



Climate City Contract

2030 Climate Neutrality Commitments

Climate Neutrality Commitments of the City of KRANJ



CITY OF KRANJ

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1 Introduction

This opening section explains the city's motivation to join the EU Mission "100 climate-neutral and smart cities by 2030" and highlights the city's present commitments to climate action.

Introduction

The City of Kranj is the third largest city in Slovenia with the population of 57,171 (2023) and area of 151 km². Characterised by strategic transit location, technological and Alpine cultural background, Kranj has been committed to following the **sustainable development** principles and **goals (SDG)**.

City's earliest climate action initiatives originate in successful implementation of the **Local Energy Concept since 2008** in buildings and public lighting. In May 2013 the City Council adopted a decision to join the **Covenant of Mayors** to be a part of the group of advanced European local governments practicing measures to mitigate the impact of climate change at the local level. Consequently, the City of Kranj **Sustainable Energy Action Plan (SEAP, February 2014)** set the city's first climate related targets - 21% reduction of Greenhouse Gas (GHG) emissions by 2020 as of 2006. SEAP also introduced the strategy for intensified investments into energy-efficiency of public, state and private residential buildings, introduction of renewable sources of energy, public lighting, new mobility schemes, and awareness rising.

The climate and sustainable energy goals have been included in **Sustainable Urban Development Strategy Kranj 2030 (2016)**. Aiming to become a sustainable, progressive, and vibrant city of diverse opportunities and high life quality for all, the new city strategy focused on new cross-sectoral priorities, among them also sustainable and smart development of the city.

In the following years **Sustainable Urban Mobility Plan (2017)** and **Digital and Smart City Development Strategy (2020)** were adopted, both promoting investments, demonstration projects, digital transformation, and engagement of partners, businesses and citizens to ensure the implementation of necessary changes.

The City of Kranj, as the regional centre, actively supported and adopted Sustainable Energy and Climate Action Plan for Gorenjska region (SECAP, 2018). The review of the SECAP showed that the measures and investments helped to reduce the emissions in the energy sector, but not yet in transport and other sectors. Based on these facts and supported by tangible smart city practices, new business models and e-services have been introduced over the last years, joining the **EU Mission 100 climate-neutral and smart cities** in 2022 as a logical next step. The City of Kranj is ready to respond to the needs of its citizens for active, healthy and creative lifestyles, future sustainable urban development and climate goals.

Becoming climate neutral city by 2030 is a challenging and innovative task, which requires new competences, technologies, and changes. The City of Kranj is aware that the goal can only be achieved by strong internal commitment, citizens' and other stakeholders' involvement in the planning and implementation processes, cutting-edge knowledge, and exchange of practices between participating Slovenian and European cities. In the survey in 2023, more than 70% of the citizens agreed that addressing the climate change is a joint responsibility. During the Climate City Contract (CCC) preparation workshops, it was made clear that the young generation will most likely be the driving force of city's green transition.

Kranj intends to extend its decarbonisation efforts to neighbouring municipalities in the functional and whole NUTS 3 Gorenjska region and, as an important partner, join efforts and synergies with the region in the framework of the EU Climate Change Adaptation Mission. The City of Kranj provides a sound basis for accelerating progress towards carbon neutrality in all sectors, supported by a strong local private-public partnerships, motivated institutions, non-governmental organisations (NGO), and individuals. **The Strategic Council for Climate Neutral and Smart Community** of the City of Kranj, chaired by the Mayor, will be a partnering body in this process. Its members are city administration employees, relevant stakeholders and individuals from the business sector, academia, and public and non-governmental sectors who have expressed interest in supporting the city's ambitious goals. 2030 Climate Neutrality Commitment expresses the joint intention of the City of Kranj and its key



stakeholders to act individually and collectively as a community towards the climate neutrality of the city by 2030.

2 Goal: Climate neutrality by 2030

This section aims to summarise:

- The city's 2030 climate neutrality target, referencing the city's Mission Expression of Interest and any further thinking since then.
- The administrative territories included in the city's 2030 target.
- Where applicable, any districts or emission sources, sectors or gases within these administrative boundaries that are excluded from the target of climate neutrality by 2030¹.
- An overview of co-benefits² that the city will experience from increasing climate action and reducing its reliance on fossil fuels.

Goal

By joining the Mission 100 climate neutral and smart cities the City of Kranj and its stakeholders commit

→ **To act proactively together towards the climate neutrality and smart city on reducing greenhouse gas emissions within the municipal administrative area for 80% by 2030 compared to the city's 2018 GHG emission inventory.**

The initial baseline GHG emission inventory referred to in the Cities Mission Expression of Interest (2022) was updated with missing sectors (waste; agriculture, forestry, and other land use (AFOLU)) and revised according to the Net Zero Cities Mission Guidelines. Emissions Trading System (ETS) facilities located within the city's geographical boundary were excluded from the inventory, resulting in a new 2018 GHG baseline as of **238.832 t CO₂eq**.

In order to achieve the decarbonisation target, the City of Kranj aims to adjust current strategies and actions, introduce new measures, fully exploit its Smart Kranj Platform – city data digital platform, scale up the city support ecosystem, and engage multiple various stakeholders to join the effort, as envisaged in 2030 Climate Neutrality Action Plan. This commitment is anchored in a multi-sectoral approach that addresses the unique city's challenges and opportunities within energy sector, mobility and transport, waste and circular economy, green infrastructure including nature-based solutions, and built environment. Despite the robust strategies in place, the remaining 20% of the residual emissions require the identification of offsets and the development of additional strategies to mitigate the remaining carbon footprint.

The implementation of various projects, the introduction of new public services and resilient urban planning approaches shall bring significant environmental, economic and social benefits to the daily life and well-being of citizens. Improved energy and local food security, road safety with less traffic, better public transport, liveable urban neighbourhoods, and reduced energy costs shall all add value to the quality of life in Kranj and the preservation of the surrounding green belt. We believe that the City of Kranj's path to climate neutrality, which represents a collection of tangible actions, is beneficial for the city and its citizens, and contributes to the global climate and sustainable development goals.

This is an invitation to everyone, citizens, institutions, organisations, and businesses to contribute to our common goals, each according to their own abilities. The City of Kranj and its associated entities

¹ If existing, these exclusions are documented in the introduction to the city's 2030 Climate Neutrality Action Plan.

² Climate policies and measures that promote co-benefits (i.e., policies and measures that tackle emissions whilst also delivering on other priorities) can increase support from local stakeholders, funders, as well as the wider public. Measurable co-benefits of working towards climate neutrality for the city could range from improved air quality and increased access to green spaces and related health benefits to increased job opportunities, local innovation, energy independence, and financial savings.



will take the lead, set an example and provide guidance and support to others. Yet, we approach the decarbonisation process responsibly and with due diligence. The city's ambition to be climate neutral by 2030 is supported by the decision of the City of Kranj Council to join the Cities Mission and the official introduction of the Climate City Contract to the members in February 2024.

3 Strategic priorities

This section of the Commitments document summarises at least 3 or 4 strategic systemic priorities³ that need to be implemented in the city to become climate-neutral by 2030. The annexed 2030 Climate Neutrality Action Plan aims to describe in detail the expected pathways and actions (Part B) and enabling interventions (Part C) needed to achieve these priorities and how the city plans to implement them. The annexed 2030 Climate Neutrality Investment Plan further details the funding and financing for the expected pathways and actions. The individual commitments between the city and signatories (see Appendix 1) strive to address these key priorities and contribute to reaching them.

Strategic priorities

Considering the existing strategic framework and the identified emission gap, the main priorities for the City of Kranj to become climate neutral by 2030 are investments in technologically innovative projects and systemic shifts in **energy and mobility** while the other three areas (waste management, green infrastructure and built environment) will contribute to the decarbonisation targets through up-scaling and innovation of existing interventions.

City's One-Stop Shop with integrated citizen participation programme and the comprehensive Smart Kranj City Data Digital Platform are the two overarching social interventions supporting the essential behavioural and systemic changes in the City of Kranj's transition to carbon neutrality. A brief summary of the interventions by strategic priority is provided below:

- **Energy system:** The interventions in district heating systems and green energy production are essential for the City of Kranj as they account for 41% of its decarbonisation targets. It is planned to replace fossil fuels with renewable energy sources, including potential use of waste heat from industry and introduction of a cooling system in the current and extended district heating system of the city. The production and storage of solar energy on municipal, commercial and private buildings and large parking lots will be significantly intensified. The piloting of a social innovation measure – energy co-operatives – will assure equal access to green energy for people living in multi-unit residential areas. Investment in the grid capacity is a prerequisite for further investments in solarisation and green energy production.
- **Mobility and transport:** Located on the X. trans-European corridor (TEN-T) and in the gravitational area of the national airport and the capital Ljubljana, the city's influence on transport emissions is very limited. Thus, the city's priority is to foster the mobility modal shift – reducing the daily volume of carbon-intensive motorised commuting and short-distance transport to using of more sustainable modes of travel. Ambitious actions combining investments in modern multimodal passenger hub, cycling infrastructure and photovoltaic/hydrogen charging hubs supported by Smart Kranj digital mobility solutions, a variety of new mobility services, improved city traffic management, and an awareness programme will motivate citizens, commuters and visitors to change their traditional patterns of traveling to, within and out of Kranj. The combined mobility and transport measures are expected to contribute to 32% of Kranj's decarbonisation targets.
- **Waste & circular economy:** As major technological interventions in waste and wastewater management (including cogeneration facilities) have been completed before 2018, the remaining emissions from waste are manageable. Existing approaches to reduce the scope and recycling efficiency of the communal waste, controlled closure of the landfill (methane)

³ Strategic systemic priorities are meaningful changes that will have a profound impact on reducing GHG emissions in the city, such as decarbonising the heating system in the city or generating 100% energy from renewables.



and investments in water supply efficiency will continue towards a Zero Waste Strategy. Hence, the decarbonisation attention is focused on tangible circular economy solutions that will be developed by the city public utility company and innovative public-private pilot projects, while offered to citizens, local SMEs and relevant interested public. The priority area contributes 13% to the city's decarbonisation goals.

- **Green infrastructure & nature based solutions:** Although the city of Kranj is surrounded by agricultural land and forests, the latter are a source of GHG emissions due to ice and wind storms in the last decade (from 2014) and the consequent bark beetle infestation. Furthermore, the green belt around the city is under constant pressure from urbanization. The city, in cooperation with the respective national bodies and landowners, will designate significant areas of forests as forests with special purpose, improve their management and accelerate the maintenance and expansion of other green infrastructure. All possible mechanisms for green spatial planning and urban agriculture, promoting a partial shift from cattle to vegetable production, will be tested to reverse the trend from being the source of emissions to becoming GHG sinks. A 7% sequestration contribution to the city's decarbonisation targets is estimated.
- **Built environment:** Due to long-lasting national scheme, the energy efficiency of most multi-unit residential and municipal buildings was completed before 2018. Therefore, the main focus will be on the remaining residential buildings and state owned premises, emphasising integrated renovation, replacement of fossil fuels with renewable energy sources (RES) and where possible, connection to district heating. Special attention will be given to poorly insulated and fossil fuel dependent individual houses, owned by vulnerable groups. In addition, the City intends to extend the results of the pilot project Smart Mlaka to integrated regeneration projects of private developers with the aim to make them climate neutral and smart zones. The priority will directly contribute 7% to the city's overall decarbonisation target.

4 Process and principles

This section aims to briefly describe:

- The systemic process⁴ the city will undertake to achieve its 2030 climate neutrality target.
- The provisions for monitoring and joint learning⁵, including the intentions for updating the Climate City Contract.
- The key principles that will guide the implementation of its Climate City Contract, such as climate justice, co-creation, multi-level governance approaches, stakeholder and citizen engagement.

Process and principles

As stressed above, becoming climate neutral city by 2030 is a challenging and responsible task, which requires new competences, technologies, and changes. The City of Kranj is aware that the goal can only be achieved by strong internal commitment, citizens' and other stakeholders' involvement in the planning and implementation processes, cutting-edge knowledge, and exchange of practices between participating Slovenian and European cities. During the preparation of the CCC, the City of Kranj has already facilitated an effective participatory and co-creative process for the transition to climate neutral and smart city and is also determined to do so in the future, on a professional and systemic manner.

In this respect, a 21-member multi-actor partnership – **Strategic Council for Climate Neutral and Smart Community** representing all key strategic stakeholders from local and national policy level, major businesses, academia, NGOs and key city implementing institutions, is set up to guide the

⁴ Concrete actions to implement these processes are described in the annexed 2030 Climate Neutrality Action Plan (section C).

⁵ Learnings from monitoring your progress towards climate neutrality should be processed and shared with your transition team and stakeholders, in order to build a common understanding of how your Climate City Contract can be improved in future iterations.



process. The Strategic Council is led by the Mayor and co-lead by the two experts from the field of climate change and innovation management.

Orchestration of the process, operative tasks, day-to-day implementation and monitoring is assigned to the **Transition Team**, coordinated by the Unit for Development and Smart Community. The Transition Team consists of employees from the relevant city administration departments (green transition, digital transformation, traffic and economic affairs/activities, energy, environment, spatial planning, finance, social affairs), communication officer and professionals from the city utility companies.

Together with a wide diversity of partners such as the city library, schools, health centre, sports organisations, local media, business incubator, research and development institutions, focus groups and other Mission cities, they form a comprehensive participatory city ecosystem for climate neutrality.

Within the CCC preparation phase, from early 2023 until February 2024, the Unit for Development and Smart Community organised 3 meetings of the Strategic Council and more than 30 different workshops and focus group meetings involving different stakeholders and partners from local, regional and national level. Altogether, more than 600 persons participated in different participatory activities.

The following principles guide all bodies involved in carrying out this Climate City Contract:

- **Accountability and competences** – ensuring that all parties involved are competent, committed and held responsible for meeting their commitments and achieving their actions and goals in reducing emissions.
- **Democracy** – opening up the process to the public, strengthening the involvement of key stakeholders in the process and encouraging them to take ownership of the process and specific initiatives for change.
- **Co-creation, innovation, smart community and technology** – engaging research & development organisations, academia, innovative businesses, start-ups, social enterprises, educational sector and others in the process to help design and implement interventions that promote the progress outside the standard solutions and governance practices (business as usual).
- **Multi-sector and multi-actor approach** – the involvement of different governmental and territorial levels (local, regional, national), different sectors (i.e. mobility - industry - communities) and actors (i.e. public - private - NGOs - banks) in the process is crucial to address and implement the necessary complex interventions.
- **Systemic and demand driven** – ensuring that meaningful changes proposed by the Climate City Contract are reflected in the city's overall systems (operations, planning, construction, service delivery), regulations (spatial plan, budget, etc.) and sector strategies, and are driven by the needs and priorities of citizens and stakeholders.
- **Monitoring, evaluation and learning** – ensuring regular monitoring and evaluation of the Climate City Contract implementation and sensemaking for future modifications and improvements.

These cross-cutting principles represent a common ground for the design and execution of the portfolio of actions as well as the governance and social innovation interventions elaborated in the Action Plan and will be further enhanced during the implementation process. The Climate City Contract, consisting of this document, the 2030 Climate Neutrality Action Plan and the related Investment Plan, will pass through recurring phases of iteration as the City of Kranj perceives them all as living documents. Thus, periodic monitoring with in-depth inventory analysis for 2022, 2025, 2027 and 2030 will provide a framework for the Transition Team, the Strategic Council and the City



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Council to propose and adapt necessary updates and revisions, depending on the evolution of the city context, adopted national and EU directives, the global macro-economic trends, and other external risks.



5 Signatories

The table below enlists the signatories⁶ who are committing to this CCC, and thereby to help the city achieve its goal to reach climate neutrality by 2030. Specific agreements that articulate the details of the climate action(s) between the municipality and signatories are added to the individual contracts in Appendix 1 (see sample in section 6). The number and relevance of signatories' commitments is likely to increase over time.

Name of the institution	Sector / Domain / Level of operation ⁷	Legal form	Name of the responsible person	Position of the responsible person
City of Kranj	Sector: energy systems, mobility and transport/ waste and circular economy, green infrastructure and nature-based solutions - AFOLU/ built environment/ governance & policy Level: policy, management, implementation, monitoring	Local Authority	Matjaž Rakovec	Mayor
Ameba Holding, d.o.o. and 3FS NORDIC SI d.o.o.	Sector: smart city Level: implementation, expertise	Limited liability company – city partners in smart development	Andraž Logar	CEO
Arriva d.o.o.	Sector: mobility and transport Level: implementation	Limited liability company – city and national public transport concessioner	Bo Erik Stig Karlsson	CEO
Biotehniko Centre Naklo	Sector: green infrastructure and nature-based solutions / learning & capabilities Level: knowledge-base, engagement	Educational, research and development centre	dr. Marijan Pogačnik	Director

⁶ Climate City Contract signatories may be individuals or organisations. They ideally include national and/or regional governments, for example concrete agreements/ commitments made through the multi-level governance engagement processes supported by NetZeroCities, CapaCities, and other emerging national level initiatives.

⁷ Please mention if the organisation is active at local, regional, national, or international level.



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Name of the institution	Sector / Domain / Level of operation ⁷	Legal form	Name of the responsible person	Position of the responsible person
BSC, Regional Development Agency of Gorenjska	Sector: all sectors, learning & capabilities, social innovation, funding	Limited liability company – regional development agency	Franja Gabrovšek Schmidt	Director
CER Sustainable Business Network Slovenia	Sector: all sectors Level: implementation, expertise	Institute	Ana Bregar Struna	Director
Chamber of Agriculture and Forestry of Slovenia, Agricultural Forestry Institute Kranj	Sector: green infrastructure and nature-based solutions – AFOLU, capacity building Level: implementation, funding, expertise	Chamber of agriculture and forestry – agriculture advisory service	Mitja Kadoič	Director
City of Kranj Scouts Association	Sector: learning & capabilities Level: engagement, implementation	NGO	Danijel Kodrič	Representative
Cultural Art Association SubArt	Sector: learning & capabilities Level: engagement, implementation	NGO	Darjan Kruševac	Representative
Cultural Association Prostoroz	Sector: learning & capabilities Level: engagement, implementation	NGO	Maša Cvetko	Representative
Domplan, engineering, real estate, urban planning, and Energy company, d.d.	Sector: energy systems, built environment Level: implementation	Joint-stock company – city concessioner for district heating	Saša Krč	CEO
Elektro Gorenjska, d.d.	Sector: energy systems, mobility & transport Level: implementation	Joint-stock company – electricity distribution and production company	Dr. Ivan Šmon, MBA	CEO
GENIS d.o.o.	Sector: smart city Level: implementation, expertise	Limited liability company – city partners in smart development	Janko Štefančič	CEO
Goodyear Slovenija, d.o.o.	Sector: industrial processes and product use Level: implementation	Limited liability company	Matej Zavrl	Procurator



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Name of the institution	Sector / Domain / Level of operation ⁷	Legal form	Name of the responsible person	Position of the responsible person
Gorenjska Banka d.d.	Sector: finance Level: implementation, expertise	Public limited company	Mario Henjak	President of the Management Board
Institute for Innovation and Development of University of Ljubljana	Sector: all sectors, learning & capabilities Level: multi-sector knowledgebase, research & innovation facilitation	Institute	izr. prof. dr. Andrej F. Gubina	Director
Institute for Spatial Policies, IPOP	Sector: learning & capabilities Level: engagement, implementation	NGO	Marko Peterlin	Director
Institute for Tourism and Culture Kranj	Sector: waste and circular economy, capacity building, social innovation Level: implementation, expertise, engagement	Public institute – tourism destination management organisation	Klemen Malovrh	Director
Institute of the Republic of Slovenia for Nature Conservation	Sector: green infrastructure and nature-based solutions - AFOLU Level: policy, implementation	National public body – institute for nature conservation	Teo Hrvoje Oršanič	Director
Iskraemeco, d.d.	Sector: industrial processes and product use/ smart city/ energy Level: implementation	Joint-stock company	Luis Goncalves	CEO
JGZ Brdo	Sector: green infrastructure and nature-based solutions Level: implementation	Public company	Maja Križmančič	Director
Jožef Stefan Institute	Sector: all sectors, learning & capabilities, Level: multi-sector knowledgebase, research & innovation facilitation	Institute	Matjaž Logar	Director
Komunala Kranj, javno podjetje, d.o.o.	Sector: waste and circular economy Level: implementation	Limited liability company - public utility company	Matjaž Berčon	CEO



Name of the institution	Sector / Domain / Level of operation ⁷	Legal form	Name of the responsible person	Position of the responsible person
Kontron, d.o.o.	Sector: industrial processes and product use, smart city Level: implementation	Limited liability company	Robert Kuzmič,	CEO
Kranj City Library	Sector: all sectors, learning & capabilities, social innovation Sector: learning & capabilities	Public institute - library	Maja Vunšek	Director
Lanicon business consultation	Sector: smart city Level: implementation, expertise	Sole-trader	Matej Potokar	CEO
LEAG – Local energy agency of Gorenjska	Sector: energy systems, built environment, learning & capabilities, social innovation, funding Level: implementation, monitoring, expertise, funding	Public institute – regional energy agency	Črtomir Kurnik	Director
MM IBIS, d.o.o.	Sector: mobility and transport Level: implementation, expertise	Limited liability company – city partner in managing Centre for sustainable mobility Kranj	Miha Hrženjak	CEO
Rekono d.o.o.	Sector: smart city Level: implementation, expertise	Limited liability company – city partners in smart development	Janko Jager	CEO
School Centre Kranj	Sector: energy/ mobility/ learning & capabilities Level: knowledge-base, engagement	Educational, research and development centre	Jože Drenovec	Director
T-2 d.o.o.	Sector: smart city Level: implementation, expertise	Limited liability company – city partners in smart development	Jurij Krč	CEO
T2 ROTALAB d.o.o.	Sector: mobility and transport Level: implementation	Limited liability company – city partners in sustainable mobility	Jožef Zrimšek	CEO



Name of the institution	Sector / Domain / Level of operation ⁷	Legal form	Name of the responsible person	Position of the responsible person
University of Ljubljana, Faculty of Electrical Engineering	Sector: learning & capabilities, energy systems, smart city Level: knowledgebase, research & innovation	Faculty – electrical engineering	prof. dr. Marko Topič	Dean
University of Maribor, Faculty of Organisational Sciences	Sector: learning & capabilities, social innovation, smart city Level: knowledgebase, research & innovation	Faculty – organisational sciences	red. prof. dr. Iztok Podbregar	Dean
VIGRED, d.o.o.	Sector: energy systems Level: implementation	Limited liability company – city concessioner for public lighting	Tomaž Logar	CEO
Vincenc Draksler Foundation so.p.	Sector: waste and circular economy, social innovation Level: implementation, engagement	Social enterprise	Nada Bogataj Kržan	Director
VIZIJE MOBILNOSTI, d.o.o.	Sector: mobility and transport Level: implementation, expertise	Limited liability company – city concessioner for e- mobility	Blaženka Pospis Perpar	CEO
Wolt d.o.o. Ljubljana	Sector: mobility and transport Level: implementation	Limited liability company	Clemens Brugger	CEO
Zavod Center Stonoga so.p.	Sector: waste and circular economy/ social innovation, smart city, local food supply Level: implementation, expertise, engagement	Social enterprise - NGO	Primož Slavec	Director



6 Sample contract with signatures

Express joint commitment / agreement for all parties who sign this 2030 Climate Neutrality Commitments document⁸.

We, the undersigned, hereby commit to help make the City of Kranj climate neutral by 2030. We agree on the joint ambition and commitments, as formulated in the City of Kranj's Climate City Contract.

Date of signature

Name

Signature

Mayor of City X

President, City X Development Agency

Provost, University of City X

CEO, Utility X

⁸ Individual signatory commitments are concrete actions that will contribute to the overall climate neutrality target in line with the strategic priorities. The commitments aim to be as specific and targeted as possible. However, a signatory's commitment can start as a broader agreement that gets refined and sharpened in each Climate City Contract iteration.



Appendix 1: Individual Signatory Commitments

(to be added before submitting the Climate City Contract)