

POLICY AREA:  
**Agenda 2030**

## **Making cities part of the global solution – Overcoming obstacles, Exploring opportunities**

Anja Eickelberg (FGV Europe)  
Kathrin Zeller (FGV Europe)  
Marco Contardi (FGV Projetos)

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### **Abstract**

Cities are today home to more than half of the world's population and responsible for 80 percent of global GDP, as well as about 70 percent of GHG emissions (cf. UN Habitat 2011; UN DESA 2014). As urbanization proceeds, these centers are becoming increasingly important to sustainable global development. The G20 has committed to take a leading role in implementing the 2030 Agenda but fails to recognize cities and local authorities as key partners in this process. We argue that cities and city networks need to be empowered financially, institutionally and politically to become implementers of G20 commitments and, thus, part of the global solution.

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### **Challenge**

Cities are important implementers of G20 commitments. Being home to more than half of the world's population and responsible for 80 percent of global GDP, and 70 percent of GHG emissions, they should be at the center of driving global change. Their importance for international climate and development policy can hardly be underestimated. Local governments can be part of a global governance that allows the development of an institutional and regulatory system and new mechanisms of international cooperation for the continuous problem-solving of global challenges and transnational phenomena (cf. Messner & Nuscheler 2003).

The G20 leaders adopted the Paris Agreement (cf. United Nations/Framework Convention on Climate Change 2015) and the 2030 Agenda for Sustainable Development (cf. United Nations 2015), which includes making cities and human settlements inclusive, safe, resilient and sustainable (SDG 11). However, the G20 do not yet recognize cities and local authorities to be central to the debate. While cities have considerable decision-making power on key issues of the G20 agenda as, for instance, land use, waste management, public transport or energy use (cf. Betsill & Bulkeley 2006), they lack the financial autonomy, institutional capacity and political bargaining power that they require to take responsibility for their challenges and become part of a global solution. Empowering cities to do so will

reduce ecological, economic, social and political risks and foster resilient and inclusive growth at all levels.

In order to tackle this challenge, we pose the following questions: How to ensure that cities and city networks become an active voice in G20s high-level dialogue on global development? In this context, what are the opportunities of creating a G20 Engagement Group for cities, where representatives from cities can advocate for the creation of enabling environments at the local level? How to facilitate city governments' access to global, regional and national climate-change-financing mechanisms? Which additional measures are needed to unlock the economic potential of urban territories? Can the G20 foster a greater role for multilateral and national development banks in this context?

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## Proposal

G20 has committed to take a leading role in implementing the 2030 Agenda and detailed key policy areas in its G20 Action Plan on the 2030 Agenda for Sustainable Development (cf. G20 2016). As cities are widely recognized as important actors for global sustainable development, they should also be recognized as such by the G20 and be empowered to make use of their potential as implementers of key commitments of the G20 agenda. In order to tackle this challenge, we propose the installation of a G20 Engagement Group dedicated to cities and their representatives which enables them to become an active voice within the G20 consultations. In a nutshell, this group would develop activities and propose policies to facilitate the recognition and inclusion of cities as actors and partners in global change, with a focus on three areas: political leverage, institutional capacity building and financial autonomy. The group would function alongside (and in cooperation?) with the existing G20 engagement groups, with the same rights and obligations.

Why is the G20 the adequate platform for cities' empowerment? The G20 Action Plan on the 2030 Agenda for Sustainable Development states that G20 will focus on areas where it has comparative advantage and can add value as a global forum for economic cooperation. The action plan points to G20's convening power and its collective ability to adopt and support initiatives at the highest global level within the context of an overall sustainable development agenda. The cities as G20's powerhouses on a subnational level could benefit highly from these advantages and play an important role within the implementation of G20's action plan. G20's convening power can contribute significantly to empowering cities and city networks, addressing the implementation of policies and best practices through international cooperation and mutual learning processes. In order to bring forward this proposal, we suggest the following action areas for the G20 urban engagement group:

### Action Area 1: Political leverage

The urban engagement group would work towards enhancing the role of cities within G20's strategy to implement the SDGs. The G20 Action Plan on the 2030 Agenda for Sustainable Development as the flagship document on G20's commitment to align its actions with the SDGs is set to be a living document, including the possibility to be updated throughout the following presidencies. Holding the presidency of the G20 in 2017, Germany could set the ground within its tradition of governance guided by the principle of subsidiarity, and make local authorities agents for global change in a bottom-up approach by acknowledging cities as a legitimate actor for the implementation of G20's action plan on the 2030 Agenda. In this context, the urban engagement group would advocate for the

inclusion of cities as the 10th policy area within the G20 Action Plan on the 2030 Agenda, develop concrete proposals for its implementation on the local level, and monitor its progress.

An important issue in this context is the alignment of the 2030 Agenda with other international frameworks, especially the New Urban Agenda (cf. UN/ General Assembly 2016). G20's Action Plan states that the contribution to the implementation of the 2030 Agenda will be guided by different high level principles, of which one is to reaffirm the universality of the 2030 Agenda. Taking into consideration the importance of the local level for the actual implementation of the 2030 Agenda, the New Urban Agenda should be an integral part of a global strategy for sustainable development. However, the framework of the SDGs and the New Urban Agenda are, so far, disconnected (cf. Dick 2016). The urban engagement group would not only support the universalization of the 2030 Agenda, but also its integration with the New Urban Agenda and concrete proposals for how to implement the multilateral pledges in a manner that they can have an impact at the local level.

#### Action Area 2: Financial Autonomy

The urban engagement group would work towards facilitating local governments' access to finance mechanisms for sustainable urban development. Even though the 2030 Agenda aims specifically on urban development within goal 11, the targets of the goal are not connected to adequate mechanisms of financing. As about 95 percent of future urban expansion in the next decades will take place in the developing world, these mechanisms become even more important. These cities do not only lack of budget for investments in green infrastructure and technological innovation, but also of possibilities for long term maintenance of basic services like sewage water treatment. Cities need, therefore, on the one hand access to national, regional and international financing in order to contribute to the implementation of the SDGs. On the other hand, cities need to increase their bargaining power with their central governments to obtain not only isolated access to funding possibilities, but also to guarantee long term financing schemes of services within their communities.

In this context, the urban engagement group would advocate for a review of existing climate-change-financing mechanisms in order to facilitate city governments' direct access to these funds. In addition, the group would leverage the G20 consultations to advocate for a greater role for multilateral and national development banks in the financing of urban projects. Finally, it would develop concrete proposals for strengthening local governments' bargaining power with their central governments, as well as bring forward additional measures to unlock the economic potential of urban territories within the context of global sustainable development.

#### Action Area 3: Institutional Capacity

The urban engagement group would work towards improving the research and network capacities of cities within and beyond the G20 consultations. Research on cities has been globally intensified with the recognition of their growing weight for economic growth, poverty reduction and climate change adaption. Many of the globally most important cities are located in G20 countries. This naturally requires a stronger effort towards understanding and shaping the cities' role within this platform. The urban engagement group and, especially its participating research and city networks, would have an important role in providing the G20 with a knowledge base that contributes to aligning its commitments to cities' challenges. The provision of solid information on the influence of the cities GDP, population growth, demographic changes and so forth can uncover new approaches to address

urban matters within the G20 policy framework. A mapping of actors already active in urban governance and development would be a vital part of this process, in order to assure that the engagement group represents a diverse selection of representatives from cities, city networks and other likeminded institutions.

Mutual learning and the exchange of experiences and good practices among members and beyond is part of the G20 action plan. Besides supporting members to share their national actions and experiences, localizing' the 2030 Agenda in the sense of verticalization of policies is part of this approach. In the context of urban development, mutual understanding and learning processes can be decentralized to city stakeholders and used to provide monitoring and review of barriers, success cases and general processes to the implementation the G20's Action plan. In addition to the sharing of best practices or policy approaches at the local level, technical cooperation should also be supported between cities. This could include knowledge and technology transfer in key areas such as public transport, waste or water management or the elaboration of GHG emission inventories. In this context, the urban engagement group would develop concrete proposals for how to strengthen city networks in their practical actions for mutual learning and advocate for measures that facilitate the technical cooperation between cities.

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