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Paragraphs Page

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Contents

		g	
I.	Introduction	1–3	2
II.	Review of implementation	4–11	2
III.	Identification of obstacles/constraints experienced in advancing implementation	12–16	5
IV.	Lessons learned and new opportunities to expedite implementation	17–25	7

^{*} E/CN.17/2006/1.

^{**} The views and opinions expressed herein do not necessarily represent those of the United Nations.

I. Introduction

- 1. Local governments are key stakeholders in the implementation of Agenda 21¹ and the achievement of the Millennium Development Goals. Local governments continue to demonstrate leadership and commitment to the achievement of local sustainable development through the implementation of policies, programmes and projects that integrate social, economic, environmental and cultural sustainability.
- Within the context of sustainable development, local governments play a critical role in energy management, industrial development, air quality and climate change action, and public procurement. There are many factors that position local governments as key stakeholders in energy, air and climate issues. The decentralization of power of authority from national to local levels of government is expanding rapidly worldwide. First and foremost, local governments own and operate power plants and have the choice of energy sources in their hands. Local governments also own and operate buildings, vehicles and facilities, such as street lighting and water supply and treatment, that consume large quantities of fuel and electricity. Local governments often control land use policies. They also determine where buildings and developments should be located, the ensuing mobility needs and the mix of uses that are allowed, which in turn affect energy use. Local governments make or exert influence on decisions and investments regarding road, transportation and transit systems. Local governments often have regulatory influence over or responsibility for building codes, which determine the energy efficiency of building stock. And finally, local governments manage and regulate vehicle parking, traffic flow and transit systems, thereby influencing the choice of travel mode and length of trip, which are significant determiners of transportation energy use (see E/CN.17/2001/6/Add.4).
- 3. Local governments around the world have used their unique positions to make substantial contributions to sustainable development and energy management, industrial development, air quality and climate change. The present report provides an overview of local governments' activities in this area, addresses the challenges they have faced in implementation, and summarizes the lessons learned and new areas of implementation where they have advanced (providing concrete examples).

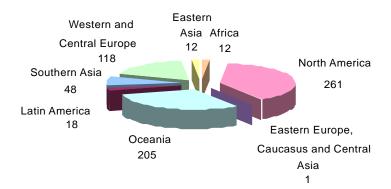
II. Review of implementation

- 4. When world leaders attending the 1992 United Nations Conference on Environment and Development adopted Agenda 21, local governments were called upon to develop their own plans of action for sustainable development that would outline local priorities. Since 1992, more than 6,000 local governments and their partners have embraced local Agenda 21 as a framework for good governance and the advancement of sustainable development. In 113 countries around the world, local government leaders, civil servants and citizens are working in partnership to accelerate the transition to sustainable, equitable and secure communities. Through ongoing consultative planning processes, which include set targets, planned action, implementation, monitoring and evaluation, local governments are acting to achieve sustainable development in all areas of their authority.
- 5. In 2002, the World Summit on Sustainable Development, local governments reaffirmed their commitment to the goals and targets of Agenda 21, the Habitat

Agenda and the United Nations Millennium Development Goals. Local governments also made a commitment to work with national governments and the international community to strengthen the capacity of the former to implement sustainable development, to develop local strategies for sustainable development, to build on the success of the local Agenda 21 campaigns and programmes, to cooperate with one another through partnerships, mutual learning, the exchange of ideas and the development of capacity, and to ensure good governance for the successful implementation of sustainable development.

- 6. At the recent 2005 World Summit following a meeting between the United Cities and Local Governments Mayors Delegation and the Secretary-General of the United Nations, the General Assembly explicitly recognized the role of local government in the achievement of the Millennium Development Goals.
- 7. Their commitment to sustainable development has enabled local governments to make specific achievements in the areas of energy, industrial development, reduction of atmospheric and air pollution and climate change. Local governments have demonstrated their determination to take local action on air pollution and climate change through participation in international networks that are achieving tangible results in those areas. As a recent example, in 2005, the Clean Air Initiative for Asian Cities was established to demonstrate and promote innovative ways to improve the air quality of Asian cities through partnerships and the sharing of experiences among its 29 members. The Clean Air Initiative is also active in Latin America, Europe, Central Asia and sub-Saharan Africa.³ The Climate Alliance and Energycities are also active local government networks in Europe.⁴
- 8. The continued growth of the Cities for Climate Protection Campaign, which has a membership of more than 675 local governments worldwide, which taken together account for about 15 per cent of global anthropogenic carbon dioxide emissions, is also a testament to the efficacy of cooperation among local governments. Members of the Campaign have adopted policies and implemented measures to achieve quantifiable reductions in local greenhouse gas emissions, improve air quality and enhance urban livability and sustainability. The continual growth of those networks and the progress made by their members are tributes to the success that is achievable when local governments work together to share ideas and information for the implementation of local action, with the support of national and regional funding.

Cities for Climate Protection Campaign Total members: 675



- Local governments have also strengthened their resolve to improve air quality and reduce greenhouse gas emissions. In June 2005, mayors from around the world gathered in San Francisco, the United States of America, to sign the Urban Environmental Accords. Each year, the signatory cities will commit to take further action in three of seven policy areas, including renewable energy, clean air and climate change. Those cities have committed to increase renewable energy to 10 per cent of their city's peak load within seven years and to achieve 25 per cent reductions in their greenhouse gas emissions by 2030. Local government leaders gathered again in London in October 2005 at the World Cities Leadership Climate Summit. There, the leaders called on the parties to the United Nations Framework Convention on Climate Change and the Kyoto Protocol⁶ to begin negotiations on a post-2012 climate agreement that would reduce greenhouse gas emissions to below 1990 levels by 20 per cent by 2020 levels and 60-75 per cent by 2060. The World Mayors Council on Climate Change was initiated by Mayor Yorikane Masumoto of Kyoto, Japan, following the entry into force of the Kyoto Protocol in February 2005, and held its inaugural meeting in Montreal, Canada, in December 2005. The aim of the Council, which comprises individual municipal leaders concerned about climate change, is to politically promote climate protection policies at the local level, to widen and deepen the network of proactive cities involved in the Cities for Climate Protection Campaign, and to foster the international cooperation of municipal leaders in achieving relevant climate targets. Also in Montreal in December 2005, the fourth Municipal Leaders Summit on Climate Change, convened by the International Council for Local Environmental Initiatives, Local Governments for Sustainability, attracted over 200 participants who showcased latest knowledge and best practices, networked with other local governments from around the world, and concluded by delivering a declaration to the international climate change community at the eleventh session of the Conference of the Parties to the Climate Change Convention and the first meeting of the Parties to the Kyoto Protocol. By combining those calls to action by national governments with their own commitments to act, local governments have again demonstrated their resolve in the pursuit of sustainable development.
- 10. Local governments have recognized the value of cooperation and the sharing of ideas and knowledge with their counterparts. Within their own communities they have successfully expressed the many benefits financial, social and environmental of climate and air quality action within their own operations and those in their community. They have participated in the development and deployment of tools and technology for assessing progress towards their desired goals in those areas and have shared their successes time and again through case studies, workshops and networks.
- 11. Despite those achievements, many challenges remain in each of those areas. Local governments are concerned about the lack of recognition and support for their role in achieving renewable energy supplies, sound development, clean air and climate stability. In fewer than 25 years, over 60 per cent of the world's population will reside in urban areas and over three quarters of the largest cities will be situated in coastal areas. Local governments still face many challenges in the area of energy, industrial development, air and climate that must be resolved if the principles and goals of sustainable development are to be achieved and the dire alternatives of inaction are to be avoided.

III. Identification of obstacles/constraints experienced in advancing implementation

A. Energy for sustainable development

- 12. Efforts to achieve sustainable energy systems will result in a secure energy supply that will attract foreign investment and economic development, avoid the environmental degradation associated with non-renewable energy sources and improve the lives of vulnerable populations through cleaner air, natural resource security and local economic improvements.
- 13. Local governments face the following challenges:
- (a) Through national energy policies, national governments strongly influence the quantity and source of energy within a country, the operation of centralized or national electrical utilities, tax policies and subsidies to certain energy sources:
- (b) It is difficult for local governments to develop effective, local urban energy and transportation management in the context of rapid development and large-scale investments (in developing countries in particular and all regions generally);
- (c) In developing countries, communities without access to sustainable, formalized energy systems may be forced to rely on unsustainable sources of energy, which results in the degradation of environmental and social conditions and confounds efforts to alleviate poverty through economic growth.

B. Industrial development

- 14. Industry has a key role to play in helping local governments achieve the goal of sustainable development. As active participants in community life and major contributors to local employment and economics, local governments are particularly concerned with industrial development in their communities. Industry is responsible for 43 per cent of global carbon dioxide emissions from fossil fuel.⁹
- 15. Local governments face the following challenges:
- (a) Local governments are under pressure to attract investment and facilitate industrial development;
- (b) Sustainable energy systems are economically advantageous in the long run. However, their initial development may require resources that could be perceived as an obstacle to a community's ability to remain competitive in attracting industrial development;
- (c) As the level of government closest to the people, local authorities are leaders in the communities where on-the-ground action takes place. This community-level leadership position gives them the unique ability to affect local industry; however, this authority and influence is often too easily undermined by national priorities and influences;

(d) The eventual impact of energy-conscious public procurement is not yet sufficiently understood. Many local and national governments lack the required expertise, and the policies are not in place.

C. Climate change and air pollution

- 16. Local governments face the following challenges:
- (a) Local governments lack the financial capacity to address the interrelationships among energy, air, climate and sustainable development. Funding for local infrastructure development and municipal services (such as water, energy, public transport, streets, construction and maintenance of municipal buildings) is limited in all regions. Where such funding is available, it is rarely adequate to integrate long-term sustainable development goals, such as climate change mitigation and adaptation, into the planning and development of infrastructure and municipal services;
- (b) Local governments tend to be experienced in energy management since they have a history of managing their own facilities and utility companies. However, managing and measuring climate and air quality issues is not traditionally in their area of expertise, and many lack the technical capacity necessary to undertake a proper analysis of the interrelationships between climate change and decision-making and to further use such analysis to develop and implement a strategy to address climate change in their community;
- (c) The long-term nature of the challenges of climate change and sustainable development defy the limited political mandate of most local governments. Dealing with sustainability issues, such as energy, climate and air quality, requires a new way of approaching local governments' traditional service mentality: decisions must be made cross-departmentally and planning must be for periods longer than traditional time frames. To fully embrace this new way of thinking, new concepts and practices, planning must be institutionalized and transcend staff and political turnover;
- (d) Automobile-based transportation systems are introduced at great costs to society, communities, the environment and humans. Local governments bear a large economic burden from this dependence on the automobile. Studies have found that motor vehicle revenues cover less than half of the cost incurred by local governments to provide the infrastructure, maintenance and services necessary to support the use of automobiles. Local governments usually subsidize the shortfall;
- (e) Emissions from automobiles have a significant impact on local air quality, yet local governments are unable to effect vehicle efficiency policies, which are traditionally established at the national level.

IV. Lessons learned and new opportunities to expedite implementation

A. Energy for sustainable development

- 17. Local governments have a vital role to play in transforming energy and transportation practices. Although they are generally in the background of the debate, they in fact have a significant influence on energy and transportation demand. For example, in Helsinki, the combined heat and power generation and district heating system have been the basis of the city's efficient, economical and environmentally friendly energy production.¹⁰
- 18. Local governments are in the unique position to promote and implement measures that reduce energy demand and improve efficiency through their regulatory powers in areas such as land use development and building standards. For instance, in April 2005, Kyoto enacted the first global warming ordinance in Japan, which will help to frame all future city policy and institutional frameworks. ¹²

B. Industrial development

- 19. Where local governments have encouraged the production of renewable energy, their communities have realized economic benefits and secured their energy supply, further attracting new industrial development that is not reliant on non-renewable energy sources. In Tamil Nadu, India, a State-run programme to promote the development of renewable energy resulted in the production of over 650 turbines for wind power generation at a total investment of over \$2 billion. That investment, primarily from the private sector, has been fostered through a programme of State-sponsored education, research and financial incentives. The development of wind energy has given rise to new local enterprises, including those specializing in the design and construction of wind energy equipment.
- 20. Ceilings on standards for air pollutants and carbon emissions promote clean electricity generation and ensure that electricity production is cleaner and comparable in cost in all areas of a country, thereby ensuring that no community comes under pressure to reduce the stringency of its energy efficiency policies for the sake of local industrial development.
- 21. National, bilateral and multilateral agreements for economic development and trade can reinforce the ability and authority of local governments to establish and implement policies to promote sustainable energy systems in their communities.
- 22. The implementation of sustainable public procurement practices in all cities would mean that local governments would become informed customers for the industry, promoting their product, service and maintenance specifications for more energy-efficient innovative solutions.

C. Climate change and air pollution

23. Local governments benefit from participating in Kyoto mechanisms, such as emissions trading, clean development mechanism and joint implementation.¹³ Giving credits to local governments for policies that they implement will facilitate

market transformation and emission reductions. The Municipality of Olavarría, Argentina, signed the first carbon finance agreement in the country in December of 2004 for a landfill gas recovery project that will reduce carbon dioxide emissions by over 130,000 tons. The project has signaled the vast potential of landfill gas recovery projects throughout the developing world.¹⁴

- 24. Improvements to national vehicle efficiency standards and investments in alternative fuels and vehicles help local governments to reduce greenhouse gas and local air pollutants. The City of Brisbane, Australia, is moving towards a fleet of natural gas buses, and fueling existing diesel buses with ultra-low sulfur fuel, ¹⁵ which has resulted in an 80-per-cent reduction of a range of air toxins.
- 25. Local governments benefit from networks that enable the exchange of information, provide access to tools and enhance their activities towards climate change mitigation. Cities around the world are using the tools and knowledge gained through such networks to contribute directly to the reduction of greenhouse gas emissions. Time and again, the world's cities have stressed the importance of cooperation and mutual support in the achievement of climate change mitigation and a willingness to work through those networks, and the need for additional funding to further the reach and efficacy of those programmes to influence the course of climate change.¹⁶

Notes

¹ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992 (United Nations publication, Sales No.E.93.I.8 and corrigenda), vol. I: Resolutions adopted by the Conference, resolution 1, annex II.

8

² International Council for Local Environmental Initiatives and the secretariat of the World Summit on Sustainable Development, *Local Agenda 21 Survey*, 2001.

³ See http://www.cleanairnet.org.

⁴ See http://www.climatealliance.org/start.htm, and http://www.energie-cities.org.

⁵ See http://www.iclei.org/index.php?id=800.

⁶ FCCC/CP/1997/7/Add.1, decision 1/CP.3.

⁷ Hinrichsen, D., Blackburn, R. and Robey, B., *Population growth and urbanization: cities at the forefront* (Johns Hopkins University School of Public Health, 2001).

⁸ Climate change, the role of cities (the United Nations Environment Programme, Habitat June 2005).

⁹ Ibid

¹⁰ ICLEI Members in Action, 2005 (available at http://www.iclei.org/index.php?id=768).

¹¹ Ibid.

¹² Ibid.

Local government leaders' statement at the tenth Conference of the Parties (available at http://www3.iclei.org/lacs/ccp/eng/noticias.php?subaction=showfull&id=1105719981&archive= &start_from=&ucat=7&).

¹⁴ Clean Air Initiative, Latin American cities (available at http://www.cleanairnet.org/lac_en/1415/article-59485.html).

¹⁵ ICLEI Members in Action, 2000-02, http://www.iclei.org/index.php?id=768.

¹⁶ World Cities Leadership Climate Summit, 2005, Communiqué from large world cities.