

# A G7 Roadmap for Sustainable Urban Development

BY BRUCE KATZ · SEPTEMBER 15, 2022

This past Tuesday I was privileged to present at the Meeting of G7 Urban Ministers in Potsdam Germany. My keynote address was entitled *A G7 Roadmap for Sustainable Urban Development* and can be [accessed here](#). At the outset, I want to thank Mary Rowe, the President and CEO of the Canadian Urban Institute, for the time spent in reviewing multiple versions of the talk.

The Potsdam gathering represents a critical juncture in the modern history of cities and nations. The meeting of G7 Urban Ministers was the first ever, representing the G7's recognition that cities have a special role to play in achieving the UN backed Sustainable Development Goals in general and addressing climate change in particular. As the G7 leaders observed in their June 2022 communique:

“Cities are places of diversity and identity, exchange and integration, creativity and solidarity. They are crucial to driving prosperity and ensuring equal opportunities for all. We acknowledge the significant role of cities, their associations, and networks as actors in our transformation towards sustainable development. ... We task our relevant Ministers to develop a joint understanding of good urban development to be adopted at the first ever G7 Ministerial Meeting for Sustainable Urban Development, and to decide on joint initiatives for unlocking the full potential of cities to promote social, cultural, technological, climate-neutral, economic and democratic innovation for the common good.”

Let me set the scene for the G7 gathering and then discuss the content of my talk. The meeting was held at the Kaiserbahnhof, a train station initially built to accommodate the travel of Kaiser Wilhelm II between Berlin and Potsdam.

The meeting was orchestrated by Germany, which currently holds the G7 Presidency. Klara Geywitz, the German Minister for Housing, Urban Development and Building ably organized and hosted the event, which included representatives from each of the G7 nations — Canada, France, Germany, Italy, Japan, the United States and the United Kingdom. Marcia Fudge, the US Secretary of Housing and Urban Development, participated on behalf of the Biden-Harris Administration.

Notably, German Chancellor Olaf Scholz addressed the group, building on this hard-earned knowledge as the former Mayor of Hamburg. Other critical stakeholders — the OECD, the European Union, UN Habitat and the Urban 7 (U7) — also sent delegations and participated as partners. The participation of the Urban 7 — a network of national municipal associations and international city networks — shows the evolving role of cities in global deliberations.

Keynote addresses were delivered by Thembisile Nkadimeng, the South African Deputy Minister of Cooperative Governance and Traditional Affairs and Dr. Hans Joachim Schellnhuber, the former Director of the Potsdam Institute for Climate Impact Research. Oleksiy Chernyshov, the Ukrainian Minister for Communities and Territories Development, also presented the \$349 billion recovery plan for the Ukraine, a remarkable strategy that has been developed by the Government of Ukraine, the European Commission and the World Bank.

The central thesis of my talk was straightforward: multilateral action on sustainable urban development must be built from the bottom up, by taking advantage of the special ways that cities innovate and urban innovations scale and spread.

I initially set the context for the Potsdam meeting:

The G7 session builds on almost 50 years of research, thought, deliberation and discourse. The UN Habitat meetings in Montreal in 1976, Istanbul in 1996 and Quito in 2016 set a strong foundation for global action on sustainable urban development. With the passage of time, these gatherings evolved seamlessly from general agenda setting and knowledge sharing to specific actions through which cities, both individually and collectively, can be vehicles for solving global challenges. The most recent gathering in Quito saw the development of the New Urban Agenda and the translation of the UN-backed Agenda for Sustainable Development and the 17 Sustainable Development Goals to the local scale.

The task set for G7 Urban Ministers is both urgent and complex. As a recent World Economic Report bluntly concluded, “the battle for climate change will be won or lost in cities.” Cities represent both the problem and the solution. That is because the rise of cities has exacerbated greenhouse gas emissions through dirty energy sources, excessive dependence on automobiles and energy-inefficient buildings. Increasingly, these places also bear the brunt of climate change, as extreme weather pummels urban populations and infrastructure with growing frequency. Yet cities have the potential to mitigate and adapt to climate change if they make radical and rapid transformations in intersecting and interdependent sectors, including building, energy, transportation, and water infrastructure.

The systems change needed to combat climate change must move forward at a time when cities and nations face a bewildering array of disruptive and destructive dynamics, some unleashed by the pandemic, some longstanding in nature, some catalyzed by policy decisions, some precipitated by the Russian invasion of Ukraine. As I’ve written before, the New Disorder better reflects this chaotic and ever-shifting period than the New Normal. Housing and energy prices are spiking, supply chains are localizing, remote work is surging, politics are destabilizing and profound advances in technology — the internet of things, robotics, artificial intelligence and machine learning — are redefining the very nature of work and fundamentally altering the skills our workers will need to succeed in the 21st-century economy.

My talk then proceeded to make three main points:

First, cities and urban regions have the right mix of market relevance, civic agency and multi-sectoral power — what Jeremy Nowak and I labeled “New Localism” — necessary to navigate through this period of unprecedented economic disruption, social upheaval and environmental degradation. Cities are networks of public, private, civic and community institutions and leaders organized horizontally across multiple industries and disciplines. In short, they embody the way the world actually works. As organic platforms for interdisciplinary problem solving, cities are uniquely positioned to master the complexity of modern challenges. When nations and cities work together, the potential for accelerated innovation and problem solving is limitless.

Second, multilateral action must build on the new circuitry of urban innovation. Certain urban solutions, particularly innovations around technologies, materials, building codes and financial products, can scale and spread fast. I used Copenhagen’s march to net zero as an example of how this works. Copenhagen has become a globally recognized “first mover,” innovating on a range of urban policies, products and processes that can be codified, routinized and repeated. Other cities—what I call “fast followers”—are adopting and adapting these innovations with support from globally oriented intermediaries, corporations and financial institutions. Our goal now is making exceptional innovations the norm, to be seamlessly embraced by cities throughout the world.

Finally, the special modus operandi of cities has profound implications for the G7 efforts. Joint initiatives will need to be reverse engineered, taking the ways cities actually problem solve and the different kinds of actions that cities take as a starting point. To that end, five multilateral moves, organized and backed by the G7, are most critical: Catalyze urban innovations around common geographies and shared challenges;

- Accelerate the scaling of urban innovations across cities and countries;
- Routinize the financing of urban innovations;
- Grow strong intermediaries that can guide and support cities and other stakeholders; and
- Imbue all G7 climate and resource efforts with an urban focus.

The G7, of course, doesn’t need to start from scratch. Each of the strategies described in my talk can build on and relate to special initiatives around sustainable urban development already underway including the European Bank for Reconstruction and Development’s Green Cities program and the European Union’s Cities Mission. Lessons from these efforts and those undertaken by intermediaries like C40 and ICLEI -Local Governments for Sustainability could be invaluable.

This is a new kind of multilateralism, crafted in the image of cities themselves — multisectoral, multidimensional and multilayered. To be effective, this new multilateralism must be pursued consistently and persistently so that the field of sustainable urban development can evolve via continuous learning and relentless creativity. Special attention will need to be focused on cities in the Global South that are growing rapidly, so that they help drive a new practice of city building.

As the world struggles with issues as diverse as climate change and the reconstruction of the Ukraine, the role of cities as problem solvers — the central thesis of The New Localism — is gaining new, powerful adherents. For city builders, this is a welcome change in the order of things. In the words of Matthew Taylor, the former head of the Royal Society of the Arts in the UK, cities have the unique capacity to “think like systems and act like entrepreneurs.” Top-down mandates from specialized national bureaucracies can no longer get the job done. Regardless of size, no one organization is able to bring about economic and energy transformations on its own. Radical collaboration, the special DNA of successful cities, is the order of the day. Cities are now fully on the global stage.

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