, finance, and governance reform to unlock their full transformative potential. To this end there is an urgent need for de-risking sustainable investments in cities, particularly for local public authorities, where mechanisms such as guarantees or insurance instruments backed by national or EU-level entities are essential. These tools can help absorb part of the financial risk associated with long-term, capital-intensive projects such as building retrofits, district heating systems, electric mobility infrastructure, or nature-based solutions, where cities struggle to attract private investment or access affordable credit on their own. For many municipalities, especially smaller ones, the fear of financial underperformance, regulatory uncertainty, or lack of revenue can block progress, even with high-impact, climate-neutral projects in sight. EU-backed guarantees or pooled insurance schemes could significantly reduce perceived risk for both lenders and local governments, improving creditworthiness, lowering interest rates, and enabling blended finance models. These instruments would increase cities' ability to leverage private capital, as well as provide confidence needed to engage in innovative, mission-aligned projects that might otherwise be seen as too risky, too novel, or too slow to pay back. They are particularly relevant in contexts where upfront investment is high but long-term societal returns (e.g. lower emissions, improved health, energy savings) are substantial.

Umea is advancing systemic, mission-oriented urban transformation through its "North Star" project bringing together over 40 stakeholders, including municipal departments, businesses, academia, and civil society, to co-develop and implement climate actions. To overcome organizational inertia and promote innovation, Umea has established dedicated innovation leadership roles within city administration. The city is also piloting systemic solutions, such as greywater heat recovery projects, which move beyond individual building optimizations to neighborhood or city-wide implementations

3. **Make real use of citizen participation and direct democracy.**
   Modern, participatory citizen engagement and direct democracy should be institutionalised as a foundational element of urban governance - not as a communication tool or optional add-on, but as a structural condition for legitimacy, social justice, and systems change.

   Cities are the contexts where people experience the impacts of policy most directly, and they are also where public imagination, community agency, and civic innovation can most powerfully shape transition pathways. General education and culture and creativity are essential in enabling citizens to feel responsible and to emotionally connect with complex systemic change, and to can co-own their future. Resilience and legitimacy in poly-crisis contexts depend on participatory governance models capable of navigating uncertainty through learning, diversity, and distributed intelligence. **Cities are uniquely positioned to host and institutionalise such models: turning co-creation, deliberation, and local stewardship into drivers of transformation.**

The city of Galway in Ireland promotes multilevel governance through the NetZeroCities Pilot Cities Programme by aligning local efforts with regional and national climate goals. A key feature of its project is the steering group made up of representatives from government, academia, industry, and the community. This group guides the project strategically and ensures coordination across all levels of governance.

We recommend that the Vision for Cities embeds and scale democratic innovation through:

- **Permanent citizen participation mechanisms,** including citizens' assemblies, participatory budgeting, and digital deliberation platforms.

- **Neighbourhood-level co-design processes** that integrate citizen knowledge and needs into climate adaptation, housing renovation, mobility redesign, and land-use planning.
- **Support for grassroots civic infrastructure,** such as community energy cooperatives, repair networks, and food systems councils.
- **Capacity-building for municipal staff** and local actors to manage inclusive, intercultural, and power sensitive engagement processes.
- **Leveraging tools and approaches** developed under the New European Bauhaus initiative to facilitate **co-creation at the neighbourhood level, encouraging civic participation and co-design** of the built environment

Examples like Madrid's "Madrid Decide" platform, which enables citizens to propose and vote on legislative initiatives, including complex climate-related proposals, demonstrate the potential for digital tools to democratize transition planned. In Amsterdam, citizen led energy cooperatives and self-organised home renovation initiatives show how residents can drive innovation from the bottom up, when enabled by supportive governance and funding structures.

Participatory models are particularly impactful in climate adaptation and ecosystem restoration, where long-term success depends on local stewardship and community knowledge. From nature-based solutions in informal green spaces to flood management co-designed with residents, these efforts thrive when citizens are not passive beneficiaries (or feel threatened by them) but **active partners in design, monitoring, and care.**

4. **Turn cities into hubs for skills, capacity building, and transformation intelligence**

To deliver on the transformative ambitions of European policy and political commitments, Europe will need to invest in its cities as engines of next-generation skills development and systemic capabilities, since urban areas concentrate talent, and are uniquely positioned and readily available to function as real-world learning ecosystems. They offer concentrations of people, institutions, infrastructure, and challenges that enable rapid learning and feedback across sectors. They are crucibles where theory meets practice, where vocational training meets frontier technology, and where mission-led innovation can align with local realities and societal needs.

Yet many cities, especially smaller and mid-sized ones, face a deep skills and institutional capacity gap just as they are being called on to lead transitions in mobility, energy, data governance, nature-based solutions, and AI. This misalignment undermines Europe's long-term competitiveness. Systemic transformation requires much more than technical expertise6; it demands a **mindset shift** toward **complexity literacy, foresight, interdisciplinary collaboration,** and the ability to operate across governance levels and domains.

We recommend that The Vision for Cities **embeds structured, city-anchored skills programmes** that foster systemic leadership, policy innovation, and strategic intelligence, combining:

- **Vocational and tertiary education tracks** aligned with mission and current policy goals (e.g. in retrofit logistics, circular construction, AI ethics, adaptive infrastructure).
- **Real-time learning environments** where cities and local actors are supported to experiment, learn from failure, and iterate.
- **Civic data stewardship** and AI literacy embedded into municipal systems, using standards for interoperability and ethical use of urban data.
- Support for cross-sector mobility of public servants, SMEs, and civil society actors to build collaborative capacity and transfer knowledge.
- **Dedicated resourcing** for cities to develop and retain transformation-relevant skills, through both institutional capability-building and direct support to human capital.

  Last but not least - transformation require developing a governance mindset amongst public and private actors alike that values experimentation, social learning, and context-sensitive innovation over centralised control and short-term project logic7. We need to support cities **not just in "what" to deliver, but in how to govern transformation under uncertainty.**

As an example, the Climate KIC Academy pilot in Rivne, Ukraine, illustrates the approach for equipping local leaders with both technical and systems-thinking skills to design long-term climate strategies tailored to their urban context. By integrating practical tools, peer coaching, and policy innovation practices, the programme empowers participants to navigate complex challenges like energy transition and climate resilience, with aligning with EU sustainability standards.

"Participation in the Academy has been not only an honorable opportunity for the city Rivne but also a valuable tool for rethinking governance approaches in the context of climate challenges. It is essential to emphasis the importance of collective leadership, which is built on the synergy between government, business, civil society, and international partners, as well as the potential to attract grant resources and investments for the implementation of innovative technologies" – Artem Hanuschak, Deputy Mayor of Rivne

5. Position European cities as leading-edge centres of innovation - hubs of economic and cultural renewal

Cities must be repositioned - and recognised as the actual **dynamic centres of innovation, economic renewal, and societal transformation.** Historically, European cities have been hubs of commerce, science, art, and civic experimentation. This legacy must now be repurposed to meet today's interconnected challenges: climate neutrality, circularity, digital transitions, resilience, and democratic renewal.

To this end, **urban innovation ecosystems,** rooted in place-based identity and capability and driven by global societal challenges, are the available solution. This however requires going beyond narrow notions of smart specialisation or digitalisation and investing in cities as

orchestrators of locally grounded, system-oriented innovation. Future-ready innovation systems must be human-centric, resilient, and embedded in local economies, institutions, and cultural context9, working with complexity, not against it. **EU Missions and the New European Bauhaus** are the tested instruments for that10 - aligning investment, skills, governance, and experimentation around local priorities while contributing to European transformation. Cities concentrate demand, create feedback-rich environments, and host the full value chain of transformation, from policy to practice, education to entrepreneurship. Furthermore, **Innovation Districts and clusters11** demonstrate how cities can re-integrate cultural heritage, physical space, and economic activity into innovation-led renewal. However, for such ecosystems to thrive, cities need long-term, systemic investment, not just project grants, but infrastructure for collaboration, capacity-building, and co-creation.

We recommend that The Vision for Cities:

- Supports **mission-oriented local innovation ecosystems** that align public services, SMEs, universities, and communities in solving complex urban challenges.
- Promotes **integration of heritage and identity** into urban innovation strategies to ground transformation in local meaning and legitimacy.
- Facilitates **inter-city learning and scaling** of proven ecosystem models across Europe via shared platforms and peer networks.
- Ensures **systemic funding instruments** (beyond R&I) including regulatory flexibility, public-private partnerships, and investment frameworks for long-term innovation infrastructure.

6. Restore European cities into centres of European culture, creative industries and the arts

Cities are places of identity formation and cultural imagination where Europe's sustainable transformation is imagined, made tangible, and lived out. They provide multi-local visions and idea for the European Project at work, crucial for upholding thriving society, economy and democracy - of the underlying and endangered value, today. With the global turmoil – we can make Europe one of the most attractive continents on the planet – for work, life and tourism.

In the context of the Vision for Cities, we recommend fully recognising and investing in cities as centres of cultural leadership, creative industries, and artistic innovation. Culture must be integrated not as an accessory, but as a strategic enabler of systemic urban transformation. Cultural and creative sectors and industries (CCSI) play a critical role for the sustainability transitions and in dealing with the current turmoil. Culture shapes behaviours, narratives, and values. It creates meaning, mobilises collective imagination, and strengthens social cohesion. In a time when Europe must accelerate profound change, cities are the places where these cultural forces materialise, multiply, and move people.

Cultural and creative industries in cities are uniquely positioned to o translate complex challenges into compelling stories, spaces, and shared visions of desirable futures. They engage citizens both emotionally and cognitively, building the trust and legitimacy needed for deep transitions. At the same time, they catalyse local economies through adaptive reuse of heritage, creative tourism, sustainable material innovation, and participatory design. These sectors also enable intergenerational learning and support values-based governance, making cities more resilient, inclusive, and culturally rooted.

We recommend that the Vision for Cities:

- Recognise culture and its industries and professionals (CCSI) **as foundational to cities' sustainable development** and explicitly embed them in urban strategies, mobility, land use, circularity, industrial ecosystems etc.;
- Support cross-sectoral integration to include them in policy design, infrastructure projects, civic innovation;
- Ensure **funding streams for cultural infrastructure and experimentation** are available and aligned with competitive sustainability goals (e.g. retrofitting cultural heritage, sustainable event design, digital transition in arts etc.);
- Invest in **local cultural ecosystems and creative clusters** including creative business models, micro-enterprise support, and links to tourism and education;
- Integrate **CCSI professionals into multilevel governance and urban planning** as co-designers of future-proof and culturally resonant cities;
- Enable a **pan-European systemic change platform that include shared cultural practices**, greening strategies, and policy dialogue linking cities with relevant sectors (e.g. science, education, industry).

7. Deliver green, liveable and regenerative cities by implementing nature-based solutions

As urban areas across Europe grapple with the escalating challenges of climate change (Europe is the fastest warming continent14), social fragmentation, and rising infrastructure costs, the need to redesign cities around nature has never been more urgent. **Delivering green, liveable, and regenerative cities through nature-based solutions (NbS) is not an ecological imperative, but a transformative strategy to enhance connectivity, resilience, health, and wellbeing, while reducing costs and increasing the liveability and attractiveness of urban areas.**

Nature-based solutions such as green roofs, urban forests, blue-green corridors, and restored wetlands provide cities with a wealth of **multifunctional benefits.** By weaving nature into the urban fabric, these solutions reconnect fragmented landscapes and communities, creating vibrant green networks that support both biodiversity and people. They foster physical and social

connectivity, promote active mobility, and ensure equitable access to nature in all neighbourhoods, making cities more liveable for everyone. As living systems, NbS can absorb shocks from extreme heat, flooding, and drought more flexibly than traditional grey infrastructure, lowering surface temperatures, managing stormwater, and buffering against climate impacts. **This adaptive infrastructure not only reduces public spending on disaster recovery and healthcare but also supports long-term urban resilience and liveability.**

The health and wellbeing benefits of urban green spaces are well-documented: they reduce air and noise pollution, encourage physical activity, and support mental health, thereby easing pressure on healthcare systems and enhancing the quality of urban life. Regenerative design principles, such as integrating urban food production, circular water systems, and community gardens, empower residents to actively steward their environment, strengthening social cohesion, civic pride, and the overall liveability of their city.

From an economic perspective, regenerative cities that embrace nature-based solutions are more attractive and liveable for residents, investors, and tourists alike. Green infrastructure increases land and property values, stimulates local business growth, and enhances the cultural and visual appeal of urban environments. These cities become magnets for innovation, talent, and sustainable development - all key assets in a globally competitive landscape. Nature-based solutions are adaptable, scalable, and can be community-driven, empowering citizens to shape their environment and enabling cities to evolve not just sustainably, but regeneratively by restoring ecosystems, enriching biodiversity, and building social resilience.

The European Union's strong support for this transition is evident in policies such as the EU Biodiversity Strategy 2030 and the European Green Deal, which call for Urban Greening Plans and the large-scale deployment of NbS as part of the EU Cities Mission. These policies align funding and innovation with a regenerative and liveable vision for urban living, creating new opportunities for public and private investment.

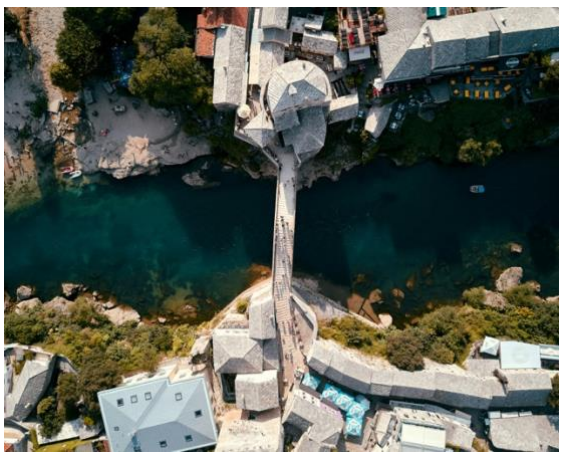
In conclusion, building green, liveable, and regenerative cities is not merely about adapting to change—it is about leading it, ensuring that European cities remain investable, resilient, liveable, and at the forefront of global urban innovation.

We recommend that the Vision for Cities:

- **Positions green, liveable, and regenerative city-making at the heart of the EU's urban agenda** to ensure that European cities are resilient, attractive, and inclusive today and for generations to come
- **Explicitly embeds the goal of delivering green, liveable, and regenerative cities through the large-scale implementation of nature-based solutions** (NbS) as a core principle.
- **Sets clear targets for integrating NbS** (such as urban forests, green corridors, and blue-green infrastructure**) into all urban development and regeneration strategies,** ensuring these solutions are prioritized alongside traditional infrastructure.
- Promotes the use of **urban adaptation plans and urban greening plans** by allocating dedicated EU funding streams, technical assistance, and peer-learning platforms to accelerate their adoption and scale impact
- Empowers cities with greater financial autonomy and direct access to resources, enabling them to co-design, implement, and monitor NbS in partnership with local communities, businesses, and knowledge institutions

8. **Champion circular and resource-efficient cities as a strategic priority for Europe's sustainable competitiveness**

The EU has put circularity at the core of its industrial competitiveness Agenda – e.g. Clean Industrial Deal ambition is to make the EU a world leader in circular economy by 2030. To succeed, top-down policies supporting big industrial sectors are not enough and must include bottom-up approaches promoting a mindset shift at all levels, starting from citizens. As shown from initiatives such as CCRI (Circular Cities and Regions Initiative)15, and the Hubs4Circularity Community of Practice16, cities are already undertaking actions in this respect, but much more can be done. In areas where high-emitting industries are present, cities can also enhance the uptake of industrial-urban symbiosis, supporting stakeholders to develop symbiotic activities including the city, when relevant.



Cities must place circularity and materials governance at the heart of urban transformation. Urban areas are among the largest consumers of materials: particularly in construction, mobility, and infrastructure, and must transition from linear consumption models to systems that prioritise material efficiency, reuse, and lifecycle value. This is not only an environmental necessity but a strategic move to reduce Europe's resource

dependency, economic vulnerability, and exposure to supply chain shocks.

The Vision for Cities should explicitly support cities in adopting circular design principles and embedding lifecycle thinking into infrastructure planning, procurement, and delivery. Aligning urban investment with circularity metrics across extraction, use, reuse, and disposal will help cities act as lead markets for sustainable materials and circular value chains.

In parallel, Europe must embed proactive critical materials and innovation foresight into the way city transformation is designed and supported. Anticipating bottlenecks in rare earths, metals, and construction inputs as well as understanding manufacturing lead times, requires improved demand modelling and forward-looking coordination between cities, industry, and EU/national bodies. Aligning aggregated city demand profiles with industrial decarbonisation and innovation timelines is essential to avoid costly mismatches and stalled transitions.

We recommend that the Vision for Cities:

- Cities should be further empowered in their efforts to support **solid local circular businesses** by enabling the right financing, regulatory and infrastructure-related mechanisms to make circularity a central element in local economies
- Cities should be **supported to develop relevant structures and competences** internally to allow for quick identification and capitalisation on circular economy and industrial-urban symbiosis opportunities
- Support **city-led experimentation** in circular construction, urban mining, material reuse, and zero-waste infrastructure.
- Enable regulatory and procurement reforms that favour material-efficient and circular solutions.
- Establish **innovation challenges and prizes** to develop sustainable substitutes for critical materials and close identified supply gaps.
- **Coordinate foresight and demand modelling** across governance levels to guide investment, accelerate innovation, and ensure cities can act on their transformation mandates without being held back by material constraints.
- Create solid ground for **coordinated action and alignment between the local / national / EU levels** to enable quicker action

This integrated approach will allow cities not only to reduce emissions and resource consumption but also to enhance Europe's strategic autonomy, supply security, and competitiveness in a resource-constrained global context

In cities like Roubaix, France, bottom-up circularity models have emerged, with the local SME's exchanging underused materials – such as textiles scraps and brewery by-products – through matchmaking workshops and a materials library. Similarly, Finland's Paijat-Hame region is demonstrating how public policy can catalyze industrial symbiosis, integrating carbon capture and reuse technologies into circular economy strategies that reduce emissions and support economic resielence.17

9. **Treat data sovereignty as strategic infrastructure with A.I. enabling systemic approaches to innovation and implementation**

Data is no longer a by-product of governance for cities but a strategic infrastructure. Urban data intersects with all major policy domains: energy systems, transport, land use, biodiversity, public health, and industrial transformation. As such, data generated through city operations, public infrastructure, and EU-supported programmes must be treated as a shared European asset: governed by principles of sovereignty, transparency, interoperability, and public value. To this end, the Vision for Cities should promote federated, standards-based data infrastructures that ensure portability, ethical use, and secure access for both public authorities and private actors. This will allow Cities to avoid fragmentation, reinforce strategic autonomy, and extract long-term public value from a growing urban "data commons."

The role of A.I. applied to data and analytics generated by and in cities must not be framed narrowly as a tool for efficiency or automation. Its real potential lies in enabling complexity-aware public governance. It supports systemic foresight, real-time scenario planning, and dynamic implementation alignment. A.I. trained on urban and regional development data can power integrated planning across sectors like housing, mobility, energy, and nature, helping cities visualise trade-offs, optimise synergies, and make decisions that are both responsive and long-term. The Vision for Cities should actively support the development of these capabilities, ensuring that A.I. and advanced analytics are embedded in city institutions as tools for strategic coordination, policy innovation, and multilevel dialogue.

We recommend that the Vision for Cities includes:

- **Establishing European standards** for ethical data use, ownership, and interoperability in urban contexts.
- **Creating a data collaborative to collect data and relevant analytics across cities** to inform policy design, regulatory development, and industrial intelligence.
- **Funding for civic data stewardship and A.I. literacy programmes** within public administrations to democratise the ability to govern and interpret AI tools.
- **Supporting of distributed digital governance models** that are co-designed with cities and citizens to safeguard against centralisation, bias, and opacity.

Only by embedding these frameworks into the Vision for Cities can Europe realise the full strategic and democratic value of its urban data and AI ecosystems.

10. **Upgrade funding and investment supporting cities – investment models, direct funding, discretionary fiscal tools, programmatic support for cities and regions**
    a. **Investment models must evolve to unlock the full potential of city-led demand**

Creating lead markets from aggregated city demand contained in Climate City Contracts and

their Investment Plans requires blended finance, innovative procurement tools, and mechanisms like Advanced Market Commitments (EC Sustainability Agreements18). These instruments and pre-competitive coordination with industry can provide confidence to suppliers and investors through guaranteed demand signals for key decarbonisation technologies and services.

Sustainability principles in public procurement must be adopted systematically to catalyse lead markets across key sectors. Climate KIC work with cities on resilience and soil-focused strategies also highlights the potential for developing investment streams for multifunctional urban nature, sustainable land use, and distributed infrastructure systems.

b. **Direct access to funding for cities is pivotal** - empowering them to design, test, deploy and scale (across Europe and beyond) place-based innovations and implementations aligned with EU climate, industrial, competitiveness and social goals.

Cities are Europe's systemic testbeds for policy making and implementation as well as technological (and other) experimentation and innovation. Yet, fragmented architecture of available funding and the prevailing tendency to centralise transformative agendas undermines their transformative impact. The evolution of initiatives like NetZeroCities illustrates the effectiveness of distributed, mycelium-like governance models: decentralised, yet interconnected, adaptive, and capable of scaling successful practices horizontally across Europe. What is needed now is structural support beyond project-based logic – funding ecosystems as long-term transformation infrastructures. This shift is key to moving from fragmented pilots toward coordinated, cross-system transformation. It reduces duplication, reconciles conflicting policies, and unlocks the synergies that only whole-system innovation can achieve. With aligned, consistent funding streams, cities can act as demand aggregators to create competitive lead markets for decarbonised, inclusive, and circular solutions.

c. **Expand and improve set of tools cities can use to initiate project financing as well as increase the pace of replication and scaling measures.**

Through their participation in the Cities Mission and with the partnership support of NetZeroCities, cities are facing barriers due to the limited set of tools available to them. In some cases, debt limits imposed by national governments hinder the accelerated implementation of bankable projects. In others, cities have to build their capacity and capabilities to utilise finance tools such as green or sustainability bonds, or to otherwise create special purpose vehicles that overcome the imbalanced outcomes of old private partnership models. Even more advanced cities, such as in Sweden or Norway, rarely have experience or tools to make use of private investment capital for their decarbonisation and climate resilience portfolios.

d. **Support to national cities' platforms for implementation** (like the Spanish CitiES) **helps both, the pioneering (Mission cities) as well as ensuing cities and municipalities** across countries – to facilitate and accelerate the replication and scaling of proven methods, solutions and policies, thereby maximizing the impact of urban policy across Europe.

Such platforms can provide structured and cross-system approaches to deliver on their climate and socio-economic commitments and needs. They can foster collaboration across various sectors and governance levels, ensure that cities are not working in isolation but are part of a cohesive strategy by aligning national and local efforts with EU-level objectives – effectively bridging the gap between policy and implementation.

As examples, through NetZeroCities, cities like Bristol are developing co-investment labs and public-private partnerships to create new investment funds and unlock diverse financing streams for projects. Budapest is leveraging pilot funding to establish a dedicated Climate Agency that works with banks to design cluster-based retrofit financing models tailored to building types and ownership structures20.

In conclusion

Europe's Vision for Cities is not merely a technical roadmap. It is a test of political resolve and institutional readiness. Cities offer the terrain where systemic change meets real people's lives. The EU now has the opportunity to show that competitive sustainability, democratic innovation, and resilience can be built—together, visibly, and at scale.

Climate-KIC stands ready to work with the European Commission, Member States, city leaders, and citizens to bring this vision to life - one that sees cities not as sites of implementation, but as the front line of Europe's shared future.

Annexes

1. EU Cities Mission - a solution for achieving thriving European cities

As Europe aims to strengthen its competitiveness, resilience, and global leadership, we would like to present the relevance of Europe Missions21 – and particularly **Cities Mission - as a powerful, existing and operational instrument at the disposal of the European Commission today.** This instrument is capable of delivering on the challenges of EU competitiveness, economic stability, political cohesion, security and strategic autonomy. It does so in ways that demonstrate the tangible benefit of European commitments to sustainability and just transition, in the everyday contexts that European citizens and businesses care most deeply about.

Created in 2021 Europe's Missions tackle the most pressing societal challenges by aligning research, innovation, and policy with real-world needs. **Missions catalyse large-scale, bold and coordinated mobilisation (across Europe) of localised (place-based) action and structured implementation. They can generate accelerated learning, investment and precedent to enable tens of thousands of cities and regions to follow suit. Their aim is to deliver tangible, measurable, and impactful transitions – in other words, the core elements of the upcoming Vision for Cities.**

EU Missions, now entering full implementation, provide a logical and pragmatic connection between the European Green Deal objectives (delivering on the goals set out in the Paris Agreement) and current imperatives and priorities as announced in the Clean Industrial Deal, Competitiveness compass, Omnibus, Union of Skills or the upcoming Circular Economy Act.

The EU Mission for Climate-Neutral and Smart Cities stands out as one of the most ambitious and coherent strategies for achieving systemic transformation at scale. Grounded in the practice of Climate City Contracts (CCCs), and supported through the NetZeroCities platform22**, the Mission provides not only a policy framework but an operational pathway to Europe's competitiveness and resilience rooted in climate neutrality and place-based realities.** With over 112 cities engaged – touching the lives of 61.5 million Europeans – it is set to achieve the decarbonisation objectives on scope 1 and 2 emissions alone of 0.7 gigatons of avoided emissions between now and 2040. Associated adaptation and resilience measures will need an unprecedented scaling of locally relevant nature-based solutions as well as transformation of spatial planning and infrastructure. The Mission offers **a living demonstration of how Europe can meet its climate, industrial, and social policy objectives simultaneously.** Building on extensive work to date, Missions are deep in the process of delivering complex transitions under challenging conditions, better prepared than most for the global uncertainties and disruptions we face.

Integrating climate, urban and industrial strategies is crucial. Without these bridges, the EU risks duplicating efforts, slowing the green transition, and leaving cities – the primary drivers of climate action – under-resourced and sidelined in the

industrial transformation. Yet mission(s) strength lies in **being grounded in real, place-based needs and existing capacities.** Cities commitment to becoming climate neutral by 2030 is sending **a powerful directional signal for investment and innovation, setting in motion actual market implementation.** The CCCs, developed through inclusive co-creation with local stakeholders and in dialogue with national and EU-level actors, guide this action planning, investment mobilisation, and monitoring. Investment Plans translate these contracts into timelines, financing instruments, and sectoral transformation.

This approach also supports Europe's **strategic autonomy** by highlighting the aggregated demand across 112 cities for green technologies, sustainable infrastructure, and digital systems – creating predictable, bankable markets that stimulate domestic production, supply chain coordination, and innovation. This has profound implications **for Europe's resilience and competitiveness, particularly in critical areas such as energy systems, construction materials, mobility, and data infrastructure.**

Cities like Helsingborg, Leuven, and Guimarães exemplify the Mission's potential. Helsingborg is advancing circular construction and smart water systems. Leuven integrates innovative, shared governance into energy transition and finance strategies. Guimarães works seamlessly with its vibrant industrial base and is piloting nature-based solutions linking adaptation and public health. These cities serve as real-time policy laboratories, testing new models of multi-stakeholder governance and investment logic.

2. Cities as demand drivers for lead markets in Europe.

The Mission enables lead markets in climate-relevant sectors – positioning sustainability as Europe's competitive edge. To this end, we are engaging European industry and businesses with Mission Cities and national ministries. Climate KIC is in the process of quantifying the demand for products and services – identifying needs across built environment, green materials and technologies, integrated renewable energy infrastructure and waste management, manufacturing, transport, mobility, logistics, interoperable digital solutions and decision support, secure food and water systems, health and social services, green business models. Missions accelerate innovation deployment in all these domains and support the development of European AI, amongst other leading cutting-edge technologies to analyse, model and accelerate the multifaceted dual-transitions.

Connecting this urban 'demand' with European business 'supply' constitutes an unprecedented opportunity to realise Europe's climate commitments, support business transformation towards sustainable competitiveness, and demonstrate to citizens the benefits of climate action – through better jobs and more resilient ways of living.

With our partners World Business Council for Sustainable Development23 (WBCSD) and ICLEI Europe24 we have **already started organising city-industry dialogues and implementation work.**

These dialogues are being designed as **dual-track efforts: a high-level political strand convening decision-makers to align mandates and priorities, and a technical strand focused on operational planning and analytics.** This enables actors across sectors (large industry, SMEs and startups/innovators) and levels of government to jointly clarify demand trajectories, anticipate supply chain constraints, identify innovation needs, shape regulatory or financial conditions including on (pre-commercial) procurement, material needs and skills gaps. Cities bring forward concrete needs addressing local and regional specificities and rural-urban integration, based on their investment plans and transformation roadmaps; businesses bring insight into feasibility, scaling, and integration across systems. Together, they form the basis for structured implementation planning: demand-led, supply-informed and multi-solving. Furthermore, participatory decision-making and governance, questions of just transition, inclusivity and affordability are critically important for success and will need to be designed into the core of such dialogue and partnership processes.

What makes this process essential, and distinct, is its ability to:

- **Surface interdependencies** between urban transformation objectives and industrial decarbonisation pathways.
- **Accelerate mutual readiness**, ensuring that businesses have clarity on aggregated city needs and cities understand the operational realities of supply and investment.
- **Create forward visibility** into emerging demand patterns and critical enabling conditions.
- **Anchor coordination** across actors who otherwise operate in silos — local authorities, SMEs, infrastructure providers, national ministries, and financial institutions.

Rather than pursuing isolated pilots or bilateral engagements, the dialogue process is designed to support **system-level coherence**. It actively seeks to uncover and address mismatches between ambition and capacity — whether in terms of materials, permitting timelines, manufacturing lead times, or market access. In doing so, it provides cities and industries a practical tool to co-develop viable, scalable, and resilient models of transformation.

As the Vision for Cities moves from principle to practice, this type of structured dialogue offers a new kind of institutional infrastructure: deliberate collaboration at the right scale, with the right partners, at the right time.

This initiative represents a clear strand of work directly supporting the core objectives of the upcoming Vision for Cities — and one that would benefit from being formally embraced and funded by both the Commission and the Vision itself.

Main Challenges

The transformative potential of the Mission is limited by governance challenges which limit the authority and ability of cities to act strategically on behalf of Europe's shared objectives. The

structural relationships of Europe, member states and cities are a specific barrier to progress. By addressing Europe's relationship with its cities, we can enhance our ability to deliver on our policy priorities.

In today's interdependent world, solving one challenge can inadvertently create problems in another system or context (see Systems Transformation Hub brief25). We must shift from focusing on a few high-profile, sectoral transitions and technologies to fostering a holistic, spatial planning approach and, for businesses, to adopt a "fleet strategy" – scaling within specific contexts, backed by aligned public and private investment (from different private sources and different levels of government).

Fragmentation and misalignment of policy and regulation across governance levels compound this. Cities may be mandated to achieve ambitious emissions targets but are often restricted by national rules on building codes, permitting, or utility regulation. This results in policy contradictions, implementation delays, and wasted resources.

One such example is renovation of heritage buildings. In many cities, retrofitting these structures is essential to achieving energy efficiency goals. Yet, national heritage preservation laws may restrict or prohibit modifications, such as external insulation or solar installations. In response, the Netherlands has piloted regulatory sandboxes to allow adaptive governance, enabling cities to test solutions while respecting legal principles.

The Mission is useful strategic tool as it reframes these barriers as shared learning opportunities – not for one but for a group of cities. It highlights where Europe's multilevel governance must evolve to enable systemic, integrated, and rapid transition. It provides a framework to act on these challenges, encouraging flexible, iterative policy, experimentation, subsidiarity, and feedback loops between all governance levels.

For this potential to be realised, the Mission approach must be embedded more deeply within the EU's policy, legislative, and investment architecture. The Cities Mission – and relevant elements of others – should be mainstreamed across the policies they support and rely on: regional, industrial, digital, health, skills, climate, and environment), in corresponding strategies, programmes and investment. They should act as both delivery tools and feedback mechanisms.

Furthermore, the Missions approach must maintain and build momentum now and in the next Framework Programme. Agile, place-based innovation via R&I funding is essential – applied research must complement pure research, as time is short and universities alone cannot deliver fast enough. Learning through deployment must accelerate – this is a critical source of knowledge for public administrations and businesses. Without it, fear, inertia, and outdated methods take over, yet, more of the same will not work. In this way, Europe can unlock its full potential – not only as a climate leader but as a model of democratic innovation and economic renewal. The Cities Mission shows that the future is already being built. In real places, by real people, with real

benefits. It must now be supported with equal ambition at every level of governance.

3. The EU Adaptation Mission and its relevance to cities' success

We applaud the Commission for considering a comprehensive list of issues including climate action; nature and biodiversity; affordable and sustainable housing; as well as social inclusion, equality and accessibility in its proposed policy agenda for cities. However, we must stress that **omitting to explicitly include climate change adaptation in the EU Agenda for Cities is a serious risk.**

The European Environment Agency's European Climate Risk Assessment confirms that Europe is the fastest warming continent, with cities already experiencing varying degrees of vulnerability to drought, flooding, and heatwaves. Looking ahead, risks such as pluvial flooding in northern and western-central Europe and escalating heatwaves across many regions are projected to intensify. Both the **EU Strategy on Adaptation to Climate Change** (COM/2021/82) and the **Mission on Adaptation to Climate Change** recognize the urgent need for cities to adapt to these growing risks to protect citizens' health, wellbeing, and quality of life, as well as local economies and vital ecosystem services. The EU has committed to supporting local authorities in adaptation efforts, including through financial resources and community engagement, as outlined in the EU Adaptation Strategy and reinforced in Article 5 of the European Climate Law (Regulation (EU) 2021/1119). These commitments must be fully reflected and operationalized in the EU Agenda for Cities.

In line with the existing policy and legal framework, the scientific evidence, and our experience as a **key implementing partner of the EU Mission on Adaptation to Climate Change and our work with a multitude of urban regions in the** Pathways2Resilience and the Horizon Europe Research and Innovation Action Projects such as DesirMED and ARCADIA, **we urge the Commission to explicitly include the provisions on climate change adaptation in cities and urban areas in its EU Agenda for Cities.**

Urban climate change adaptation must be recognized as indispensable for achieving progressive urban resilience26 - resilience that is not merely reactive, but anticipatory, inclusive, and transformative. Embedding adaptation at the heart of the EU Agenda for Cities is crucial to unlock the potential for **integrated and systemic action across a wide spectrum of urban policy priorities:**

- **Affordable and Sustainable Housing:** Adaptation is essential to ensure that housing remains both affordable and safe in the face of a rapidly changing climate. Climate-proofing dwellings through measures such as improved insulation, flood protection, and passive cooling protects residents from extreme weather, reduces long-term costs, and safeguards the right to secure shelter for all. Without adaptation, investments in affordable housing risk being undermined by climate-related hazards, threatening the wellbeing and stability of urban communities.

- **Social Inclusion and Equality:** Social inclusion and equality can only be realized if adaptation strategies are designed and implemented with justice and equity at their core. Vulnerable groups, including low-income households, the elderly, and those with health conditions, are disproportionately affected by climate impacts. By prioritizing just and equitable adaptation, we ensure that these populations are protected from the worst consequences of climate change, thereby upholding fundamental values of fairness and social cohesion within our cities.

- **Community Health and Wellbeing:** The health of urban populations is increasingly at risk from climate-related events, with rising morbidity and mortality linked to heatwaves, floods, and other extreme weather events27. Integrating adaptation into urban health strategies is vital to reduce these risks, protect public health infrastructure, and promote wellbeing. Proactive adaptation measures such as urban greening, heat action plans, and resilient healthcare systems not only save lives but also foster healthier, more liveable urban environments.

The Call for Evidence acknowledges that many cities, especially smaller ones, **face significant capacity and funding constraints in addressing climate challenges.** Our experience working with urban areas confirms that adaptation funding gaps remain a key barrier to implementation, even where robust climate action plans exist. Based on our experience in Pathways2Resilience, for example, which aims to empower at least 100 regions and communities across Europe to co-design pathways and innovation agendas to become climate resilient by 2030, we recognize that adaptation finance is crucial for many cities. As such, the Pathways2Resilience consortium has developed an Adaptation Investment Cycle, an iterative, 6 step process to develop Adaptation Investment Plans that can help to mobilise finance. We thus argue **that to effectively support cities, the EU Agenda for Cities should explicitly address and prioritize public and private adaptation financing as part of its streamlined support framework.**

The Agenda should **go beyond general references to 'climate action' and clearly distinguish between climate change mitigation and adaptation, as each requires distinct strategies and investments.** In resource-constrained urban settings, these priorities often compete for funding, making it essential to **identify and support synergistic solutions that deliver both adaptation and mitigation benefits.** Our experience shows that many nature-based interventions, such as urban greening and green roofs, not only sequester carbon and reduce emissions, but also lower the urban heat island effect, manage stormwater, and enhance wellbeing. By prioritizing such multi-benefit solutions, cities can maximize the impact of every Euro invested and advance a more integrated, effective urban climate response.

We welcome the Call for Evidence's recognition of the need to learn from cities' experiences and avoid contradictory policy impacts. The EU Mission on Adaptation to Climate Change demonstrates the significant value and potential of peer learning

among cities**. We strongly recommend that the EU Agenda for Cities leverage the EU Mission on Adaptation to Climate Change, drawing on the expertise and ambition of its 400 signatory regions and local authorities to inform and guide effective urban adaptation strategies.** Additionally, **the EU Agenda for Cities should strive to build bridges between the EU Cities Mission, the Mission on Adaptation to Climate Change, and the Soil Mission – harnessing their collective synergies to achieve systemic transformation at scale.**

In sum, cities and urban regions are at the forefront of climate risks while driving Europe's economic and social vitality. This initiative must recognize cities' unique role and urgent responsibility in leading climate adaptation. Without mainstreaming urban adaptation across all policy domains, the EU risks undermining its competitiveness, resilience, and sustainability, with significant financial, social, and environmental consequences. **To ensure a thriving future for all Europeans, adaptation should be a core priority in the EU's urban agenda, fully integrated across sectors and supported at every level of governance.**

4. Circularity and Cities

Cities will be the place where more than half of all waste will be produced – with 80% of Europe's population living there by 2050. Already today, cities are centres of concentrated resource consumption, and their circular transition is crucial for the transition to circular Europe. However, circularity is often treated as a sectoral topic, instead of a cross-cutting system change. This results in fragmented implementation and limited impact. **Cities must be empowered to treat resource use and waste not as environmental side-issues but as core to their development strategy.**

Therefore, Cities are potential system architects of circular transformation – implementing pilot centres, demonstration projects, or scaled circular initiatives. Circularity in cities requires a systemic perspective that integrates housing, mobility, food, energy, and materials, moving beyond sectoral silos. They serve as the critical interface between policy and practice, bringing together key actors: local businesses, citizens, public institutions, and civil society. That's what makes them ideal for building circular ecosystems that can enable industrial symbiosis, cross-value chain collaboration, and innovation.

For cities to realize this role, they need enabling conditions: market signals, supportive policy frameworks, and local capacity. Implementing circularity requires integration of its principles across sectors and disciplines such as refuse, reduce, reuse, repair, refurbish, remanufacture, recycle, and recover. It must be guided by rethinking of governance, planning, stakeholder involvement and finance. In practice this includes:

- **Enhancing sustainable / circular public procurement** to drive demand and innovation of circular products and services.
- **Circular food systems** (composting, short supply chains, urban farming, biobased innovation) in connection, synergy and collaboration with its food processers, markets, shops and **its surrounding rural areas.**
- **Local material recovery infrastructure** to close resource flows.
- **Urban mining and reuse** of construction materials.
- **Urban industrial symbiosis** to match material outputs and inputs across sectors, involving industrial areas.
- **Co-creation and experimentation** through urban living labs and innovation districts.
- **Shared logistics and reverse logistics infrastructure for circular supply chains.**
- **Establishment of circularity pilot centres as local nodes for testing and scaling circular solutions.**
- **Critical Raw Material (CRM) recovery strategies** integrated into urban systems, especially through e-waste collection, repair hubs, and refurbishment centres, reducing Europe's dependency and supporting supply chain resilience.

Circular cities and their planning will need to be citizen-centric, and cities will need community engagement strategies to embed circular behaviours in daily life.

5. Soil

As Europe's urban areas grow and evolve, **soil** is increasingly overlooked, even though it is critical for the sustainable, resilient, and equitable development of cities. The EU Soil Mission (of which Climate KIC is a key implementing partner) and the goal of **reducing soil sealing as outlined in the EU Soil Strategy for 2030 represent vital tools in shaping a healthy urban future.** However, unless these ambitions are meaningfully integrated into the EU Agenda for Cities**, we risk missing a unique opportunity to transform cities into enablers of ecosystem restoration, climate adaptation, and social equity in the face of climate change, biodiversity loss, and increasing urbanisation.**

Recognising soil sealing as a core urban challenge
Soil sealing, defined as the covering of soil with impermeable materials, is the most intense and irreversible form of **land take.** It results in the permanent loss of vital **ecosystem services, including carbon storage, water infiltration, biodiversity support, and local climate regulation.** Between **2006 and 2018, 3,581 km²** of additional soil in the EU was sealed, of which **1,467 km²** occurred just between 2012 and 2018. The majority of this occurred in **suburban commuting zones,** which now have **more artificial area per**

person than cities and where land use is demonstrably less efficient.

Soil sealing puts **biodiversity at risk,** increases the likelihood of **flooding and water scarcity**, and contributes significantly to **climate change**. Despite this, there is currently **no binding EU-level policy target** to reduce land take or sealing. The EU Soil Strategy for 2030 sets a **non-binding target of no net land take by 2050**, but cities are not yet fully recognised as key actors in achieving this goal.

The Missed Opportunity: Cities Have No Defined Role .Current EU discussions on how to define "net sealing" and set the starting point for accounting are ongoing. However, **cities currently have no specific role in these debates,** despite being the main locus of land take and the primary actors capable of implementing sealing reduction measures. This is a significant risk.

Cities are central to the solution. They hold unique powers to implement spatial planning, regulate development, and deploy land use instruments that can reduce or reverse soil sealing. This should be acknowledged and embedded within the **revised EU Agenda for Cities,** which must explicitly incorporate the ambitions of the **Soil Strategy** and the **Soil Mission.**

The Role of the Land Take Hierarchy. The land take hierarchy proposed in the Soil Strategy provides a practical framework that cities can use to operationalise no net soil sealing:

1. **Avoid land take**
2. **Reuse previously used land**
3. **Minimise sealing**
4. **Compensate for sealed land**

This hierarchy not only aligns with broader **climate adaptation** and **biodiversity strategies but also offers cities a roadmap to build more compact, connected, and climate-resilient communities.** Yet, for this framework to succeed, **cities need the policy support, financial incentives, and legal mandates** to act. This includes the creation of urban **carbon credit systems** that monetise the avoided emissions from limiting urban sprawl—up to **290 tCO_2 per hectare of avoided expansion.**

The Case for Unsealing: Benefits Across Society, Economy, and the Biosphere. Unsealing urban soils delivers multiple co-benefits across the three pillars of sustainability:

1. **Contribution to the Environment:** Healthy urban soils **store organic carbon**, reduce GHG emissions, and restore **biodiversity**; Unsealed soils **regenerate microbial life**, essential for a functioning urban ecosystem; Cities with living soils can become **biodiversity connectors**, not barriers.
2. **Contribution to Society:** Soil pore spaces hold water - sealed soil loses this capacity, contributing to **flooding and water stress**; Cities with unsealed areas provide **green spaces**, promoting health, equity, and wellbeing, especially when integrated city-wide to ensure equal access.
3. **Contribution to the Economy: Land recycling** remains underutilised. Only **13.5% of new urban development** occurred within

previously built areas (2006–2012), despite some Member States achieving rates up to 80%; Building within cities may be costlier upfront, but the costs are offset long-term by **reduced commuting, lower energy use, and increased climate resilience;** Urban soil sealing exacerbates the urban heat island effect, driving up health risks and **energy bills**, which could have been 10% lower in some cities had urban sprawl been avoided.

Linking the Soil Mission and the EU Agenda for Cities through Urban Living Labs for policy development. The EU Soil Mission does include urban soils, but its linkage to the **EU Agenda for Cities** can and must be strengthened. One powerful mechanism to achieve this would be through **Urban Living Labs** - real-life testbeds for soil-related sustainable farming innovation and co-creation. However, their current role is often peripheral, while they could be used to advance policy development on soil at city level and to link to urban governance structures.

We propose that Urban Living Labs, such as the 1000 Soil Health Living Labs that Climate KIC is developing through SOILL-STARTUP, be:

- **Formally embedded in city governance structures**, ensuring results feed directly into municipal policy.
- **Connected across cities**, forming a network of experimental knowledge hubs aligned with the Soil Mission.
- Supported with **dedicated funding** and frameworks that ensure their contributions influence EU-wide policy.

Recommendations

Soil is a critical urban asset, yet it is underrepresented in the EU Agenda for Cities so far. Without clear direction and support at the EU level, cities will remain limited in their ability to contribute to the goals of **no net land take by 2050.** The **EU Agenda for Cities** must explicitly incorporate the Soil Strategy and the Soil Mission. This could include:

- Mandating the **application of the land take hierarchy**
- Developing **standardised definitions** for net sealing in partnership with local authorities
- Expanding the role of **Urban Living Labs** in both experimentation and policymaking
- Establishing **a monitoring and reporting framework** for urban soil health and land use efficiency

By embedding these principles, the EU Agenda for Cities will not only become more holistic and forward-looking, but it will also empower cities to be champions of a just, green, and climate-resilient Europe.

5. New European Bauhaus – the soul of the European Green Deal

The **New European Bauhaus** initiative, bringing together the core values of sustainable, beautiful and inclusive, places neighbourhoods and the communities within them at the heart of the Green Deal, recognising that a just urban transition can only be achieved through citizen engagement and a holistic approach to neighbourhoods and the built environment. The Call for Evidence rightly

acknowledges that cities need tools and support to enable them to be responsive to their needs and importantly the needs of their inhabitants, and to do so in a participatory approach. We have seen that this approach leads to greater social acceptance and uptake of climate solutions, increased social cohesion, wellbeing and empowers communities to play a role in their own environment; however, it also requires greater time, resources, and capabilities to effectively deliver on citizen engagement, without falling into the trap of engaging with the usual suspects.

The New European Bauhaus (NEB) has the potential to connect the green transition more closely to communities across Europe, and support cities in their journey to do so, but to deliver on this, it requires:

- **Ensuring clear and straightforward access to funding sources:** NEB funding is in the process of being centralised for the Research & Innovation component of the NEB Facility; however, the Roll-out component is undergoing development and is likely to include a range of funding sources. This lack of clarity leads to confusion, lack of access to funding, and smaller cities may miss out on opportunities. Clear signposting, more straightforward access, and a great connection with the Cities Mission would enable cities to spend their resources focusing on upskilling in areas such as citizen engagement and democratic participation approaches, which are key for cities in the next step of their climate implementation plans.
- **Fostering greater synergies between the NEB and the EU Missions, in particular the Cities Mission**: by making a clear connection between the NEB and the Cities Mission, it advocates for delivering on the green transition in a human-centred way.
- **Placing citizen engagement, social democracy, and new governance models at the heart of the green transition:** too often citizen engagement is considered as a second-step in the process; however, encouraging cities to factor this in from the start of their processes not only reduced the time and effort required later on to foster social acceptance of solutions, but it increases uptake from the beginning, fostering a sense of ownership over solutions and increases social cohesion.

The recently launched **New European Bauhaus** Facility, designed as a cross-cutting initiative and funding instrument, has the potential to galvanise the NEB into the mainstream and to be higher up the agenda for cities across the EU. However, further advice, guidance on what NEB looks like in practice to cities, and more synergies between the NEB Facility and other funding streams would ensure that its impact is felt broadly, connecting neighbourhoods to one another, and cities to their residents.

Adopting the NEB approach is vital in delivering a just future for all, one where cities view their built environment through the lens of those who live there, their social connections, and where aesthetics go hand in hand with sustainability.

About Climate KIC

As Europe's leading climate innovation initiative, Climate KIC supports this potential through systemic, place-based innovation, working with hundreds of cities across the continent. We coordinate the NetZeroCities platform, which supports the implementation of the EU Mission for Climate-Neutral and Smart Cities, partnering with 112 cities to demonstrate how systemic transformation can be achieved by 2030. Beyond this, Climate KIC is also actively involved in the Climate Adaptation and Healthy Soils Missions, both of which are deeply relevant to the Cities agenda. To build the enabling infrastructure cities need, we also foster the development of National Cities Platforms: multi-actor ecosystems such as the one launched in Spain28, that bring together city governments, SMEs, finance actors, academia, and civil society. These platforms help cities move from ambition to implementation by building capability, unlocking investment, and scaling innovation.