



## CNCA Game Changers | Carbon Neutral Districts

**Topic.** Carbon Neutral Districts (CND) Funding Priorities

**Leadership.** The Carbon Neutral Cities Alliance (CNCA) members guiding this effort are Helsinki, FI; London, UK; and Rio de Janeiro, BR.

**Problem statement.** CNDs can transform how carbon neutrality is approached in urban areas by addressing multiple carbon emitters at once, yet cities struggle to: (1) garner both financial and community support for CNDs; and (2) effectively demonstrate that this holistic approach provides greater benefit than uncoordinated climate action efforts. Key issues are:

- The CND concept needs more data to support its viability and replicability, so that coordination across sectors can be effective
- CND work needs to involve multiple city departments to secure municipal funding in addition to external private-sector investments
- Carbon neutral re-zoning is needed to support CND development
- Deeper engagement is necessary to understanding the societal benefits CNDs will bring to impact different communities
- Effective CND governance models need to be established at the local level

**Theory of change.** The implementation of a CND means transformation of urban dynamics. It represents a game changing, yet great multidisciplinary challenge for cities. CNDs offer a shift from thematic work that focuses on one system only, to thinking across systems to change how a place operates. The main pillars that guide the CNDs are:

- Addressing all aspects of heat and power in buildings, industry, and transport in a specific geographic area
- Evaluating supply chains and developing costed delivery plans to make holistic changes over a 10-, 20-, or 30-year period
- Creating and mapping a portfolio of projects within CNDs, so that investors can understand carbon offsets and payback periods
- Approaches that encompass multiple areas of the energy system, like:
  - Considering energy sources and production methods as cities move to electrify building and transit
  - Energy distribution (e.g., electricity, heat, and gas)
  - Smart platforms and technologies at the system and building-levels
  - Buildings, consumer types, and consumption patterns
- Implementing an integrated plan for a demand-led energy system that is clean, smart, and ultimately zero carbon
- A dramatic reduction in single occupancy vehicles and encouragement of active transport, like:
  - Ensuring clean and efficient public transport through implementation of CND mobility plans



- Creating socially just means for people to move around
  - For example: incentivizing electric vehicles for working drivers and making more bike lanes and bus stops
- A focus on people, health and urban quality

CNDs are game changing because they are living labs for testing:

- Technology and planning solutions
- Smart resource management
- Inclusive, co-creative planning approaches
- Experimentation in close cooperation with residents, companies, city officials and academia
- Desired outcomes, such as more time in the day for residents saved by improved commuting practices

**Funding priorities.** The CNCA Game Changer Fund seeks to support city efforts to develop CNDs as urban laboratories that can help people prosper in a healthy economy and environment while reducing carbon emissions. Table 1 summarizes funding priorities and targeted outcomes for CND efforts. As funds are raised, CNCA will call for projects that advance these priorities in measurable ways.

**Table 1. CND Funding Priorities and Targeted Outcomes.**

Funding Priorities:	Targeted Outcomes:
<ul style="list-style-type: none"> <li>● Evaluation and monitoring tools for CNDs, so that design elements and carbon budgets can be compared</li> <li>● Methodologies that feature a combination of scenarios, accounting for challenges and showing opportunities</li> <li>● Cross-sector messaging to clarify the role of each sector and more deeply engage communities around CND design and implementation</li> <li>● Development of communication tools to engage and build community buy-in / co-ownership of the concept</li> <li>● Design of CND funding streams</li> <li>● Mapping tools to the project-level within CNDs, which can be used to inform re-zoning policy creation, deeply engage CND residents for behavior change, and help investors understand carbon offsets and payback periods</li> <li>● Pilot programs that focus on the whole system rather than keeping the focus on the individual parts that comprise it</li> </ul>	<ul style="list-style-type: none"> <li>● CND energy and financing plans are clearly established</li> <li>● A costed delivery plan to get to carbon neutrality is developed</li> <li>● The value of CNDs matches the investment needed to create them</li> <li>● Communities are engaged in a meaningful way throughout the process to understand the impact of their choices</li> <li>● Replicable projects and models are produced</li> <li>● Proof of concept examples are being shared to scale CNDs</li> </ul>