

Climate City Contract

2030 Climate Neutrality Commitments

Climate Neutrality Commitments
of the City of Reykjavík



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Table of Contents

Table of Contents	2
1 Introduction	3
2 Goal: Climate Neutrality by 2030	4
3 Strategic Priorities.....	5
3.1.1.1 Key Strategic Priorities:.....	5
4 Process and Principles	5
5 Signatories.....	7
6 Contract with Signatures	8



1 Introduction

The City of Reykjavík has been ambitious in climate issues since the first Climate Policy was published in 2009. Subsequently, the City sought to be a member of the Covenant of Mayors in 2011, and in 2016 a policy was set to become carbon neutral by 2040. Two detailed Action Plans have since been published. It was in continuation of this ambition that it was decided to participate in applying to be one of the 112 cities in the European Co-operation for carbon-neutral and smart cities in 2030. By this, the City of Reykjavík speeding up the goal by a decade, and it is clear that the goal can only be achieved with the participation of several parties.

A lot has happened since the first Climate Policy was established. The highlights of the journey have been focusing not only on GHG emissions but on co-benefits of climate actions. People become healthier as the city becomes denser, has more infrastructure for pedestrians, cyclists and public transport. At the same time, this makes the city more welcoming for existing and new businesses and tourists, which strengthens the economy and increases the use of local renewable energy by supporting charging stations for cars and electric bikes.

Participation in the mission has given the City even more opportunities to participate in international projects related to climate change and to learn from other cities. The city is both a Pilot City and a Twin City city regarding projects related to transportation issues and changing travel habits. The working group that has worked on the preparation of the contract has gained an insight into the different aspects of various divisions and what it is like to work across issues in the City.

A political steering group has led the policy formulation of the project and it includes the leaders of all parties, including the leaders of the minority. A working group with employees from different divisions within the City has worked to prepare the first draft of the contract on behalf of the steering committee. The employees are from the Department of Environment and Planning, the Office of the Mayor and Chief Administrative Officer, the Human Rights and Democracy Office and from the Finance Department.

The participants in this first Climate City Contract submit actions that are being worked on. The Mayor is responsible for the contract, where the participants undertake to submit one or more actions, which are being worked on to reduce the effects of climate change. The contract is according to specifications from Net Zero Cities, which manages the project on behalf of the European Union. The European Commission reviews the contract and approves or rejects it. This is a long-term project, where the contract must be renewed regularly and the status reviewed up to the year 2030.





2 Goal: Climate Neutrality by 2030

When the goal of carbon neutrality in 2040 was set, the thinking was that the year 2030 would be a touchstone on the way and a certain measure of success. The goal for 2030 was to reduce emissions by 300,000 tonnes of CO₂ equivalents until 2030, which corresponded to a 60% reduction from 2019. The minimum requirement from NetZero Cities of at least 80% reduction is therefore very challenging. The mission enables the City to accelerate the climate neutrality ambition and to introduce stakeholders outside the City to participate with their actions to support the City to be climate neutral by 2030.

The 2040 target on carbon neutrality included emissions within BASIC+ (Scope 1, 2 and 3 in the waste sector) but the new 2030 climate neutrality target will be expanded and include Scope 3 emissions as well, as there are considerable emissions from building materials for new construction within city boundaries. The target is to meet the requirements of the mission and reduce the emissions by 80% of the greenhouse gases emitted in 2019. The target will cover the entire administrative territory of the City, as it has done since the first Climate Action Plan was made in 2016

As previously mentioned, the biggest carbon footprint by far is from road transport. A change in transport habits and the energy transition of the car fleet are therefore of great importance to achieving carbon neutrality. Electricity in Iceland is produced with local hydro and geothermal sources. With less reliance on fossil fuels in transportation, the country and Reykjavík as well will be more energy independent and use renewable energy sources instead of fossil fuels.

Iceland could be the first fossil fuel free country in the world. If the fossil fuel use of transportation would be solved, we would rely 100% on renewable energy for all primary energy. This would give Reykjavík and Iceland a unique selling point to attract businesses, visitors and new inhabitants.

Fossil fuels do emit other gases than greenhouse gases which affect air quality. To enhance other modes of travel than by car, the people in Reykjavík are more likely to adopt an active lifestyle which will benefit individual health.

There are no ETS facilities within the geographical boundary of the city.

Reykjavík has the target to reduce greenhouse gas emissions by at least 80% by 2030, with 2019 as a baseline year with a just, nature-based transition in mind. As it stands in this first CCC, that target will not be met. Until the renewal of the CCC, we will work with stakeholders to find ways to further reduce greenhouse gas emissions to reach the target of 80% reduction. Work will also be done to put forward proposals on how best to deal with carbon offsets, if it is not possible to close the gap by 2030 by other means.



3 Strategic Priorities

Strategic priorities are to include stakeholders who are already working on ambitious climate related actions and are willing to participate in the actions in this first CCC.

The focus for the next 2-3 years will be following up on ambitious plans from both Reykjavik City and the stakeholders who will commit to this first CCC. Critical stakeholders to accelerate change are the signatories at this first CCC in Section 5.

3.1.1.1 Key Strategic Priorities:

1. Mobility, focus on change in travel modes and strengthening the infrastructure for public transport, pedestrians and cyclists.
2. Energy transition of the car fleet and at the port of Reykjavík with carbon neutral produced energy
3. Waste and circular economy, including increased recycling by the private sector and individuals.
4. Building sector. The City has ambitious goals for the development of residential housing. It is therefore important that this development has as little impact on the climate and environment as possible.
5. Just transition –Various ways to ensure a just transition are already in place at the City of Reykjavik and are described in detail in the Action Plan.

4 Process and Principles

The key principles will be on co-creation, just transition, multi-level governance approaches, working with stakeholders and citizen engagement. As before, GHG emissions in the city will be measured and published through the CDP portal.

The systemic process the City will undertake to achieve its 2030 climate neutrality target is to involve a larger group of stakeholders than before. A review of the actions in this first CCC will be done in collaboration with the participants. Work will be done to add participants, and thus actions in the next version of the CCC, so that it is more likely that the goal of carbon neutrality in 2030 will be achieved.

We will work with the participants on how best to communicate information and share success stories. An annual meeting with participants could be one way to do that.

To promote transparency, the City of Reykjavík itself will have a website where the contract will be published. It will also describe the progress of the actions and what they will deliver by the end of September 2025 and 2026. Internal promotional channels will also be utilised and educational materials will be prepared as needed and distributed through the educational system Torgið for the staff of Reykjavik City, which is the largest workplace in Iceland.

The CCC is expected to be reviewed with the majority and the mayor who will be elected in 2026. All work done with participants until then will be input into a new contract. Also, the lessons that will be learned from the City's participation in Pilot Cohort 3 and Twin City under the umbrella of Pilot Cohort 1.





In addition to actions that reduce the emission of greenhouse gases, emphasis will continue to be placed on climate change adaptation. We will continue to develop nature-based solutions, including blue-green surface water solutions, and work in line with the City's policy on biodiversity. Work on the Green Plan's vision of Reykjavík being a prosperous, fun and healthy city will continue. Reykjavík, which previously planned to become carbon neutral by 2040, now plans to work with others to become carbon neutral and smart by 2030.

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5 Signatories

Name of the signatory (organisation)	Sector / Domain / Level of operation[1]	Legal form	Name of the responsible person	Position of the responsible person
Reykjavik City	Local	Municipality	Einar Þorsteinsson	Mayor
The Ministry of Infrastructure	National	Ministry	Svandís Svavarsdóttir	Minister
Ministry of the Environment, Energy and Climate	National	Ministry	Guðlaugur Þór Þórðarson	Minister
SSH	Regional	Association	Páll Björgvin Guðmundsson	CEO
University of Iceland	Local	University	Dr. Jón Atli Benediktsson	Rector
Reykjavík University	Local	University	Dr. Ragnhildur Helgadóttir	Rector
Landspítali University Hospital	Local	Hospital	Runólfur Pálsson	CEO
Reykjavík Energy	Regional	Municipality owned company	Sævar Freyr Þráinsson	CEO
Strætó	Regional	Municipality owned company	Jóhannes Svavar Rúnarsson	CEO
Faxaflóahafnir	Local	Municipality owned company	Gunnar Tryggvason	Port Director
Sorpa	Regional	Municipality owned company	Jón Viggó Gunnarsson	CEO
Terra	Regional	Private company	Valgeir Baldursson	CEO
Íslenska gámafélagið		Private company	Jón Þórir Frantzson	CEO
Festa	National	NGO	Elva Rakel Jónsdóttir	CEO
Grænni byggð	National	NGO	Áróra Árnadóttir	CEO
HMS	National	Institution	Hermann Jónasson	CEO
Grænni byggð	National	NGO	Áróra Árnadóttir	CEO
SI	National	Association	Sigurður Hannesson	CEO
Veitur	National	Municipality owned company	Jón Trausti Kárason	CEP
Visit Reykjavik	Regional		Inga Hlín Pálsdóttir	



6 Contract with Signatures

We, the undersigned, undertake to participate in

- formulating actions that measurably reduce greenhouse gas emissions and support Reykjavík's climate goal of becoming carbon neutral by 2030
- participate in annual consultation meetings until at least 2030

Við undirrituð skuldbindum okkur til að taka þátt í að:

- móta aðgerðir sem draga mælanlega úr losun gróðurhúsalofttegunda og styðja við loftslagsmarkmið Reykjavíkurborgar um að verða kolefnishlutlaus 2030
- taka þátt í árlegum samráðsfundum fram til ársins 2030 hið minnsta

Date of signature	Name	Signature
12.9.2024	EINAR THORSTEINSSON	