thelisboncouncil
think tank for the 21st century

By Jeff Risom, Katarzyna Szkuta, Luis Cilimingras

From Care to Action:

Redesigning the Conditions for Europe's Urban Transition

SUSTAINABLE CITIES LAB

Polinature, Ecosistema Urbano, Image © Emilio P. Doiztua

Policy Brief 2026

How Cities Can Build Support, Unlock Investment, and Deliver Change at Scale.

About URBREATH

The policy brief builds on the work of the URBREATH project, a consortium of 37 partners and co-funded by the European Union. By implementing nature based solutions through local living labs and with the support of digital tools, the project actively contributes to the objectives of the European Union Mission 100 Climate Neutral and Smart Cities by 2030 and the European Union Mission Adaptation to Climate Change. It has received co-funding by the European Union's Horizon Europe programme under grant agreement N 101139711.
For more, visit https://urbreath.eu/

About the Sustainable Cities Lab

The Sustainable Cities Lab is an initiative of the Lisbon Council focused on one of the biggest challenges in European urban policy: the gap between climate ambition and actual delivery. Drawing on a portfolio of Horizon Europe projects representing more than €35 million in funding and nearly 100 partners across Europe, the Lab brings together what is being learned on the ground across nature-based solutions, climate finance, public space, procurement, community participation, and district-level innovation. It connects lived experience and practical lessons from cities across Europe to the policy work taking place in Brussels. The Lab is practical, carefully curated, and designed for impact, with a focus on useful tools, peer exchange, and delivery support that practitioners can apply directly in their everyday work. At its core, the Lab focuses on the conditions that allow people, capital, and institutions to act together at scale.
For more, visit https://sustainablecitieslab.eu/

Policy Brief

From Care to Action:

Redesigning the Conditions for Europe's Urban Transition

How Cities Can Build Support, Unlock Investment, and Deliver Change at Scale.

By Jeff Risom, Katarzyna Szkuta, Luis Cilimingras


Jeff Risom


Katarzyna Szkuta


Luis Cilimingras

About the lead authors

Jeff Risom is senior fellow focussing on urbanism at the Lisbon Council. **Katarzyna Szkuta** is director of strategy. **Luis Cilimingras** is a senior fellow.

Project team: Anna Pizzamiglio, Annalisa Addis, David Osimo, Francesco Mureddu, Francesco Tognoni Martinez de Velasco, Natalia Oprea, Marcella Bonanomi, Marieke Willems

Creative director & lead designer: Maria Fröhlich

LifePACT, Image © city of Leuven

Table of contents

About Dr. Robert Habeck

Dr. Robert Habeck served as Vice Chancellor and Federal Minister for Economic Affairs and Climate Action of Germany from 2021 to 2025, overseeing the country's economic and energy transition policy during one of Europe's most challenging periods. Prior to that, he served for six years as Deputy Minister-President of Schleswig-Holstein, with responsibility for energy, environment, and agriculture. A holder of a doctorate in philosophy from the University of Hamburg, Habeck also worked as a writer before entering politics. He remains a member of the German Bundestag and continues to engage on questions of European climate and security policy.

Foreword - by Robert Habeck

How we live and who we are

In most European cities, living space is scarce and rents and purchase prices are high. In almost all urban areas, there is a growing risk of social division, even fragmentation, along neighbourhood and district lines. Sustainability and climate protection are often seen as amplifiers of this trend. The more climate protection, the more expensive construction becomes, the higher the prices, the more segregated the city. As a result, political decision-makers tend to forego climate protection or sustainability criteria, which cynically leads to the same outcome: well-renovated neighbourhoods and homes for the better-off, with poorer-quality housing everyone else. Cities become divided – and with them, society itself. Alongside the threat of escalating global warming, Europe – and in fact, the whole world – faces the challenge of societies falling apart. Mutual understanding is eroding, polarisation is increasing and hatred is dominating. Against this backdrop, the question, then, is not only what we build, but how cities can actively reduce friction and enable people, capital and institutions to work together in shaping the places they share.

During a recent visit to Boston, I saw how patterns of urban development and housing costs increasingly shape who has access to which parts of the city. The streets no longer connected people; they divided them. Neighbourhoods are designed like castles that only residents are allowed to enter. But this trend is not inevitable; urban planning and smart construction can hold a society together. Whereas the social aspect of urban planning and housing construction used to be subjective – can individuals afford a roof over their heads? – it has now become objective: how do we plan and build our cities so that open society and liberal democracy have a chance? Participation and access are key criteria in this regard. Participatory justice means that people of different incomes, backgrounds, ages and religions can share the same spaces and experiences. This report reflects that principle. It does not speak about people or for people, but with them. While participation alone cannot guarantee the resilience of an open society, it is a necessary foundation. Crucially, this approach also aligns with sustainability from an ecological point of view. Cities that grow together make better use of existing assets: they regenerate brownfield sites, ensure that the history of the city is reflected in the choice of building fabric and that these materials are recycled. Seen in this light, construction and urban planning are more relevant and significant than ever from a political point of view.

This policy paper is a guide for planners, decision-makers and politicians. It draws on the experience of many discussion partners from a wide range of professions. It shows how participatory approaches, new financing models and a stronger enabling role for cities can work together to turn ambition into practical, scalable action. It outlines ways in which more money can be channelled into the social infrastructure of our cities and how a new frontier for public-private collaboration can be shaped. These financial tools are not only about scale, but about making urban transformation inclusive and investable to ensure that cohesion and climate action can advance together. It also points to a new and more active role for the European Union in urban transformation including financing. From bundling small projects into investment-ready portfolios to subordinated loans and guarantees that make investments in social infrastructure less risky on the funds' balance sheets, a new alliance of private and public capital can be forged. Only in this way can Europe meet its climate targets, and achieve the goals of the Draghi Report, unleashing annual investments of €800 billion. The paper also provides guidance on how regulatory conditions need to be revised so that cities can do their part to make Europe climate-neutral – and safe.

How we live determines who we can be – and whether we can act together to shape our shared future.

From Care to Action: Redesigning the Conditions for Europe's Urban Transition

Across Europe, the green transition has lost momentum. Waning public interest in climate action and citizens' resistance to change are often cited as the main obstacles.

Yet evidence from more than 20 interviews with city practitioners and international experts suggest otherwise. Support for change already exists. Citizens, city officials and investors all care about securing a thriving future and support Europe's transition. They believe in climate action that improves everyday quality of life. What is missing are the conditions to turn caring into taking action.

In cities, people act when change is tangible and improves their everyday life: cooler streets, lower energy bills, safer routes to school and work, or more inviting public spaces. What stalls progress is friction: unclear rules, fragmented responsibilities, slow permitting, delivery risk and institutions that struggle to act together.

Europe has no shortage of people who care about climate and about their neighbourhoods, streets and public spaces. It lacks the conditions that allow people to act on that care. In short, the concern is there, but it is too hard — and often too risky — to turn that concern into action at scale.

The Sustainable Cities Lab, an initiative of The Lisbon Council, was created to address this gap.

It starts from lived experience and works upward: spending time in neighbourhoods with residents and municipal teams, and working with delivery partners and investors to understand where ambition breaks down in practice — and what helps it move forward.

Three lenses provide a holistic perspective:

1. **law as policy anchor**
   what cities must deliver under European Union obligations
2. **case studies as proof**
   what has already worked, and why
3. **Horizon living labs as proof-points**
   what happens at the implementation frontier when real people, procurement, finance and maintenance collide.

Across contexts, the same system logic repeats:

- reduce friction
- unlock care
- enable action
- share risk
- align responsibility
- scale responsibly

This paper is written for city leaders, policymakers and practitioners working to accelerate Europe's urban transition. It brings together lessons from practice, policy and lived experience to show how that logic can be operationalised. Its argument is simple: Europe's transition will succeed not through better plans alone, but by redesigning the conditions that allow people, capital and institutions to act together at scale — in real places, at real speed and in ways that last.

Three mutually reinforcing platforms for scaling Europe's green and just transition

THE PEOPLE DIMENSION

Catalysing collective action

FROM Service delivery > consultation > backlash

TO Enabling responsibility > shared action > durable legitimacy

Policy priorities

Provide practical services that complement citizen strengths

- Cities absorb liability, logistics, permitting and insurance
- Citizens act where care already exists

Use pre-approved actions and micro-grants to make starting easy

- Pre-approved actions (trees, depaving, shade, rain gardens)
- Fast micro-grants linked to clear criteria

Build social infrastructure that turns care into confidence — and confidence into scale

- Trusted local guides and match-making
- Neighbour-to-neighbour replication as a condition for scale

What this unlocks

- Care becomes action
- Participation without backlash
- Distributed responsibility at scale

Design Principles

1. Trusted local guides and match-making
2. Make change tangible and navigable
3. Design for co-accountability and stewardship

THE CAPITAL DIMENSION

Making cities investable

FROM Public spending > pilots > stalled scale

TO Pre-tested deals > shared risk > long-term capital

Policy priorities

Fund the deal translator — not just the design

- Bridge climate, planning, legal and finance early
- Bundle small projects into investable portfolios

Let public capital take the first hit — and prevent failure before money arrives

- Guarantees and first-loss protection as default
- Pre-financial sandboxes to design deals before money arrives

Use public land like capital, not cash

- Shift from highest price to maximum long-term value
- Retain public influence while partnering with private delivery

What this unlocks

- Capital move without eroding trust
- Scale without regulatory or political shock
- Investment aligned with long-term care

Design Principles

1. Anchor ambition in lived experience
2. Structure risk so capital can participate
3. Align responsibility across the lifecycle of delivery.

THE INSTITUTIONAL DIMENSION

The symbiotic value chain

FROM Fragmented delivery > orphaned risk > stalled projects

TO Shared accountability > durable delivery > systems that last

Policy priorities

Pair money with mandates

- Authority and responsibility travel together

Make maintenance a day-one design condition

- Operations shape design choices from the start

Treat coordination as a delivery function, not a meeting

- Dedicated connector roles during implementation
- Trust protected where pressure is highest

What this unlocks

- Faster delivery without cutting corners
- Innovation that survives handover
- Responsibility that is visible and shared

Cities as Europe's Delivery Frontier: Where European Union Policy Succeeds or Fails

Europe's climate agenda represents the most ambitious legislative overhaul in the Union's history, targeting a 55% net reduction in emissions by 2030. Yet while strategy is set in Brussels, implementation happens in cities. Around 70% of European Union legislation and the vast majority of adaptation measures are implemented at regional and local levels.[1] Local governments already account for roughly 60% of climate-related investment, through decisions on buildings, mobility, public space, and infrastructure systems.[2]

Europe's transition will ultimately be decided in cities, not by plans alone, but by the capacity to implement those plans.

In the political climate of 2026, the cost of inaction is measurable. Extreme heat and flooding increasingly translate into lost productivity, infrastructure damage, and fiscal strain. The devastating floods in Valencia and along the Rhine — events whose likelihood was significantly increased by climate change — showed how quickly urban economies can be disrupted, with billions in damages, transport networks halted, and local governments forced into emergency spending. Heat poses similar systemic risks: a single day above 32°C can reduce productivity equivalent to a half-day general strike across urban economies.[3] Urban resilience is therefore no longer a discretionary environmental ambition; our capacity to adapt to the effects of climate change in Europe underpins economic stability and competitiveness.

Cities now face three interlocking constraints that determine whether European ambition becomes reality: **legitimacy, bankability, and delivery capacity.**

1. The People Dimension at Stake: Legitimacy & the New Social Contract

Achieving net zero remains an abstract geopolitical target. What citizens experience and judge is whether transition policies improve or disrupt everyday life. Thermal comfort during a heatwave, lower energy bills, safe routes to school, and usable public space are all tangible benefits. These everyday benefits are the entry points through which climate action earns legitimacy.

The political landscape has shifted. While concern about climate impacts remains high, cost-of-living pressures and poverty have become dominant domestic priorities.[4] Without adaptation, regional gross domestic product losses are projected to reach several percentage points by mid-century, making climate resilience a fiscal as well as environmental imperative. This raises the bar; climate policy must therefore function not only as an ecological necessity, but also as a way to improve well-being without raising costs unfairly.

Legitimacy is fragile when trade-offs are poorly handled. Low emission zones or parking removal may reduce pollution, yet still generate backlash if framed as loss particularly where alternatives are unevenly distributed.[5] Similarly, urban greening can increase property values yet risk social and cultural displacement through a form of "green gentrification" if not paired with social safeguards.[6]

The implication is clear: legitimacy depends on design choices, not communication alone. Projects that integrate place-based knowledge early – even in modest ways such as shaping public space layouts or choosing planting strategies – consistently experience reduced vandalism, maintenance burdens and resist-

1 European Committee of the Regions: Commission for the Environment, Climate Change and Energy and Metis GmbH, Equal Opportunities and Responsibilities in the Implementation of the European Green Deal (European Committee of the Regions, 2022).

2 European Investment Bank,, The state State of local Local infrastructure Infrastructure investment Investment in Europe – EIB Municipalities Survey 2024–2025 (European Investment Bank, 2025).

3 Allianz SE, (2025), "Global boiling Boiling – Heatwave may May cost Cost -0.5pp of GDP in Europe," 01 July 2025,.

4 European Commission, Special Eurobarometer 513 – Climate Change (European Union, 2021) and Special Eurobarometer 565 – Climate Change (European Union, 2025).

5 Javier Tarriño-Ortiz et al, "Public Acceptability of Low Emission Zones: The Case of 'Madrid Central'," Sustainability, 13.6, 2021.

6 Mariann Olivadese, "Rethinking Nature-Based Solutions: Unintended Consequences, Ancient Wisdom, and the Limits of Nature," Land, 14.6, 2025.

ance.[7] Cities need both flexibility and strong political backing to respond to local concerns while maintaining ecological integrity.

2. The Capital Dimension at Stake: Bankability & Investment Logic

Even where legitimacy exists, many resilience and nature-based interventions struggle to scale because they are treated as amenities rather than infrastructure. An urban forest should not be seen as "only a park", it is also a heat and stormwater management system that reduces long-term damage and public cost. Yet accounting standards rarely capture avoided losses as investable returns.

Municipalities signal strong intent to increase climate investment, yet financing gaps and regulatory complexity remain key barriers.[8] With nearly half of urban nature-based projects costing less than €1 million and institutional lenders typically underwriting above €50 million, most initiatives never reach the threshold of investability.[9] The result is heavy reliance on public funding and limited private participation, not due to lack of value, but as risk and revenue structures are unclear.

The challenge, therefore, is structural rather than purely financial. Making projects investable requires clarifying cash flows or monetisable savings, bundling small initiatives into portfolios, reducing regulatory uncertainty, and embedding credible monitoring and maintenance frameworks. Without this ability to structure projects so they are attractive to investors, even high-value urban initiatives fail to secure private funding.

3. The Institutional Dimension at Stake: Delivery Capacity & Alignment

Legitimacy and financing are, of course, necessary but they are insufficient if institutional delivery systems cannot carry projects through implementation and maintenance. Over 60% of European municipalities report that administrative and coordination barriers constrain climate delivery more than lack of funding.[10]

Projects often stall due to the familiar pattern of fragmentation: one team designs a project, another approves it, a third team constructs it, while yet another team handles maintenance, often with no shared accountability across the lifecycle. Budget silos across transport, housing, climate and public works make integrated interventions difficult to sustain. Nature-based solutions intensify this tension because they require long-term care cycles and adaptive management that standard procurement routines are not designed to handle.

The risk is not dramatic failure, but rather a gradual loss of momentum. Innovation becomes a perceived maintenance liability; the safest decision being inaction. Delivery capacity is therefore not simply technical, but institutional: mandates, procurement, maintenance responsibility and political accountability need to be aligned from the outset.

The Catalyst: The Nature Restoration Law as a Stress Test

The 2026 nature restoration law brings these three constraints into sharp focus. Member states must submit national restoration plans mandating "no net loss" of green urban space and tree canopy by 2030. The law is both an ecological catalyst and an institutional stress test.

Compliance requires more than planting targets. It demands that projects be socially legitimate, financially structured and institutionally maintainable. Failure carries dual exposure: legal infringement and rising economic losses from unmanaged heat and flooding.

A successful policy narrative must move beyond simple restoration. Nature-based solutions must be financially sustainable, socially inclusive, and institutionally embedded. While green infrastructure may cover 42% of European Economic Area, only a small share is publicly accessible.[11] Access, maintenance and integration into city systems determine whether "no net loss" becomes a lived reality or merely statistical compliance.

7 Jeroen Laven, Anna Louise Bradley and Levente Polyak, "Placemaking in the European Context. The Movement Is Here to Stay," The Journal of Public Space, 4.1, 2019, pp. 135–154.

8 European Investment Bank,, The state State of local Local infrastructure Infrastructure investment Investment in Europe – EIB Municipalities Survey 2024–2025 (European Investment Bank, 2025).

9 European Investment Bank, Investing in Nature-Based Solutions – State-of-Play and Way Forward for Public and Private Financial Measures in Europe (European Investment Bank, 2023).

10 European Investment Bank,, The state State of local Local infrastructure Infrastructure investment Investment in Europe – EIB Municipalities Survey 2024–2025 (European Investment Bank, 2025).

11 European Environmental Agency, "Economic Losses From Weather- And Climate-Related Extremes in Europe," 14 October 2025.

Frontier Innovations: Two Cases Shaping Europe's Next Urban Transition

To connect policy framework to lived experience, the Sustainable Cities Lab invited two practitioners whose work consistently moves from vision to implementation. Their projects span continents and disciplines, yet share a common challenge: translating climate ambition into outcomes that function politically, financially, and socially. Rather than presenting exemplary projects in isolation, this section explores how experienced leaders navigate constraints such as procurement, risk, public trust, capital and institutional inertia to deliver lasting change.

Architect and urban innovator Belinda Tato operates at the intersection of heat mitigation, water management, inequality, and public space. As co-founder of Ecosistema Urbano, her work spans climate-responsive public spaces in Europe and the United States to large-scale adaptive interventions across Latin America. Tato approaches public space as environmental infrastructure — designed not only for social life, but for measurable thermal comfort, shade, water retention and civic inclusion. In her practice, sustainability is not framed as an abstract environmental target, but as a practical and cultural shift embedded in everyday urban experience.

Complementing this perspective, urbanist Jesse Shapins and public-sector strategist Thure Krarup together work at the frontier of digital urbanism, civic media and public-interest development. Shapins, co-founder of Urbane Development, bridges academia, public agencies, and private developers to explore how representation, data, and narrative shape urban outcomes. His focus is on aligning design ambition with economic feasibility and community legitimacy in complex redevelopment contexts where trust, capital, and governance must move in concert. Krarup, director of government relations and public-private partnerships at Urban Partners, brings deep experience navigating the interface between private platforms and national and local governments, shaped by his earlier role as state secretary in the Danish ministry of finance overseeing urban development policy and municipal funding.

Together, their perspectives illuminate the operational layer beneath the Sustainable Cities Lab's recommendations: how to reduce friction, structure investable action, and build institutional capacity so that climate-responsive urbanism is both durable and scalable.

Belinda Tato

Ecosistema Urbano

Belinda Tato is associate professor in practice of landscape architecture at the Harvard University Graduate School of Design. She is founding member of Ecosistema Urbano, a Madrid-based group of architects and urban designers operating within the fields of urbanism, architecture, engineering and sociology.

PlanTable — Plug-in urban furniture

A lightweight public installation combining shade, trees, and seating in one of Boston's most heat-vulnerable neighbourhoods. Designed as urban furniture rather than as a traditional monument, PlanTable offered immediate cooling and social space. When the installation was removed, the plants were distributed to local residents, extending care beyond the project itself.

Polinature — Urban biodiversity kit

Building upon experience from previous installations to improve bio-climatic conditions such as Eco-boulevard in Madrid from 2007 and Air Tree in Shanghai from 2010,[1] Polinature is a modular, demountable structure that uses scaffolding and native plants to create shaded public space and support biodiversity. Designed to be assembled, relocated, and replicated quickly, Polinature demonstrates how cities can deliver environmental and social relief without waiting for permanent infrastructure.

12 https://ecosistemaurbano.com/eco-boulevard/ and https://ecosistemaurbano.com/air-tree/ [accessed 12 April 2026].

PlanTable / Polinature, Ecosistema Urbano, Image © Emilio P. Doiztua

Jesse Shapins

Urban Partners

Jesse Shapins is head of urban regeneration at Urban Partners, a leading European investment firm focused on transforming cities for a better future through long-term, holistic investments in the built environment. He leads large-scale mixed-use urban projects across cities including Copenhagen, Hamburg, Berlin, and London. Before joining Urban Partners, Shapins worked for Sidewalk Labs, where he helped explore how new tools and partnerships could accelerate innovation across the urban ecosystem.

Spor10, Urban Partners, Image © Novo Nordisk

Thure Krarup

Urban Partners

Thure Krarup is director of government relations and public-private partnerships at Urban Partners. He leads the platform's strategic engagements with national and local governments across the Nordic countries, focusing on large-scale urban regeneration and sustainable infrastructure. Before joining Urban Partners, Krarup served as a state secretary in the Danish ministry of finance, where he oversaw national urban development policies and municipal funding initiatives.

Spor10 — Building relevance before permanence

Spor10, a temporary sports and community space in Copenhagen, illustrates this logic in practice. Developed early in a large regeneration area, it created a shared place for activity, health and social connection long before the permanent neighbourhood was completed.

Rather than waiting for the final build-out, Spor10 helped establish community relevance and local ownership from the start. For Shapins, it exemplifies how social infrastructure can reduce risk, build trust and anchor long-term value — not as charity, but as part of a serious investment strategy.

Spor10, Urban Partners, Image © Alpha Mohamad , 2023

1. Cities are where the green transition happens

> *"Cities will continue to be the engine room for our innovation and hence our competitiveness."* – **Thure Krarup**

The pressure of the green transition does not appear first in national policy, it shows up in cities. Housing shortages, rising costs, overheated streets and ageing infrastructure make the challenges tangible.

What has shifted in recent years is not just urgency, but focus. As Jesse Shapins notes, cities have moved from being part of the conversation to being at the centre of it. They concentrate economic opportunity, but also the next generation of challenges. Housing affordability has become a primary political issue. Sustainability is no longer debated; people expect it.

Belinda Tato brings this down to street level. The real test is not whether a plan exists, but whether people feel the change in their daily lives.

2. The future is no longer enough

> *"We don't need perfection anymore. We need relief — now."* – **Belinda Tato**

For decades, climate policy has relied on promises: plans, targets and benefits that would come later. But in community meetings around major developments, Tato hears something else: people are tired of waiting.

In Madrid, older residents pointed out that a 30-year transformation meant they would only endure the construction and never enjoy the result. Deferred benefits are no longer persuasive. Legitimacy is now about what can be felt in the present.

Shapins makes the same point from a different angle. Copenhagen's success is not merely aesthetic or accidental.

> *"It's because Copenhagen's leaders have spent decades building a way of working that treats everyday life as an asset worth investing in."* – **Jesse Shapins**

The implication is simple: if climate action is not experienced in daily life, it struggles to retain support. Relief must be visible, and benefits must be tangible. Improvements have to start before perfection can be reached.

If the present is what matters, then the question becomes what actually changes how people live day to day?

3. Culture moves faster than infrastructure

> *"Sustainability is not just technical — it's cultural."* – **Belinda Tato**

In Seville, cycling infrastructure came before cycling culture. The infrastructure lay in wait until something shifted: when cycling became aspirational among political and business leaders, people's behaviour followed. The signal matters, not just the system.

The same applies to public transport, public space, and even climate action itself. Systems work when they carry meaning, not just function.

Shapins sees this clearly in development.

> *"Monocultures are risky. The most investable neighbourhoods are often the ones that serve the widest mix of people."* – **Jesse Shapins**

Mixed-use, mixed-income neighbourhoods are not just socially stronger. They are economically more resilient because they reflect how people actually live.

As Krarup puts it, the big climate debate is largely over. What matters now is how it shows up in everyday concerns like water, food, and quality of life.

Infrastructure sets the stage; culture determines whether it sticks.

But even when the direction is clear, changing behaviour is often easier than changing the systems meant to support it.

4. Systems kill good ideas faster than opposition does

> *"The main challenge is resistance to change, which comes from entrenched culture and rigid protocols."* – **Belinda Tato**

Many promising ideas fail quietly, long before the public weighs in. Not because they lack support, but because they do not fit existing systems.

Tato describes a park in Barranquilla designed to collect and reuse rainwater, reducing long-term costs and maintenance. The city rejected the concept as too

unfamiliar and insisted on conventional infrastructure. The project was never built.

Another barrier is fragmentation. One department handles plants, another benches, another drainage. Hybrid solutions fall between these silos.

> *"But what happens when a bench cools, shades, and collects water? Nobody knows who owns it."* – **Belinda Tato**

Shapins sees a similar issue in development. Mobility has been integrated into planning systems. Social infrastructure often has not. It is still treated as optional rather than essential.

> *"The key is partnership and incentives, not just requirements."* – **Jesse Shapins**

Krarup extends this to the financial level. Private capital is increasingly ready to invest in housing and the "human grid," but public systems are not set up to receive it.

So if systems slow things down, the question becomes how to move faster without waiting for them to catch up.

5. Prototyping is not experimentation — it is persuasion

> *"You don't convince cities with theories. You convince them with experience."* – **Belinda Tato**

For Tato, speed is not a luxury. It is a condition of relevance. If testing a new idea takes years of permits, the problem has already changed by the time it is built.

That is why she treats prototyping as the first phase of delivery. Projects such as PlanTable in Boston or the modular Polinature system show how small, visible interventions can deliver immediate relief while building public confidence. These are not symbolic gestures. They are proof-of-concept moments that shift political and administrative comfort zones.

Shapins sees a similar gap in finance. Significant innovation is happening in infrastructure investment, but much of it remains abstract or invisible to citizens.

> *"Financial instruments tied to housing and social infrastructure would help enormously."* – **Jesse Shapins**

When solutions can be experienced, not just described, they become easier to trust and support. This applies as much to financing and governance as it does to design.

Experience builds trust. And trust is what unlocks capital and political traction. What starts as a prototype often reveals something more fundamental about how cities actually create value.

6. Everyday life is investable infrastructure

> *"These are not extras. They are what make a place function."* – **Jesse Shapins**

Copenhagen's strength is not a single breakthrough. It is consistency. For decades, leaders have treated public space, mobility, schools, and daily life as core infrastructure.

> *"Real estate prices are ultimately a reflection of whether a place is attractive and relevant."* – **Jesse Shapins**

This is what Krarup describes as the "human grid." Not abstract systems, but the everyday conditions that make a city work.

From Tato's perspective, this also requires a shift in mindset. Cities are often comfortable with concrete but wary of nature because nature requires care. Yet care is not a liability. It is a signal that a place matters.

Long-term value emerges when social life, environmental performance, and economic logic are aligned around the same everyday conditions.

And once everyday life is understood as infrastructure, the stakes shift from liveability to competitiveness. In today's context, competitiveness is increasingly tied to something broader: security.

7. Security is not only military — it is urban resilience

As former Finnish prime minister Sanna Marin put it, "The best way to prepare for a crisis is to build a society where people feel that it is worth defending. Psychological resilience is our most important form of national security."

This reframes security in a useful way: not as something that begins at the border, but as something built into everyday life. It is about whether people feel

protected, supported and connected to the places where they live.

Krarup makes this explicit.

> *"Energy is also security. Affordable housing is also part of a wider security agenda."* – **Thure Krarup**

Security includes energy independence, housing stability, and the systems that allow cities to function under pressure. In that sense, urban investment is not adjacent to Europe's security agenda. It is part of its foundation.

Tato shows how this plays out at the smallest scale. In Boston's Chinatown, a simple planted intervention transformed an overheated space into a place people used and cared about. When it was removed, residents noticed. Safety improved not through enforcement, but through better conditions.

> *"Safety in public space is very connected to the performance of the public space."* – **Belinda Tato**

Shapins' point about everyday infrastructure comes into focus here. These are not extras. They are what hold a city together when conditions become volatile.

In a more uncertain era, resilience is not built through a single system. It is built through the accumulation of everyday conditions that people rely on and believe in.

From Pilot Projects to Systemic Change - Field Insights from URBREATH

To ground the policy recommendations in real-world practice, the Sustainable Cities Lab conducted field research in Madrid and Leuven through the Horizon Europe-funded URBREATH project. The research combined site observations with in-depth conversations with city officials, residents, investors and delivery partners directly responsible for implementation.

URBREATH supports cities in moving from “good pilots” to repeatable and scalable approaches to urban greening and climate resilience. It does so through urban living labs, where local communities co-design and test nature-based solutions shaped by neighbourhood needs, supported by digital tools, such as local digital twins rather than relying on technical plans alone.

The project’s frontrunner cities — Madrid (Spain), Leuven (Belgium), Tallinn (Estonia) and Cluj-Napoca (Romania) — are implementing and refining these approaches in real urban contexts, from dense Mediterranean districts to Nordic waterfronts and central European regeneration corridors. Their experience is designed to inform structured replication in the follower cities of Athens (Greece), Parma (Italy), Aarhus (Denmark), Pilsen (Czech Republic) and Kajaani (Finland), ensuring that lessons travel across climatic zones, governance cultures and development contexts.

Rather than evaluating pilots as isolated cases, the research focused on what practitioners learn through implementation: what enables social acceptance, what unlocks or blocks financing, and which institutional conditions allow interventions to move from pilots to citywide practice.

Across interviews and site visits, a consistent pattern emerged. Initiatives that scaled successfully progressed through three interlinked conditions: acceptance, trust and long-term stewardship. These are not communications outcomes, but delivery capabilities that determine whether climate action can endure and scale across cities.

Madrid

As part of the URBREATH project, Madrid implemented two pilot actions in the district of Villaverde. In San Cristóbal, the focus was on transforming the inter-block areas into greener, safer, and better-connected places, while in the Colonia de Ferroviarios the pilot centred on improving the open spaces around the local elementary school to strengthen community life. Villaverde is also home to Madrid's first school-based energy community, enabling neighbours to pay less for electricity and share surplus energy.

For our research, we spoke with a wide range of stakeholders, including municipal staff, partners involved in different phases of URBREATH, private-sector actors, university representatives, and experts in green financing.

Conchi Piñeiro
Facilitator, Researcher
Tangente

Elisa Carbonell
Project Coordinator
European Antipoverty Network

Esther Alarcón
Head of Citizen Services
Villaverde District Council

Franco Crudi
Local Mission Spain Lead
Green Finance Institute

Irene García
Head of Climate Change Service
Madrid City Council

Javier Dorao
Innovation Manager
Crea Madrid Nuevo Norte

Julio Lumbreras
Director
NetZeroCities/citiES 2030

Lucia Torres
Participation Expert
Traza Consultoría

Manuel Alméstar
Coordinator
itdUPM

Manuel Polanco
Founder
Basurama Collective

Leuven

As part of the URBREATH project, Leuven is showcasing the value of collaboratively greening Krakau Square, an outdated, largely paved public space in the Casablanca social housing neighbourhood. The city aims to transform it into a biodiversity-rich, climate-resilient area while improving connections between nearby community and green spaces.

Our research in Leuven focused on discussions with municipal staff, project managers from initiatives including LIFE PACT, JUST Nature, and URBREATH, as well as experts in citizen involvement, smart cities, and innovative financing.

Baptist Vlaeminck
Project Manager Life PACT
City of Leuven

Daan Van Tassel
Strategic Urban Planner
City of Leuven

Elena Carrafiello
Citizen Engagement
City of Leuven

Filip Coenen
Financial Architect
City of Leuven

Han Vloerberghs
Economic Policy Advisor
City of Leuven

Laura Dens
Coordinator URBREATH
City of Leuven

Liene Blancke
Project Manager
City of Leuven

Nele Janssen
Coordinator JUSTNature
City of Leuven

Tim Guily
Smart City Advisor
City of Leuven

Social Acceptability

1. Designing for social acceptability enables cities to take risk, negotiate trade-offs, and scale ambition

Urban sustainability action gains traction when it is experienced as an improvement to everyday life, rather than an environmental obligation. In practice, this changes the starting point. Rather than leading with emissions targets or sustainability goals, city teams begin with what residents already feel: heat stress, unsafe streets, rising energy bills, or the lack of usable public space. These shared pressures cut across political and social divides.

> *"Social acceptability grows when climate action is framed through daily life, dignity, and comfort."* **– Manuel Alméstar, itdUPM**

In Madrid, heat has become the most powerful entry point precisely because of its undeniable and bodily nature. The strongest arguments are personal rather than technical: a parent concerned about heatstroke or an older resident struggling with high energy costs. This framing does not lower ambition; it removes the political charge that sustainability language can carry. In Leuven, the same logic operates through household economics. The city often starts with concrete offers – collective plans to upgrade the energy performance of buildings, group purchasing schemes for green technologies such as rooftop solar panels, heat pumps and insulation materials, and hands-on installation support – enabling residents to engage without first having to align with an abstract sustainability narrative.

> *"We started with very tangible financial benefits: group discounts on heat pumps and support in how to install them,"*
> **– Daan Van Tassel, city of Leuven**

Crucially, this approach does more than increase acceptance. When participation is designed around shared well-being outcomes rather than a finished plan, it creates space for trade-offs to surface and be negotiated openly. Traditional consultation processes often turn participation into a referendum on a fixed design, amplifying opposition from those who perceive losses. Outcome-led participation allows different interests to shape both the form and scale of intervention from the outset.

In Madrid's Villaverde district, a contentious debate over converting parking spaces into community green space shifted only when children, families, and older residents were meaningfully involved. Their presence made it clear who benefits and how, revealing that resistance was less about green space itself than fear of loss in a context of scarcity.

"Involving children and the elderly changes the debate; families rethink their views when kids support the project."
– Esther Alarcón, Villaverde district council

In Leuven, participation is less about gaining acceptance and more about helping residents imagine what the city can become. By sharing multiple scenarios and inviting residents to weigh their implications, the city found that citizens often supported a larger and more integrated package than officials felt able to propose initially.

> *"We shared three scenarios with people and settled mostly on the largest one. We could never have reached this scale of intervention on our own — it took the citizens' own ambition to get there."*
>
> **— Baptist Vlaeminck, city of Leuven**

Taken together, these cases show that social acceptability is a design capability, not a communications exercise. Anchoring climate action in felt outcomes allows cities to take bigger risks, make trade-offs visible, and scale ambition without triggering backlash.

Once cities earn the legitimacy to act, the next constraint is trust: whether people believe change will work in practice and for them.

2. Making change tangible and navigable accelerates trust, de-risks delivery, and enables scale

Municipal teams pointed to a practical barrier to resident support: people rarely oppose projects after weighing the evidence. More often, they hesitate because they struggle to picture the change, or cannot see a clear way to engage without getting "stuck in the system." Two design choices consistently helped turn hesitation into participation and follow-through: making projects tangible, and making the administrative journey simple.

One response is to make the future physical. Temporary installations, neighbourhood walk-throughs, pilots and experiential visualisations move discussions out of the abstract and into shared experience. This is especially critical in public space, where 2D plans are often unreadable, leaving people to imagine losses where they lack first-hand references.

> *"Residents often struggle to read 2D plans. We created a physical test installation that allowed them to experience the change."*
>
> **— Elena Carrafiello, city of Leuven**

The second response is to make the journey navigable. Face-to-face engagement through workshops, neighbourhood walks and temporary pilots consistently builds trust because it allows people to test assumptions in real time. Digital tools are most effective when they support shared understanding rather than attempt to replace in-person interaction.

Administrative simplicity then determines whether interest becomes uptake and completion. When residents must navigate multiple departments, decode technical language, or rely solely on digital pathways, even well-supported programmes lose momentum. Several interviewees described the importance of a 'ventanilla única': a one-stop pathway paired with human support, not as an added service, but as the infrastructure that turns eligibility into participation and participation into results.

Together, these elements shape what residents experience as competence: a process that is understandable, doable, and responsive. This "felt competence" is a critical driver of trust. It allows cities to move faster, take larger risks and scale interventions with greater confidence that they will meet real needs rather than stall in implementation.

3. Leveraging multiple capabilities to move from acceptance to co-accountability and stewardship

Once cities take larger risks and scale interventions, the limiting factor is no longer initial acceptance but long-term stewardship. Participation becomes transformative when it evolves into shared responsibility and when residents are able to take ownership, adapt, and sustain outcomes over time.

A useful way to access "acceptability" over the long run is to ask: does the initiative create credible carriers of responsibility? "Participation numbers will always be small. What matters is whether the people who come feel represented and take responsibility," explains Lucia Torres, participation & communication technician at Traza Consulting in Madrid's Villaverde district.

In Madrid's energy community, co-responsibility was intentionally designed rather than assumed. The city treated governance as social infrastructure, driving coordination and engagement across diverse segments of the population. As Esther Alarcón Rojas, head of citizen services for the Villaverde district, explains, "We invited a high percentage of women on the board to ensure the project strengthened community and care, not just economics." The lesson is not representation alone, but the value of mobilising diverse forms of citizen capability to sustain complex interventions.

This points to a broader insight: co-accountability is not synonymous with financial participation or formal ownership. It is a social capability based on the ability to organise, learn, coordinate, and maintain momentum once projects move beyond their launch phase. Where these capabilities are absent or unsupported, cities encounter the "maintenance reality": promising initiatives that degrade because responsibility for care and adaptation is unclear or institutionally abandoned.

Social acceptability is therefore not secured at approval or delivery. It is sustained through everyday stewardship and through people and institutions able to respond, maintain, and adapt over time. Designing for co-accountability and stewardship is a precondition for interventions that endure, scale, and remain legitimate as conditions change.

This reframes social acceptability not as a soft condition, but as a set of delivery capabilities that determine whether climate action can endure at scale.

Design Principles for Socially Durable Climate Action

Interviews with practitioners yielded three design principles for socially durable climate action:

1. Start from well-being, not targets

Climate action gains legitimacy when it responds to lived pressures such as heat, safety, affordability and dignity, creating political space to take risks and negotiate trade-offs.

2. Make change tangible and navigable

Trust grows when people can experience interventions and move through simple, human-centred processes. Tangible outcomes and administrative clarity de-risk delivery and enable scale.

3. Design for co-accountability and stewardship

Enduring impact depends on mobilising diverse citizen capabilities into legitimate responsibility. Engagement should not be measured through mass participation alone, but by the outcomes of empowering credible carriers of long-term care.

Bankability

1. Sustainability as a core business strategy

For private developers and investors, sustainability is increasingly understood not as a reputational add-on, but as a condition of whether projects can be built at all. High environmental and social standards function as execution infrastructure: they help secure legitimacy, reduce regulatory and delivery risk, and protect long-term investment value.

In Madrid Nuevo Norte — Europe's largest urban regeneration project, covering more than 2.65 million m² — this logic is explicit. Elevated environmental and social standards were not framed as philanthropy, but as what made the project viable in practice: earning community support, strengthening credibility with public authorities, and reducing friction across permitting, construction, and phasing.

> *"For us, adopting high environmental [and social] standards was necessary to ensure community support, international recognition, project viability, and faster processes."*
>
> **— Javier Dorao, Crea Madrid Nuevo Norte**

This is why sustainability becomes bankable. When it operates as risk management and value protection, it directly reduces exposure to regulatory delay, political backlash and timeline uncertainty — all of which affect continued capital commitment and the ability to attract follow-on investment as projects move from approval to delivery.

One practical finding from Leuven and Madrid is that measurement changes the investment conversation most when it is built into delivery, not bolted on as reporting. Cities and partners used targeted learning-by-doing: testing new solutions at a small scale, measuring outcomes in real conditions, and doing so in collaboration with municipal staff and regulators. This approach reduced uncertainty around permitting, shortened approval cycles, and increased confidence that innovations could scale.

> *"Measuring non-financial impacts alongside financial returns further strengthens the case. By quantifying outcomes like job creation, health improvements, or social benefits in monetary terms, funds make externalities visible, showing that sustainability both mitigates risk and generates measurable economic and social value."*
>
> **— Filip Coenen, city of Leuven**

In Leuven, this approach gave businesses and funders a clearer rationale by translating sustainability from a moral claim into a defensible case for long-term performance and reduced risk. It also laid the groundwork for new forms of risk-sharing — where public and private actors can align on evidence, sequence investment and absorb uncertainty together.

2. Public money as catalytic capital

The headline constraint is structural: public budgets represent only a small share of overall investment needs. This shifts the core question from how to fund more pilots to how limited public resources can be deployed to unlock much larger pools of capital.

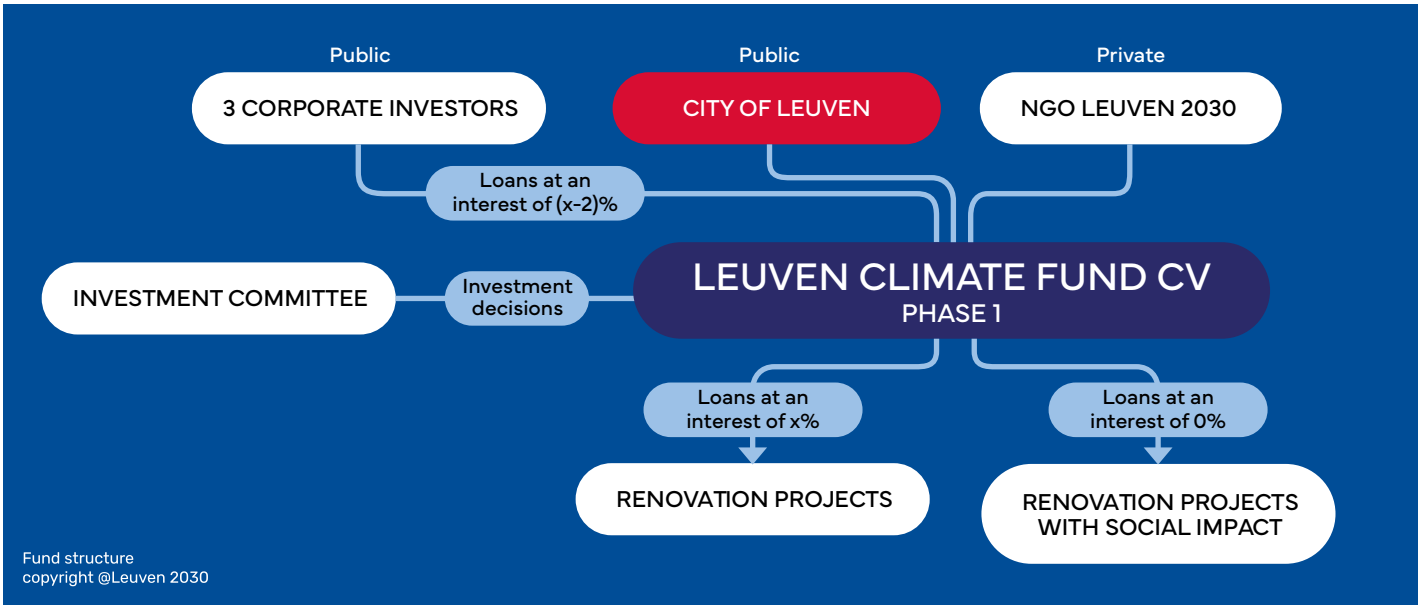
Julio Lumbreras, programme director of citiES2030, Spain's platform for climate-neutral cities, and principal investigator for NetZeroCities at Universidad Politécnica de Madrid remarks that,

> *"With our calculations for more than 40 cities, only 8% of the total investment needed for the transition can come from public funds. The remaining 92% has to be invested by other actors: citizens, companies, utilities and so on."*
>
> **— Julio Lumbreras, NetZeroCities/citiES 2030**

Interviewees were clear that the highest-leverage use of public money is risk absorption, not cost coverage. Public funds are most catalytic when they reduce the risks that private capital is least equipped to carry early on — regulatory approval risk, timeline and permitting risk, demand uncertainty and exposure to evolving policy requirements. When these risks are lowered, projects become underwritable and capable of attracting follow-on investment at scale.

Guarantees are one of the clearest examples because they speak directly to regulated finance. By protecting downside risk and stabilising timelines, they allow projects to move forward even when revenue streams are still maturing, as is often the case for nature-based solutions or socially oriented assets.

> *"Public grants can achieve far greater impact when used as risk-sharing instruments rather than one-off expenditures."*
>
> **— Filip Coenen, city of Leuven**



In Leuven, this logic is reflected in how the city frames climate spending as a portfolio rather than a collection of isolated projects. Public resources are used to absorb early uncertainty — around performance, uptake or approval — so that outcomes become investable and defensible for private actors once models are proven in practice.

In Madrid, the catalytic role of public capital is most visible in terms of affordability. Interviewees stressed that rising material costs and tighter sustainability requirements risk translating directly into higher housing prices, in already strained markets. This is not an argument to dilute ambition. It is a reminder that climate regulation and affordability must move together. If standards increase construction costs, financing architectures must introduce buffers and counterweights — through guarantees, first-loss capital or phased risk-sharing — so the transition does not become economically punitive for residents and politically unviable at scale.

Seen this way, catalytic public capital is not about spending more, but about sequencing investment better: absorbing risk early, proving viability in real conditions, and creating the confidence needed for private capital to enter later and at scale. Whether this succeeds is ultimately tested not in balance sheets alone, but in delivery outcomes — including whether cities can meet climate goals without pricing people out of housing or stalling implementation.

3. Translating city projects into investable projects

The most persistent constraint is not a lack of ideas or even a lack of capital in the system, but a translation gap between how cities operate and how financial institutions underwrite risk.

Banks and institutional investors require stable risk profiles, predictable timelines and clear revenue streams or reliably monetisable savings. City projects, by contrast, are often shaped by annual budgeting, political cycles, fragmented mandates and procurement routines designed for compliance rather than iteration. As a result, many strong urban interventions remain effectively unfundable — not because they lack value, but because they are not yet structured as investment propositions.

> *"Cities struggle to shift to think in terms of return of investment, not just social benefits."*
>
> **– Liene Blancke, city of Leuven**

The issue is not that cities undervalue returns, but that municipal operating realities rarely translate cleanly into the risk-adjusted frameworks that lenders require.

Practitioners describe how the same intervention can appear radically different to a lender once it is structured as a portfolio rather than a standalone sustainability project. Packaging multiple initiatives together — with defined cash flows, responsibilities, governance and monitoring — allows risk to be diversified and performance to be assessed in ways financial institutions can underwrite.

A second recurring insight is that revenue is often indirect and needs an anchor. Energy frequently plays this role, providing a cash flow that can carry or subsidise other interventions critical for resilience and well-being but weak as standalone investments. As Filip Coenen, financial architect, explains, "Energy

is the primary 'revenue driver' that subsidises other necessary but costly interventions." This dynamic helps explain why nature-based solutions struggle to scale: their returns are real, but dispersed across avoided costs (health, heat, flooding, insurance) that do not automatically appear as project income. Without a revenue anchor, projects struggle to carry debt; without debt, scale remains limited.

Taken together, these insights point to a missing "in-between layer" that many cities currently lack: people and institutions capable of translating urban ambition into investable packages. This includes business planning, governance design, risk allocation, procurement strategy and impact measurement in forms lenders recognise. Even when public capital absorbs early risk, projects stall if no one performs this translation at the moment that underwriting, contracts and delivery partners are required.

The bottleneck, then, is not capital scarcity but institutional misalignment. Unlocking investment at scale depends on building this intermediary capacity that allows public ambition, catalytic capital and private finance to meet in practice.

From pilots to practice: The missing in-between layer that surfaced across our on ground research

European Union programmes are widely recognised as essential accelerators of urban innovation. They legitimise experimentation, connect cities into learning networks and provide political cover to test unfamiliar approaches. Yet stakeholders described a recurring pattern: the system is much stronger at producing pilots than at funding what comes next, i.e., the messy work of turning a validated idea into something a city can procure, staff, maintain and finance at scale.

> *"European Union grants often focus on research and development rather than large-scale implementation, leaving cities with tested ideas but insufficient resources to expand them citywide."*
>
> **– Tim Guily, city of Leuven**

What's missing is not another "success story," but an operational bridge: feasibility work, legal and financial structuring, procurement design, monitoring systems, delivery partnerships and the social legitimacy work required to carry interventions into city budgets or private co-investment. Practitioners describe cities as "funded but drowning," where scaling can fail simply because there is not enough internal bandwidth to translate project learnings into repeatable delivery. This is also why institutional behaviours matter: European Union projects can spark cross-department collaboration, but without embedding those ways of working in the city, what was possible under a grant remains exceptional rather than repeatable.

Finally, several interviewees made a simple point about what would actually help replication: not long reports, but practical knowledge that is transferable — templates, tender language, engagement methods and direct contacts.

> *"What I really need from European Union projects is the 'how': how you reach people, draft tenders, start engagement — not photos."*
>
> **– Esther Alarcón, Villaverde district council**

> *"City practitioners need practical, accessible guidance (brief summaries, visuals, and contacts) rather than complex research reports or theoretical models."*
>
> **– Nele Janssen, city of Leuven**

From Field Insights to Policy Shifts

Taken together, the cases suggest a simple pattern: sustainable projects scale when legitimacy, investment logic, and delivery responsibility are designed together from the outset. Projects succeed not because they are technically superior, but because they:

- anchor ambition in lived experience,
- structure risk so capital can participate, and
- align responsibility across the lifecycle of delivery.

This is not about new targets or pilot programmes, but about redesigned conditions.

If Europe's urban transition is to move from isolated pilots to durable practice, cities must function as platforms that enable residents to act safely, translating public ambition into investable structures, and aligning institutions so responsibility remains visible and shared.

The following section outlines these three shifts.

Integrated Policy Framework-
Cities as Platforms for Europe's Green and Just Transition

This framework builds directly on the field evidence presented above. It translates what we observed on the ground – insight into where projects stall and why – into practical policy design choices.

Rather than prescribing specific solutions, it focuses on three shifts that change the conditions under which action becomes possible:

1. **Collective action platforms** that enable residents to turn care into sustained, low-risk participation.
2. **Investable city structures** that translate public ambition into credible, de-risked opportunities for long-term capital.
3. **Symbiotic value chains** that align design, financing, delivery, and maintenance so responsibility remains shared across the lifecycle.

Together, these shifts focus European policy not on funding more pilots, but on strengthening the working relationship between citizens, capital and institutions so that solutions that already work can move from experiment to everyday practice.

Note: In this paper, the term "platform" refers not to digital marketplaces or data-driven systems. It refers to public frameworks that reduce friction and allow residents, institutions and investors to act safely and effectively.

The People Dimension:
Catalysing Collective Action

From Service Delivery to a Platform for Action

1. Framing the problem: when care exists, but action is blocked

Traditional urban governance treats citizens primarily as passive consumers of public services. That model breaks down under the scale and urgency of the climate transition, which depends not on a handful of large projects, but on thousands of small, distributed actions across neighbourhoods — planting, retrofitting, maintaining and caring.

Across interviews in Madrid and Leuven, a consistent pattern emerged: cities are full of people who already care. They care when climate action improves everyday life — cooler streets, safer school routes, lower energy bills and more usable public space. What stops them is not scepticism or indifference, but friction. Participation often means navigating permits, liability, contractors, and multiple city departments, all on top of work, family and daily life.

The result is a familiar paradox for city leaders: they need citizen participation and social legitimacy to move forward, yet their systems make participation slow, confusing and costly in both time and effort. This breeds frustration and, paradoxically, invites resistance — not because people oppose change, but because they are asked to carry risk without support. Where shared responsibility and co-accountability are needed, systems instead produce disengagement or blockage.

2. The necessary shift: from service provider to an enabling platform for action

The climate transition requires a shift from a service provider model to an enabling platform for action. European Union-funded initiatives are well placed to catalyse this shift. This means moving away from measuring success by how many citizens are engaged, and toward designing the conditions where engagement actually leads to action, shared responsibility and accountability within communities.

Instead of trying to deliver everything themselves, municipalities should focus on what only large public bodies can credibly do:

- Handle liability and insurance
- Coordinate heavy logistics and waste
- De-risk regulation and permitting
- Set clear outcome standards.

By taking responsibility for these invisible but decisive tasks, cities reduce the personal risk of taking action. This unlocks the latent capacity for care as well as the energy and spirit for action already present in civic groups and neighbourhoods. The balance is to support this change without increasing residents' time poverty or turning participation into unpaid labour.

This is not about outsourcing public responsibility to citizens. It is about creating the conditions in which people can act safely, predictably, and together.

Core Mechanisms: Changing the Conditions around Action

Across the cases studied, civic participation did not fail because people were unwilling. It failed when taking action became too complicated, too slow or too isolating. The most effective initiatives did not ask citizens to be more motivated. They redesigned the conditions around action — what support was available, how easy it was to start, and whether someone was there when people got stuck.

1. Provide practical services that complement citizen strengths

Residents are often ready and willing to act via relatively simple tasks such as planting native plants and removing asphalt paving. The key is to reduce barriers that only municipalities can resolve: liability, burdensome logistics, waste removal or unclear rules.

In practice:

- cities provide shared services such as waste removal, soil delivery, equipment access, and basic liability coverage;
- citizens focus on what they are best at: caring, planting, maintaining, and organising locally;
- cities remove obstacles rather than running every project.

This division of roles respects both sides. Citizens are not turned into unpaid contractors, and cities are not expected to manage every small intervention themselves.

What this unlocks:

Action becomes feasible without heroics. Care can translate into visible change without exposing individuals to disproportionate risk.

2. Use pre-approved actions and micro-grants to make starting easy

One of the biggest drop-off points is the start. When people need to apply for permits, interpret technical rules or wait months for approval, momentum fades.

In practice:

- cities define a short list of pre-approved actions (e.g., depaving small areas, planting street trees, installing shade or rain gardens);
- projects that fit these criteria can proceed without lengthy approvals;
- small, fast micro-grants are automatically linked to these actions, covering basic costs without complex applications.

The goal is not to control outcomes in detail, but to make the first step simple, predictable, and safe.

What this unlocks:

Participation shifts from an exceptional effort to a normal, repeatable act, which lowers political and delivery risk at scale.

3. Build social infrastructure that turns care into confidence — and confidence into scale

In every city, there are residents who have the knowledge, confidence and time to act, while many others want to take action but feel unsure, overwhelmed or isolated. Where collective action worked best, cities did not treat this as a communications problem, but recognised that the right support structures to be in place.

Rather than asking everyone to engage at once, effective initiatives focused on enabling a smaller number of people to act with confidence and support and then deliberately designing mechanisms for that confidence to expand and multiply across a neighbourhood and city.

In practice:

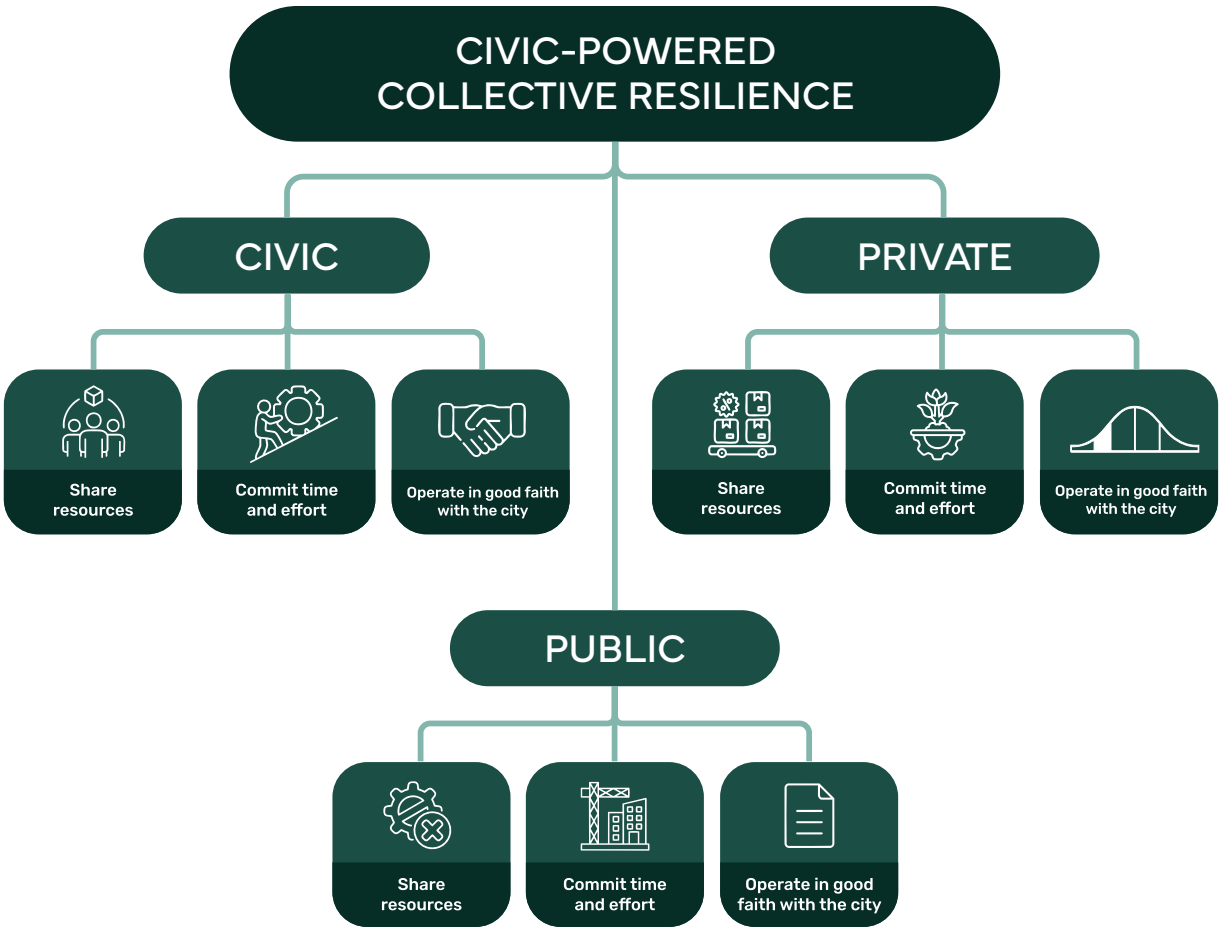
- cities support simple match-making systems that connect experienced, motivated residents with neighbours who need guidance;
- these guides are trusted locals, not officials — people who can explain options, help navigate paperwork, or recommend reliable contractors;
- modest stipends, insurance, and basic training make this support reliable without turning it into bureaucracy;
- additional support is unlocked when neighbourhoods help others replicate what worked — mentoring nearby streets or blocks becomes a condition for accessing larger grants, shared tools, or maintenance support.

Crucially, rewards are collective rather than individual: shared amenities, funded improvements or common infrastructure that benefits the wider area. This shifts scaling from institutional rollout to neighbour-to-neighbour multiplication, which is often faster, more trusted and more resilient.

Seen this way, scaling is not a separate phase. It is the outcome of confidence spreading through social proof, care and practical support. The approach builds on what people already want to do, rather than relying on persuasion or mandates.

What this unlocks:

Scale without backlash. Solutions spread because people trust the process and each other, allowing cities to grow impact without over-centralising delivery or exhausting civic goodwill.



The Capital Dimension:
Making Cities Investable

From Public Spending to Deals That Can Actually Happen

1. Framing the problem: when everyone agrees, yet nothing moves

Across interviews, the same moment came up again and again: the project everyone agrees should happen, but that never quite gets final approval to move forward.

City teams know the intervention will work, but fear audit and delivery risk. Investors see long-term value, but cannot price regulatory uncertainty. Politicians support the ambition, but cannot afford another backlash or stalled site.

The problem is not a lack of ideas or capital. It is that urban ambition and finance operate on different timescales, speak different languages and allocate risk in different ways. Cities plan annually and optimise for public legitimacy. Investors underwrite over decades and optimise for predictable cash flows. Many climate and nature-based solutions create real value, such as lower health costs, avoided damage and higher liveability, but that value rarely shows up as project revenue.

The result is familiar: public funds stretch to cover full costs, pilots stall after validation and private capital stays cautious. Not because of lack of interest, but because the deal is never quite ready.

2. The necessary shift: from funding projects to preparing deals

Cities do not need to become banks. They need to become credible deal partners able to present projects in forms that investors can assess and commit to

This requires a shift:

- from paying for projects to reducing uncertainty,
- from one-off pilots to repeatable deal structures,
- from late-stage financing to early-stage preparation and sequencing.

European Union programmes already do an excellent job in funding innovation. What they do less well, and what cities consistently lack, is support for the in-between moment when a good idea must be turned into something that can be signed, financed and delivered without exposing the city to disproportionate risk.

Core Mechanisms:
What Helps Capital Move Without Losing Public Purpose

1. Fund the deal translator — not just the design

In most cities, climate teams and finance teams work in isolation. By the time investors are involved, projects are already fixed and too often, unfundable.

What worked better was a clear deal translation function: someone whose job is not budgeting or procurement, but making sure good projects do not fail in translation.

In practice, this function:

- brings climate, planning, legal, and finance actors into the same conversation early;
- translates urban needs (cooler streets, resilient schools, social infrastructure) into propositions investors can assess;
- bundles small interventions into portfolios that match institutional scale;
- aligns timelines, acknowledging that cities plan annually while investors think in decades.

While the work is technical in nature, it also builds trust toward a shared picture of risk before positions are solidified.

What this unlocks:

Most European Union support funds either project design or financing. This approach funds the missing connective tissue between the two.

2. Let public capital take the first hit — and prevent failure before money arrives

Public money is still too often used to pay for projects outright. In private markets, capital moves when risk is shared and when uncertainty is addressed before contracts are signed.

Two tools consistently helped unlock investment.

1. Risk-sharing as default, not as an exception

- European Union-backed guarantees and first-loss protection absorb a defined portion of downside risk.
- They do not increase returns; they lower uncertainty.
- For investors, this often determines whether a project is possible at all.

2. Design the deal before the money arrives:

- Many projects fail because financing arrives up before governance, maintenance and revenue logic are clear. Pre-financial sandboxes address this head-on.

In practice:

- cities, regulators, and potential investors are given time and modest resources to co-design projects before procurement or financing;
- this phase clarifies ownership, maintenance responsibility, cash flow or savings logic, and regulatory constraints;
- only projects with a shared, credible structure proceed to guarantees or investment.

This prevents premature solution-selling, reduces failed procurements, and protects cities from failing in public.

What this unlocks:

The innovation lies not in the tools, but in sequencing them so risk is reduced before capital is mobilised.

3. Use public land like capital, not cash

Cities often own strategically located land essential for resilience, connectivity and access to green space. Yet many operate under mandates to sell to the highest bidder, optimising for short-term revenue rather than long-term public value.

This creates a contradiction: cities carry long-term responsibility, while deals are structured for short-term optimisation.

In practice:

- European frameworks support shifts from “highest price” to “maximum public value” land use;
- public land is treated as a long-term contribution to shared outcomes, not a one-off sale;
- cities retain influence over use, quality, and social return while partnering with private actors.

This approach does not reject market mechanisms, but rather reorients them towards long-term performance.

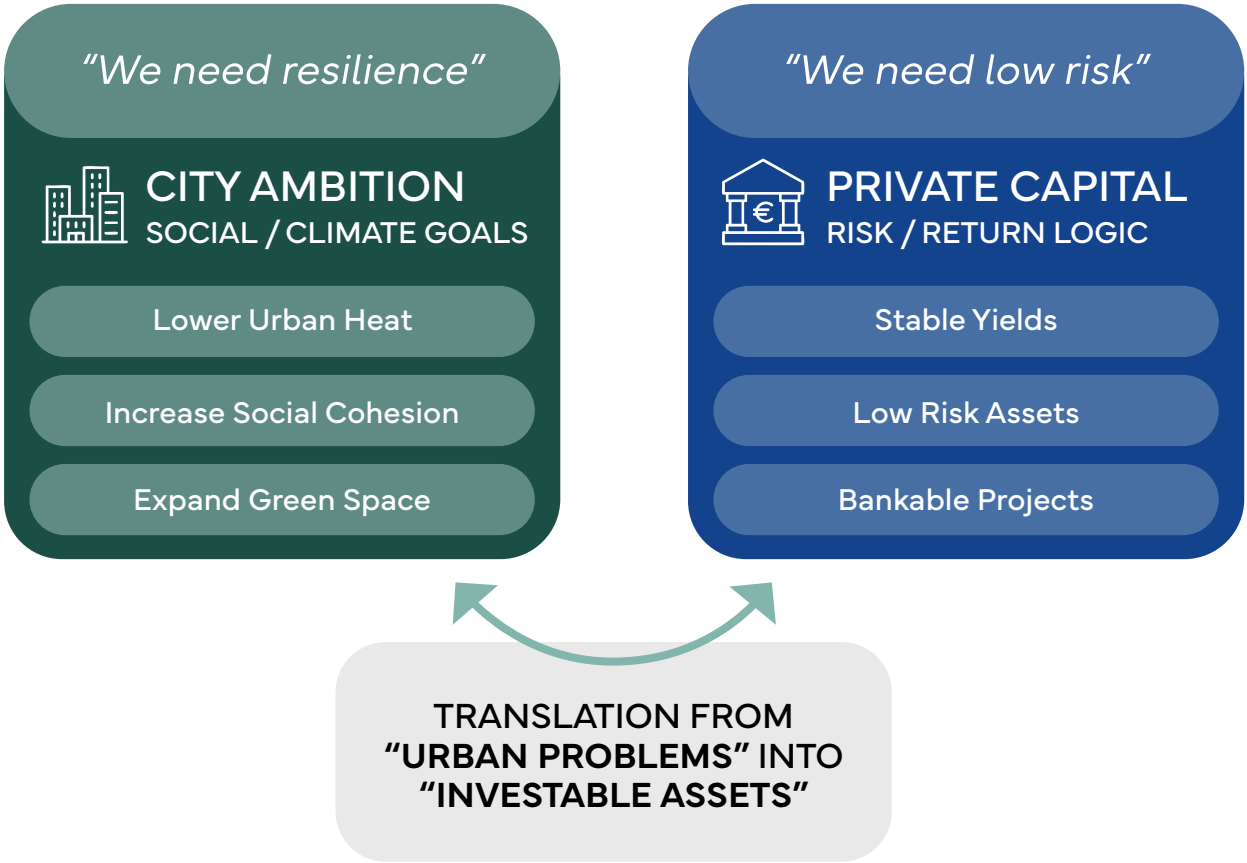
What this unlocks:

Cities already hold powerful assets. Using them strategically reduces risk, improves deal quality and aligns private delivery with public ambition.

Closing note: investment follows clarity

Making cities investable is not about financialising public life. It is about making responsibility, risk, and value clear enough that long-term capital can participate without eroding public purpose.

When public funds reduce uncertainty instead of chasing capital, investment can follow. And when deals are prepared with care, the green transition moves from pilot to practice — by design.



The Institutional Dimension:
The Symbiotic Value Chain

From Fragmented Delivery to Mutual Responsibility and Shared Accountability

1. Framing the problem: when projects fail quietly

Many urban climate projects fail not because the idea was flawed. Even when funding is available, projects can stall because responsibility fractures at the moment of delivery.

Design, approval, construction, and maintenance are handled by different teams, often sequentially and with limited overlap. A familiar pattern repeats:

- one team designs a solution,
- another approves it,
- a third builds it,
- and a fourth inherits responsibility for maintenance — often without having shaped the project or agreed to its implications.

When delivery is organised this way, risk does not disappear; it migrates. Maintenance teams become cautious, delivery teams slow down, and innovation is quietly reclassified as a future liability rather than long-term value. Projects stall, not because anyone disagrees with the goal, but because no one wants to be the last one holding responsibility.

This is not a failure of goodwill. It is a failure of institutional design.

2. The necessary shift: from silo-busting heroes to symbiotic systems

Cities need to move from fragmented, sequential delivery toward a symbiotic value chain. An approach where design, delivery and long-term care are interdependent from the start.

In practice, many cities already rely on silo-busting individuals: project managers, department heads or external partners who use personal energy and trust to bridge gaps. This works, until it stops working. When those individuals leave or burn out, the system snaps back.

To move from silo-busting individuals to silo-busting systems, a different model is required: structural co-dependency. This means linking mandates, budgets, maintenance responsibility and public narratives so that no part of the system can succeed alone. Design teams depend on maintenance teams. Maintenance teams depend on delivery teams. Funding depends on shared accountability across the chain.

European Union programmes can accelerate this shift by conditioning funding on delivery logic that makes responsibility visible and shared across the project lifecycle.

Core Mechanisms: What Enables Joined-Up Delivery in Practice

Across the research, delivery failures were consistently linked to two issues: unclear responsibility and late involvement of the actors who carry long-term risk.

1. Pair money with mandates (Authority and responsibility travel together)

In many cities, strategic or innovation teams control funding but lack authority over public space and operations. Delivery units control space, but lack resources or incentives to prioritise new approaches. The result is predictable: delay, friction and diffuse accountability.

In practice:

- funding is paired with a clear delivery mandate;
- strategic teams define outcomes and criteria;
- districts or public works departments lead execution with both authority and resources.

Money becomes more than a resource. It becomes a signal of trust and responsibility.

What this unlocks:

Delivery teams can act without second-guessing, knowing they are authorised and expected to deliver.

2. Make maintenance a day-one design condition (Designing with the people who will live with the result)

Innovative projects often fail for a simple reason: the teams responsible for long-term operations were never involved in shaping them.

In practice:

- no project advances beyond the concept stage without explicit sign-off from the team responsible for maintenance;
- maintenance requirements inform design choices from the outset — materials, planting strategies, levels of complexity;
- short, practical maintenance agreements replace post-hoc reporting.

This does not slow innovation. It grounds it in operational reality and protects it over time.

From one-offs to plug-ins: making everyday climate action repeatable

Cities do not stall because they lack ideas. They stall because every solution is treated as a one-off.

Each new tree, shade structure or water intervention triggers the same cycle: new approvals, new negotiations and new questions about maintenance and responsibility. Even when similar solutions already exist, cities are forced to start over.

Some practitioners are working differently — designing plug-ins, not only projects.

Plug-ins are small, well-tested interventions that fit naturally into how cities already design, build and care for public space. They are easy to install, easy to adapt, and designed from the outset to be maintained. Projects like PlanTable and Polinature show how fast, temporary interventions can improve comfort and liveability immediately, build trust through everyday use, and help cities learn by doing.

What matters is not the object, but the logic.

Plug-ins belong in a city's standard tool kit

Seen this way, plug-ins are not special solutions. They are part of a city's basic tool kit – like benches, trees, lighting or bike racks – but are designed to deliver climate, social and environmental value simultaneously.

This is where the European Union can play a catalytic role.

Rather than funding one-off pilots, the European Union could help cities move faster by enabling:

- **a European plug-in label,** pre-approving solutions that meet shared standards for design, safety, delivery, and care;
- **a "pre-approved kit"** allowing cities to choose from a catalogue of proven plug-ins instead of starting from scratch;
- **pre-approved funding pathways,** so cities can deploy labelled plug-ins quickly, without reopening basic eligibility and risk questions each time.

What this unlocks:

Maintenance teams move from being risk-averse gatekeepers to co-designers of solutions they are willing and able to sustain.

3. Treat coordination as a delivery function, not a meeting (Supporting relationships where projects actually break)

Cross-department collaboration is often treated as a coordination problem, solvable through meetings, dashboards or reporting. In practice, it is a relationship problem that surfaces under pressure — during construction, early operation and public scrutiny.

In practice:

- cities support a delivery-focused connector function during implementation;
- this role works across design, construction, maintenance, finance, and neighbourhood actors;
- its task is to surface tensions early, translate constraints and maintain trust when timelines and stakes tighten.

This does not add a new bureaucratic layer. It strengthens existing responsibilities by investing in presence, continuity and shared problem-solving at the point where projects most often fail.

What this unlocks:

Projects move faster because trust is protected, not because corners are cut.

Learning through use, not debate

Cities change most effectively when improvements are experienced in daily life: shade that cools a street, water that reduces heat, spaces that invite people to stop, not just pass through.

Plug-ins make this possible. They allow cities to test ideas in real conditions, adjust them over time, and scale what works without controversy. Maintenance becomes visible. Responsibility becomes clearer. What works in one place can be adapted elsewhere.

With shared standards and pre-approved funding pathways, cities can install proven plug-ins in weeks, not years. This is how climate action becomes everyday practice that is visible, maintainable and trusted.

Theory of change

- reduce friction
- unlock care
- enable action
- share risk
- align responsibility
- scale responsibly

Next Steps - The Sustainable Cities Lab: Turning European Ambition Into Delivery Capacity

Europe's green transition is entering a more contested phase. In the current political climate, attention is increasingly focused on competitiveness, security and affordability. At the same time, support for the transition is weakening in some contexts – not because climate ambition has disappeared, but because the tension between sustainability and affordability remains unresolved, balancing uneasily between prosperity today and the promise of a thriving future.

This tension is most visible in cities. Streets, neighbourhoods and public spaces are where climate policy meets everyday life – where decisions about housing, mobility, energy and public space shape whether the transition is experienced as an improvement to quality of life or as an additional burden.

If the green transition cannot improve everyday life in Europe's streets and neighbourhoods, it will struggle to maintain political legitimacy.

Ensuring that Europe remains competitive, secure and affordable while also becoming more sustainable, liveable and healthy requires bridging this gap between policy ambition and lived reality.

The Sustainable Cities Lab, an initiative of The Lisbon Council, focuses on this challenge. Its aim is to translate lessons from urban practice into systemic policy insight to help cities, investors and policymakers move from climate ambition and pilot projects to delivery systems that work in practice.

Across European Union programmes, cities are well supported in setting targets and testing innovations, but far less supported in converting validated ideas into repeatable, investable and politically durable practice. The Lab therefore works at the point where projects most often stall: when social acceptance, financial viability and institutional responsibility must align at the same time.

Rather than creating a parallel network, the Lab operates as an embedded delivery and learning mechanism within Europe's existing funding, planning and implementation ecosystem.

The Lab is currently anchored in a portfolio of Horizon Europe projects representing more than €35 million in funding and nearly 100 partners across Europe, including:

URBREATH

establishes living labs across climate-diverse cities to co-design, implement and replicate nature-based solutions supported by digital tools such as digital twins and participatory planning platforms.

BLOSSOM

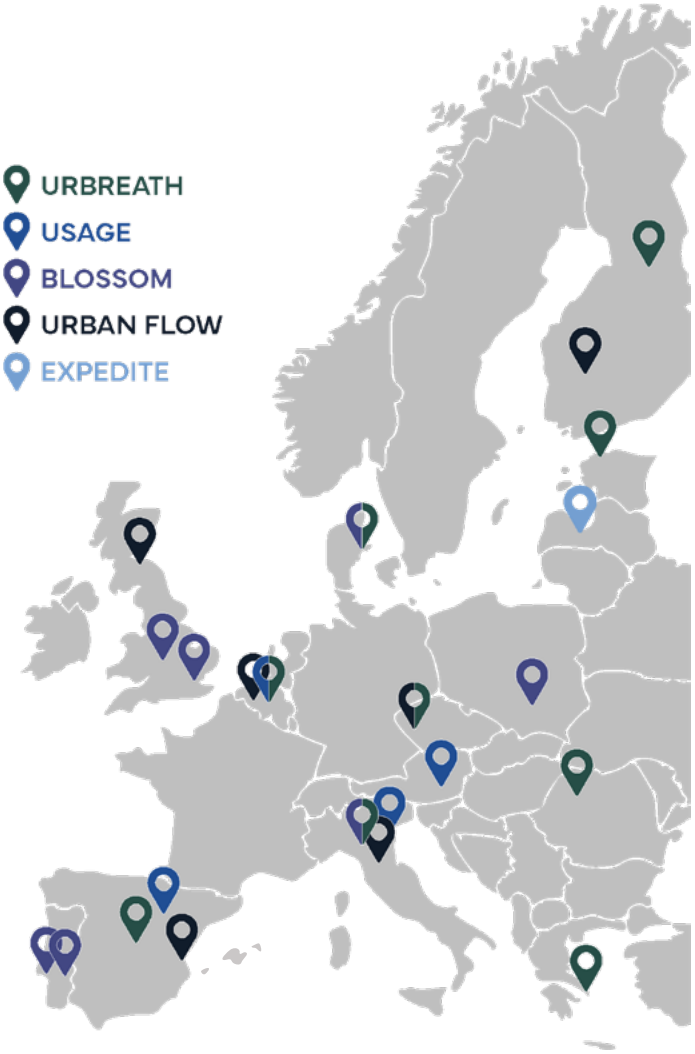
focuses on making climate adaptation and mitigation projects bankable by testing new financing models with cities, investors, insurers and utilities.

URBAN-FLOW

integrates mobility, energy and public space through living labs, digital twins and shared procurement frameworks.

EXPEDITE and USAGE

develop interoperable urban data spaces and district-level digital twins to support decision-ready governance and real-time monitoring.



Building on this portfolio, the Lab will focus on three practical next steps:

1. Turning pilots into scaling diagnostics

Rather than treating pilots as proof of success, the Lab treats them as diagnostics: testing what breaks when solutions encounter real political constraints, procurement rules, financing requirements and maintenance realities. This approach helps ensure that lessons are not limited to frontrunner cities but remain applicable in more constrained municipal contexts.

> *"Smaller cities really benefit more from access to practical, established knowledge."*
>
> **– Nele Janssen, city of Leuven**

2. Translating between communities, institutions and capital

Many urban transitions stall because the actors involved operate with different incentives, time horizons and decision frameworks. The Lab works in this "in-between" space: translating community needs into delivery requirements, delivery realities into financial structures and financial logic into policy-relevant choices that cities can act on.

> *"The main barrier is translation, not capital. This translation gap between the municipality and the financial institution leads to misaligned decision-making cycles and slowed progress."* **– Franco Crudi, Green Finance Institute**

3. Curating shared learning across Europe's innovation ecosystem

European Union-funded projects generate significant knowledge, but much of it remains siloed within consortia. The Lab synthesises insights across projects, surfaces recurring friction points and makes both successes and failures legible to policymakers, city practitioners, and investors. This includes documenting why pilots fail to scale, not only why they succeed.

> *"What I really need from European Union projects is the 'how': how you reach people, draft tenders, start engagement, etc."*
>
> **– Esther Alarcón, Villaverde district council**

In this sense, the Sustainable Cities Lab does not position itself as another centre of expertise, but as a capacity-building instrument for Europe's urban transition, helping cities redesign the conditions under which care, capital, and institutions can act together.

References and Further Reading

Allianz SE. “Global Boiling – Heatwave May Cost -0.5pp of GDP in Europe,” 01 July 2025 https://www.allianz.com/en/economic_research/insights/publications/specials_fmo/2025_07_01_Heatwaves_EconImplications.html [accessed 12 April 2026]

Eurocities. Eurocities Pulse Mayors Survey 2025 – A State of Cities Report Through the Voices of Mayors (Eurocities, 2025) https://monitor.eurocities.eu/wp-content/uploads/2025/05/Eurocities-Pulse2025-WEB-pages.pdf [accessed 12 April 2026]

European Commission. Special Eurobarometer 513 – Climate Change (European Union, 2021) https://europa.eu/eurobarometer/surveys/detail/2273 [accessed 12 April 2026]

European Commission. Special Eurobarometer 565 – Climate Change (European Union, 2025) https://europa.eu/eurobarometer/surveys/detail/3472 [accessed 12 April 2026]

European Committee of the Regions. State of Regions and Cities 2024 EU Annual Report – A Closer, Stronger, Cohesive And Ambitious European Union (Publications Office of the European Union, 2024) doi:10.2863/802688

European Committee of the Regions: Commission for the Environment, Climate Change and Energy and Metis GmbH. Equal Opportunities and Responsibilities in the Implementation of the European Green Deal (European Committee of the Regions, 2022) doi:10.2863/718117

European Environmental Agency. “Economic Losses From Weather- And Climate-Related Extremes in Europe,” 14 October 2025 https://www.eea.europa.eu/en/analysis/indicators/economic-losses-from-climate-related [accessed 12 April 2026]

European Investment Bank. Investing in Nature-Based Solutions – State-of-Play and Way Forward for Public and Private Financial Measures in Europe (European Investment Bank, 2023) doi:10.2867/031133

European Investment Bank. The State of Local Infrastructure Investment in Europe – EIB Municipalities Survey 2024–2025 (European Investment Bank, 2025) doi:10.2867/3529559

Forzieri, Giovanni et al. “Escalating Impacts of Climate Extremes on Critical Infrastructures in Europe”, Global Environmental Change, 48, 2018, pp. 97–107,

Laven, Jeroen, Anna Louise Bradley and Levente Polyak. “Placemaking in the European Context. The Movement Is Here to Stay,” The Journal of Public Space, 4.1, 2019, pp. 135–154. doi:10.32891/jps.v4i1.1159

Leuven 2030. “Leuven Climate City Contract,” n.d. https://en.leuven2030.be/leuven-climate-city-contract [accessed 12 April 2026]

Nerlich, Carolin et al. Investing in Europe’s Green Future – Green Investment Needs, Outlook and Obstacles to Funding the Gap (European Central Bank, 2025) doi:10.2866/4426620

Olivadese, Marianna. “Rethinking Nature-Based Solutions: Unintended Consequences, Ancient Wisdom, and the Limits of Nature,” Land, 14.6, 2025 doi:10.3390/land14061272

Tarriño-Ortiz, Javier et al. “Public Acceptability of Low Emission Zones: The Case of ‘Madrid Central’,” Sustainability, 13.6, 2021

Ulpiani, Giulia et al. “Funding and Financing the Zero Emissions Journey: Urban Visions from the 100 Climate-Neutral and Smart Cities Mission,” Humanities and Social Sciences Communications, 10, 2023, doi:10.1057/s41599-023-02055-5

Usman, Sehrish, Guzmán González-Torres Fernández and Miles Parker. “Going NUTS: The Regional Impact of Extreme Climate Events Over the Medium Term,” European Economic Review, 178, 2025,

World Bank. Unlivable: How Cities in Europe and Central Asia Can Survive and Thrive in a Hotter Future (World Bank, 2025) doi:10.1596/43344

Acknowledgements

The authors would like to thank:

Dr. Robert Habeck, Belinda Tato, Thure Krarup, Jesse Shapins

Madrid cluster
Conchi Piñeiro, Elisa Carbonell, Esther Alarcón, Manuel Polanco, Franco Crudi, Irene García, Javier Dorao, Julio Lumbreras, Lucia Torres, Manuel Alméstar

Leuven cluster
Baptist Vlaeminck, Daan Van Tassel, Elena Carrafiello, Filip Coenen, Han Vloerberghs, Laura Dens, Liene Blancke, Nele Janssen, Tim Guily

South Pole
Sara Nyberg, Hans-Peter Egler

EIT Climate-KIC
Baptiste Mesa, Thomas Osdoba

European Commission
Sivasegaram Manimaaran

All errors of fact or judgement are the autors' sole responsibility.

The Lisbon Council asbl

IPC-Résidence Palace
155 Rue de la Loi
1040 Brussels, Belgium
T +32 2 647 9575
www.lisboncouncil.net
info@lisboncouncil.net

thelisboncouncil
think tank for the 21st century