

## Climate Emergency, Urban Opportunity

*How national governments can secure economic prosperity and avert climate catastrophe by transforming cities*

### A Call to Action for National Governments

Through a three-year research effort, a coalition of 50 of the world's foremost research institutes, networks of national and city governments, investors, infrastructure providers, strategic advisory companies, non-governmental organisations and social movements has issued a call to action for national governments to prioritise compact, connected and clean cities.

The next 15 months are critical in tackling the climate crisis and creating a safe, prosperous planet for all. The UN Secretary-General's Climate Action Summit is the time for national governments to demonstrate leadership and seize the urban opportunity. As countries ratchet up their NDCs in advance of COP26, it is vital that cities are at the heart of their low carbon economic and development priorities.

Pursuing zero-carbon, resilient cities in an inclusive way will simultaneously raise countries' living standards, tackle inequality and address the climate crisis. For national leaders, creating such cities would yield short-term political dividends and secure long-term national prosperity. It is an opportunity not to be missed.

This report presents six key priorities for actions that national governments should take to seize the urban opportunity:

- 1. Develop an overarching strategy to deliver shared prosperity while reaching net-zero emissions – and place cities at its heart.**
  - Few national governments have robust plans to deliver economic and social development in the context of a climate emergency. Given the growing share of people, economic activity and emissions concentrated in cities, any such plan needs to have a meaningful urban dimension, recognising cities as a system as well as seizing sectoral opportunities.
  - A comprehensive national strategy - focused on compact, connected, clean cities - and underpinned by a genuine partnership between national and local governments, could eradicate poverty, reduce inequality and avoid climate catastrophe.
  - Such a strategy should be grounded in a shared vision for the future of cities, and their links to country-wide development. It can inspire every line ministry to approach urban development in a purposeful way, de-risking low-carbon investment by providing clear signals to private actors and empowering local governments to go farther and faster on low-carbon, climate-resilient development.
- 2. Align national policies behind compact, connected, clean cities.** This should include:
  - Removing land use and building regulations that limit higher, liveable density;
  - Reforming energy markets to decarbonise the electricity grid by mid-century;
  - Introducing net zero building codes in all buildings with minimal use of offsetting by 2030;
  - Banning the sale of fossil fuel-powered vehicles from 2030;
  - Adopting green alternatives to steel and cement by 2030; and
  - Shifting away from building detached housing in established cities.
  - Example: Senior decision-makers in India are suggesting that the sale of fossil-powered passenger cars and two-wheelers will be prohibited from 2030.

3. **Fund and finance sustainable urban infrastructure.** This should include:
  - Eliminating subsidies for fossil fuels by 2025 for reinvestment in an inclusive, low carbon economy;
  - Establishing a carbon price of US\$50–100 per tonne by 2030, which should then increase over time;
  - Strengthening land and property tax collection to at least 1% of either national GDP or total national property value
  - Working with local governments to establish a pipeline of climate-safe, bankable projects to anchor compact, connected, clean urban development;
  - Scaling land-based financing instruments to fund sustainable urban infrastructure and limit sprawl; and
  - Shifting national transport budgets from road-building to public and active transport.
  - Example: As of 2018, 45 countries have put a price on carbon, including emerging economies such as Chile, China, Colombia, Mexico and South Africa.
4. **Coordinate and support local climate action in cities.** This should include:
  - Legislation explicitly clarifying the roles and powers of different tiers of government, including measures to enhance own-source revenue options;
  - Creating integrated land use and transport authorities for cities;
  - Strengthening the capacities of built-environment professionals to pursue zero-carbon, climate-resilient development.
  - Authorising local governments to introduce climate policies and plans that are more ambitious than national policies;
  - Establishing “regulatory sandboxes” for low-carbon innovations in cities; and
  - Allocating at least one third of national R&D budgets to support cities’ climate priorities by 2030.
  - Example: Between 2000 and 2018, Germany expanded the share of renewable electricity from 6% to over 38%, largely through the Renewable Energy Sources Act, which empowered municipal authorities and citizen cooperatives.
5. **Build a multilateral system that fosters inclusive, zero-carbon cities.** This should include:
  - Placing cities at the heart of the next round of Nationally Determined Contributions in 2020 and 2025, both by enacting national reforms to enable enhanced local level action and harnessing the greater mitigation potential from concentrating people, infrastructure, and economic activity in cities.
  - Requiring all international finance institutions to end all fossil fuel financing by 2024;
  - Ensuring that all international development assistance is aligned with national urban strategies that are compatible with the Paris Agreement and the 2030 Agenda for Sustainable Development;
  - Establishing an international carbon price floor from 2025; and
  - Helping city governments to access international public finance for low-carbon, climate-resilient development (with adequate sovereign oversight).
  - Enforcing existing trade rules on fossil fuel subsidies, particularly those with the most harmful impacts on cities.
  - Example: Mexico has been systematically recording climate policies and projects by states and municipalities, and will use them to enhance national ambition in the next round of the climate negotiations.
6. **Proactively plan for a just urban transition.** This should include:
  - Strengthening tenure security for the urban poor;
  - Enhancing climate resilience and gender equality by educating all young people;
  - Using revenues from carbon taxes or fossil fuel subsidy reform to compensate those who bear the costs of climate action;

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- Supporting local governments to make well-located, serviced land available for growing urban populations;
- Supporting community-led upgrading of informal settlements; and
- Anticipating, protecting and supporting the workforce of the future, including by developing transition plans for fossil fuel-based workers and industries.
- Example: Namibia has accommodated most of the rapid increase in its urban population by making small plots of serviced, competitively priced land available in cities, reducing the heavy health and economic burden associated with informal settlement.

**Read the key messages of the report here: <http://bit.ly/CEUOKeyMessages>**