

CHAPTER 3:
**CLIMATE CHANGE, URBAN INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT¹**
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Madam Mayor, Mr. President, Mr. Ambassador; OECD Delegates, Ladies and Gentleman,

I am very honoured to open this conference, which addresses one of the biggest challenges at the global scale.

As you may know, Fondazione Eni Enrico Mattei, the institution which I am proud to direct, is one of leaders in research on sustainable development. 2007 Nobel Prize winner IPCC has officially acknowledged the contribution of FEEM to climate change research and to such accomplishment.

Fondazione Mattei provided scientific support to the organization of this Conference, which us the great opportunity to interact with our fellows at the OECD on climate change, and with our local governments. I hope that Comune and Provincia di Milano are now better acquainted with a reality of the scientific landscape of the city of Milan and that there will be scope for co-operation in the future. Obviously, the same expectation is maintained for the OECD.

But...why climate change is becoming so crucial to the world economy and society? And which role will our cities play in this context?

Today, more than 50% of the world population lives in cities.

While the current figure for Europe reaches an impressive 80%, such a threshold will be soon achieved by Asia, the most populated continent.

Due to their large diffusion, urban settlements have a great impact on their environment, being simultaneously:

- The place of highest consumption of energy and of transformation of material resources;
- The most relevant source of contamination/pollution and waste, that makes it the most relevant contributor to regional and global environmental threats.

Moreover, cities are characterized by a high degree of complexity, for the broad interaction of actors, processes and dynamics that take place mainly within the urban settlement but also between the city and its surroundings.

This complexity is reflected on the main challenges that the city has to deal with to continue its development without compromising local and global environment. This complexity needs to be properly handled to achieve local and global sustainability.

Cities have a great power to lead the reduction of their carbon footprint, having a critical mass of population and activities, hosting leaders of political and economic power, being centres of technological innovation.

The key to the success of any sustainable energy policy builds upon an approach where each urban stakeholder plays its role in an holistic game. Institutional, financial, entrepreneurial, research and community actors need to come together and operate with co-ordinated, integrated and co-operative attitude.

With the involvement of the broadest set of urban stakeholders, all in all, it will be possible to make a step further from a voluntary responsible approach to a, shared, strong and binding commitment of the entire urban society. I hope that this conference will allow to advance in this direction.

ⁱ. Expert presentation prepared for the *2nd Annual Meeting of the OECD Roundtable Strategy for Urban Development "Competitive Cities and Climate Change"*, 9-10 October 2008, Milan, Italy. Sections 2 and 3 are based on Ottaviano (2008). Email: gianmarco.ottaviano@unibo.it.