Urban Sustainable Development

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‘Business as usual’ likely to mean
- Increasingly unstable climate
- More inequality
- Violent conflict

Cities
- 2% of land surface
- 75% of resources
- 75% of waste

Governance challenge

Share scarce resources

Build urban resilience against environmental change and disasters
Ambitious Visions for Sustainable Cities
Sustainable Cities: Vision of Effective Governance

- Capitalising on city assets
- Innovation
  - Low carbon energy and clean technologies
  - Resilience to climate change
  - Protection of ecosystems
- Radical resource savings
  - Environmental improvement
  - Well-being

Well-being
Europe has the Resources, but…

Action is slow:

- Continuing subsidies for fossil fuels (IEA)
- Consumption footprints increasing
- Poor record on energy efficiency
- Financial investments not prioritising resilience
- EU dropped 2030 binding renewables and energy efficiency targets for Member States

The market will decide

Ed Davey, UK Energy and Climate Change Secretary
Governance: the Challenges

Finance:
- $14 Trillion to save banks plus QE

Ecological debt secondary to continuing search for consumer-led growth

COP 2009, Official White House photo by Pete Souza
Can ‘carbon democracies’ engage with collective action for sustainable cities?
A Social Science Perspective on Governance

Avoids normative theory of ‘good governance’ as political-economic panacea
Heat and the City Research

- Multi-level governance for innovation in sustainable urban energy

- Complex of actors
  - City scale ‘municipal’
  - EU and UK state and devolved governments
  - Global energy markets
  - Global finance, legal and technical expertise
  - Local populations

- No simple segregation of ‘levels’ but interlocking processes and practices

We accept the Controller of Audit’s conclusion that the final cost to the council is £11.5 million. This is a substantial and serious loss of public money caused by significant deficiencies in the governance of the project.

Audit Scotland 2014
UK Neo-Liberal Governance

- Early privatisation of public service infrastructures
- Contested local governance:
  - Centralised financial control
  - Competition and market mechanisms
  - Performance management
  - Contractualisation replacing trust-based relations
  - Projects replace coordinated plans
  - Crisis in public finances
- Devolved government
Benchmark indicators
- strategic energy planning
- investment

Investment indicator uses 15 variables, including energy generation

Leading authorities are using up to seven investment streams including:

- European Local Energy Assistance (ELENA)
- European Regional Development Funds (ERDF 2007-2013)
- Low Carbon Infrastructure Fund (LCIF)
- TSB Future Cities Demonstrator Funds

UK local authorities

- energy leaders: 9%
- running hard: 21%
- at the starting blocks: 47%
- yet to join the race: 33%
Leaders, Runners, Starters & Yet to Join, by Country
Sustainable Energy Leader Authorities

- Committed actors and multiple routes into engagement including:
  - economic regeneration
  - housing stock upgrades to improve revenues
  - affordable warmth
  - energy productivity
  - energy from waste

- Multiple projects

- Diverse objectives, business models and risk allocation

Private Concession Model

Local Authority-Led Model

Community Non-Profit Model
UK Urban Governance for Sustainability: Contested Space

The quest for recovery does not welcome policies and projects which might be seen as adding undue complexities to short term economic growth.

The Council has opted to take an arms length approach to this (local energy) project - transferring most of the risk and reward into the private sector.

Our renewable energy/sustainability champion has resigned from cabinet.
Improving Governance for Sustainable Cities?

- Inter-organisational governance prone to recurring crises
- More supportive public policy requires political leadership
  - Mobile capital
  - Local political, economic and social interests
  - Governance to bridge the gap
A Governance Continuum

- Governance under uncertainty
  - high transaction costs and unpredictable results
- Reflexive governance
  - Scope for polycentric solutions
  - Locally-shaped
- Command and control
  - Greater certainty
  - Risks of perverse incentives and rent-seeking
Reflexive Governance for Sustainable Cities: Multi-Level Governance

- Changing the regulatory frame to reshape the risk calculus
  - Integrating social and environmental goals
  - Accelerate pace and scale of innovation
- Entails political engagement over contested frameworks of value
- Resolution of conflicts between rules for competition, trade and demands of sustainable consumption
- Holding corporations to account
  - Taxation
  - Political influence
  - Environmental damage and pollution
- Redirecting investment for sustainable and equitable consumption

Government can accept risks that nobody else can accept

Environmental Finance Expert
How Can Your Organisations be Part of ‘Coalitions of the Willing’?

Research Councils UK Energy and Communities

HEAT and the CITY

Exploring affordable, low carbon community heating in cold climate cities

October 2010 – September 2014

www.heatandthecity.org.uk

A research collaboration between the Universities of Edinburgh and Strathclyde

Thank you!