



Highlights from OECD event at Climate Week NYC

Driving the net-zero and resilient transition in cities: a dialogue with OECD Champion Mayors for Inclusive Growth

18 September 2023

Background

Cities are essential to drive the transition to net zero, as they account for about two-thirds of global energy demand and 70% of global greenhouse gas emissions. However, OECD data shows that most cities are far from reaching net-zero objectives by 2050. At the same time, cities face a longstanding and increasingly urgent need to provide more affordable housing – between 1996 and 2022, real house prices rose by 77%, while incomes grew just 29%. Homes and buildings continue to account for a major share of carbon emissions, so the question remains – how to respond to the housing crisis in cities as we need to reach net zero?

Across the world, Mayors are rising to the challenge, from improving the energy efficiency of homes, to promoting more sustainable building techniques. In June 2023, [the OECD Champion Mayors for Inclusive Growth](#) came together to share innovative solutions and collectively endorse the [Brussels Blueprint for Affordable Cities and Housing for All](#), including bold commitments to deliver affordable, low-carbon and resilient housing.

As part of the New York Climate Week, the OECD Secretariat brought together three OECD Champion Mayors to share their experiences in delivering a just climate transition that creates economic opportunities for all, as well as how the OECD Programme on [A Territorial Approach to Climate Action and Resilience \(TACAR\)](#) is supporting cities on the path to net zero.

Speakers

Moderator: Lamia Kamal-Chaoui, Director of the OECD Centre for Entrepreneurship, SMEs, Regions and Cities

Dagur Eggertsson, Mayor of Reykjavik, Iceland; Chair of the OECD Champion Mayors for Inclusive Growth Initiative

Roberto Gualtieri, Mayor of Rome, Italy

Marvin Rees, Mayor of Bristol, United Kingdom

Summary of discussion

To open the event, Lamia Kamal-Chaoui, Director of the OECD Centre for Entrepreneurship, SMEs, Regions, and Cities (CFE), highlighted mayors' dedication to addressing climate change and reducing inequality in their communities. She recalled that at the 6th Meeting of OECD Champion Mayors in June 2023, mayors endorsed the *Brussels Blueprint for Affordable Cities and Housing for All*, which sets out their commitment to ramp up action to improve access to affordable and quality housing while factoring in any potential trade-offs with climate goals, such as higher housing prices that can be driven by more ambitious sustainability standards.

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Mayor Dagur Eggertsson of Reykjavik, Iceland stressed the connection between housing, land use, public transport, and energy use. He laid out Reykjavik's plans to have all public transport run on renewable energy and to build 80% of its new homes close to transportation hubs. He also emphasised that the challenges mayors confront around the world (such as housing affordability and quality, funding for infrastructure, and inclusion) must be tackled while keeping in mind climate-friendly and climate-neutral housing goals.

Mayor Marvin Rees of Bristol, UK discussed his city's issues concerning the scarcity of housing and high housing prices on the private market. He emphasised the significance of building environmentally friendly homes, concentrating on brownfield sites and areas with reliable access to sustainable and active transport to reduce potential negative environmental impacts of new housing developments. Mayor Rees addressed concerns about the height and density of housing while emphasising the need to prevent urban sprawl. Additionally, he highlighted the connection between social vulnerability and climate change, stressing the significance of social investment in preparing populations for economic restructuring during decarbonisation.

Mayor Roberto Gualtieri of Rome, Italy explored the difficulties of co-ordinating solutions to the housing crisis and climate change. To align inclusion and climate goals, he underlined the need for co-operation and consistency between policy tools at all levels of government. Mayor Gualtieri gave specific instances of Rome's initiatives, including the expansion of public housing, the adoption of



various public housing policy principles, and the renovation of brownfield sites. He emphasised it is crucial to develop renewable energy communities, retrofit public housing, and co-ordinate incentives to meet ambitious climate goals while addressing disparities in housing supply versus demand.

When asked how he uses the Sustainable Development Goals (SDGs) to his city's benefit, Mayor Rees mentioned how Bristol's One City Plan aligns with the SDGs. He explained Bristol was the first UK city to undergo a Local Voluntary Review of its SDG implementation and formed an SDG alliance with residents and organisations. He also stressed the SDGs' function in applying a multifaceted strategy for sustainability that addresses issues such as poverty, women's rights, housing, and decent work. To achieve the SDGs at the local level, he pointed out that cities should be seen as international assets economically and socially, not just national ones.

Mayor Dagur Eggertsson described how the SDGs are included in Reykjavik's "Green Plan", a 10-year economic recovery strategy that puts sustainability at the fore. Reykjavik's approach to economic

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difficulties during the COVID-19 pandemic was driven by the SDGs, with a heavy focus on the environment. Mayor Eggertsson underlined how the SDGs may be used in actual city planning and development.

Mayor Roberto Gualtieri explained how Rome is using the SDG framework to promote goals related to the climate transition. Rome's Next Generation Plan, which establishes specific climate targets and provides guidance for initiatives such as home renovation, reduced car use, waste management, and more, fits closely with the SDGs. All policy aspects of the Next Generation Plan use the SDG framework as a guide, which enables the formulation of precise targets.

For cities to achieve the SDGs, Mayor Marvin Rees underlined the necessity to resolve the financial challenges faced by cities. He highlighted the potential to increase productivity and service quality by connecting mayors with accessible global investors. Mayor Rees envisions facilitating the flow of capital to cities in order to increase their cost-effectiveness and resilience.

Mayor Roberto Gualtieri, agreeing with Mayor Rees, underlined two essential elements: balancing investment with operational costs, and establishing a predictable and secure financial structure. Planning long-term climate goals requires financial stability, while operational funding guarantees the effective operation of infrastructure projects.

As an example of how to address both the climate challenge and the affordable housing crisis, Mayor Dagur Eggertsson suggested that cities could commit to the construction of a given number of sustainable housing units in advance of a major climate milestone such as a future COP meeting. To properly meet climate targets, Mayor Marvin Rees underlined the need for substantial financial investments and realistic timeframes. Mayor Roberto Gualtieri agreed and emphasised the value of collaboration, targeted initiatives, and alignment to meet the city's objectives by 2030.

The mayors closed their remarks by reflecting on how social, environmental, and housing issues are intertwined. They stressed the significance of co-operation across all levels of government as well as financial security and empowerment in achieving sustainability goals, such as the SDGs and climate targets.

CFE Director Lamia Kamal-Chaoui concluded the session by emphasising the importance of having comparable and harmonised data that can help track and monitor progress in various sectors. She also reaffirmed that the OECD Champion Mayors Initiative will continue to engage in and facilitate dialogue with national governments, as it has been doing through a variety of OECD platforms, as well as other international agendas such as the G20.