

TECHNICAL EXPERT MEETING ON URBAN ENVIRONMENT

Tuesday, 11 June 2014, 13.00 – 19.00

Summary at the closing session of the technical expert meetings by the facilitator Mr. Brian Kilkelly, World Cities Network

At the technical expert meeting on the urban environment, held on 10 June, presentations were made by representatives of cities, international organizations, international partnerships and civil society organizations about capitalizing on opportunities that cities face in moving towards low-carbon pathways while creating sustainable, competitive, liveable and inclusive urban space for their people. Participants discussed the critical importance of policy frameworks, good governance, financing, and vision and leadership at the city level to spurring enhanced action on the ground and making cities low carbon and resilient to the impacts of climate change.

SCALING UP EFFORTS – FINANCE, TECHNOLOGY AND CAPACITY-BUILDING SUPPORT FOR SUSTAINABLE INFRASTRUCTURE DEVELOPMENT

Delegates pointed out that abundant opportunities exist to replicate and further scale up the bold measures already being taken by many cities and subnational authorities to address climate change and provide liveable urban space for its citizens.

By 2050, 6.2 billion people or 70 per cent of the global population will be living in cities. Cities already account for more than 65 per cent of the world's overall energy use and 70 per cent of global greenhouse gas emissions.

To meet the needs of a rapidly growing urban population, USD 6 trillion is expected to be invested in urban infrastructure development by 2030. This provides a major opportunity to avoid locking in carbon-intensive infrastructure. This also means that choice in the design and performance of the new urban world will define the success or failure of the global path to low-emission, climate-resilient development.

In addition to large-scale infrastructure development opportunities, a myriad of small low-cost measures can be implemented in the short term to reap significant benefits in pre-2020 period.

Many cities and subnational authorities are already taking ambitious steps to capitalize on opportunities they face in contributing to global efforts to address climate change and in raising the ambition in climate negotiations. Delegates heard about transformational measures some cities are taking by putting in place robust policy frameworks for paving the way for sustainable urban development. For, e.g. the city of Malmo in Sweden is expected to become carbon neutral by 2020 through implementation of its Environmental Programme (2009–2020) and Urban Development Master Plan (2014–2032).

Many context-specific challenges to replicating and scaling up climate-smart and resilient development in cities exist. The meeting focused on the following solutions to overcome some of the challenges:

- Collaboration among different levels of government, and the role of the national government: presenters highlighted the importance of collaboration among different levels of government to ensure the development of innovative policy measures that address barriers at sub-national levels. This was clearly demonstrated by the city of Bogota. In order to replace its fleet of diesel buses with hybrid and electric buses, the city authority worked in close collaboration with the national government, particularly the Ministries of Transport and Environment and managed to successfully implement the project despite significant financial and social barriers.

- City-level low-carbon resilient development plans: one concrete way of scaling up actions would be for more cities to put in place low-carbon resilient development plans. Currently only 20 per cent of the 150 largest cities have such plans in place. These plans provide a longer-term vision from a planning perspective and serve as a robust tool to build investor confidence and mobilize the financing needed to ensure transformational action on the ground. The impact of more cities taking the path of putting in place these plans would be significant, as cities with such plans are known to take twice as many climate related actions than other cities.
- Improving creditworthiness of cities: many cities have limited access to funds and ways of financing their low-carbon resilient development plans. Some cities even lack the basic legal and institutional framework needed to facilitate access to finance from capital markets. For instance, only 4 per cent of the 500 largest cities in developing countries are considered creditworthy by international standards. USD 1 invested in creditworthiness is known to mobilize USD 100. Therefore, it is critical to improve the creditworthiness of cities so that they have access to low-cost financing. The World Bank, through its Public-Private Infrastructure Advisory Facility's City Creditworthiness Initiative is supporting a large number of cities and is committed to making 350 cities around the world creditworthy and enable them to put in place plans that would facilitate the flow of low-cost finance. The city of Kampala, which is a beneficiary of this programme, has seen revenue collection increase by 110 per cent in the last three years. The increased revenue coupled with prudent financial management has allowed the city to allocate resources to climate-resilient projects.
- Innovative economic instruments: city authorities can put a price on carbon and use innovative instruments such as an urban cap-and-trade programme to prioritize the flow of financing to low-carbon initiatives, as done by the city of Tokyo. Launched in April 2010, the Tokyo cap-and-trade programme, requiring carbon dioxide emission reductions from large commercial, government and industrial buildings through on-site energy efficiency measures or participation in the emissions trading scheme, accounting for 20 per cent of Tokyo's total emissions, is the world's first urban cap-and trade programme. Some of the participating facilities have exceeded their target for the first compliance period (2010–2014), with 70 per cent of them already meeting the target for the second compliance period (2015–2019). The astounding success of Tokyo's cap-and-trade programme provides compelling evidence that this emerging innovative instrument can be used by cities to achieve major emission reductions.
- Public-private partnerships: the private sector is expected to play a significant role in filling the financing gap in urban infrastructure development. Therefore, it is critical that city authorities partner with the private sector early on in the planning process to develop a business plan to provide the necessary security and certainty to the investment community. The World Business Council for Sustainable Development's Urban Infrastructure Initiative provides a platform to do just that. Japan has gone a step further and set up a dedicated climate fund to support public-private partnerships.
- Capitalizing on support from international financial institutions and partnerships: international institutions, such as the Technology Executive Committee, the Climate Technology Centre and Network, the Global Environment Facility, the Green Climate Fund, the World Bank, and international partnerships such as C40 Cities Climate Leadership Group, Local Governments for Sustainability (ICLEI) and World Cities Network are all working, or will be in the near future, to support cities plan for smart, sustainable and inclusive growth and to facilitate implementation of the plans to achieve their low-carbon aspirations, with some of the international organizations with specific windows to support urban low-carbon resilient development efforts. Cities can continue to utilize funds available from international institutions to leverage a greater amount of resources from other sources. Cities can also continue to tap into the expertise of international partnerships to obtain the information and data necessary to develop a fundable pipeline of projects and to bring all key players around the table.

WAY FORWARD

The way forward discussion saw suggestions on what the UNFCCC process can do to help to further catalyse and scale up actions at the city and subnational levels. These proposals are summarized below:

ACTION BY PARTIES

Recognizing the mutually reinforcing relationship that exists between national governments and cities and the crucial role that national and local governments can play in incentivizing action in cities through robust, long-term regulatory frameworks and financing mechanisms, Parties were encouraged to continue to identify opportunities to work effectively with their subnational counterparts and to scale up and replicate successes from around the globe.

INTERNATIONAL ORGANIZATIONS

Delegates noted that existing institutions such as the Technology Executive Committee, the Climate Technology Centre and Network and the Green Climate Fund need to be further engaged to assist countries in scaling up actions to accelerate sustainable urban development.

International organizations such as the World Bank and international partnerships such as C40 and ICLEI were commended for their efforts and encouraged to continue to support cities in achieving creditworthiness and facilitate the demonstration of sustainable cities and scaling up of good practices.

UNFCCC SECRETARIAT

Parties greatly appreciated the dialogue during the meeting between Parties, subnational authorities and cities and saw the utility in continuation of such dialogue within the UNFCCC in order to facilitate enhanced actions on climate change in cities and to provide input of cities and subnational authorities to the ADP negotiations.

Update of the technical paper on the mitigation and sustainable development benefits of actions, initiatives and options to enhance mitigation ambition to include discussions of the meeting was also deemed relevant.
