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FOR IMMEDIATE RELEASE

March 8, 2012

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INNOVATIVE URBAN FINANCING CAN HELP CITIES GROW GREEN AND GENERATE JOBS

Cities Say They are Ready to Lead Efforts to Green the Economy During OECD Roundtable of Mayors and Ministers

CHICAGO – During the Organisation for Economic Co-operation and Development (OECD) Roundtable of Mayors and Ministers, leaders from cities across the globe discussed how innovative urban financing can help cities grow green and generate jobs.

“It’s not green or growth – both can go together provided that the appropriate framework conditions are in place,” said OECD Secretary-General Angel Gurría. “Cities can build an environmentally sustainable infrastructure that will help them ‘go green,’ promote growth and create jobs.”

The Roundtable noted that cities can deliver global solutions to social, economic and environmental challenges and that they must be an integral part of international efforts to make our economies more sustainable.

“The world’s future is increasingly an urban future. From New York to Lagos, and from Mexico City to Hong Kong, cities around the globe are taking the lead in making our world healthier, more energy efficient, less congested, less polluted, and less endangered by climate change effects. What cities do, individually and in unison, increasingly sets the agenda for the entire world,” said Mayor of New York City Michael Bloomberg and Chairman of the C40 Cities Climate Leadership Group.

The Mayors and Ministers agreed that cities should be empowered to take the lead on green growth, but noted that their efforts are hampered by huge investment needs and severely constrained public finances. Cities are truly facing a double challenge: to green existing urban finance and to develop new financing mechanisms.

“The City of Chicago welcomes the opportunity to develop new solutions to the most pressing sustainable infrastructure problems facing cities around the world,” said Chicago Mayor Rahm Emanuel. “During my time in office I have focused heavily on how strategic infrastructure



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investments can build a stronger foundation for job creation, economic growth and sustainable development, and I look forward to continuing this important work."

During the one-day meeting, Roundtable participants shared their experiences on how to use existing resources more effectively and how to tap into new funding, such as carbon and structured finance, user and developer fees, and other private sources of finance. They noted, too, that cities should work together to develop expertise about arrangements for public-private partnerships.

Based on international best practices, Roundtable participants concluded that introducing green incentives into municipal revenue systems would be a big step towards more sustainable growth. For example, congestion charges differentiated according to peak hours or the level of congestion can help reduce traffic and pollution, while fees for water and waste services should be more responsive to actual resources used.

Participants in the Roundtable acknowledged that effective city-level action is easiest to achieve when there is a sound framework at the national level and good coordination between different levels of government.

"President Obama's economic and community development initiatives, such as Choice Neighborhoods and Sustainable Communities, make crystal clear that inter-governmental collaboration is critical for the job growth and sustainable economic development that will power our future," said U.S. Housing and Urban Development Secretary Shaun Donovan.

While there is no "one-size-fits-all" model for implementing urban sustainability, Mayors and Ministers identified a number of common principles and key policy areas where cities should work together and share their experiences.

Mayor Emanuel presented the Chicago Proposal for Financing Sustainable Cities, which is available on the Roundtable website along with the Chairs' Communiqué and the issues paper prepared for the meeting (www.oecd.org/urban/roundtable).

Co-organized by the OECD, the City of Chicago, the C40, and HUD, the meeting brought together mayors and ministers from across the globe to discuss "Mobilizing Investments for Urban Sustainability, Job Creation and Resilient Growth."

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