FOURTH MEETING OF THE OECD ROUNDTABLE FOR MAYORS AND MINISTER, 8 MARCH 2012, CHICAGO, UNITED STATES

CHAIRS COMMUNIQUE

Angel Gurría, OECD Secretary-General
Rahm Emanuel, Mayor of the City of Chicago
Michael Bloomberg, Mayor of the City of New York and Chairman of the C40 Cities Climate Leadership Group
Shaun Donovan, State Secretary, U.S. Department of Housing and Urban Development

The Fourth Roundtable of Ministers and Mayors was held in Chicago, Illinois, on 8 March 2012. The main conclusions that emerge from the day’s discussion can be summarised in five points.

1. **Partnerships between cities and central governments are crucial in greening our economies.**

   Cities can, and must, take a leading role in greening our economies and achieving urban sustainability. They pursue these goals, however, in the context of national and international policies. Coherence between national and local policies is vital: initiatives taken at different levels can at times be mutually reinforcing, but, if poorly co-ordinated, they can also undermine one another. The better the national framework, the easier it will be for cities to address their specific challenges in ways that enhance rather than undermine their competitiveness.

   This Roundtable has provided a unique opportunity for city leaders and representatives of national governments, international organisations, businesses and NGOs to define a new partnership in support of urban sustainability, one that brings together public and private actors at all levels to ensure a co-ordinated, multi-level approach to integrating economic, environmental and social objectives in building greener, more sustainable cities.

2. **Sustainable cities can generate prosperity while enhancing equity.**

   We do not face a choice between green and growth: we can and must pursue both. Addressing sustainability in cities can deliver economic development by enhancing productivity, fostering innovation and opening new markets. Concerted action by cities, when complemented and reinforced by central governments and other actors, can generate prosperity while mitigating environmental risks, making our cities more resilient. Moreover, a number of cities have shown how well designed programmes to address issues like energy efficiency can contribute to the development of new skills and the creation of new employment, often targeting groups that face particular challenges on the labour market. Green growth can thus also enhance social inclusion and equity.
3. Effective policies require accessible finance

This Roundtable confirms that effective policies will depend on a combination of political will, technological capacity and accessible finance. In times of economic hardship, mobilising finance is particularly difficult. Huge investments are needed to make our cities greener. Cities will have to work hard on “greening” their finances, while leveraging new sources of funding. A set of draft proposals for “Greening Urban Finance” can help guide these efforts. The current draft, which should form the basis for further discussion in an effort to achieve consensus on best practice in this area, focuses on three broad areas:

- getting the national framework right, facilitating policy coherence across levels of government and ensuring that central government policies do not inadvertently prevent local government action;
- ensuring that existing sources of urban finance encourage more environmentally responsible behaviour; and
- tapping new sources of finance and better aligning private investors’ incentives with environmental policy goals.

The overriding aim must be to confront agents with the marginal social cost of actions affecting the environment.

4. The challenge is global, the solutions are local

The aim of this Roundtable was to identify common challenges and propose practical solutions. The discussions have shown once again that there is no “one-size-fits-all” model for implementing urban sustainability. Strategies will differ across cities as they do across countries, according to urban forms, economic and institutional settings, resource endowments and particular environmental pressure points. Despite these differences, cities have great potential to share local solutions, to transfer practices across national and continental boundaries, and to work collaboratively to advance innovative new approaches for financing critical infrastructure.

At the same time, national governments must recognize and embrace the critical role they can play in establishing the right framework to advance solutions that do not inadvertently limit or prevent local action.

5. Learning from policy and making adjustments will be critical to ensuring a more sustainable future

Making cities green and sustainable is a complex challenge that we will tackle over many years. It is likely to require experimentation and revision of policies along the way. Assessing progress, correcting mistakes and building on success will be crucial. This Roundtable has underlined the need to develop reliable, timely indicators that will allow cities to measure the tangible impacts of investments and policy interventions, and to adjust course accordingly. It has also underscored the need for continuing dialogue among cities and governments to promote policy learning and facilitate co-operation.

The Roundtable therefore calls upon the OECD:
• to establish benchmarks for monitoring progress in partnership with cities, including the C40 Cities Climate Leadership Group;

• to develop "OECD Recommendations outlining options on financing urban sustainability"; and

• to present these outcomes at the fifth OECD Roundtable of Mayors and Ministers in 2013.