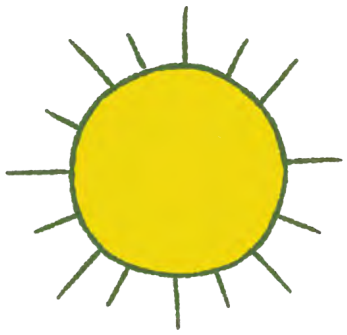
Austria's Climate-Neutral City Mission

Annual Report

2024



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Annual Report 2024

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Imprint

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Foreword

Our country and its cities regularly occupy top positions in international rankings on quality of life. This is no coincidence, but rather the result of consistent action. Through their commitment, cities provide a whole range of services, including public services, that enable safe and high-quality communal living. These include schools, public transport, water and energy supply, public spaces and much more. Taken together, these are crucial to a city's quality of life and its attractiveness as a business location and tourist destination.

Our cities are also an important driving force in achieving climate neutrality by 2040. Climate protection is not only one of the most important tasks of our time, it is also closely tied to research, technology and innovation. It is particularly encouraging that many innovative solutions are 'Made in Austria'. The Pioneer cities of the Climate-Neutral City Mission demonstrate how closely the path to climate neutrality is linked to strengthening Austria as a centre of innovation and business.

With a total of 47 Pioneer cities, we have established Europe's largest network of sustainable cities. The Climate-Neutral City Mission is a prime example of how Austrian cities are not resting on past achievements. Today, we have the knowledge and the means to shape this change. This annual report shows you what this looks like in practice.

Businesses and research institutions in the environmental sector are working on sustainable innovations that help cities fulfill their diverse responsibilities with less energy consumption. Starting with evidence-based and future-oriented spatial planning, and extending to the intricacies of control engineering, these innovations contribute to reducing energy consumption and greenhouse gas emissions at a wide range of levels.

Companies in this sector are increasingly becoming drivers of the domestic economy. In 2023, 230,000 people were employed in the sector of Environmental Goods and Services, and a full 17% of all job vacancies in the first quarter of 2025 were green jobs. The innovative strength of this sector is impressive. Innovation activity has tripled over the last 20 years, propelling the sector to the very top – both internationally and within the European Union. Only in Finland is the share of gross value added in GDP higher than in Austria.

I am convinced that sustainable progress can only be achieved in close cooperation with cities – where innovations create the highest added value for people and businesses. I would like to thank the dedicated individuals who are working as part of Austria's Climate-Neutral City Mission to keep the high quality of life and economic prosperity and make sure it's no longer coming at the expense of our planet. Climate-neutral cities are possible. If we work together towards this goal, it is a true win-win situation: for the environment, the quality of life and Austria as a business location.

Peter Hanke
Federal Minister for Innovation,
Mobility and Infrastructure

Climate-Neutral City Dialogue Forum, 21–22 October 2024, Salzburg. (Photo: SIR)

Austria’s Climate-Neutral City Mission

In the first annual report of Austria’s Climate-Neutral City Mission in 2023, we reported that ten cities had signed agreements with the Federal Ministry for Innovation, Mobility and Infrastructure (BMIMI – then BMK) to work together to make urban climate neutrality a reality. In the same year, the ministry’s cooperation with the Climate and Energy Fund was finalised. This enabled thirteen more cities to start working on climate neutrality roadmaps. Fourteen more cities followed in mid-2024 and finally, at the end of the year, the last twelve cities to date joined, bringing the total number of cities participating in Austria’s Climate-Neutral City Mission to 47. *→ An overview of the participating cities can be found on page 10.*

We have also reported on why cities play a key role in combating climate change and why liveable communities will stay important for future generations. One aspect that was somewhat in the background at the beginning of the mission became increasingly clear during our work with the participating cities: often, the same measures that protect the climate also strengthen a city as a business location.

In the first annual report, we described the process as the ‘first stage’ of the mission, in which the participating cities formulated their own paths to climate neutrality in strategy documents. With the focus now broadened to include both climate protection and location development, the second stage has begun.

This report shows that increased cooperation between cities and businesses can lead to a genuine win-win situation. This is evident today. Austrian companies in the environmental sector are among the most successful innovators in Europe. The following pages explain how cities and these companies cooperate, what neighbourhoods that generate more energy than they consume look like, and who makes this possible.

Climate protection and regional economic policy often go hand in hand. This is because when a city’s infrastructure is modernised and made more environmentally friendly, everyone benefits – residents, businesses and even local governments, which see a reduction in operating and maintenance costs.

→ View the 2023 annual report

Cities: pioneers of change

Greenhouse gas emissions in Austria are falling. At the same time, the importance of the environmental economy for the country's competitiveness is becoming increasingly clear. What role do cities play in this?

In 2024, greenhouse gas emissions in Austria fell for the third consecutive year. The total reduction of 15–16% compared to the reference year 1990 is a moderate rate. A comparison with other EU countries shows that there is a need for further action. The average value for the 27 member states for the same period is around 37% (EEA 2024, Klimadashboard. at 2025).

Environmental economy *is becoming a key pillar of the Austrian economy*

Austria is one of the leading countries in the EU in the environmental economy. This cross-sector industry, which includes all activities aimed at 'measuring, preventing, limiting or remedying environmental damage,' is becoming increasingly important for Austria. It encompasses sustainable construction as well as the development, installation and maintenance of sustainable energy production and storage facilities, waste management and the circular use of materials. In 2023, 230,000 people were employed in this sector. Gross value added amounted to € 22.9 billion. The export ratio was 30% (Statistik Austria 2025, see diagram on page 31).

Innovation activity in this sector is at an unprecedented high. Measured by the number of patents filed, Austria ranks first in the EU in the field of sustainable innovations for buildings, third in the railway industry and sixth overall in the environmental economy. Innovation activity in this sector has tripled in Austria over the last 20 years (Österreichisches Patentamt 2024a, VCÖ 2024).

Why the environmental economy is good for climate-neutral cities *- and vice versa*

Cities are drivers of innovation. Where lots of people come together, new ideas emerge (Hall 1998). An international study revealed a peculiarity in Austria. While in most other countries large cities are significantly more innovative than smaller ones, this is not the case in Austria (Broekel et al. 2023). More specifically, companies in Austria's large and small cities are equally productive.

For this annual report, we analysed innovation activity since 2000 based on data from the European Patent Office. The results show that over 63% of patents filed in Austria originate from the participating Pioneer cities, where 41% of the country's population lives.

How is environmental economy defined?

The environmental economy is the part of the economic system that provides products, technologies and services that benefit the environment, either through environmental protection or sustainable use of resources. The technical term used in international statistics is „environmental goods and services" or EGSS.

Cities: *the link between innovation and implementation*

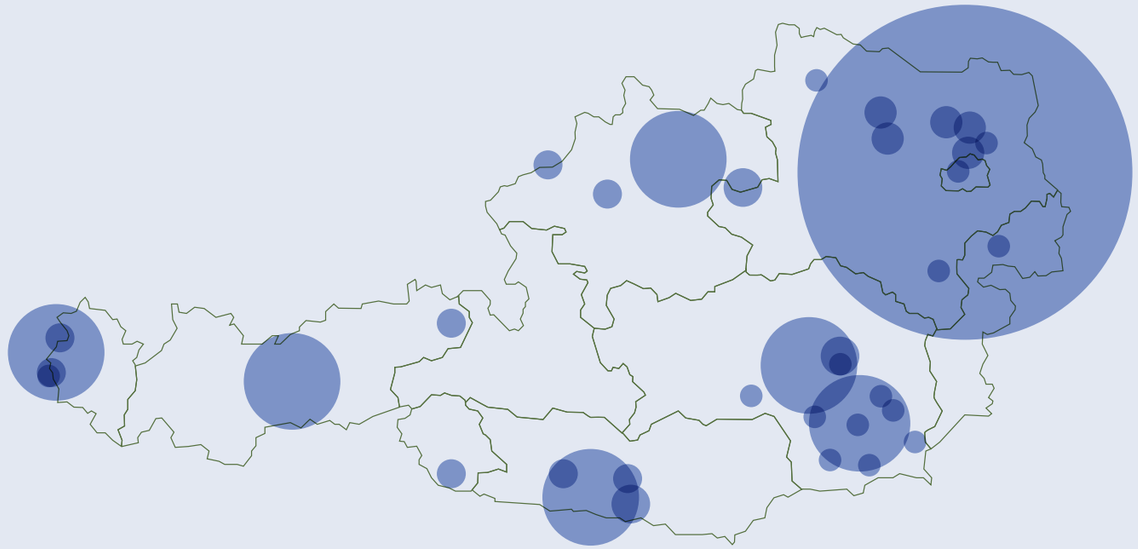
Austrian businesses and research institutions are driving a highly dynamic innovation process, resulting in rapid developments and new solutions that often still need to be incorporated into the practical actions and decision-making processes of Austrian cities.

The Pioneer cities of the Climate-Neutral City Mission are developing the skills they need to become true frontrunners in leveraging these many new opportunities. The more successful they are in this endeavour, the more efficient the modernisation and greening of public infrastructure and services will be (Hochholdinger et al. 2024). This includes schools and event venues, supply networks for water, energy, heating and cooling, as well as public transport and waste management. This systematic modernisation will strengthen public services and promote sustainability, security of supply and quality of life in our community.

Innovation in Austria has a distinctive feature. Contrary to the international trend, companies and research institutions in large and small cities are almost equally innovative.

Innovation activities in the Pioneer cities *of the Climate-Neutral City Mission**

* 15,000 patents were evaluated. Dataset PATSTAT Global – 2025 Spring Edition



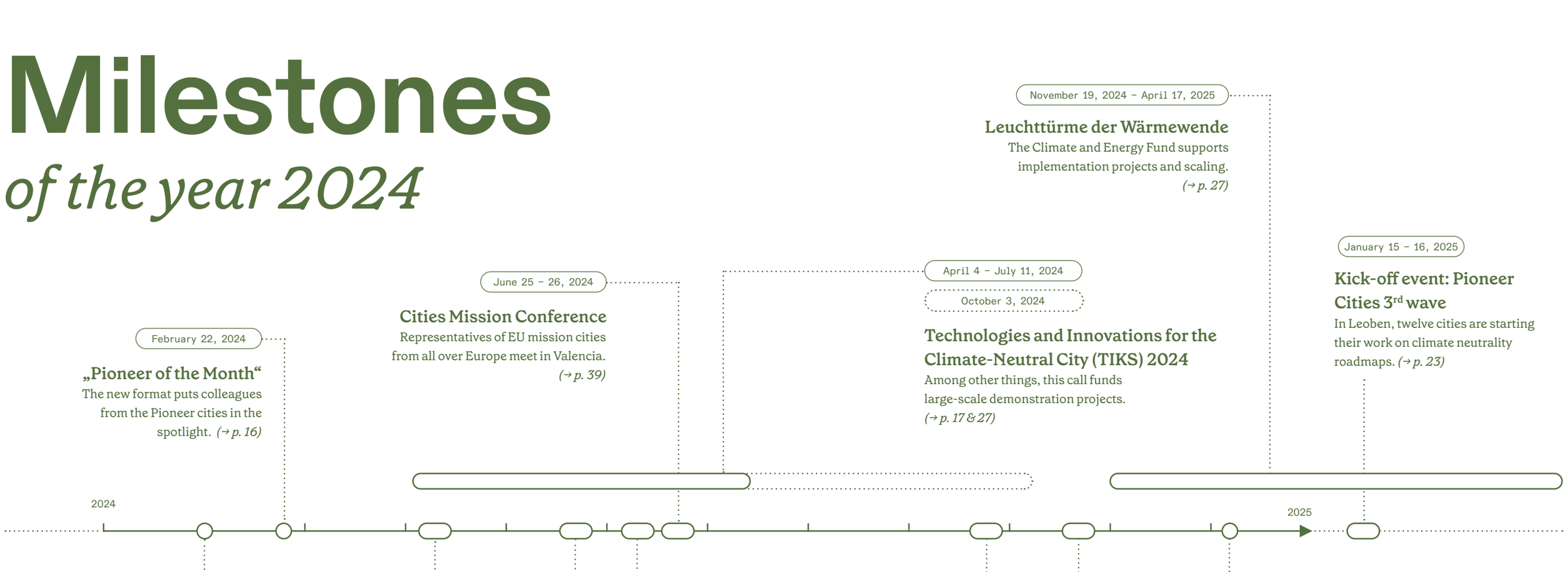
63%

of the patents evaluated were registered by individuals or companies in Pioneer cities.

41%

of the Austrian population lives in Pioneer cities.

Milestones
of the year 2024



February 22, 2024

„Pioneer of the Month“
The new format puts colleagues from the Pioneer cities in the spotlight. *(→ p. 16)*

February 1, 2024

Klimaaktiv Pilotquartiere
Kick-off event for the process of adopting the klimaaktiv standard for housing estates and neighbourhoods. *(→ p. 28)*

June 25 – 26, 2024

Cities Mission Conference
Representatives of EU mission cities from all over Europe meet in Valencia. *(→ p. 39)*

April 10 – 12, 2024

DUT Conference 2024
In Brussels, researchers and practitioners discuss ways to achieve urban climate neutrality. *(→ p. 39)*

May 28 – 30, 2024

DUT City Panel
Exchange between decision-makers and researchers ensures that action is taken in line with existing needs. *(→ p. 39)*

June 18 – 19, 2024

Kick-off event: Pioneer Cities 2nd wave
In Krems, thirteen cities are starting their work on climate neutrality roadmaps. *(→ p. 23)*

April 4 – July 11, 2024
October 3, 2024

Technologies and Innovations for the Climate-Neutral City (TIKS) 2024
Among other things, this call funds large-scale demonstration projects. *(→ p. 17 & 27)*

November 19, 2024 – April 17, 2025

Leuchttürme der Wärmewende
The Climate and Energy Fund supports implementation projects and scaling. *(→ p. 27)*

September 18 – 20, 2024

Study trip Nuremberg
Participants experience best practice on site. *(→ p. 23)*

October 21 – 22, 2024

Dialogforum Klimaneutrale Stadt
The annual meeting is being held in Salzburg for the first time with a large group of participants. *(→ p. 2)*

January 15 – 16, 2025

Kick-off event: Pioneer Cities 3rd wave
In Leoben, twelve cities are starting their work on climate neutrality roadmaps. *(→ p. 23)*

December 11, 2024

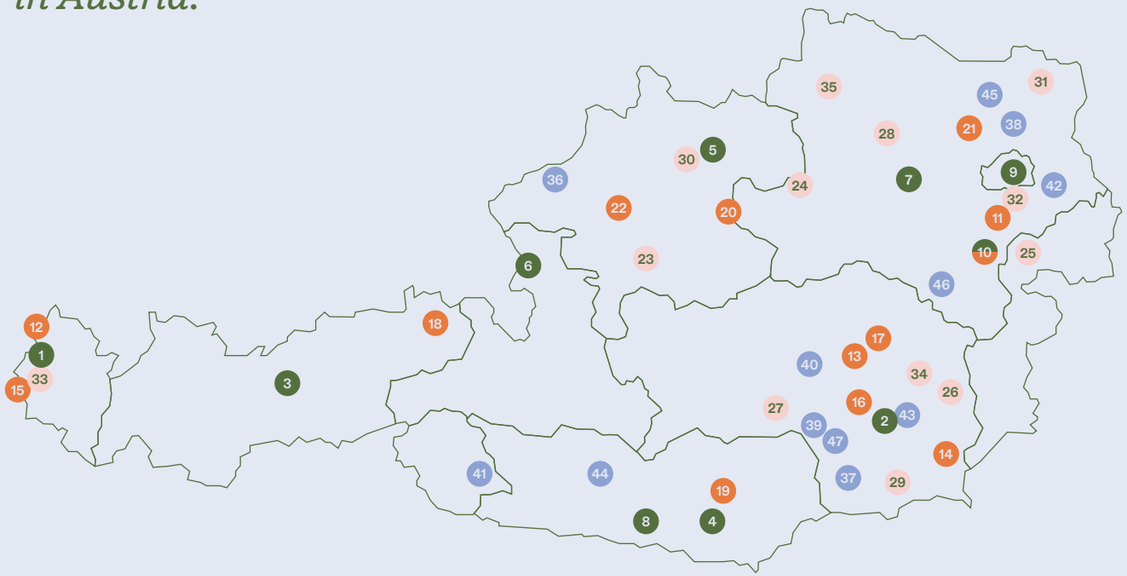
Strategy Meeting
In Linz, ways are being sought to further improve the supporting process. *(→ p. 13)*

September 2 – November 14, 2024
/ – April 29, 2025

DUT 2024
The call for proposals strengthens international cooperation between cities, companies and research institutions. *(→ p. 27)*

The Mission at a Glance

Pioneer Cities *in Austria:*



Large Pioneer Cities

1. Dornbirn
2. Graz
3. Innsbruck
4. Klagenfurt
5. Linz
6. Salzburg
7. St. Pölten
8. Villach
9. Vienna (Wien)
10. Wiener Neustadt

Small Pioneer Cities

1st Wave

11. Baden
12. Bregenz
13. Bruck an der Mur
14. Feldbach
15. Feldkirch
16. Gratwein-Straßengel
17. Kapfenberg
18. St. Johann in Tirol
19. St. Veit an der Glan
20. Steyr
21. Tulln
22. Vöcklabruck

2nd Wave

23. Altmünster
24. Amstetten
25. Eisenstadt
26. Gleisdorf
27. Judenburg
28. Krems
29. Leibnitz
30. Leonding
31. Mistelbach
32. Mödling
33. Rankweil
34. Weiz
35. Zwettl

3rd Wave

36. Braunau
37. Deutschlandsberg
38. Klosterneuburg
39. Köflach
40. Leoben
41. Lienz
42. Schwechat
43. Seiersberg-Pirka
44. Spittal
45. Stockerau
46. Ternitz
47. Voitsberg

Stand: Oktober 2024

148

research projects have been realised since the start of the mission.

30

pilot neighbourhoods are turning innovations into practice.

41%

of Austria's population *lives in Pioneer Cities.*

63 %

of the country's innovation activity takes place in Pioneer Cities.

40,7

million in funding was awarded to innovation projects in 2024 as part of Austria's Climate-Neutral City Mission.

230.000

people were employed in the environmental sector in Austria in 2024.

x 3

Over the past 20 years, innovation activity in the environmental economy has tripled.

The Foundation

for Innovative, Climate-Neutral Cities

51

people were hired as part of public-public partnerships (ÖÖK) in the Pioneer Cities.

213

events have been offered for the Pioneer cities since 2023.

The team responsible for the support process puts a lot of energy and passion into its work. Our colleagues have put a lot of effort into developing and designing tailor-made formats.

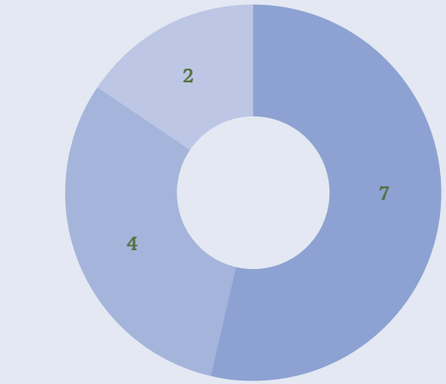
→ *You can find an overview on page 14.*

The know-how

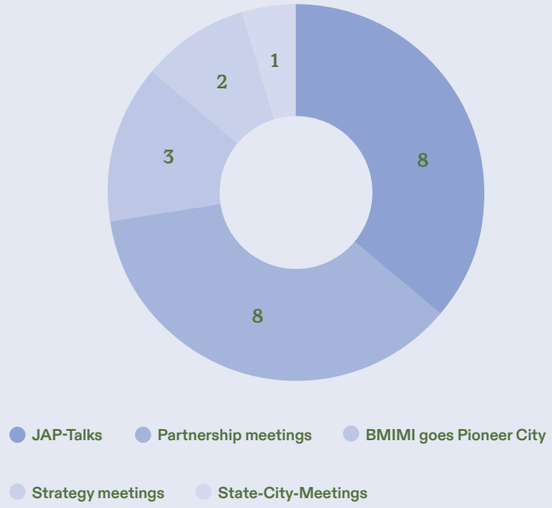
Climate protection in cities requires sound knowledge, established solutions and the courage to break new ground. A key feature of Austria's Climate-Neutral City mission is the support process. Since 2022, it has been helping committed cities to embed greater sustainability in their structures. The focus is clearly on building knowledge in the many areas required for applied municipal climate protection. Coordinated by the Salzburg Institute for Spatial Planning and Housing (SIR) and supported by AustriaTech and the Austrian Society for Environment and Technology (ÖGUT), the programme was refined each time a new group of Pioneer Cities joined. Experiences from previous rounds were evaluated with participants and adjustments were made. In addition, at each kick-off event (see milestones), representatives of the new cities were asked to name topics that are currently particularly relevant to their city. This approach of building on existing knowledge while continuously adapting the programme has enabled rapid scaling to 47 participating cities within just three years.

The formats of the Pioneer City *support process*

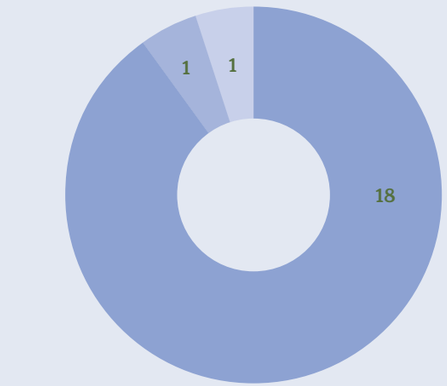
Learning



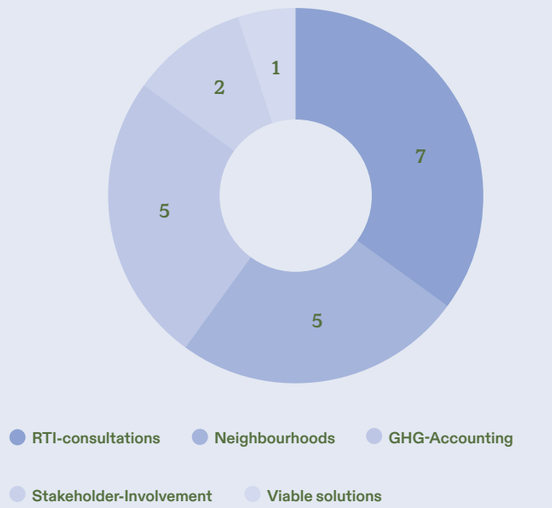
Planning



Networking



Implementing



Carbon accounting

The basis for all Pioneer Cities

There are few quick or easy solutions when it comes to climate protection. Measures and innovations only yield predominantly positive effects if they are carefully planned and implemented.

This is why the carbon accounting baseline is the basis for all actions. If possible, it covers all greenhouse gas (GHG) emissions produced within the city limits, as well as those generated outside the city but whose energy enters the city via infrastructure networks. Progress can only be measured relative to a plausible baseline, which may still contain some inaccuracies. This problem was dealt with in the support process. On behalf of the BMIMI, the Environment Agency Austria (Umweltbundesamt) has developed a consistent method that cities can use as a basis for their accounting. It is based on the GPC standard used by many other European cities. (Schweiger et al. 2025, https://ghgprotocol.org/ghg-protocol-cities).

While reducing GHG emissions is important, it does not make much sense to limit cities to a single figure. Working towards climate-neutral cities necessarily also involves working towards liveable and economically sustainable cities. This is why the team supporting the process worked with the Pioneer Cities on a broad range of topics. These included methods of spatial energy planning and integrated urban development concepts (ISEK), building renovation, internal collaboration, citizen participation and much more.

Financing as a challenge– *and learning how to master it*

The most pressing issue was—and continues to be—financing. It starts with calculating the costs or investment requirements of measures and extends from developing a well-founded estimate of whether and when an investment will pay off, through identifying funding opportunities, to exploring new financing logics in the context of green finance. External experts were brought in to assess the financial feasibility of municipal climate projects and to discuss the advantages and disadvantages of different funding instruments.

Given the sensitivity of this topic, trust is, of course, a central factor. The long-standing cooperation with the cities—many of which were already part of the Smart City networking platform—plays a decisive role in this respect. The mission's support process primarily served as a platform where cities could learn from one another—drawing on their practical experiences, successes, and also setbacks. Without this direct exchange, it would have been difficult to access this information.

The public sector—and cities and municipalities in particular—are currently operating under challenging financial conditions. In this context, it is important to note that climate action in most cases does not constitute a cost, but rather an investment in the future of the city, which pays off by reducing energy demand and operating costs.

Pioneering *urban mobility*

Mobility is another frequently discussed topic. An international comparison clearly shows that reducing emissions in this sector is particularly challenging. A study conducted for five cities – Brussels, Madrid, Manchester, Milan and Warsaw – has shown that a large package of coordinated measures is needed to reduce emissions from transport by 60–70% (Borgato, Fermi & Chirico 2024).

The AustriaTech, together with experts from international cities, has identified possible building blocks for climate-neutral urban mobility, including car sharing, charging infrastructure, mobility contracts and multimodal hubs. Working in focus groups, specific attention was paid to ensuring that researchers and practitioners alike had an equal say.

Even international pioneers are struggling to reduce their greenhouse gas emissions in the transport sector. A recent study shows that a variety of coordinated measures are needed to significantly reduce GHG emissions from transport in cities.

Doers, *step forward!*

Real-world knowledge proved particularly valuable. When such knowledge is shared by trusted peers, it further reinforces interpersonal relationships. At our events, representatives were particularly interested in bilateral exchange. The 'Pioneers of the Month' format, introduced in 2024, is designed to promote precisely this kind of exchange. Since February, experts from cities involved in climate protection have been invited to use the platform and demonstrate their expertise. In 2024, the cities of St. Pölten, Graz and Vienna took the stage.

A new format

Excellence through qualification networks

To support capacity building in the Pioneer Cities and make the knowledge available to other cities, an established funding instrument was reinterpreted for the purposes of Austria's Climate-Neutral City Mission with the call for proposals for 'qualification networks'.

Qualification networks are designed to make scientific knowledge available to businesses. Within the mission, they work as a link between the participating cities and urban research and construction. Four qualification networks were funded as part of the 2024 call for proposals 'Technologies and Innovations for the Climate-Neutral City' (TIKS). Their focus is on the New European Bauhaus (see next chapter), the use of artificial intelligence for greater energy efficiency in the building sector, and on the training of administrative staff in a wide range of topics – one for large cities and one for small cities.

Qualification networks

A first for climate-neutral cities

Since 2011, qualification networks are a funding instrument by the FFG. They are intended to strengthen the innovative competence of the economy by making knowledge, solutions and proven technologies from scientific institutions accessible to small and medium-sized enterprises in particular. This mechanism is now also available to cities.

Getting innovations *off the ground*

In 2023, the large Pioneer Cities (with a population of more than 50,000) signed public-public partnerships (ÖÖK) with the BMIMI. These partnerships were established to combine efforts and accelerate progress towards climate neutrality through research and development.

An essential part of this is supporting capacity building on climate protection issues. To date, 51 people have been hired in the ten cities. Each city is free to decide how and where these people are deployed and what tasks they take on. This 'climate governance' is crucial in determining how information flows internally and externally, and, above all, in ensuring that new responsibilities are perceived as complementary rather than competitive.

There is no single template for designing the climate governance in a city, but experience is already emerging that highlights the advantages and disadvantages of different approaches. Together with the Pioneer Cities, the SIR analysed the different structures these cities have established. They identified a total of five prototypical options. This resulted in a guide that is already being used by the Pioneering Cities.

Cities Learning from One Another

Baukultur can help encourage more people to get involved in climate protection

21

climate neutrality roadmaps completed.

Collaboration is what makes the support process come alive.

All cities that are developing or implementing climate neutrality roadmaps as part of the mission bring prior knowledge to the table. Consolidating and expanding existing activities requires a great deal of skill, because virtually all of a city's departments need to be involved. Exchanging ideas with colleagues who have already embarked on this path is particularly helpful here.

What are climate neutrality roadmaps *and what do they offer?*

All pioneer cities began in the same way. They developed a climate neutrality roadmap. This roadmap serves as a framework for all climate protection measures. It contains a shared vision of local climate neutrality and how it should be implemented in a city, smaller-scale goals that are measurable and achievable, and a series of measures to achieve these goals. In most cases, a data-driven section rounds off the roadmap. This section outlines the costs and specifies the indicators used to measure the progress in order to determine whether the city is on the right track to achieve its vision.

Since the vast majority of cities are not starting from scratch but are already implementing measures to protect the climate or even participating in city networks, the climate neutrality roadmap also serves as an umbrella for existing measures. By the end of 2024, 22 cities had already completed their climate neutrality roadmaps. The roadmaps of the second wave show impressive diversity of the approaches and are presented on the following two pages.

The climate neutrality roadmaps of the Pioneer Cities from the second wave: Baden, Bregenz, Bruck an der Mur, Feldbach, Feldkirch, Gratwein-Straßengel, St. Johann in Tirol, St. Veit an der Glan, Steyr, Tulln an der Donau und Vöcklabruck (Photo: Karin Lernbeiß)

For Austrian cities to become climate neutral, cooperation between city administrations, researchers, planners and practitioners is essential. The supporting process is the platform that enables this new culture of cooperation.

Understanding, *planning, implementing!*

The 47 Pioneer Cities are jointly supported by the BMIMI and the Climate and Energy Fund and are spread across Austria. For this reason, most of the support process meetings are held online. Nevertheless, personal exchange remains essential, i.e. the discussions that can take place around the actual programme.

Therefore each support process for a new group of Pioneer Cities starts with a face-to-face kick-off meeting. On 18 and 19 June 2024, the cities of the second wave met in Krems, and on 15 and 16 January 2025, the most recent kick-off meeting took place in Leoben.

In addition, there are personal mid-term assessments and a final event. A particular highlight this year was the study trip to Nuremberg. From 18 to 20 September 2024, participants visited the Nuremberg metropolitan region to strengthen international exchange with cities on the topic of climate neutrality. They learned about best practice examples and discussed success factors for implementing climate-neutral cities with local experts. A wide range of topics was covered. Participants visited the Luitpoldhaus, built in 1911, rebuilt after its destruction in the 1950s and now home to the city library. A complete renovation brought it up to the latest building standards. Despite the challenges of working with a listed building and the strict conservation requirements for Germany's oldest city library, the renovation reduced the primary energy demand from 236.00 kWh/m²/year to 58.10 kWh/m²/year.

The participants also visited the new eBus port in Nuremberg. The depot accommodates and charges 39 electric buses operated by Verkehrs-Aktiengesellschaft Nürnberg (VAG). The parking spaces are located under green roofs equipped with a photovoltaic system that supplies green electricity for local transport. Experiencing these projects on site is undoubtedly important and motivating, as it allows participants to translate the impressions and lessons learned directly into practice in their own cities.

The Pioneer Cities of the second wave met in Krems for their kick-off. (Photo: SIR)

Representatives from the participating cities visited the city's newly built eBus port during the study trip to Nuremberg. (Photo: SIR)

What do climate-neutral cities *have to do with Baukultur?*

- Because climate-neutral cities are the result of collective efforts, they are inherently a question of culture. With the New European Bauhaus (NEB), Baukultur has become an important focus in European innovation funding.
- The central aim of the NEB is to emphasise the aesthetic and social dimensions of sustainability. Baukultur thus becomes a means of making the benefits of transformation tangible not only rationally but also experientially, thereby making them more accessible. The focus is less on the mere reduction of greenhouse gas emissions and more on the added value of a sustainable lifestyle – from improved quality of life to social and cultural benefits.
- In the context of the Climate-Neutral City mission, a study was commissioned to analyse and assess the strengths and weaknesses of the Austrian construction sector in relation to the New European Bauhaus initiative (Wimmer et al. 2024). Another study, 'NEBKrit', examined how the NEB criteria can be applied specifically to neighbourhood development in Austria (Feller et al. 2024).

Martin Färber and Christina Schraml accepted the New European Bauhaus Prize on behalf of the project team behind Re-Sourcing Commons – Redesign of Fritzi Massary Park (Photo: Social Design Studio).

Every year, the European Commission awards prizes for outstanding projects in four categories – sustainability, inclusion, liveable places and circularity – as part of the New European Bauhaus initiative. For Austria, the Social Design Studio at the University of Applied Arts received recognition for its Fritzi Massary Park project. Developed in collaboration with residents living around this green space in Vienna's second district, the project was awarded the Runners Up prize of €20,000.

We spoke with Robert Temel for an interview. He is co-author of the study 'NEBKrit' and, among other things, spokesperson for the Baukulturpolitik platform.

Dear Robert, you have been working on Baukultur for many years. With the New European Bauhaus (NEB), Baukultur is becoming a prominent topic for the entire EU – including in the field of innovation funding. How do you assess its significance?

RT: In my opinion, Baukultur is very important, although this is not yet widely recognised. The fact that the European Commission acknowledges the importance of Baukultur through the NEB is an important sign, because the challenges – reducing greenhouse gas emissions, reducing the consumption of land and material resources, climate change adaptation and biodiversity protection – are not just problems to be solved technically, but can be better addressed through holistic, cultural approaches.

What is the connection between Baukultur and climate protection or climate change adaptation? And what contribution can it make to climate-neutral cities?

RT: Basically, the connection is very simple. Cities are human-made environments, which means they are cultural products. In other words, Baukultur. We can therefore reflect on what has proven destructive in this culture and how we can change it. Because Baukultur not only provides technical solutions, but also always has a social and cultural impact, it is a tool that helps to bring people along in the transformation process. That is one of the key ideas behind the NEB.

You and your colleagues worked on the 'NEBKrit' study. Can you please describe what it is about and why it is also relevant for the Pioneer Cities?

RT: The 'NEBKrit' research project was carried out by the Plattform Baukulturpolitik and the Institute of Building Research and Innovation. The aim was to develop an assessment model for buildings and neighbourhoods that takes a broader perspective than conventional approaches. In the study, we attempted to highlight criteria for high-quality construction in various dimensions – from design and ecology to social aspects. Our aim is to provide a practical tool that enables projects to be planned and assessed more holistically in the future. This can be particularly valuable for Pioneer Cities.

Making a Visible Difference

‘Lower operating costs’ and ‘better value retention’ were often decisive factors in why the respondents chose a klimaaktiv neighbourhood.

Almost 6,700 people already live in klimaaktiv certified neighbourhoods.

Climate-neutral neighbourhoods demonstrate that urban climate protection is feasible and offers additional benefits. They are already being developed across Austria.

The work with climate neutrality roadmaps is still an abstract undertaking. In climate-neutral neighbourhoods it is becoming a reality. A neighbourhood that generates more energy than it consumes is possible, if careful planning creates the right conditions. Effective implementation also makes use of innovations, so that residents will benefit most. In 2024, the BMIMI and the Climate and Energy Fund supported the development of climate-neutral neighbourhoods through various calls for proposals.

Funding *for climate-neutral neighbourhoods is having an impact*

District, neighbourhood, Grätzl, Kiez or barrio: in recent years, urban and mobility research has recognised that many people identify most strongly with the neighbourhood in which they live. This is where social life takes place, where daily activities occur and where changes in the streets, parks and houses are most visible. Neighbourhoods were already the focus of the first call for proposals for the Climate-Neutral City Mission. The large Pioneer Cities have each identified at least one pilot neighbourhood where efforts will be concentrated to achieve climate neutrality by 2030. This is not an easy task, but it is a feasible one, and has been further promoted through several calls for proposals in 2024.

- **Technologies and Innovations** for Climate-Neutral Cities (TIKS) 2023/2024. These two calls supported a total of 133 large and small projects. Funding was provided for technological developments as well as research into the integration of various technological, social and organisational solutions into complex systems – and finally, work on large-scale demonstration projects and pilot neighbourhoods. As part of TIKS 2023 and 2024, €37.7 million in funding was awarded by the BMIMI and the Climate and Energy Fund (KLIEN).
- **Leuchttürme der Wärmewende 2024.** This call for proposals targets established solutions and supports specific projects, such as construction and scaling. In 2024, the focus was on heating and cooling supply, resource-efficient renovation and the decarbonisation of district heating networks. KLIEN provided €24 million for the ‘lighthouse’ projects.
- **Driving Urban Transitions** (DUT) 2024. DUT is a partnership for promoting research in its 28 participating countries in Europe. DUT encourages cooperation between cities, companies and research institutions, thereby opening up new applications and markets. DUT covers a broad range of topics, from youth mobility to administrative structures for plus-energy neighbourhoods and closed water cycles. A total of €4.5 million was allocated to 15 funded projects.

In most countries, the Grätzl, Kiez, quartier, barrio, or neighbourhood is the scale with which residents identify most strongly and in whose development they are most interested. Participation begins at neighbourhood level and can take many different forms in a climate-neutral city.

11,600

tonnes of CO_2 eq have been saved since 2020 in the eleven declared klimaaktiv-certified estates. This corresponds to the average annual emissions of 2,500 cars.

Pilot neighbourhoods *in action*

Up to 30 pilot neighbourhoods are being built in the Pioneer Cities. Across Austria, housing estates and neighbourhoods are already in place that generate more energy than they consume. A new klimaaktiv standard has been created, providing orientation for developers and prospective residents.

Klimaaktiv standard *for housing estates and neighbourhoods*

Under the 'klimaaktiv' label, several standards have been developed in recent years that serve as guidelines for both economic actors and consumers. To increase the impact of these standards, the Federal Ministry for Innovation, Mobility and Infrastructure (BMIMI) and the Federal Ministry for Agriculture, Forestry, Climate and Environmental Protection, Regions and Water Management (BMLUK) have been working together successfully for many years. The standards ensure quality and guarantee that not only the climate is taken into account, but also future operating costs as well as air- and living quality. Individuals or companies can declare a construction project free of charge and thus use a trusted label.

Various declaration options have been available, which eleven estates have already used since 2020. In total, there are 110 buildings for 6,670 residents and 2,585 external users. By the end of 2024, these projects had already saved 11,600 tonnes of CO2-eq.

The klimaaktiv standard for housing estates and neighbourhoods considers not only the energy efficiency of individual buildings, but also their integration into the local urban, transport and social environment. Published in 2024, the standard, covers six areas of action. Among other things, land use, mobility, energy supply, urban development and social aspects are evaluated. The aim is to create climate-friendly, resource-efficient and liveable neighbourhoods that combine ecological, economic and social qualities.

The klimaaktiv-certified Sonnengarten Limberg housing estate in Zell am See (Photo: Hillebrand)

Across Austria, more and more neighbourhoods are being certified according to the klimaaktiv standard. It is noteworthy that climate protection is only part of the reason why residents choose to live in this environment.

Experience pilot neighbourhoods

It is already possible to experience what a neighbourhood looks and feels like when it generates more energy than it consumes, supports sustainable mobility and places special emphasis on quality of life and living. Several surveys have shown that local climate protection is not an end in itself, but brings a wide range of additional benefits.

The residents of the 'Sonnengarten Limberg' in Zell am See and the 'Wir inHAUSer' project in Salzburg were asked about their reasons for choosing the respective project. For many, 'a particularly high quality of construction', which remarkably also results in 'lower operating costs', was decisive. Many of the respondents who have purchased flats expect the value to remain higher in the long term. Pilot neighbourhoods are also intended to have a lasting positive impact on their surroundings (cf. SIR 2025). To ensure this succeeds, the klimaaktiv standard for housing estates and neighbourhoods focuses on urban development and infrastructure for sustainable mobility.

Innovations in the environmental economy

Plus-energy districts are neighbourhoods that meet their own energy demands while combining sustainable mobility, efficient energy use and a high quality of life. In doing so, they not only contribute to climate protection, but also open up new perspectives for the economy and society. The environmental economy has long been a key economic sector in the country and is expected to continue to gain importance in the coming years.

The environmental economy already contributed almost 5% to Austria's GDP in 2021 (latest available data). This puts Austria in second place in the EU. Only in Finland was this sector even stronger, accounting for 6% of the country's economic output (Austrian Patent Office 2024).

Green economy companies are making a decisive contribution to the creation of energy-positive districts in Austria. Austrian businesses and research institutions are attracting attention with innovative solutions and, thanks to their expertise, are well connected nationally and in demand internationally.

This success is also reflected in the labour market: around 230.000 people are employed in the green economy. If employees in public transport are included, this figure rises to 255.000 people, equivalent to 5.4% of the total workforce in Austria.

The sector is therefore highly relevant not only ecologically but also economically. A look at the job vacancies illustrates the dynamics: between 15 and 17% of all job offers in Austria are currently classified as green jobs (Ministry of Social Affairs, Q1/2025). Forecasts also show that this trend will continue – between 12,000 and 20,000 new full-time jobs could be created each year by 2030 (Cambridge Econometrics 2024, Dorr et al. 2023). The conditions are therefore in place for the environmental economy to become an important sector with great global future potential for Austria.

Green jobs are not usually created in completely new industries, but within traditional trades and commercial sectors that are reinventing themselves through the shift towards sustainability and climate neutrality. An electrician who offers photovoltaic systems, a construction company that specialises in sustainable building materials, or a planning office that designs energy-efficient buildings – these are all examples of how existing skills can be expanded through new business areas. This transformation requires openness to new ideas, both from companies and their employees.

The companies working on sustainable settlements and neighbourhoods today are not only shaping the future of construction, housing and mobility in neighbourhoods, but also new energy flows and material cycles. At the same time, they are creating new fields of activity, further developing their business models and strengthening Austria's expertise in the environmental economy. This leads not only to innovative neighbourhoods, but also to new career opportunities and value creation prospects, strengthening Austria as a business location in the long term while improving quality of life.

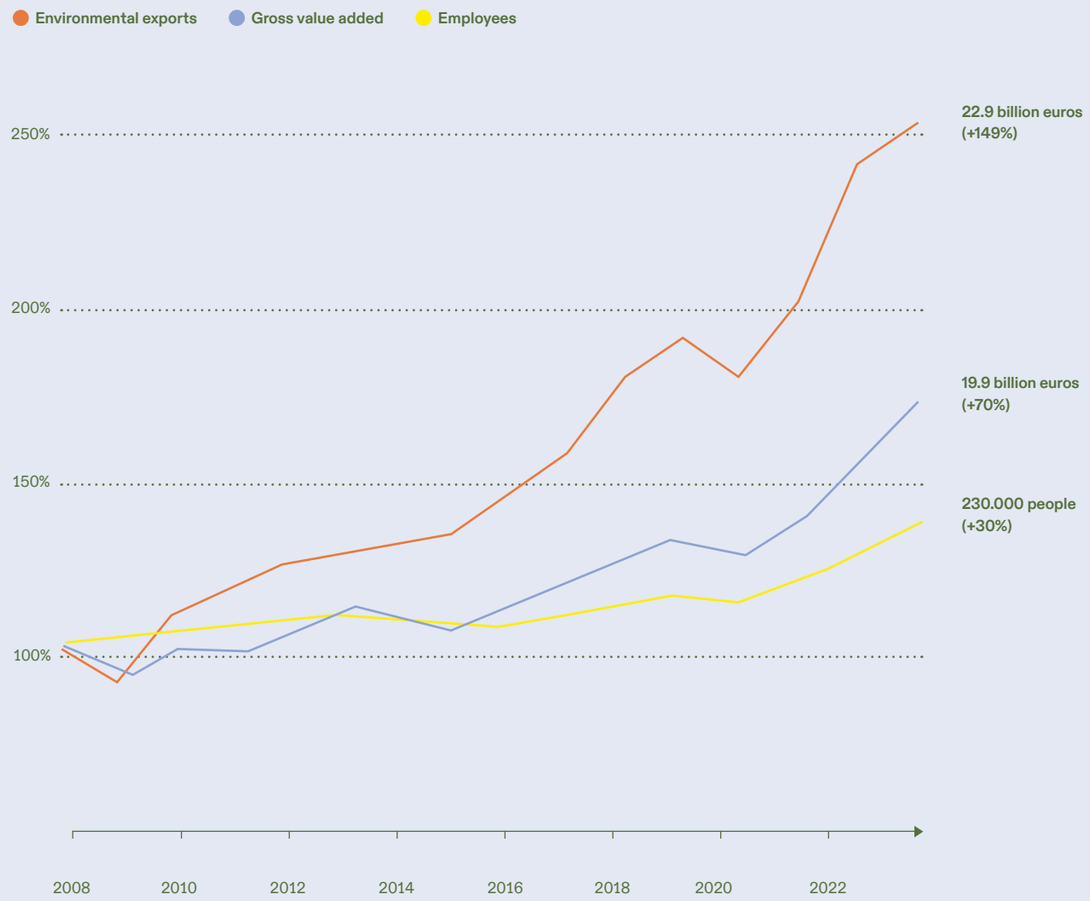
230,000

people *in Austria are employed in the environmental sector.*

17%

of all job vacancies *in Austria in the first quarter of 2025 were classified as green jobs.*

The environmental *economy in Austria*



Development of the environmental economy in Austria since 2008. Gross value added, environmental exports, employees (indexed) 2008 = 100%. (Dataset; Statistik Austria 2024, Auswertung: MOURA)

Innovations can help to protect the climate and to strengthen society's ability to adapt to climate-related changes.

Where the market does not take sufficient action on its own, targeted strategic research funding is needed (Stern 2007).

Strategic innovation
policy can address long-standing challenges

A well known issue in Austria is the declining rate of building renovation, which runs counter to climate targets (Amann et al. 2023). 'Serial renovation' is a promising but still underutilised solution. Serial renovation means using modular, industrially prefabricated façade or roof systems with integrated building services – not only in new buildings, but also in the renovation of old buildings. This makes renovations significantly faster, more cost-efficient and more resource-efficient. Austria's Climate-Neutral City Mission pursues a mission-oriented approach. This means that projects are funded that are in line with the mission's objectives and where the market itself is not active or is not active enough. In the area of serial renovation, promising projects have been funded, such as the MasSan feasibility study, which examines the framework conditions and potential for serial renovation of large-scale buildings in Austria and derives recommendations for action for scaling up (Grief et al. 2025).

Austria's Climate-Neutral City Mission

as a pioneer within the EU

Austria's Climate-Neutral City Mission is closely linked to the European mission 'Climate-Neutral and Smart Cities'. Patrick Child, Deputy Director-General of the European Commission's Directorate-General for Environment, emphasised Austria's pioneering role in Europe during his visit to Vienna in April 2024. At national level, the BMIMI and the Climate and Energy Fund are working closely with the Federal Ministry for Women, Science and Research (BMFWF), which coordinates the implementation of all five EU missions within the framework of the FTI Taskforce Working Group 'EU Missions'. In 2024, mission-specific national action plans were published, mapping the implementation of the EU missions in Austria. The action plan for the implementation of the EU mission Climate-neutral and Smart Cities reflects the national implementation through Austria's Climate-Neutral City Mission. The creation of the action plans was significantly supported by the newly established Mission Management Unit at the FFG. In addition, Austria's Climate-Neutral City Mission received international attention at the OECD conference 'Missions Forward' in Vienna in October 2024, where it was presented as a best practice example of mission-oriented innovation policy.

Taking climate-neutral cities to the next level!

1,000

people visited the KlimaEck in Linz in 2023 and 2024.

80+

businesses in Graz are part of the climate pact.

Participating *in the creation of a climate-neutral city*

Climate protection is most successful when it becomes a shared concern. This requires partners committed to implementation, but it is the people who decide whether change is accepted, shaped and integrated into their everyday lives – or not. The work of the Pioneer Cities already demonstrates this clearly.

Cities are developing different approaches to get citizens involved. Those that are pursued jointly from an early stage are particularly successful. That is why some Pioneer Cities have already conducted interviews, held surveys or organised public co-creation workshops in preparation for their climate neutrality roadmaps. In this way, citizens are first informed about the municipality's intention to pay more attention to climate protection in the future. In the process, the municipality collects ideas and identifies problems that it can specifically address in its climate protection strategy. The choice of the framework or format of citizen participation also determines which target group is reached. The pioneer cities have developed and already implemented innovative formats. These include:

Climate play bus.

The climate play bus in St. Pölten is intended for very young children. It uses games to show how energy is generated and used. The bus is accompanied by the KlimaTisch (climate table), where people can learn about and discuss current climate protection issues in the city while the children are engaged. The bus thus creates space for dialogue where there is actually no time for it.

Climate compass.

The city of Bregenz surveyed 120 stakeholders and citizens and filled a database with their ideas and suggestions. From this database of measures, politicians – supported by the Bregenz E5 team and the Climate Advisory Council – select measures to be implemented each year.

Smart Cities Lab.

The city of Klagenfurt has rented a store front on Bahnhofstraße, which now serves as a central contact point for interested citizens, companies and other organisations. The city's youth council is also on board with events.

Climate Council.

A climate council usually has a relatively formal character, providing recommendations or reviewing decisions that have been made. In 2022, a climate council was convened at the federal level, which developed and agreed on a long list of recommendations (ARGE Klimarat 2022). The city of Steyr has chosen to refer to the principles of this climate council. Vöcklabruck has set up its own climate council, randomly selecting 15 citizens to serve on it. In Vienna, as in the city of Bregenz, the climate council is made up of experts who comment on and support the city's decisions – similar to what the Intergovernmental Panel on Climate Change (IPCC) does. Other cities already have a climate council at the top of their list of measures.

Climate pact for citizens.

The city of Graz offers committed citizens – similar to the climate pact with companies (see below) – the opportunity to get involved as advocates for more climate protection in Graz. People who get involved under #bindabei receive tips for climate-friendly living, can learn from and with others, and jointly highlight good examples. By the end of 2024, 80 people had joined.

Climate Pact of the City of Graz

In Graz, the Climate Pact has developed into a successful model. After initially involving 40 companies, more than 80 businesses are now part of the initiative, sending a strong signal for joint climate action. To ensure that the commitments are not only symbolic but also concrete and verifiable, the city has created a three-stage system based on international models and tailored to different levels of ambition.

Partnering *with businesses*

The city of Graz has determined that only around 3% of municipal GHG emissions fall directly within the sphere of influence of the city administration and its subsidiaries ('Haus Graz'). This finding is consistent with international studies, which estimate the share of municipal emissions to be between 3 and 7% (Fong et al. 2021, City of Graz 2023). This makes it clear that although cities can set the tone through their own actions and serve as important role models, the active involvement of other actors is needed to actually achieve the goal of urban climate neutrality. This is precisely where the Pioneer Cities Graz and Klagenfurt take action: they have already formed alliances with companies to anchor climate measures more broadly – an approach that other cities in Austria are also planning to adopt and which is considered internationally as key to achieving urban climate neutrality.

Commit

In this first stage, companies commit to systematically reducing their own climate footprint – i.e. the greenhouse gas emissions caused by their business activities. They strengthen their climate „handprint" by creating conditions that make it easier for employees to act in a climate-friendly manner, for example through job tickets, cycling infrastructure or sustainable canteen offerings.

Connect

This stage is about sharing experiences and networking with other companies, the city and other partners. This creates learning environments and collaborations that promote knowledge transfer and accelerate the development of innovative solutions.

Check

In the third stage, companies commit to documenting their progress in a measurable way and allowing it to be reviewed regularly. This ensures transparency and credibility – and allows companies to show the specific contribution they are making to achieving climate targets.

Using this model, Graz has succeeded in combining binding commitment with exchange and reliability. At the same time, the city has created a structure that is internationally compatible and offers companies a clear framework for taking on responsibility while visibly benefiting from the joint learning process.

Partnerships *for climate protection in Klagenfurt*

The city of Klagenfurt has launched the 'Climate Partner Network', which currently includes 19 companies. The aim of this partnership is to support joint efforts in reducing greenhouse gas emissions in the urban area.

The network focuses in particular on topics such as e-car sharing, bike sharing, sustainable logistics, unsealing paved surfaces, urban greening measures, installation of photovoltaic systems, circular economy, resource conservation and awareness raising.

Stronger together

Smaller cities too are building partnerships

The range of topics selected in the city of Klagenfurt clearly shows that mobility is a key area with strong potential for cooperation with businesses. This also applies to Bruck an der Mur, St. Veit an der Glan and Tulln, where climate networking platforms are currently being developed. Another topic is the improved use of waste heat from larger industrial plants, for example in local district and local heating networks. Feldkirch, St. Johann in Tirol and Steyr are setting the tone in this area.

Building block for internationalisation:

Driving Urban Transitions

The Driving Urban Transitions (DUT) partnership has created a strategically important lever for scaling up innovations for climate-neutral cities. More than 30 European and international countries are currently part of the partnership, which is coordinated by Austria.

In 2024, the DUT partnership made targeted use of key stakeholder formats to strengthen the strategic orientation of Austria's Climate-Neutral City Mission with European initiatives – in particular the EU Mission Climate-Neutral and Smart Cities. The DUT Conference 2024 (see Milestones) brought together over 600 participants on site in Brussels and online. The (interim) results of the ongoing projects were presented here. Six of these projects are coordinated by Austrian partners. High-ranking representatives of the European Commission, such as Rosalinde van der Vlies (Clean Planet Director) and Philippe Froissard (Head of Future Urban & Mobility Systems), attended the conference.

From the DUT Conference to the DUT City Panel *and the Cities Mission Conference*

In May, the DUT City Panel (see Milestones) was held in Umeå with representatives from 35 cities. The focus of this event was on social sustainability as a driver of urban transformation. Cities such as Maribor, Çankaya, Venice, Haarlem and the Pioneer City of Linz presented the path they have chosen for their cities towards climate neutrality.

Finally, DUT was also part of the Cities Mission Conference in Valencia (see Milestones). The city of Klagenfurt, Austria's mission city, presented concrete examples of the added value that the mission label offers a city like Klagenfurt during the session 'Making the Mission Label work for your City'.

The exchange at these events revealed clear points of contact and synergies that will be implemented in the coming years to enable coordinated and efficient cooperation between European initiatives.

What happens next?

An outlook for 2025

In 2025, the Mission's latest climate neutrality roadmaps will be completed. This means that all participating cities will have outlined their path to climate neutrality. With 47 pioneer cities, Austria's Climate Neutral City Mission has become Europe's largest national city network, formed around the EU Mission Climate Neutral and Smart Cities.
In order to grow together, the Climate Neutral City Mission team will intensify its contact with other national city missions in the future. At the same time, the consequences of climate change are becoming more apparent. For this reason, the content of Mission 2025 has been expanded to include the topic of climate change adaptation.

- With the climate neutrality roadmaps complete, the question arises for the small Pioneer Cities as to how cooperation within the framework of Austria's Climate Neutral City Mission will continue. The answer will come in 2025: public-public partnerships will also be established through the Climate and Energy Fund, which will holistically strengthen local capacities in the areas of climate protection, climate change adaptation and the circular economy.

- The City Academy will take place for the first time. The Pioneer Cities will work together intensively for three days on a wide range of topics – from neighbourhood development and communication to the design of municipal climate governance.

- To support and accelerate the implementation of the pilot neighbourhoods, neighbourhood hubs are being established as innovation laboratories. This is where stakeholders and their knowledge come together and experiments can be carried out in a real-world environment.

- Spending on climate change adaptation measures is increasing in Austrian cities and, in most cases, cannot be postponed. To ensure that climate change adaptation and climate protection reinforce each other, Austria's Climate Neutral City Mission is being expanded to include this topic. The first step in this direction is to support the pioneer cities in developing and sustainably anchoring strategies and measures for future-proof cities within municipal administrations.

- Representatives from Austria are involved in CAPACITIES, an EU-funded networking platform. In addition, bilateral international exchanges are taking place between the Climate Neutral City Mission, its Swedish counterpart Viable Cities and the Dutch National Support Structure (NSS).

... and much more to come – until next year!

Large Pioneer Cities

Vienna
Graz
Linz
Klagenfurt am Wörthersee
St. Pölten
Villach
Salzburg
Wiener Neustadt
Innsbruck
Dornbirn

Small Pioneer Cities

Altmünster
Amstetten
Baden
Braunau am Inn
Bregenz
Bruck a. d. Mur
Deutschlandsberg
Eisenstadt
Feldbach
Feldkirch
Gleisdorf
Gratwein-Straßengel
Judenburg
Kapfenberg
Klosterneuburg
Köflach
Krems a. d. Donau
Leibnitz
Leoben
Leonding
Lienz
Mistelbach
Mödling
Rankweil
Schwechat
Seierberg-Pirka
Spittal a. d. Drau
Steyr
Stockerau
St. Johann in Tirol
St. Veit a. d. Glan
Ternitz
Tulln a. d. Donau
Voitsberg
Vöcklabruck
Weiz
Zwettl

Mission Team

Bundesministerium
Innovation, Mobilität
und Infrastruktur

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Forschung wirkt.

klima+ energie fonds

Support Team

austriatech

ÖGUT

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Notes

With its Climate-Neutral City mission, the Federal Ministry for Innovation, Mobility and Infrastructure (BMIMI), in cooperation with the Climate and Energy Fund, is supporting Austrian cities in becoming climate-neutral faster through research and development.

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