





ABOUT CFE

The OECD Centre for Entrepreneurship, SMEs, Regions and Cities provides comparative statistics, analysis and capacity building for local and national actors to work together to unleash the potential of entrepreneurs and small and medium-sized enterprises, promote inclusive and sustainable regions and cities, boost local job creation, and support sound tourism policies.

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1. BACKGROUND ON THE OECD CHAMPION MAYORS FOR INCLUSIVE GROWTH INITIATIVE

OECD Champion Mayors have been at the forefront of the global debate of inclusive growth in cities, promoting access to quality jobs, providing affordable housing, investing in infrastructure, ensuring reliable public services and promoting education that improves life chances for all. Today, there remains a political and economic imperative to address rising inequalities within our society. But the context has evolved. From the COVID-19 pandemic to Russia's war of aggression against Ukraine and its impact on energy prices, a series of shocks are confronting our cities with new barriers to inclusive growth. At the same time, there is a growing urgency to respond to fundamental shifts in society such as digitalisation, the climate transition and demographic change, which present both risks and opportunities for inclusive growth, and to address the crisis of trust in public institutions which threatens to undermine our democracies.

As part of its Inclusive Growth agenda, in 2016, the OECD launched the **Champion Mayors for Inclusive Growth Initiative** ("the Initiative") as a global coalition of city leaders dedicated to tackling inequalities and advancing an inclusive urban economic growth agenda. The Initiative provides Mayors with a unique platform that elevates their voices in national debates and global agendas and facilitates high-level exchanges to identify concrete policy solutions.

Each year, on the occasion of their annual meeting, and under the leadership of Anne Hidalgo, Mayor of Paris (France), Champion Mayors have adopted a political outcome document as a statement of their commitment to the inclusive growth agenda:

- The <u>New York Proposal for Inclusive Growth in Cities</u> (2016) defined the policy pillars of an inclusive growth agenda around education, skills and the labour market, housing and the urban environment, infrastructure and public services.
- The <u>Paris Action Plan for Inclusive Growth in Cities</u> (2016) provided clear steps to advance the New York Proposal's pillars, such as capturing the multi-dimensional nature of urban inequalities, and supporting cities in implementing and evaluating their inclusive growth strategies.
- The <u>Seoul Implementation Agenda for Inclusive Growth</u> (2017) focused on two strategic areas: how to bridge local climate and inclusive growth strategies, and how cities can create a level playing field to harness the inclusive growth potential of Small and Medium Sized Enterprises (SMEs) and entrepreneurs.
- The <u>Athens Road Map on Innovation for Inclusive Growth in Cities</u> (2019) called to leverage the full potential of innovation technological, public and social to make cities places where prosperity is shared, access to opportunity is equitable, and well-being is expanded to all of society
- The <u>Pledge For Youth For An Inclusive Post-COVID Recovery</u> (2021) renewed their commitment foster inclusive growth for the recovery from the pandemic and to upscale efforts for youth by improving their access to local services, supporting their transition into the labour market, and creating pathways for youth participation in local public life.

Seven years after the launch of the Initiative, Champion Mayors continue to advance local policy innovations in key policy areas including education, labour, housing, infrastructure and public services,

as well as climate resiliency, digitalisation, and support for young people to ensure that no one is left behind. The Initiative is managed under the programme of work of the Centre of Entrepreneurship, SMEs, Regions and Cities at the OECD.

In April 2022, it was announced that Mayor Anne Hidalgo would transition out of the role as Chair, and in July 2022, Mayor Dagur Eggertsson was announced as the new chair of the Initiative. In November 2022, Mayor Eggertsson presented his **Vision Statement** for the next phase of the Initiative to the OECD Council of Ambassadors, including nine actions to advance the objects of the Initiative.

Chair Eggertsson's Vision Statement and 9 actions for OECD Champion Mayors

Chair Vision Statement: To champion economic growth that creates economic opportunities for all – in our cities and around the world – by advancing bold and ambitious policies, sharing best practice, and bringing our collective voice to bear on the global stage.

Chair's actions proposed to advance the Initiative:

Strengthen the Initiative by ensuring sustainability, strong active membership, and putting mayors are the centre of the agenda

1 Strengthen the governance of the Initiative by establishing a Steering Group of willing mayors to lead thematic and regional initiatives 2 Expand the coalition to become more inclusive by inviting new mayors from underrepresented regions, including Asia, Africa and Latin America 3 Elevate the voice and contributions made by local leaders on the global stage by increasing the level of interaction between the Initiative with national governments, via the OECD

Strengthen policy-making for more inclusive economic growth in cities

4 Respond to the most pressing challenges facing cities today cost of living, affordable housing, inequalities in gender, education, health, and economic opportunities

5 Align the inclusive growth agenda with the climate transition by updating the policy framework of the Initiative to reflect the cross-cutting nature of climate change

6 Promote our shared values and rebuild trust in democracy by responding to the challenge of disinformation and finding new ways to promote cohesion

Strengthen the enabling infrastructure for inclusive economic growth in cities

7 Stand with our fellow mayors in Ukraine by identifying options to offer concrete support for the country's recovery and reconstruction

8 Invest in resources to support our policy making by developing new indicators, on inclusive growth, collecting and sharing data, and collating best practice across our network

9 Strengthen our policy dialogues and exchanges through webinars, more engagement with focal points, knowledge partners,

sharing data, and collating best and city networks, and resuming our annual meetings

OECD key facts on the cost-of-living and housing inequalities

- In advanced economies, income inequality is highest within large cities, with large disparities in income from one area of a city to another.
- Inflation reached an average of 9.6% in 2022 across OECD countries, more than double its 2021 level (4.0%) and its highest since 1988.
- Inflation is currently expected to remain above 6% in half of OECD countries through 2023. (OECD 2022, <u>Income support for working-age individuals and their families</u>)
- Real house prices rose by 77% between 1996 and 2022, compared to GDP per capita growth of only 29%, making access to homeownership increasingly unreachable for many households.
- OECD countries experienced a nearly 20% year-on-year increase in housingrelated expenses (including utilities, rents, maintenance, and repair) in 2022, mainly due to the increase in energy prices.
- As of 2019, one-third of low-income renters spent more than 40% of their disposable income on housing across the OECD on average, while 19% of EU households spent more than 60%. (OECD Compare your country tool)

2. THE OECD CHAMPION MAYORS INITIATIVE AT THE BRUSSELS URBAN SUMMIT

In recent years, cities have faced multiple and overlapping crises. Among such shocks, the longstanding urban housing crisis and the more recent cost-of-living crisis sit at the nexus of many other issues intrinsic to urban life such as economic inequality, trust in public institutions, and climate resiliency.

On 13 June 2023, Champion Mayors Chair Dagur Eggertsson, Mayor of Reykjavik (Iceland) convened the **Sixth Meeting of the OECD Champion Mayors for Inclusive Growth** (hereinafter "Sixth Meeting"), where city leaders discussed how to navigate the cost-of-living crisis and improve housing affordability to increase economic inclusion to the benefit of all residents, in line with the Chair's Vision Statement. The Sixth Meeting was attended by 27 mayors and 9 deputies, alongside 6 leaders of supporting institutions. It was co-hosted by Philippe Close, Mayor of the City of Brussels (Belgium), and Pascal Smet, Secretary of State of the Brussels-Capital Region (Belgium). OECD Secretary-General Mathias Cormann provided introductory remarks (via pre-recorded video), and Deputy Secretary-General Yoshiki Takeuchi provided closing remarks alongside Chair Eggertsson and Director of the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), Lamia Kamal-Chaoui.

Building on the OECD Policy Perspectives paper "Confronting the cost-of-living and housing crisis in cities", and a series of 21 blogs drafted by Champion Mayors themselves, mayors engaged in a lively discussion to share innovative solutions to advance inclusive growth in their cities and work closely with other levels of government. By endorsing the "Brussels Blueprint for Affordable Cities and Housing for

<u>All</u>", Champion Mayors committed to accelerating their efforts to ease pressures on the cost of living and address the housing crisis.

The Sixth Meeting was an instrumental part of the broader **Brussels Urban Summit** (BUS), a first-of-its-kind week of urban panels, meetings and workshops among mayors, experts, and practitioners from around the world. The summit took place on 12-15 June 2023, spearheaded by the Brussels-Capital Region under the direction of State Secretary Pascal Smet and co-organised by three international networks of mayors and cities, i.e. the OECD Champion Mayors for Inclusive Growth Initiative, Eurocities, and Metropolis. In total, BUS gathered more than 1400 total attendees, including 84 mayors and 322 city representatives from 82 countries.

In addition to the Sixth Meeting, the OECD was actively engaged in the Brussels Urban Summit throughout the week, organising or participating in a variety of other activities and high-profile discussions.

In the morning of 13 June, the OECD organised a plenary session on how to tackle inequalities and rebuild the social contract in cities. The session featured a keynote address from OECD Secretary-General Mathias Cormann via video, a panel discussion from five leading Champion Mayors – Philippe Close, Mayor of the City of Brussels (Belgium), Jaime Pumarejo, Mayor of Barranquilla (Colombia), Matúš Vallo, Mayor of Bratislava (Slovakia), Marvin Rees, Mayor of Bristol (UK), and Susan Aitken, City Leader of Glasgow (UK) –, and closing remarks from CFE Director Lamia Kamal-Chaoui.

On 14 June, CFE also led two expert workshops on the **future of SMEs in city centres** and on the **changing organisation of work in intermediary cities**, and participated in side events on various urban topics ranging from city diplomacy to sustainable urban food systems and mental health in cities.

The **future of Small and Medium Enterprises in city centres** workshop featured discussion among experts on how SMEs in city centres have been hit hard by the energy crisis, e-commerce, and reduced footfall during COVID-19, and how they are responding. SMEs are building a sense of community by engaging directly with consumers both on site and on social media. They are also working with local business organisations to share best practices and attract more foot traffic by diversifying activity in city centres through cultural events, closing streets to private cars, and hosting educational road shows for SMEs and local governments.

The **changing organisation of work in intermediary cities** workshop examined how COVID-19 and other recent trends have impacted how, where, and when people work, and what it may mean for midsized cities. Experts discussed how remote working has increased demand for coworking spaces, hollowed out city centres, and exacerbated gentrification in many cases, as well as how these changes have presented an opportunity for intermediary cities to attract new types of workers. Collaboration with the private sector is key to understand demand, and coworking spaces can tap into the IT community.

On 15 June, the **closing plenary of the Brussels Urban Summit** featured a panel discussion with Champion Mayors Chair Dagur Eggertsson alongside the chairs of the other international city networks. The mayors discussed the importance of collaborating with other levels of government, protecting democracy, and fighting inequality. Chair Eggertsson emphasised how addressing the housing crisis is not only crucial to reducing inequality but also to making cities liveable, interesting and accessible to all segments of the population.

3. BACKGROUND ON THE COST-OF-LIVING AND HOUSING CRISIS IN CITIES

In cities across the world, the cost of living has been climbing quickly, amplified by a housing crisis that was already stretching household budgets thin. Faced with unprecedented inflationary pressure squeezing purchasing power, cities have reached out to help their most vulnerable residents keep a roof over their heads, pay their energy bills and put food on the table. Although a wide array of price caps, subsidies and relief measures have been rolled out to protect living standards, the mounting cost of essential goods and services has threatened to tip not only low-income households but also parts of the middle class into financial precarity and poverty, deepen existing divides and further fracture the urban social fabric.

The cost of housing in cities remains a major and persistent drag on household budgets, especially for the most vulnerable those on lower incomes. Many cities are grappling with the challenge of "too little" housing (homelessness and unaffordable housing), occasionally "too much" housing (vacant units), and often "inadequate" housing (poor quality or ill-matched with needs). While COVID-19 lockdowns exposed longstanding inequalities in housing conditions, the current cost-of-living crisis, and inflows of refugees to many cities are exacerbating affordability pressures on many cities.

The Sixth Meeting featured a lively and wide-ranging discussion among participating Champion Mayors, guest mayors, and leaders of supporting institutions on the critical challenges mayors face in light of the cost-of-living and housing crisis in cities, as well as best practices, recognising that delivery of affordable and quality housing also depends on joint action and funding from public, private and non-profit sectors and across all levels of government. In particular, mayors shared how to mitigate the impact of these crises by ensuring access to affordable and quality services such as public transport, schools, digital tools, and support for small business entrepreneurs for all residents including vulnerable populations such as single parents, children, the elderly and people with disabilities.

Mayors discussed the trade-offs and synergies between housing provision and the climate crisis, highlighting how the creation and renovation of quality, affordable, low-emissions housing is essential for cities to reach climate goals. They described innovative methods they have deployed to house and support migrants, refugees, and people experiencing homelessness, and to alleviate the burden of housing on household income.

Yet despite their accomplishments in addressing the housing crisis in cities, Champion Mayors emphasised the need for further action. Many mayors expressed a strong willingness to work closely with national governments on the issue of housing, while some advocated for increased autonomy from national governments in order to make significant progress on the issue.



4. OPENING REMARKS

OECD Secretary-General Mathias Cormann kicked off the meeting by delivering remarks via video, welcoming Champion Mayors and reiterating OECD support to the Champion Mayors' coalition. Secretary-General Cormann underscored that at 22%, housing makes up the largest item of expenditure for households in OECD countries, as well as 50% of household wealth on average. He also explained that housing has become significantly more unaffordable since 2015, burdening households along with increased energy prices and general inflation. The Secretary-General thus outlined several possible solutions to the housing crisis including reforming restrictive local planning, land-use and zoning regulations, improving the energy efficiency of housing, and boosting direct investment in affordable housing.

Mayor Philippe Close of Brussels, Belgium was pleased to see all mayors in attendance and noted the collective enthusiasm for improving well-being across the world. Mayor Close highlighted that by year 2050, the majority of the world's population will be living in cities, which represent just 2% of total land area. He affirmed an earlier statement by Mayor Jaime Pumarejo of Barranquilla during the OECD-led plenary session at BUS that mayors are elected to make choices and they have the capacity to affect real change.

Secretary of State of the Brussels-Capital Region Pascal Smet highlighted inequality and the lack of affordable housing as common challenges among cities across the globe. He underlined in particular the tension between new construction and environmental preservation.

5. FIRST ROUNDTABLE: TURNING THE TIDE OF THE COST-OF-LIVING CRISIS IN CITIES

The 6th Meeting was organised in two rounds of discussion moderated by meeting Chair and **Mayor of Reykjavík**, **Dagur Eggertsson**. The first round explored how local governments are supporting residents through the current cost-of-living crisis, and addressed the following key questions: What works best to manage the cost-of-living crisis? How do you measure the impact of action? How do you work with national governments?

Mayor Claudia López of Bogotá (Colombia) started off by emphasising the importance of monetary support from national governments for cities, as well as good governance practices to



produce effective policies. Strengthening the fiscal weight of cities like Bogotá requires collaboration between municipalities, metropolitan areas and provinces could support more effective policies at the local level and discourage corruption.

Mayor Mihhail Kõlvart of Tallinn (Estonia) noted that cities will face more crises in the future, and that preparedness is essential. He thus underlined the importance of making systemic long-term changes to both public services and energy consumption in order to reduce the impact of future crises on the cost-of-living. For example, the City has made public transportation free in order to bolster sustainability and to serve as a broad social support system in the face of the cost-of-living crisis. In addition, in a joint venture with private energy companies, Tallinn plans to invest in new technologies to increase the availability of renewable energy sources over the next three years.



Mayor Jaime Pumarejo Barranquilla (Colombia) underscored that cities like his are facing rapid changes due to intense migration. Mayor Pumarejo pointed out that this requires strategies to sustainably densify existing neighbourhoods to accommodate a growing population—including migrants and refugees—rather than leave them displaced, facing homelessness or relying on informal settlements.

Mayor Mārtiņš Staķis of Riga (Latvia) and Mayor Ricardo Rio of Braga (Portugal) highlighted the importance of preparing both short-term and long-term solutions to the cost-of-living crisis. Mayor Staķis suggested that in the short-term, cities and national governments must clearly define responsibilities to work toward solutions for pressing problems. Mayor Rio discussed the positive effects of implementing policy for long-term gain and noted that the unemployment rate in Braga dropped from 15% to 5% over

the last 10 years, due to investments in training, revalidation and skills certification, and hiring support programmes for the city's unemployed workforce. One example is the 'Work in Braga' project developed between the City and its main private companies, which has helped young people and those relocating to Braga looking for their first job in particular. He also stated that national governments could help lessen the constraints of household budgets by reducing taxes and the cost of basic services.

In **Helsinki (Finland), Mayor Juhana Vartiainen** works to avoid relying on discretionary measures, including subsidies, that are difficult to walk back in the long-term. He advocated for promoting mixed neighbourhoods in cities to prevent segregation and underlined the importance of having good schools and transport networks available in all parts of the city.

Climate change and the clean energy transition were key issues discussed by Mayor Marvin Rees of Bristol (United Kingdom), Mayor Karin Wanngård of Stockholm (Sweden) and Deputy Mayor Sofia Hedén of Malmö (Sweden). Mayor Marvin Rees brought attention to the importance of housing in tackling the climate emergency. He called on policymakers to think upfront about the potential costs and consequences of failing to address climate and housing crises, and he noted that joint action from public, private and non-profit sectors is critical. Mayor Karin Wanngård stated that energy savings in Stockholm have contributed to overall cost savings and that relatively small measures can make a big difference over time. For example, large district heating leads to climate-neutral energy use. In addition, the City of Stockholm is providing around 8,000 new homes annually. Deputy Mayor Sofia Hedén highlighted the need for a two-pronged approach, with short-term interventions to lessen the energy crisis and a long-term strategy to encourage a flourishing private sector. Cities must encourage citizens and businesses to become co-creators of the energy transition.



Mayor Nathalie Appéré of Rennes (France) spelled out the implications of inflation and increasingly expensive housing for people living in towns and cities in France. Housing is the number one budget item

for French households, accounting for up to 50% of expenses, with very strong growth in recent months. In response, cities must provide structured safety nets that complement national social security measures. Mayor Kazuko Kohri of Sendai (Japan) stressed that inflation has impacted low income households, single-parent households, and people with disabilities in particular. She explained that providing monetary aid, subsidizing support organizations, and caring for citizen's mental health are all crucial aid measures to confront the cost-of-living crisis. Given that Costa Rica has suffered from high levels of inflation in the past and continues to confront this issue today, Mayor Luis Fernando León of Turrialba (Costa Rica) advocated for local and national governments to work together to promote greater financial stability for the middle class.

Mayor Fatma Şahin from Gaziantep (Türkiye) underscored the need to reduce the cost of construction and stated that making land more affordable could reduce costs by up to 30%. These offset measures are important as inflation makes housing increasingly unaffordable. She also emphasised the need to prioritise social security measures for elderly and disabled people, including opening public facilities to support these groups. Similarly, in **Skopje (North Macedonia), Mayor Danela Arsovska** is focusing on those most at risk in the community, including people experiencing homelessness. She described policy measures that help people experiencing homelessness individually and addressing their needs on a case-by-case basis. The number of people experiencing homelessness in the city dropped from 400 to 120 over a year.

Regional Council President Fatimetou Abdel Malick of Nouakchott (Mauritania) addressed the impacts of the pandemic and climate change-related challenges on the capital region, and described programmes intended to improve conditions following these shocks. One such programme involves providing technology packages to young students so that they may access the internet and complete their schoolwork. Measures are also supporting women and youth in school help to combat inequality.

Council Leader Nick Kemp of Newcastle (United Kingdom) noted the great deal of common ground in terms of challenges cities are facing. He pointed out that Newcastle is a city built on an industrial heritage that is now transitioning into a post-industrial and extremely diverse society. High levels of child poverty in the city remain a persistent issue, and the City's efforts to alleviate poverty include subsidised school lunches. The City Council has also partnered with universities, health trusts, and hospitals to launch a large-scale inclusive growth project.

Council Leader Susan Aitken of Glasgow (United Kingdom) highlighted the importance of collaborative efforts between different areas of public service, for example health services and police working together. Council Leader Aitken also described the intersections of vulnerability in a population, explaining that people vulnerable in one part of their lives are probably vulnerable elsewhere. Linking public services can help address these interrelated problems.

City Representative Romy Alamo from Renca (Chile) shared that the pandemic highlighted the instability of the informal job sector, as well as the issue of female unemployment. The most vulnerable families are those with women as head of household. The City of Renca is working to strengthen support to women in the workforce through training, seed capital, reliable childcare and flexible work hours.

Mayor Matúš Vallo of Bratislava (Slovakia) described two projects that aim to address the cost-of-living crisis in his city. First, Bratislava for All works with NGOs to assist citizens in poverty or at risk of poverty, focusing on vulnerable populations including seniors and people experiencing homelessness.

Second, a Reuse Center redistributes all types of goods, ranging from kitchen appliances to sports equipment, yielding a strong ecological and social benefit.

Wolfgang Teubner, ICLEI Regional Director for Europe, echoed the statements of the Mayor of Bogotá highlighting the need for structural changes in multi-level governance, and especially for more financial and decision-making power at a local level. He added that administrative costs for local governments to achieve necessary investments are often too high, and that increases in local capacity could also increase inequalities between cities and regions. These concerns must be addressed. Emilia Sáiz, Secretary General of United Cities and Local Governments (UCLG), also highlighted the lack of funding to make lasting transformations, noting that this is a limitation for many cities and local governments. She emphasised three key questions on the role of the international multilateral system and global governance. First, how do we put care at the heart of service provision and how do we ensure that the international financial architecture can fund care? Second, how do we ensure that local service provision is at the heart of the development agenda? And finally, how do we transform the relationship we have with nature so that it is not commodified? The Secretary General of UCLG Africa, Jean-Pierre Elong Mbassi, affirmed the importance of international solidarity to accomplish UN Sustainable Development Goals established in 2015.



6. SECOND ROUNDTABLE: NEW PATHWAYS TO HOUSING FOR ALL IN CITIES

Chair Eggertsson introduced the Second Roundtable by recalling statistics from the OECD Policy Perspectives paper "<u>Confronting the cost-of-living and housing crisis in cities</u>". Real house prices increased by 77% between 1996 and 2022, whereas GDP per capita growth increased by only 29% during the same period. Meanwhile, public investment in housing development has declined by over 50% since 2000. In sum, cities are not keeping up with housing needs.

The guiding questions for this roundtable were the following: How can we offer more housing in a sustainable and inclusive way? How can we partner with private and non-profit sectors? How can we work with national governments?

Mayor Marvin Rees of Bristol (United Kingdom) asserted that investing in housing makes long-term financial sense. He described projects in Bristol to build housing for youth at risk of homelessness, such as the City's construction of homes on stilts over a car park. Mayor Rees also emphasised the need for a commitment from mayors and national governments on the global stage to resolving the housing crisis, with co-operation from private partners and international organisations.

Mayor Carolina Cosse from Montevideo (Uruguay) and Deputy Mayor Robert Beaudry from Montreal (Canada) discussed housing as a fundamental human right. Mayor Cosse shared that systems

of land co-operatives that have been in place since the 1990s in Montevideo are helping safeguard access to housing. In order to address housing constraints in Montreal, the City's objective is to build 12,000 units for vulnerable groups.

In **Chattanooga (United States), Mayor Tim Kelly** described the severe housing problem his city faces and the detrimental impact the pandemic had on it. The City has created an affordable housing fund and aims to attract private investment to develop additional affordable housing units.

As one of Europe's densest cities, Athens must innovate and put in place regulatory frameworks to manage the housing crisis. **Mayor Kostas Bakoyannis of Athens (Greece)** focused on strategies to repurpose, reuse and renovate existing housing infrastructure to relieve pressure on the high demand for space. Policies include granting low-interest mortgages for young people purchasing their first home and cutting municipal fees for single-parent families and people with disabilities.

According to Mayor of the City of Brussels (Belgium) Philippe Close, convincing private industry to develop more affordable housing stock for all has been a challenge. He stated that cities must pursue new approaches to encourage these kinds of building projects and make substantial progress so that living in cities becomes more affordable for all. Council Leader Susan Aitken of Glasgow (United Kingdom) recognised the importance of housing quality. In efforts to increase supply, cities cannot afford to compromise on quality standards, especially regarding energy efficiency.

In **Newcastle (United Kingdom)**, **Council Leader Nick Kemp** is working on the issue of retrofitting homes. The City is looking into the least intrusive ways to retrofit homes to solve problems including dampness, mold and inefficient energy use. These plans are a key part of the 2030 carbon neutrality goal.

Mayor Karin Wanngård of Stockholm (Sweden) discussed housing issues in the city suburbs, which are characterised by lower income and higher unemployment. Long-term plans involve both public and private investment in housing, but also in schools, social services and recreational activities to support neighbourhoods in need of assistance.

Informal housing settlements are a specific challenge facing **Mayor Jaime Pumarejo of Barranquilla** (**Colombia**), who advocates for construction that further densifies the city to alleviate the crisis. Building on top of existing structures can offer more living space within the city, but bureaucratic red tape often gets in the way. Incremental changes in city codes will allow more freedom to develop in creative ways.

In Rennes (France), Mayor Nathalie Appéré put measures in place to retain public land ownership, thereby preventing house price increases. Mayor Kostas Bakoyannis of Athens (Greece) enquired about the legal framework for this solution, to which Mayor Appéré responded that land and buildings may be separated such that ownership is independent. Mayor Philippe Close of Brussels (Belgium) recognised that a distinction can be made between land and structures built on the land. The City of Brussels, however, has chosen to build affordable housing itself, assuring it remains owner of both the land and structures built.

Mayor Kazuko Kohri of Sendai (Japan) recalled the devastating impacts of the 2011 earthquake in Japan that destroyed 30,000 buildings in the city. Following the disaster, the city secured approximately 11,000 homes through the construction of temporary housing and leased housing with support from the central government. In addition, for long-term housing reconstruction, the city developed approximately

3,200 public housing units upon thoroughly interviewing affected persons about their housing preferences.

Türkiye is also facing the aftermath of natural disasters. Ramazan Kabasakal, Head of Foreign Relations for Ankara (Türkiye), noted the fast pace of rising housing prices in Türkiye, significantly outpacing global averages due in part to high levels of immigration. He also described the effects of the February 2023 earthquake that destroyed 11 cities in the country. In response, a project in Ankara allocated 4,000 social housing units of existing housing stock to earthquake victims completely free of charge.

Mayor Ricardo Rio of Braga (Portugal) expressed that there is no magical solution to the lack of affordable housing. The problem instead requires a mix of several measures. In Braga, two companies are investing in modular construction, a process in which standardized components of a structure are produced offsite and then quickly assembled on-site, which reduces environmental impact and speeds up construction time.

City Representative Kihyun Kim from Seoul, Korea detailed the City's strategies to promote sustainable housing supply. Seoul is expanding public rental housing and is providing incentives for private developers to include social housing in their projects. Land lease schemes and construction of high-rise buildings are also being leveraged to increase housing supply.

The following five mayors also contributed to the Second Roundtable via video intervention:

Mayor David Holt of Oklahoma City (United States) highlighted his city's rapid population growth and explained that in 2007 and 2017, voters approved economic incentives for affordable housing. When developers build private sector housing, they can approach the City for support to include units that charge lower rent than the market rate.

Mayor Yuriko Koiki of Tokyo (Japan) stated that the Tokyo Metropolitan Government has provided some 260,000 units of social housing in addition to supporting the private sector for the supply of rental housing.

Mayor Giuseppe Sala of Milan (Italy) called on governments, the private sector, unions and civil society to support each other. Given that nearly 10% of people in Milan live in public housing, the City aims to respond to urgent needs through dedicated affordable housing developments. Milan requires that a minimum of 40% of the surface of new residential buildings larger than 10,000 square metres be dedicated to affordable housing.

Mayor Valérie Plante of Montreal (Canada) referenced the "20-20-20 policy" implemented in Montreal, which ensures that all developments of five units or more include at least 20% social housing, 20% affordable housing and 20% family housing.

Mayor Stephan Keller of Düsseldorf (Germany) explained that in 2019, the City of Düsseldorf passed a municipal law aimed at the protection of housing which allows the city to identify and review cases of vacant apartments and short-term rentals and to release them back into the market. As a result, close to 200 apartments became usable again by the end of 2022.

George McCarthy, President and CEO of the Lincoln Institute of Land Policy discussed the importance of helping mayors understand precisely how housing stock is being used in their cities. The

Lincoln Institute is therefore developing technology to produce maps detailing who owns which parcels of land. This technology can also simulate how much new housing development is possible by increasing density and converting vacant commercial properties to residential use.

ICLEI's Regional Director for Europe, Wolfgang Teubner, identified a few fundamental challenges regarding ownership of land. He raised important questions, including: how much do we really want to have private ownership? How much do we want to control it? And how do we avoid gentrification? He also noted some potential downsides of serial social housing, including lack of architectural variety and low-quality construction.



7. BRUSSELS BLUEPRINT FOR AFFORDABLE CITIES AND HOUSING FOR ALL

Champion Mayors committed to take action to help mitigate the immediate impacts of the cost-of-living crisis and address the long-term challenges that housing unaffordability presents for inclusive growth. In the face of ongoing pressures on the cost of living, mayors will explore all possible actions – at the city level and working with national governments – to ensure their residents can afford to live and thrive. Champion Mayors committed to work to develop targeted solutions to ensure the most vulnerable have access to affordable and quality housing. Mayors will strive to boost the supply of new housing, where it is most needed, and as part of connected and cohesive communities. They will also work to improve housing quality, to foster a just transition and greater resilience against natural disasters and climate change. And lastly, Champion Mayors committed to improve the governance and financing of housing policy within and across different levels of government and leverage public sector innovation to deliver more affordable cities. Across all these commitments, the mayors aim to work with a wide range of stakeholders to identify and manage the potential trade-offs, notably between the quantity, affordability, quality and sustainability objectives.



8. CLOSING REMARKS - WHAT'S NEXT?

As part of her closing remarks, CFE Director Lamia Kamal-Chaoui commented that one main value-added of the OECD Champion Mayors is to bring the voice of all its mayors from around the world to national governments, helping to bridge the national and local divide. The Champion Mayors Initiative does not work solely on promoting dialogue but also on policy substance, including salient topics such as circular economy, climate change, housing, decarbonising buildings, and land value capture. For all these policy areas and more, there is OECD data available to Champion Mayors. The Initiative is also currently working on measuring the cost of not addressing inequality, and how that may impact cities. Concerning what happens next with the *Brussels Blueprint*, while it is not binding, the OECD Secretariat is here to help Champion Mayors implement these policies and monitor progress. It is also important for Champion Mayors to keep in mind that while these meetings only take place periodically, the OECD Secretariat is in constant communication with the appointed focal point staff from each mayor's office to advance our collective work.

CFE Director Kamal-Chaoui finished by thanking the focal points of the Champion Mayors for their hard work and called on mayors to keep their offices engaged. Last, she outlined the next steps for the OECD Champion Mayors Initiative:

- 1. Continue to explore joint solutions with national governments through the OECD's various platforms, such as the Regional Development Policy Committee (RDPC), the Working Party on Urban Policy (WPURB), the Ministerial Council Meeting (MCM) and the Roundtable of Mayors and Ministers series. Ensure that these bodies are provided with the *Brussels Blueprint* as a result of the 6th Meeting of OECD Champion Mayors.
- **2.** Continue to elevate the voice of city leaders on the international stage by ensuring Champion Mayors' participation and presence at major global events and conferences.
- **3.** Recruit more like-minded mayors to advance and expand the conversation on urban issues and promote inclusive growth in different local contexts.
- **4.** Develop a compendium of inclusive growth policies in cities, in order to identify and scale up successful practices from local governments across the world.

OECD Deputy Secretary-General Yoshiki Takeuchi reiterated the OECD's commitment to work closely with the Champion Mayors and its supporting institutions to advance its policy priorities and facilitate collaboration between local and national government. This includes bringing the *Brussels Blueprint* to the national government delegations to the OECD, as well as representing the urban policy priorities of the OECD Champion Mayors at upcoming major international events such as the G7 and the High-Level Political Forum on SDG 11.

To conclude the Sixth Meeting, Chair Eggertsson committed on behalf of the Steering Group to take forth the commitments of the *Brussels Blueprint*. He expressed his hope that the Initiative will continue to create a dynamic space for exchange among mayors that leads to making the world a better place.

LIST OF ATTENDEES

MAYORS

Kostas Bakoyannis Mayor of **Athens**, Greece Jaime Pumarejo, Mayor of **Barranquilla**,

Colombia

Claudia López, Mayor of **Bogotá**, Colombia

Ricardo Rio, Mayor of Braga, Portugal

Matúš Vallo, Mayor of **Bratislava**, Slovakia

Marvin Rees, Mayor of **Bristol**, United Kingdom

Philippe Close, Mayor of the City of **Brussels**, Belgium

Tim Kelly, Mayor of **Chattanooga**, United States

Stephan Keller, Mayor of **Düsseldorf**, Germany – *by video*

Fatma Şahin, Mayor of **Gaziantep**, Türkiye

Susan Aitken, Council Leader of Glasgow, United Kingdom

Juhana Vartiainen, Mayor of **Helsinki**, Finland

Burkhard Jung, Mayor of **Leipzig**, Germany

Giuseppe Sala, Mayor of **Milan**, Italy – *by video*

Carolina Cosse, Mayor of **Montevideo**, Uruguay

Nick Kemp, Council Leader of **Newcastle**, United Kingdom

David Holt, Mayor of **Oklahoma City**, United States – *by video*

Olivera Injac, Mayor of **Podgorica**, Montenegro

Nathalie Appéré, Mayor of **Rennes**, France

Dagur Bergþóruson Eggertsson, Mayor of **Reykjavík**, Iceland

Mārtiņš Staķis, Mayor of Riga, Latvia

Kazuko Kohri, Mayor of **Sendai**, Japan

Danela Arsovska, Mayor of **Skopje**, North Macedonia

Karin Wanngård, Mayor of **Stockholm**, Sweden

Jeanne Barseghian, Mayor of **Strasbourg**, France

Mihhail Kõlvart, Mayor of Tallinn, Estonia

Mounir Laymouri, Mayor of **Tangier**, Morocco

Yuriko Koiki, Mayor of **Tokyo**, Japan – *by video*

Luis Fernando León, **Turrialba**, Costa Rica

DEPUTY MAYORS

Lhoucine Nasrollah, Deputy Mayor of **Casablanca**, Morocco

Sofia Hedén, Deputy Mayor of **Malmö**, Sweden

Hasan Mohamed Jimale, Deputy Mayor of **Mogadishu**, Somalia

Robert Beaudry, Deputy Mayor, **Montreal**, Canada

Yves Pascouau, Vice President of **Nantes Metropole**, France

CITY REPRESENTATIVES

Ramazan Kabasakal, Head of Foreign Relations, **Ankara**, Türkiye

Estibaliz Luengo, Director of Internationalisation of **Bilbao**, Spain

Fatimetou Abdel Malick, Regional Council President of **Nouakchott**, Mauritania

Romy Alamo, City Manager of Renca, Chile

Kihyun Kim, Director-General of the New Industry Policy of the Seoul Metropolitan Government, **Seoul**, Korea

SUPPORTING INSTITUTIONS & KEY ATTENDEES

James Anderson, **Bloomberg Philanthropies**

Greg Munro, Cities Alliance

Wallis Vandebrock-Goelen, European Commission

Wolfgang Teubner, ICLEI

George McCarthy, Lincoln Institute of Land Policy

Emilia Sáiz, United Cities and Local Governments (UCLG)

Jean Pierre Elong Mbassi, UCLG Africa

Mehmet Duman, UCLG Middle East and West Asia

Gregory Berzonsky, **United Way Worldwide**