

Summary Note

COP21 Side Event: Green Growth and Sustainable Urban Development

Paris Le Bourget, 3rd December, 2015



The Green Growth and Sustainable Urban Development Side Event Panel

The OECD hosted the **Green Growth and Sustainable Urban Development** Side Event to discuss how different levels of government can work effectively together to achieve green growth and sustainable urban development. This well attended side event in the OECD Workspace at COP21 brought together 6 high-level city government officials and experts:

- **Miguel Ángel Mancera Espinosa**, Mayor of Mexico City
- **Katarina Luhr**, Vice Mayor for the Environment, City of Stockholm
- **Kengo Ishida**, Environmental Bureau, City of Kitakyushu
- **Vincent Fouchier**, Director of the Aix-Marseille Provence metropolitan planning project / Chair of the OECD Working Party on Urban Policy
- **Michael Berkowitz**, President, 100 Resilient Cities
- **Ana Marie Argilagos**, Senior Advisor, Ford Foundation
- **Mari Kiviniemi**, Deputy Secretary-General, OECD
- **Joaquim Oliveira Martins**, Head of Regional Development Policy Division, OECD (Moderator)

Four key takeaways

1. National climate policies and local government environmental policies and objectives must be aligned.

Ms. Katarina Luhr explained the City of Stockholm is working with the national government to identify regulation that may need to be changed to ensure the city is fossil fuel free by 2040. It was emphasised that an integrated policy approach must be followed to counter the 'silo' approach which will not effectively address the myriad climate change related and economic challenges faced by cities. **Ms. Ana Marie Argilagos** pointed out that *'working across government is an overwhelming challenge and I'm happy we are talking about this today because we start to see the inter-sectorality of the situation'*. She added that economic development, environmental sustainability and social equity are not goals that policy makers can address one after the other. *'...You can't do these things in sequence; it has to be at the same time'*. This two-dimensional approach means city governments must work together co-operatively with national governments to align their policy objectives while pursuing cross-sectoral policy outcomes.

2. In the urban century, metropolitan governance is a key challenge that should be institutionalised.

At the same time, private and public stakeholders must be engaged and integrated into the planning process to achieve truly long term sustainable development. This presents cities with an opportunity which was emphasised by **Mr. Vincent Fouchier**; *'we need metropolitan policies and although they used to be seen as problems, now they are part of the solution'*. **Mr. Michael Berkowitz** pointed out governance moves in many different directions *'from city to state and on to civil society. The bike lanes in central Paris are very good but once you leave Paris, you are on the highway with the cars. Resilience doesn't stop at the city border!'* This example from a city context shows how cities and their local governments must think at the metropolitan scale to collectively achieve more congruent infrastructural outcomes to address climate change.

3. Cities' financial capacities should be enhanced.

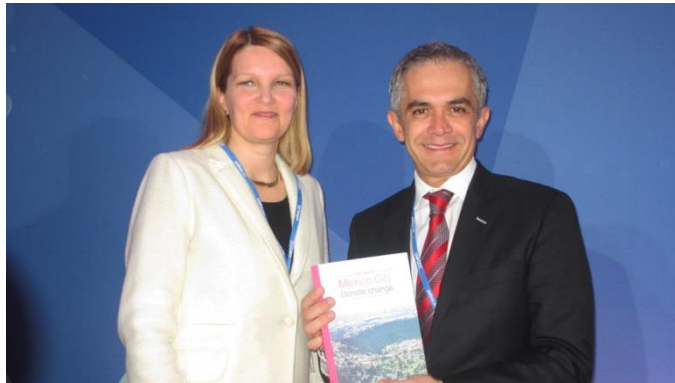
National governments can play a key role in this regard by allocating appropriate financial capacities to the local level and creating mechanisms such as the possibility for cities of all sizes to apply for national funds for local climate actions, as practiced in Sweden. Another critical potential financial contribution is the international climate funds. However, to date there is a lack of transparency in how the money is allocated and cities need to be able to directly access such funds. According to **Mr. Miguel Ángel Mancera Espinosa**, "green funds should be targeted at cities and not at countries".

4. The importance of developing and expanding data on cities, especially at the metropolitan level.

Evaluation and monitoring is critical to identify problems and encourage a shift towards urban green growth. An interesting initiative by the Ford Foundation in view of the HABITAT III Conference is the creation of a scorecard of climate commitment of cities over the past 20 years.

Session details: The high-level panel emphasised several further important messages

- During her opening remarks, Ms. Mari Kiviniemi underlined the important **role of cities** in the 21st century, a period that may well be called the urban century. For example, more than one-third of GDP growth is produced by just 2% of OECD regions. At the same time, she highlighted cities' consumption of global energy (67%) and energy-related CO₂



Mari Kiviniemi (L) and Mayor Miguel Ángel Mancera Espinosa (R)

- emissions (71%) which demonstrate why they must be central to climate change action. Ms. Kiviniemi also made reference to the SDG's, which are interesting for their holistic approach, and the OECD as an important partner in the new urban agenda emanating from them.
- Mr. Miguel Ángel Mancera Espinosa emphasised that **laws and regulation, governance and urban planning** should all be combined together to achieve sustainable urban development. Given 80% of the global population will be living in cities, the mayor said planning is gaining a new focus. "Building cities, not just houses" is an important lesson learned from the Mexico City context which has suffered from speculative housing development and urban sprawl. The city is currently implementing their "2025 Plan" which is a long-term plan with two explicit environmental goals; to reduce pollution and CO₂ emissions. Mayor Mancera also stressed that, in order to realise the plan, strong mandates in the form of laws and regulations are necessary to achieve green growth and sustainable urban development.
- Ms. Ana Marie Argilagos also stressed that **governance arrangements** are crucial. Key issues to be aware of include strong public will and capacity building, as well as long-term commitment and financing. Ms. Argilagos emphasized that 'table setting', or **how different stakeholders can be brought together** and encouraged to work more cohesively with one another is crucial. By presenting the Foundation's work on urban inequality, she also highlighted the importance of policies that address the root causes of inequity (while at the same time identifying the drivers of equality) rather than just trying to address the consequences.
- Mr. Michael Berkowitz reaffirmed the **key is the question of governance**. One challenge cited referred to the political importance of striking a **balance between long-term and short-term policies** in achieving green growth and sustainable urban development. He underlined that this cannot be achieved within a short time frame. His proposal to share best practices and develop good governance models is an important future role for the OECD.
- Mr. Vincent Fouchier echoed one of the conclusions from the 6th OECD Roundtable for Mayors and Ministers which took place in October 2015 in Mexico City. **Metropolitan policies** can be a solution to green growth and sustainable urban development. With his

unique experience in working with more than 1300 mayors in the Ile-de-France region in the process of developing the Grand Paris Master Plan, he stressed that the **process of making policies** could be more important than the final output itself.

- Ms. Katarina Luhr affirmed that the challenges facing cities are often similar and highlighted two prominent challenges. First, she pointed out that there are policy areas in which cities cannot decide much. For example, **pricing on fossil fuel** is not something that the city can influence easily.



Ana Marie Argilagos (L), Vincent Fouchier (M), Michael Berkowitz (R)

Secondly, she pointed out **effective collaboration** is a pertinent challenge. Although Stockholm has been promoting green R&D and developing platforms to facilitate interaction between academia, business and other stakeholders, continued efforts are required to find experts and accelerate innovation.

- Mr. Kengo Ishida noted that one of the keys for the success of Kitakyushu, which has overcome severe environmental problems in the 1960s and 1970s, was **collaboration among citizens, governments and enterprises** who shared an interest in environmental issues and acted together. The city is currently active in transferring their experiences to other fast-growing Asian cities. Mr. Ishida proposed city-to-city collaboration could be promoted to accelerate green growth and sustainable urban development in cities located in the Global South.
- In closing, Ms. Mari Kiviniemi underscored the need for policy alignment between national and local governments, as well as other stakeholders, such as business to enhance innovation. She reiterated the importance of **metropolitan governance, integrated policy approaches, urban finance** and expanding **city data**, as well as the contribution of the OECD to global agendas, such as Habitat III, sustainable development goals (SDGs) and COP21.

Further information / Contact

- More information on how the OECD contributed to the successful outcome at COP21 is available at the following website: www.oecd.org/environment/cop21.htm
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