

Discussion Paper

Climate-Resilient, People- Centred and Nature-Positive Solutions in the G7 through Multilevel Cooperation

August 2024

Executive Summary

Local and regional governments of regions, cities and towns of all sizes have a significant role to play in implementing the G7's objective of transforming economic and social systems towards net-zero, circular, climate-resilient, pollution-free, and nature-positive economies. The urban space is where all policy objectives and measures come together for implementation. This requires a cross-sectoral approach favouring place-based, democratic solutions that are integrating all local societal actors. Adopting the urban perspective and actively involving local governments in their consultations hence provides a unique opportunity for the G7 to attain their objectives, provide positive feedback loops between levels of government and to spur implementation while strengthening democracy. The G7 Leaders' Communiqué highlights *"the transformative power of cities worldwide as drivers for sustainable development"* and tasks *"relevant Ministers to discuss concrete actions to reduce spatial inequalities, protect the environment and climate, and promote smart and innovative economies in urban areas."*

In this crucial year when half of the world population goes to the polls, the role of local governments becomes ever more important as the democratic governance level closest to citizens that can uphold and implement the G7's climate, energy, and environmental ambitions in an inclusive way. While G7 presidencies have increasingly recognised the importance of subnational and local governments in a rapidly urbanising world, an active and meaningful engagement of local governments lacks behind the formal cooperation commitments made by G7 leaders and ministers. For these reasons, and building on the 2024 Meetings of G7 Transport and the G7 Climate, Energy and Environment Ministers, as well as the G7 Leaders' Summit, the U7 propose the following to the G7 ministers and

leaders with regards to the upcoming G7 Ministerial meetings on Culture (Napoli, 19-21 September) and Urban Development (Genova, 3-5 November 2024):

1. Streamline multilevel cooperation and an integrated urban development approach across G7 cooperation areas for a strong democratic future.

Implementing the G7's objective of net-zero, circular, climate-resilient, pollution-free and nature-positive economies will require a democratic transformation of our economic and social systems with significant impact on our societies, its operating frameworks, and most importantly, on its individuals. This shift can only be successful, if it is rooted in broad public support, which will require measures to be in accordance with local realities and needs and if thematic silos are broken down in favour of more holistic perspectives and solutions.

As the level of governments closest to citizens, local governments have a key role to play in upholding the liberal democracy in the transition. The urban space is where all people and actors, and their living realities come together to meet national, international, and local policy measures and objectives. It is hence the place where threats to democracy through misinformation, spread for example through social media and new technology such as Artificial Intelligence, as highlighted in the G7 Leaders' Communiqué, can be counteracted. Inclusive and transparent decision-making processes at the local level strengthen democracy from the bottom up and can thereby reduce misinformation. The role of local governments for upholding democracy and peaceful participation needs to be harnessed by the G7 in the transition. The U7 hence believe that close cooperation with the local level and adopting the *"implementation focused urban and regional lens"* will support G7 leaders and ministers in connecting and integrating all different key G7 cooperation areas to ultimately define more effective, ambitious, democratic, and place-based solutions towards a transition that works for people. Concretely, this should include:

- **Integrate the urban "people's" perspective across G7 cooperation areas:** Reaffirming G7 commitment to multilevel cooperation by engaging in regular and meaningful cooperation and consultation with U7, as the voice of local governments of all different sizes, in the preparation of G7 working groups and ministerial meetings to ensure the needs of cities and municipalities and their

people are reflected appropriately.

- **Formalise the role of local governments in the G7 process:** Recognition of the U7 as an official G7 engagement group.
- **Establish a Troika of G7 Urbanisation Ministerial Meetings for stronger synergies and continuity in G7 actions:** Following the precedent set by German, Japanese and Italian G7 presidencies in addressing the role of urban areas for tackling today's social, climate, environmental and sustainable development challenges, the U7 propose the establishment of a regular Troika of G7 Urban Ministers. This Troika should be composed of past, current, and incoming G7 Presidencies to coordinate activities in this key area that has the potential to significantly contribute and uniquely boost progress towards other G7 priorities set in Leaders' Declarations.

2. Deliver on G7 climate ambitions through inclusive policy making and innovative financing for ambitious local climate action.

- **Support local investment capacities to drive place-based climate mitigation, resilience, and adaptation action:** While the G7 recognise that enormous public and private investments as well as more inclusive access to finance are needed to respect the COP28 outcomes and the 1,5°C target, the limited public budgets and capacity of subnational governments is not addressed. Local actors and industries will have to be brought on board for a sustainable transition to transform local supply chains. A task that is currently binding significant local resources and capacity. The U7 are thus suggesting to G7 countries to:
 - actively inform local governments of available national financing options.
 - support the increase of local governments' capacity for pursuing innovative financing options by building partnership with the private sector.
- **Demonstrate leadership and consistency in inclusive climate leadership through CHAMP:** The U7 commend the G7 for their pledges made in the G7's 2024 Leaders Communiqué to submit their 1.5°C aligned Nationally Determined Contributions (NDCs) 9 to 12 months before COP30, in November 2025 and to transition away from fossil fuels through "*domestic plans, policies and actions*". In this regard, the

commitment of six of the seven G7 nations to the “Coalition for High Ambition Multilevel Partnerships” (CHAMP) initiative at COP28 needs to be reaffirmed and reflected in G7 ministerial and leader summit outcomes. This would include application of the exemplary multilevel cooperation commitments made by CHAMP partners through G7 climate cooperation. This would send a strong message of climate and democratic leadership to the global climate action community, and enable closer cooperation of G7 nations for the involvement of local governments in the implementation of related climate targets. This could be achieved through:

- **More local involvement for implementing policies for aligned targets and actions:** While the G7 ministers’ clear commitment to the 1,5 °C targets and to address the triple planetary crisis of climate change, biodiversity loss and pollution is of utmost importance, local governments need to be actively involved in formulating relevant implementing legislation and joint action towards this end. The G7 leaders committed to operationalising the transition away from fossil fuels *“in a just, orderly, and equitable manner”, “through the development and implementation of domestic plans, policies and actions (...) reflected in our NDCs and LTSs”*. However, there is currently no streamlined process to systematically consider local climate and energy action plans, nor for systematically consulting local governments on the design of such measures. Such an inclusive process would allow not only for defining a more concrete picture, but also more locally acceptable and fair policies. A stronger focus on urban spatial planning focussing on an integrated sustainable energy system including sufficiency, Nature-based Solutions and climate adaptation is needed in G7 cooperation towards climate neutrality. One way to achieve this would be through support to city-to-city collaboration and systematic feedback loops of such.
- **Enhancing city-to-city collaboration:** Acknowledging the necessity of place-based approaches towards social, climate, environmental and sustainable development programmes, the G7 countries should support city-to-city collaboration with necessary resources, and involvement of city actors under a Troika of G7 Urbanisation Ministers that can support coordination of these exchanges, while ensuring also smaller municipalities can benefit from such an exchange.

3. Enable a sustainable, democratic, resilient reconstruction of Ukraine through strong territories and local exchange.

The U7 welcome the continuous commitment by the G7 to support the reconstruction of Ukraine and highlight the need for a decentralised approach in this regard. Local and regional authorities have and are continuing to provide emergency aid to their counterparts in Ukraine and have shown their dedication towards supporting Ukrainian regions, cities and towns in their recovery and reconstruction, building partnerships, and strengthening local self-government with their Ukrainian counterparts through initiatives such as the European Alliance of Cities and Regions for the Reconstruction of Ukraine but also beyond. Local and regional authorities are hence key partners for G7 efforts towards enabling a swift recovery and reconstruction.

The Road forward

The upcoming Ministerial meetings on Culture (Napoli, 19-21 September) and Urban Development (Genova, 3-5 November 2024) represent key opportunities for the Italian presidency and G7 ministers to reaffirm and strengthen their cooperation commitment and to consolidate and expand cooperation with the U7 by recognising the U7 as an official G7 engagement group. In addition, U7 partners encourage G7 Ministers to take urgent action towards the following key action points that are in line with the above raised points to ensure a successful implementation of the agreed goals and strategies:

1. Integrate the urban “people’s” perspective across G7 cooperation areas.
2. Recognise the U7 as an official engagement group.
3. Support local investment capacities to drive place-based climate mitigation, resilience and adaptation action.
4. Local government involvement in the implementation of policies, targets and actions towards G7 NDCs.
5. Enhancing city-to-city collaboration among G7 countries.
6. Establish a Troika system of G7 Urbanisation Ministerial Meetings (Troika cooperation of presidencies) for stronger synergies and continuity in G7 actions.

In Depth: U7 key messages on Climate, Energy and Environment

U7 partners strongly welcome the reaffirmation of working towards a just and inclusive future together with all actors of society, as well as the important role of “*subnational governments*” and other actors in facilitating the transformation. In addition, U7 support the G7 ambition to reach “*net-zero by 2050 at the latest in order to keep a limit of 1.5°C temperature rise within reach*” and to stay in line with “*the full implementation of the CMA.5 decision on the Global Stocktake (GST).*” Hereby, the G7 emphasis to “*realize the transformation of the economic and social system towards net-zero, circular, climate-resilient, pollution-free and nature-positive economies (...) in an integrated manner, while ensuring sustainable and inclusive economic growth and development...*”. While the U7 share this vision, a clear and practical way forward for achieving this integrated transition has yet to be put forth. Especially, albeit recommendable, commitments made to foster a transition that is just, inclusive, and leaves no one behind by “*mainstreaming just transitions in domestic policies and measures, including through social dialogue*” that benefit local supply chains, fail to explicitly rope in local governments. With local governments being the principal actors for whom the organisation and formulation of such dialogues and the organisation of corresponding feedback loops would be feasible, their recognition should be considered going forward.

In this regard, the U7 particularly wish to also highlight their support to the G7 ministers' affirmation of the loss and damage fund, by committing to “*continue to provide support, on a voluntary basis, to the funding arrangements (...) and (to) facilitate support from a wide variety of sources of funding, including public, private and innovative sources...*”. However, while the G7 principal support to the fund is commendable, the U7 believe it to be of importance that the G7 recognise the fund as an important instrument and tool for restoration and involve local and regional governments in the further discussion around its operationalisation at relevant COPs to ensure it meets inclusive standards.

While the G7 ministers clear commitment to the 1,5 °C targets and to address the “*mutually reinforcing*” triple global crisis of climate change, biodiversity loss and pollution and the urgent need to act on these in an “*integrated*” and consistent manner is of utmost importance, forthcoming ministerial communiqués should highlight explicitly the unique role of cities and local governments in implementing the necessary transformations. Local governments need to be closely involved in formulating concrete legislation and joint

action. Fulfilling these international commitments will require an active involvement and mobilisation of all actors of society. It will also require innovative, sustainable, and robust financing mechanisms that are accessible to local governments of all sizes. With more than 80% of the G7 countries population living in cities and urban areas, only a strong multilevel implementation cooperation with local governments will bring forth the changes needed to address the triple global crisis effectively. Hence, it is a key requirement that local governments, as the government closest to citizens of all walks of life, are actively consulted and involved in the formulation of concrete cooperation activities and solutions. This would mark a big step towards fulfilling G7 commitments to advance an inclusive transition.

In Depth: U7 key messages on Urban Development

Cities will have to build integrated policies to face the challenges connected to the main transitions in progress. The Rio Conventions, as well as the 2030 Agenda for Sustainable Development with its 17 Sustainable Development Goals (SDGs) and all other universal agendas are substantially interconnected and consequently need to be addressed through an integrated approach to optimise the co-benefits in urban areas. It is essential for G7 countries in obtaining their joint objectives and priorities that urban policies respond to the triple planetary crisis through integrated policies and action. Through these actions, cities and territories can reduce greenhouse gas emissions, improve air quality, and protect natural habitats. Policies that support local waste reduction, recycling, circular practices as well as the use of renewable energy would further mitigate environmental impacts. Integrating nature-based solutions like urban green spaces and sustainable water management helps preserve biodiversity and increase resilience against climate-related disasters, fostering healthier, more sustainable urban environments across G7 nations.

While local governments are already pursuing holistic and integrated action, established funding systems and regional to national governance structures often prevent appropriate synergising of action. In addition, investments required for pursuing more ambitious social climate action cannot be covered by national, regional, or local public budgets alone. While private partnerships are a recognised means by G7 countries, cities are a key partner to mobilise more investments from the private sector. In this regard, the G7 should encourage and work towards increasing the capacity of local governments to harness public-private partnerships and innovative financing options effectively. This could be achieved, for

example, through more regular consultation, training, and the suggested support to city-to-city collaboration for knowledge and practice exchanges.

In addition, local governments will need support in the accessing and handling of data, which is currently hampered mainly by a lack of (satellite) data on cities in many regions of the world. A concrete commitment by G7 countries to closing data gaps through sharing best practices across G7 Urban Ministers for collecting intersectional data, statistics, and information, which are key for creating early warning systems and thus avoiding loss and damage, would be an important step.

Following the precedent set by German, Japanese and Italian G7 presidencies in addressing the role of urban areas, the U7 propose the establishment of a regular Troika of G7 Urban Ministers to ensure the necessary continuity in addressing interconnected urban issues. The Troika could be composed of previous, current, and incoming G7 Urban Ministers as the U7 are deeply convinced that such an approach would prove to be an invaluable asset in contributing to significantly contribute and uniquely boost progress towards many, if not all, G7 priorities set in Leaders' Declarations.

A call for multilevel action

More regular collaboration between national, regional and local governments in the G7 countries are of utmost priority to address many obstacles on the way to a sustainable future. The U7 reiterate the commitment by many G7 countries in support of the CHAMP to consult, collaborate, design and finance the next round of NDCs, together with their subnational governments, where appropriate. This applies as well to the Decision 15/12 from UN CBD COP15 on engagement with subnational governments, cities, and other local governments to enhance implementation of the Kunming-Montreal Global Biodiversity Framework (GBF). The U7 believe that multilevel governance, close cooperation and working together in synergy towards the objectives of the G7 from local to national to international level will allow us to optimise all efforts for our environment and most of all, for our people. The U7 steadfastly believe in the potential of the U7 as a mechanism to bridge local and national discussions to inform the work of the G7 accordingly. For this, the U7 stand ready to cooperate closely with their national governments.

About the Urban7: The G7 [Urban7](#) (U7) advocates for a continuous dialogue between the G7 nations and municipal actors represented by national associations and supported by international city networks. It addresses the G7 Presidency and is moved forward by a strong urban alliance. The U7 Group is chaired by the U7 Secretariat consisting of [ICLEI – Local Governments for Sustainability](#) and the [Global Parliament of Mayors](#) (GPM) as well as the city association from the country leading the G7 that year. In 2023, the G7 Presidency is held by Japan and thus the [Japan Designated City Mayors' Association](#) (JDCMA) is fulfilling that role in the U7 Group.

2023 U7 Group is chaired by Associazione Nazionale Comuni Italiani (ANCI), supported by ICLEI and GPM as the U7 Secretariat.

