



Provincia  
di Milano



Milano



Comune  
di Milano

## OECD INTERNATIONAL CONFERENCE

### "COMPETITIVE CITIES AND CLIMATE CHANGE"

***2<sup>ND</sup> ANNUAL MEETING OF THE  
OECD ROUNDTABLE STRATEGY FOR URBAN DEVELOPMENT***

October 9-10, 2008, Milan, Italy

ISPI - Istituto per gli Studi di Politica Internazionale  
Via Clerici, 5  
20121 Milan

#### Introduction

The OECD international conference on "Competitive Cities and Climate Change" is the fifth of a series of conferences organised by the OECD to examine the challenges faced by large cities concerned with improving their economic competitiveness while providing the social and environmental conditions that are necessary to retain and attract skilled workers and investment. In a context of globalisation, previous OECD conferences addressed city competitiveness from the following perspectives: business environment, social cohesion, physical attractiveness, the role of central government. The conference in Milan addresses the environmental dimension of city competitiveness, focusing on the relationships between urbanisation and climate change, and the implications in terms of urban policy making.

As stressed by the OECD Secretary General, Angel Gurría, at the Madrid conference in March 2007:

*"In our cities, citizens, industries and institutions must respond to the challenges of technological change and globalisation. In our cities, as elsewhere, we must deal with the social implications of change (...) Urban areas could (also) play a central role in successfully addressing global environmental challenges (...) Cities generate almost 70% of total gas emission. There is no doubt that improvements in urban design, housing stock, traffic congestion and accessibility, disaster prevention and waste management, are crucial component of a strategy to combat global warming. If cities fail to deal effectively with environmental challenges, our planet is in serious trouble".*

The conference is being organised in cooperation with the City of Milan and the Province of Milan, with the collaboration of the Club of Madrid and the support of the Fondazione Eni Enrico Mattei. As with previous OECD conferences, it will promotes policy dialogue among city mayors and national government representatives, in order to identify a common policy agenda for cities. It will bring together ministers, mayors, and regional leaders as well as eminent personalities from the Club of Madrid (former Head of States and governments), high-level representatives of international organizations, major local government networks and prominent experts.

The Milan conference will host the 2<sup>nd</sup> annual meeting of the ***OECD Roundtable Strategy for Urban Development***, which was created at the Madrid conference on 29-30 March, 2007 at the initiative of the Mayor of Madrid, Alberto Ruiz-Gallardón.



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## **Competitive Cities and Climate Change: background and rationale**

The world's urban population has multiplied ten-fold during the past century, and within the next decade, there will be nearly 500 cities of more than a million people, including several 'megacities' with populations exceeding 20 million. Meanwhile, cities have strengthened their role as drivers of innovation and entrepreneurship that account for a disproportionately strong share of a country's GDP per capita.

A series of recent OECD conferences have highlighted how cities respond to the challenges of technological change and globalization. The OECD Conference, "City Competitiveness" (Santa Cruz de Tenerife, Spain, 2005), examined policies implemented by cities and regions for fostering their competitiveness in the international marketplace, for promoting regional innovation, and for encouraging the growth of networks and partnerships with the private sector and universities. The OECD conference "Enhancing City Attractiveness for the Future" (Nagoya, Japan, 2005), offered evidence that an attractive environment and robust infrastructure are fundamental to metropolitan economic growth. The OECD Conference, "Sustainable Cities: Linking Competitiveness with Social Cohesion" (Montreal, Canada, 2005), revealed how cities often embody what is sometimes called the "urban paradox", the co-existence of high concentrations of wealth and employment alongside jarring socioeconomic disparities, distressed neighbourhoods, and criminality, which can be found in even the most dynamic metro-regions.

The **Milan Conference** builds upon previous debates to explore the connections between climate change and urban economic development. Cities are largely responsible for global climate change, accounting for ~70% of global greenhouse gas emissions. Cities often feel the effects of climate change more severely (e.g., higher temperatures are exacerbated by air pollution and heat island effects and dense populations face elevated risks of infectious disease transmission). Mayors and regional leaders around the world are increasingly assuming leadership through a variety of innovative actions to reduce cities' 'carbon footprints', and to enhance their capacity to cope with anticipated climate change impacts.

A number of questions arise however, as to what extent these actions conflict or coincide with other objectives, especially competitiveness. Even when considering that such actions could strengthen many other aspects of cities' well-being, integrating climate change policies with economic growth and social development objectives challenges urban policy-makers. One such dilemma, for example, is how to integrate economic growth and climate change policies while organising mega-events such as the Olympic Games, International Expos, World Cups, trade fairs, cultural festivals and global summits.

Effective climate change responses at the local level require intergovernmental collaboration. The OECD conference, "Globalising Cities: Rethinking the Urban Policy Agenda" (Madrid, 2007), agreed that strong, effective urban policies that enable cities to benefit from globalising processes require flexible, multi-level forms of inter-governmental joint action. The need for a multi-level governance framework for urban development policies is particularly critical for addressing climate change. City and regional leaders are generally best suited to design strategies for addressing their own local climate change risks though not all leaders are keen to undertake such actions. Central governments can complement these efforts by assisting cities to better respond to climate change and providing scientific assessments that justify such intervention. Likewise, local governments are needed as partners to implement nation-wide climate change response policies, while at the same time designing their own policy responses that are tailored to local contexts.

## **The OECD Roundtable on Urban Strategy: a unique platform for addressing climate change**

***The OECD Roundtable on Urban Strategy of Mayors and Ministers*** is a unique global platform for addressing urban issues in a forum involving both national and local governments. In addition to its country delegate constituencies (comprised of high-level public officials from the 30 member countries), the OECD works directly with city and regional leaders, and international associations of local governments. Since March 2007, this process has been formalised through the creation of the *OECD Roundtable for Urban Strategy of Mayors and Ministers*, with the objective of fostering ongoing policy dialogue between local and national policy-makers responsible for urban policies.

The Roundtable on Urban Strategy also provides a valuable platform for addressing climate change issues. The OECD ***Directorate for Public Governance and Territorial Development***, has for decades worked on

environment-related issues in its programmes of research on urban regions, and has implemented several projects and activities related to climate change from the viewpoint of urban policy, including a roundtable discussion on "climate change and cities" in the Working Party on Territorial Policy in Urban Areas (Rome, June 2007), a special session on climate change and cities at the OECD conference: "What Policies for Globalising Cities?" (Madrid, March 2007) and a workshop on Competitive Cities and Climate Change in the Working Party on Territorial Policy in Urban Areas (Paris, December, 2007). The Directorate also took part in the 2008 OECD Ministerial Council's meeting which was organised around the theme "Outreach, Reform and the Economics of Climate Change".

The Roundtable of Mayors and Ministers on Urban Strategy can benefit from the OECD's extensive experience in helping countries design policies that are both economically efficient and effective at achieving environmental objectives. In recent years, the organization has provided a forum for countries to discuss numerous key issues relevant to international negotiations on climate change (e.g. emissions trading schemes, flexibility mechanisms, deforestation incentives, technology diffusion), and a wide range of climate change-related initiatives are underway. For instance, since 1994, the International Energy Agency and the OECD have jointly hosted the secretariat for the Annex I Expert Group on the UN Framework Convention on Climate Change (UNFCCC). Other ongoing OECD work examines the economic benefits of climate change policies implemented in different sectors and at different scales of governance; at the opportunities and barriers for diffusion of new technologies aimed at mitigating greenhouse gas emissions and sequestering carbon in the agricultural sector; and at the many dimensions of climate change mitigation and adaptation related to energy and transportation.

### **Objective of the conference**

The objective of the Milan Conference is to engage a wide range of stakeholders, including city, regional and central government representatives, in considering a broader and holistic approach to climate change policies at the urban level. The conference sessions are designed to address this issue by:

- Examining how a city's climate change adaptation and mitigation actions affect/contribute to its efforts to remain competitive in the global economy. In particular, what are the inherent trade-offs and possible synergies between meeting climate protection goals, and the many other goals that are central to urban development (economic development, employment, social well-being, etc)?
- Identifying the bottlenecks to effective implementation of climate change policies at the city/regional level, and the existing urban governance mechanisms that allow implementation of integrative urban policy strategies;
- Assessing what are the key institutional challenges to multi-level governance on climate change, and how local and national governments and other stakeholders could work together most effectively to implement climate change policy actions at the city level;
- Providing a unique opportunity for city mayors, regional leaders and high-level national government representatives to put forward their ideas about the above mentioned issues and elaborate a common policy agenda.

In addition to Mayors, Ministers, and Regional Leaders, the OECD conference will target key international stakeholders such as local government associations (C40/Large Cities Climate Leadership Group; Clinton Climate Initiative; United Cities and Local Governments (UCLG); Local Governments for Sustainability (ICLEI)).

The **Club of Madrid**, which consists of former Heads of State and Government, is a major partner in this event. The Club of Madrid has addressed climate change issues at the global scale through the Global Leadership for Climate Action (GLCA), a joint task force with the United Nations Foundation that engages former heads of state and government as well as leaders from business, government and civil society from more than 20 countries.

The **Fondazione Eni Enrico Mattei** (FEEM) has provided key support to this conference. The FEEM is an independent non-profit institution established to carry out research in the field of sustainable development. One of FEEM's principal aims is to foster the interaction between the academic, industrial, and public policy spheres in order to comprehensively address concerns about economic development and environmental degradation. The FEEM has a long-standing experience in the economic analysis of climate change, and its contribution to the Nobel Prize has been officially acknowledged by the Intergovernmental Panel on Climate Change.

The Conference will be held in the Clerici Palace on the grounds of the *Istituto per gli Studi di Politica Internazionale* (ISPI), [www.ispionline.it/it/palazzo\\_visita\\_virtuale.htm](http://www.ispionline.it/it/palazzo_visita_virtuale.htm).

## Contacts

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## Websites

- [www.oecd.org/gov/urbandevelopment/milanconference](http://www.oecd.org/gov/urbandevelopment/milanconference)
- [www.comune.milano.it/urbanforum2008](http://www.comune.milano.it/urbanforum2008)

## **AGENDA (PARTICIPANTS)**

***Thursday October 9, 2008***

**8:30- 9:00 Registration**

**9:00 – 10:00 Opening ceremony**

- Letizia Moratti , Mayor of Milan, Italy
- Filippo Penati, President of the Province of Milan, Italy
- Odile Sallard, Director, Public Governance and Territorial Development, OECD
- Fernando Perpiñá, Secretary General, Club of Madrid
- Bernardo Bortolotti, Fondazione Eni Enrico Mattei (FEEM), Executive Director, Italy

**10:00 -11:15 Plenary I: Competitive Cities and Climate Change: A Global Challenge**

*Moderator*                   Mark Drabenstott, OECD Chairman Territorial Development Policy Committee

*Expert*                      Jan Corfee Morlot, OECD Environment Directorate, Member of the Nobel Prize winning Intergovernmental Panel on Climate Change

*Panellists*

- Petre Roman, Former Prime Minister of Romania. Member of the Club of Madrid
- David Cadman, International President, President and Board Chair, Local Governments for Sustainability - ICLEI and City Councillor, Vancouver, Canada
- Lars Reuterswärd, Director Global Division, Sustainable Development Network, Cities in Climate Change, UN Habitat

**11:15 – 11:30 coffee break**

**11:30 -13:00–Panel Discussion I: Impacts and vulnerability of cities to climate change, costs and benefits of adaptation actions**

**Session I-A: “Climate-proof” urban infrastructure**

*Chairman* : Konrad Otto-Zimmermann, Secretary General, Local Governments for Sustainability - ICLEI

*Expert*: Gianmarco Ottaviano, Professor of Economics, University of Bologna and Fondazione Eni Enrico Mattei (FEEM)

**Session I-B: Climate Change and adaptation in the water sector**

*Chairman*: Bernardo Bortolotti, Fondazione Eni Enrico Mattei (FEEM), Executive Director, Italy

*Expert* : Matthias Ruth, University of Maryland, College Park, United States

*Panellists*

- Wolfgang Schuster, Mayor of Stuttgart, Germany
- Rui Nuno Baleiras, Secretary of State for Regional Development, Portugal
- Marcos Perestrello, Vice Mayor of Lisbon, Portugal
- Imma Mayol, Deputy Mayor of Barcelona, Spain

*Panellists*

- Lajos Oláh, Deputy Minister for Environment and Water, Hungary
- Alexander Likhotal, First Vice-President of Green Cross International, Director of International and Media Relations at the Gorbachev Foundation and Advisor to the Club of Madrid
- Pierantonio Belcaro, Deputy Mayor for Environment, Venice, Italy

**13:00– 14:30 Lunch**

**14:30 – 16:00 Panel Discussion II: Costs and benefits of mitigation actions**

**Session II-A: Transportation**

*Chairman* : Adam Ostry, Chairman of the OECD Working Party on Urban Areas

*Expert*: Mary Crass, International Transport Forum, OECD

*Panellists*

- Benito Martínez-Loera, Council Member of the City of Monterrey, Mexico
- Takeshi Abe, Advisor to the Ministry of Land, Infrastructure, Transport and Tourism and Senior Executive Director, Real Estate Transaction Improvement Organization, Japan
- Rudolf Schicker, Vice Mayor of Vienna, Austria
- Bryan Glascock, Director of Environment, City of Boston, United States
- Renato Boareto, Brazilian Institute of Energy and Environment, Brazil

**Session II-B: Energy Supply and Efficiency.**

*Chairman*: Fernando Perpiñá, Secretary General of the Club of Madrid

*Expert* : Nigel Jollands, International Energy Agency

*Panellists*

- Jiri Cunek, First Deputy Prime Minister and Minister for Regional Development, Czech Republic
- David Cadman, City Councillor, Vancouver, Canada
- Peter Dormand, City Energy and Resource Manager, Newcastle City Council, Australia
- Karoline Amalie Steen, Head of Finance Administration Division, City of Copenhagen, Denmark

**16:00 – 16:15 Coffee break**

## 16:15 – 17:45 – Panel Discussion III –Strategies, governance and climate change policies

### Session III-A City economic development strategy and climate change

*Chairman* : Mario Pezzini, Deputy Director, Public Governance and Territorial Development, OECD

*Expert*: Joan Fitzgerald, Director of Law, Policy, Society, Northeastern University

#### *Panellists*

- Hanna Jahns, Secretary of State for Regional Development, Poland
- Kenji Kitahashi, Mayor of Kitakyusyu, Japan
- Javier Rubio de Urquiza, Director General for Sustainability, Madrid City Council, Spain
- Corinne Hermant, DG Regio, Urban Unit, European Commission

### Session III-B – Integrating climate actions with other urban governance goals

*Chairman* : Elisabeth Gateau, Secretary General, United Cities and Local Governments (UCLG)

*Experts* : Gotelind Alber, Expert in local and regional climate policy, Germany

#### *Panellists*

- Sara Topelson de Grinberg, Undersecretary for Urban and Regional Development, Mexico, Mexico
- Abel Caballero Álvarez, Mayor of Vigo, President of the Network of Spanish Cities for Climate, Spain
- Wade Crowfoot, Director of Climate Protection Initiatives, Office of the Mayor, City and County of San Francisco, California, United States
- Katrina Bull, Councillor of Nottingham, United Kingdom
- Romain Diederich, Premier Councillor, Ministry of Interior, Spatial Planning, Luxembourg

**Friday 10 October, 2009**

**9:00 – 11:00**

**Cities and Climate Change: Civic and Business Engagement**

*Chairman:* Joan Boer, Ambassador, Permanent Delegation of the Netherlands, OECD

**OECD Roundtable of Mayors and Ministers on Urban Development Strategy**

*Chairs:* OECD Secretary General, Angel Gurria and Letizia Moratti, Mayor of Milan, Italy

*Panellists*

Mayors, Ministers and members of the Club of Madrid

- Joost Van Iersel, Chairman of the Consultative Committee on industrial changes, European Economic and Social Committee (EESC)
- P.J. Partington, Climate Change Project Manager, Taking IT Global
- Pedro Ballesteros, DG Energy and Transport, Covenant of Mayors, European Commission
- David Lunsford, Policy Leader: Emissions Trading, International Emissions Trading Association (IETA)
- Nancy Kete, Director, EMBARQ, The WRI Center for Sustainable Transport

**Close-door meeting  
Invitations only**

**11:00 – 11:15 coffee break**

**11:15 – 13:15 Plenary II: Competitive Cities and Climate Change: Global Governance**

*Moderator* Cristina Narbona Ruiz, Ambassador, Permanent Delegation of Spain to the OECD

- Panellists*
- OECD Secretary General, Mr. Angel Gurría
  - David Miller, Mayor of Toronto and Chair of the C40s Large Cities Climate Leadership Group
  - Ira Magaziner, Chairman of the Clinton Climate Initiative, Clinton Foundation
  - Teresa Ribera, Secretary of State for Climate Change, Spain
  - Wolfgang Schuster, Mayor of Stuttgart, Germany and Vice-President of United Cities and Local Governments (UCLG)

**Closing remarks: Reflection on recommendations for further action and next steps for the OECD**

Antonio Armellini, OECD Ambassador of Italy

## **AGENDA (CONTENT)**

**Thursday October 9, 2008**

**8:30- 9:00 Registration**

**9:00 – 9:30 Opening ceremony**

Welcoming remarks and overview of conference goals from OECD Officials, local hosts

**9:30 – 11:00 Plenary I: Competitive Cities and Climate Change: A Global Challenge**

It is widely recognized that climate change is an urgent global challenge, and cities around the world must be at the front lines of meeting this challenge. As both human economic activity and population becomes increasingly concentrated in cities, urban areas are increasingly at the heart of climate change mitigation and adaptation policy. Our scientific capabilities for projecting future climatic changes and the resulting impacts is rapidly increasing. Likewise, many recent studies have helped elucidate the potentially enormous economic costs of not taking action to address climate change. There are still however, large uncertainties when it comes to ‘downscaling’ these projections and estimates to levels that are useful to city-level decision makers. Understanding and managing climate change risks at the urban scale requires developing a common vision among key stakeholders about likely future climate change scenarios and risks, and ensuring engagement of these stakeholders in reaching a common set of goals to manage risks. Delivering meaningful information at the local scale requires working scientific and technical experts , as well as drawing upon local knowledge and insights for exploring questions about how a city can develop in response to changing climate conditions. The challenge is not to predict the future, but to approach the future with the right tools and the right information.

- What experience do we have with assessing local-scale climate change impacts, and using this information for planning adaptation measures?
- What types of information are required and who needs to be involved in creating a vision of the “future city” and urban development in general?
- What type of science-policy interface is needed to assure that cities have access to timely, up-to-date scientific information about local-scale risks and impacts? What models for partnerships (across national and local, private and public entities) are most effective for funding and conducting the necessary assessment work?
- What role can governments play to sensitize and engage the private sector and the general public in local-scale adaptation efforts? What other local actors and knowledge resources need to be engaged?
- What is the most effective way for cities to identify highly vulnerable populations, and develop strategies to reduce their vulnerability?

**11:00 – 11:15 coffee break**

11:15 – 12:45 Panel Discussion I: Impacts and vulnerability of cities to climate change, costs and benefits of adaptation actions

Given the current trends in atmospheric greenhouse gas concentrations, some degree of climate change is inevitable, and indeed we are already seeing effects of a changing climate on many human, ecological, and physical systems. It is thus imperative that urban policy-makers develop proactive strategies to understand and minimize their vulnerability to climate change. This includes not only protecting existing urban areas, but also assuring that the future urban expansion is managed with the risks of climate change in mind. Specific impacts will vary widely, depending upon a city's location and geography, physical infrastructure, demographics and affluence, public health systems, and many other factors. Thus, simple 'universal' answers cannot be expected. Each city needs to develop the capacity to carry out its own vulnerability and risk assessments, and to design its own optimal adaptation strategies. Because there will always be substantial uncertainties about the specific nature and costs of future climate change impacts, a key challenge is to identify measures that strengthen a city's well-being and competitiveness, regardless of what changes occur.

#### Session I-A: "Climate-proof" urban infrastructure

The infrastructure for essential services such as energy, water, waste management, transportation, and communication drives a city's economic growth, supports social needs, and is closely linked to urban residents' health, well-being, and quality of life. For cities to be liveable and sustainable they must have robust and adaptable infrastructures. Disabling, and even temporarily disrupting, these critical services can have major detrimental impacts on a city's economy and competitiveness. Climate change impacts such as increased risk of severe storms and extreme heat pose serious threats to urban infrastructure. Coastal cities, in particular face threats to critical infrastructure from rising sea levels. Both the technology and management of modern urban infrastructure is built on assumptions that future climate will look very much like it has in the past; yet climate change threatens to significantly change these baseline conditions. So the goal of developing 'climate-proof' urban infrastructure is to adapt not only the relevant technologies, but also the institutions and management practices that have co-evolved with these technologies.

- What measures can be taken to make urban infrastructure (e.g. buildings, utilities, roads and transit systems, and in the case of port cities, sea-barriers, dikes, and drainage systems) more resilient to changing climate patterns, more extreme weather events, and sea level rise?
- How can urban planning strategies reduce a city's vulnerability to climate change by directing new development away from areas at greatest risk, and by adopting land use practices that mitigate climate change impacts (e.g. urban forestry and greenspaces, use of more light-reflecting urban surfaces)?
- How can low-lying coastal cities best protect themselves from the risks of sea-level rise and flooding, through risk analyses and response strategies such as land use planning and infrastructure including sea-barriers, dikes, and drainage systems?
- How can adaptive water resource management strategies help cities to prepare for climate change impacts on water quality and quantity and to avoid subsidence and exacerbation of flood risk?
- What public health protection measures do cities need to institute, to protect urban populations against the health threats posed by climate change?

#### Session I-B: Climate Change and adaptation in the water sector

Of the many potential impacts of climate change, effects on water resources is a centrally critical area for people's lives and for the economic stability and competitiveness of cities. Water resource issues interact with a wide range of socio-economic and environmental sectors, including health, agriculture, energy, biodiversity, industry and navigation. Indeed, there are few activities that do not in some way depend on water resources. This sector is also a particular concern because many cities around the world are already facing significant water

stresses, due to competing demands (of urban/industrial, agricultural, recreational and ecological protection purposes), pollution of surface water sources, and over-exploitation of groundwater sources. Climate change is likely to greatly exacerbate this situation, as shrinking glaciers and snowpacks (a primary source of freshwater for many areas) shrink, as rising sea levels lead to salt-water intrusion that contaminates groundwater aquifers, and as more extreme cycles of precipitation and drought make it more difficult for water managers to make planning and investment decisions.

- What types of ‘adaptive management’ practices can urban water resource managers use to effectively cope with the uncertainties arising from changing and more extreme hydrological patterns?
- What are the most effective methods of encouraging water conservation among key players within an urban environment (households, business and industry, etc)?
- What types of improvements to urban water management infrastructure are most critical for reducing vulnerability to climate change impacts (e.g. for water conservation measures, preventing saltwater intrusion, managing stormwater overflow events)?
- What feedbacks between climate change and urban water resource management may be possible (for instance, will warmer temperatures increase water demand?)

**12:45– 14:30    Lunch**

Cities need energy – lots of it. As cities consume a dominant share of global energy supply and emit a similar proportion of CO<sub>2</sub> emissions, they can and must lead the way in implementing bold, innovative strategies to ‘de-carbonize’ energy systems – including the energy used for transportation, for electricity and heating, and for industrial processes. This requires not only the development and implementation of new technologies, but also the promotion of fundamental behavioral changes on the part of individuals, businesses, and other key players in an urban environment (for instance, with regards to travel and energy conservation practices). A wide variety of programs and policies for reducing greenhouse gas emissions are being implemented in cities around the world, providing a valuable ‘test-bed’ for assessing the effectiveness, benefits, and costs of such actions in different settings.

#### Session II-A: Transportation

While mobility of people and goods is central to the life of a city, the transportation sector accounts for a large and growing share of greenhouse gas emissions, is a major source of air pollution, and in many cities, paralyzing traffic congestion is a major detriment to quality of life and economic efficiency. Municipal leaders thus have a strong motivation to advance smart, energy efficient transportation systems. This includes managing demand for private vehicle travel in cities through pricing and other means; promoting high-quality public transportation, encouraging use of non-motorized transport means (i.e., cycling and walking) as well as use of energy efficient vehicles and low-carbon transport fuels – particularly in public fleets; and supporting organization of car-sharing and telecommuting programs. It also includes steps to steer land use and urban planning towards developments that minimize the need for travel. Such policy initiatives not only make a huge difference in reducing a city’s carbon footprint, but also can greatly enhance a city’s attractiveness, overall efficiency, and thus competitiveness in the global arena.

- What have we learned about the effectiveness of policies to discourage the use of private vehicles in urban core areas (such as congestion pricing schemes)?
- What are the biggest opportunities and the biggest challenges facing cities in their efforts to expand mass transit systems?
- What types of programs and infrastructure changes are most effective for making a city more pedestrian and bicycle friendly, and for encouraging citizens to choose these options?
- How do sprawling development patterns affect travel behavior and CO<sub>2</sub> emissions; and how can regional spatial planning and smart growth principles be used to minimize sprawl?
- How can city governments promote the use of low carbon emitting vehicles and fuels, for instance, through policies governing the purchase of municipal vehicle fleets and influencing the vehicle choices of city residents and local businesses and industries?

#### Session II-B: Energy Supply and Efficiency.

Cities have innumerable opportunities to take leadership in shaping a sustainable climate future, by promoting energy efficiency and conservation in the municipal, industrial, commercial, and household energy sectors, and by advancing clean, renewable forms of energy for heating and electricity. For instance, it is possible to significantly lower a metropolitan area’s carbon intensity through the use of combined heat and power, co-generation, and district heating and cooling; through the promotion of energy efficient housing and construction (including with cutting-edge ‘green building’ technologies and design, as well as simple measures such as solar water heating and adequate insulation); and through the promotion of decentralized, renewable energy supply systems. Local governments can also use their political influence and purchasing power to improve the economic competitiveness of renewable energy sources. Such actions not only help advance long-term goals for mitigating climate change, but also contribute to immediate goals of alleviating air pollution, and generating major cost savings.

- How can city leaders encourage energy conservation efforts among local businesses, individual households, and municipal institutions?
- What are the priority sectors that city governments should focus on to achieve cost-effective CO<sub>2</sub> mitigation?
- What policies are required to promote energy efficient buildings in the commercial, residential, and municipal building sectors?
- What other measures have proven to be effective for cities to promote energy conservation and efficiency (e.g. in traffic and street lighting, less energy-intensive water supply and treatment systems, heat and energy co-generation systems, waste-to-energy systems)?
- How can city leaders promote broader use of renewable energy sources for meeting urban energy demand?
- What is the potential for improved urban design/land use planning to achieve CO<sub>2</sub> mitigation? What urban design/in land use planning tools should cities consider using?

#### **16:00 – 16:15 Coffee break**

16:15 – 17:45 – Panel Discussion III –Strategies, governance and climate change policies

As discussed in the preceeding sessions, there are a wide array of actions and policies that cities can pursue to address the goals of cutting greenhouse gas emissions and building resilience against the impacts of climate change. These sorts of actions can add up to much more than the sum of their parts, however, if they are not taken as isolated measures; but rather, are designed as part of comprehensive, integrated strategies for fostering sustainable urban development. In particular, climate change response measures can be designed to create new economic development opportunities and enhance other key urban governance goals, and to maximize the benefits of mega-events and other unique windows of opportunity for urban renewal.

#### **Session III-A City economic development strategy and climate change**

One of the main obstacles preventing political leaders from moving ahead with actions to respond to climate change is a perception that such actions force inevitable trade-offs against the goals of economic growth. Cities around the world are learning, however, that through the development of effective partnerships between municipal leaders and other key stakeholders (e.g. in business, industry, financial institutions, citizens groups), cities can leverage funding and maximize opportunities for using climate actions plans to stimulate new economic development. This may include linking strategies that connect climate change response goals to business profitability and training for populations struggling with high unemployment rates; transformational strategies that use climate change goals to help 'green' existing businesses so they can remain profitable or expand into new markets; and leapfrogging strategies that attempt to create an entirely new sector in a green technology area.

General examples include installation of solar panels and other distributed renewable energy systems, investment in energy efficient buildings and technologies, recycling and waste-to-energy systems, expansion of mass-transit, urban forestry efforts, and the creation of compact mixed-use communities in core urban areas. A more specific example is for cities to capitalize upon 'mega events' (such as Olympic games, International Expos, World Cup tournaments, policy summits) as opportunities for simultaneously advancing goals for economic development and goals for climate change mitigation and adaptation.

- What are some of the most promising examples of opportunities for linking climate protection measures to efforts to catalyze economic development goals and create new employment opportunities?
- Who are the key players within an urban community that city government leaders need to work with for identifying and taking advantage of opportunities to link climate change response strategies with economic development efforts?
- How can climate change mitigation/adaption policies be shaped to help ensure that the resulting economic benefits remain rooted within a city's local economy (i.e. that the economic developments are 'place based' and cannot be outsourced to other areas).
- In what ways might climate change adaptation/mitigation actions actually lead to trade-offs with economic development goals? In such cases, are there steps that can be taken to help align these competing goals?
- What are some ways that hosting mega-events can provide opportunities for a city to advance both economic development and climate change response goals (e.g. by creating new public facilities and infrastructure for energy supply, waste management, and public transportation)?

### Session III-B – Integrating climate actions with other urban governance goals

Mayors and other city leaders must address the challenges of climate change simultaneously with a host of other urban governance challenges. This includes for instance, advancing a city's economic health and competitiveness; providing opportunities for high-quality education, training, employment; providing affordable housing, attractive communities, a clean environment, well-functioning public services, and cultural and recreational facilities; assuring protection of the public against crime, health risks, and natural disasters. The economic costs and political risks of climate adaptation and mitigation measures are minimized when they provide ancillary benefits for these other important goals of urban governance. Key to the success of such efforts is intergovernmental cooperation, with concerted efforts to build linkages across the different 'silos' of urban management (e.g. departments that address economic development, environmental protection, infrastructure and urban planning, and other other key issues).

- What are some key examples of climate change response measures that can lead to benefits for other important realms of urban governance, for instance, related to housing and sanitation, health and security, economic growth and competitiveness?
- What are some key areas of potential conflict between climate change response measures and policies/programs for other core urban governance needs?
- What sorts of barriers (personal, institutional, political, legal) may impede efforts to integrate these different realms of urban governance?
- What types of management structures and mechanisms are needed to build effective working relationships among the different governmental departments that deal with climate change and those that deal with other areas of urban governance?

**Friday 10 October 2008**

9:00 – 11:00 – OECD Roundtable of Mayors and Ministers on Urban Development Strategy

*Chairman:* OECD Secretary General, Angel Gurria

Participants to the close-door meeting will include only Mayors, Regional Leaders, Ministers and Former Heads of State and Government from the Club of Madrid.

Close-door meeting -Invitations only

9:00 – 11:00 - Cities and Climate Change: Civic and Business Engagement

Local government authorities cannot effectively address the massive challenges posed by climate change without widespread, grassroots involvement of a wide variety of actors in civil society (e.g. citizens groups, students, neighborhood associations) and in the private sector (e.g. investors, firms, industries, business associations). These non-governmental stakeholders can play key roles in both contributing to the development of sound government policies, and in assuring that such policies are effectively implemented (for instance, through personal behavior changes, through new business investments and practices). There are many steps that local authorities must take however, to engage and motivate these other important stakeholders. For instance, private sector interests often require clear government policies and incentives to undertake climate-related R&D and investments. In order to build a critical mass of interest and support among these other key stakeholders, political leaders need to effectively communicate about the motivations for addressing climate change and about the economic opportunities and other benefits that climate response plans can offer to the broader community.

- What are the different types of stakeholder groups and institutions that urban leaders can work with to advance climate change response policies and programs (e.g. business and industry leaders, schools and universities, citizens groups and neighborhood associations, religious and cultural organizations)?
- What are the specific roles that can be played by these various stakeholders (i.e. what particular strengths/assets would these different groups “bring to the table”)?
- What types of financial and policy incentives are most effective for engaging different types of small/large enterprises in public-private partnerships for addressing climate change goals?
- What sorts of communication and outreach strategies are most effective for engaging these different types of stakeholders and keeping them involved as active partners in ongoing programs?

**11:00 – 11:15 coffee break**

11:15 – 13:00 Plenary II: Competitive Cities and Climate Change: Global Governance

Urban-scale climate change response actions are closely intertwined with policy developments occurring at other levels of governance. National-level policy and legislative frameworks can either facilitate or hinder action at the local level. Conversely, cities can both influence national climate change and energy policies, and play major roles in putting national policy frameworks into practice. Local-level climate change response actions are also increasingly linked to international level processes, such as those of the UNFCCC, UN-Habitat, UNEP, World Bank, the OECD and regional entities such as the European Union, the Asia Pacific Economic Cooperation Forum. There is, at the same time, a burgeoning community of ‘peer-to-peer’ international networks among cities. Optimizing the potential benefits of multi-level governance is an ongoing challenge for urban leaders, due to the rapidly evolving nature of this complex playing field.

- What types of the key actors and institutions are most important for facilitating effective interaction among different levels of governance on climate change and energy policy?
- How do national level policies strengthen or weaken adaptive capacity and action at local levels?
- What types of national policy frameworks and programs (for instance, for capacity building, information sharing, financing, and policy guidance) are most important for enabling action at the local level?
- How can urban-level leaders most effectively influence international-level policies for climate change mitigation and adaptation?
- How have networks that directly link city leaders from around the world helped to advance climate change response efforts, in the face of inertia at national and international levels.

13:00 -13:30 Closing ceremony:

Reflection on recommendations for further action and next steps for the OECD.