

## Reimagining cities after COVID-19 for a sustainable future

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Since the spring of 2020, we have witnessed a public health and economic crisis that has claimed millions of lives around the world and pushed an additional 120 million people into extreme poverty. In the wake of the COVID-19 pandemic, governments are grappling with simultaneous challenges: the need to respond to a global cataclysm; address deeply rooted economic, social and racial inequity; and fulfil their commitments to a low-carbon future as climate change causes increasing devastation.

This is a historic moment full of peril and promise. As recently as 2015, the approval of the Sustainable Development Goals and the Paris Agreement on Climate Change reflected the hope of multilateralism and the sense that, with collective action, a common quest to eliminate extreme poverty, tackle the climate crisis and drive sustainable development was attainable. Now, the disruption caused by the pandemic makes these goals far more difficult.

Yet there is reason for hope. The nations of the world have unprecedented opportunities to respond to the COVID-19 crisis while accelerating a transition to a greener, more equitable future. A massive infusion of funds for rescue and stimulus — now at US\$17.2 trillion globally (Vivid Economics, 2021) — offers extraordinary possibilities to plan and implement measures for recovery through fair and sustainable growth. Done right, this funding offers the means to build back better, with an emphasis on resilience, inclusion, efficiency and sustainability. Coupled with public demand and political support for bold interventions, these new resources can lead to systemic changes in energy, land use and infrastructure to achieve climate justice and equity for all.

The task before us is to prioritise actions that respond to the challenges of COVID-19, climate and development at the same time. And it is essential that short-term plans do not exacerbate long-term problems. Many governments are responding to the crises by doubling down on unsustainable, high-carbon sectors. According to Vivid Economics, only 10% (\$1.8 trillion) of recovery spending has gone to green stimulus, and this has been highly concentrated in OECD countries. For example, although China has earmarked \$205 billion for rail and metro systems, grid upgrades and 5G networks, it also permitted more coal-fired capacity for construction in the first half of 2020 than in all of 2018 and 2019 combined. A majority of countries have stimulus packages that are expected to do more environmental harm than good.

Other governments, however, are moving in the right direction. Thirty percent of the European Union's €750 billion (\$858 billion) recovery package supports climate-friendly measures, including €17.5 billion (\$20.6 billion) for a Just Transition Fund. Indonesia's Low Carbon Development Initiative offers the country a pathway to a strong and job-rich recovery from COVID-19 in the short-term and better growth (compared to business-as-usual) in the long-term.

Research by the New Climate Economy underscores the long-term benefits of these approaches. It finds that low-carbon, climate-resilient development is not only compatible with but essential to strong economic and job growth, human health and social equity. Jobs created by investments in green options can substantially exceed the number of jobs created by business-as-usual approaches. Investments in clean renewable energy, for example, would create three times as many jobs as investments in fossil fuels and offer high carbon reduction potential. Investments in active transport infrastructure (bike lanes, ride sharing and more) would more than double the jobs created by comparable investments in road construction and have the added benefit of curbing the private vehicle usage that surged under COVID.

These kinds of choices can help governments achieve economic security today while enabling the kind of low-carbon, resilient, inclusive future we need tomorrow.

### *Cities as engines of green growth*

Where can we make immediate progress on both development and climate? The answer: cities. With their vast concentrations of people and economic activity, cities will be the proving grounds for whether a new

path to a sustainable future is possible. They must embody a smart, green and inclusive COVID-19 recovery to succeed.

The pandemic quickly exposed the systemic vulnerability of cities. It put unprecedented pressure on municipal budgets and public services, exacerbating inequality and revealing an extreme fragility to shocks. But smart recovery strategies can allow our urban communities to build back better with speed and impact, affecting how cities are built, managed and experienced for decades to come. As the world emerges from the pandemic, cities are proving their resilience and ingenuity and are positioning themselves to realise the possibilities ahead.

National and municipal governments can drive positive change in cities through their investments, creating the low-carbon future we wish to achieve. By utilising timely data, new analyses and tailored recommendations, urban decision makers can seize the opportunity to shift their cities to a greener, more inclusive trajectory of growth.

WRI has contributed decades of research, analysis and real-world experience to learn what it takes to change cities from the inside out. We have shared these findings across more than 75 countries, helping cities create a vision for a sustainable future and leverage their resources to achieve that vision.

The starting point for our efforts on inclusive, sustainable development and just climate action is equity. We know that a disproportionate share of the burden of COVID-19 has been borne by low-income and vulnerable communities. And without better access to core services for all residents – including the more than 1.2 billion urban dwellers living in informal settlements – cities cannot achieve the resilience, higher quality of life, economic productivity and environmental sustainability that we all desire.

With equity as a core tenet, WRI analysed what needs to be done – and where it has to be done – to achieve sustainability goals in the post-COVID era. The synthesis report of the World Resources Report series, “Towards a More Equal City”, highlights seven transformations that national governments can begin immediately to alter current trajectories and galvanise action for just, thriving and sustainable cities. Our recommended areas for urban investment by national governments include:

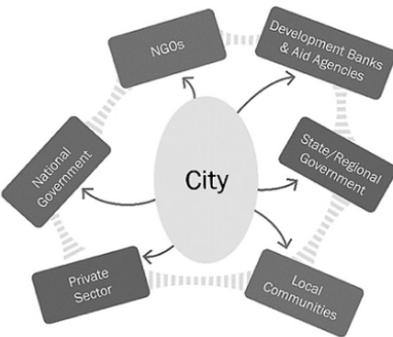
- Green construction and retrofits
- Clean mobility
- Renewable energy
- Active transport
- Nature-based solutions

- Waste and resource management
- R&D for clean technologies

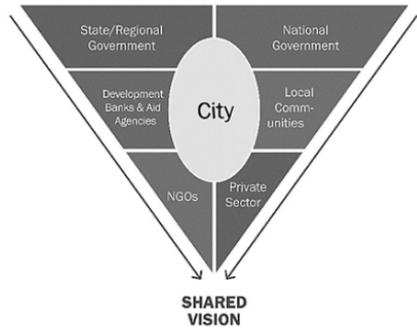
Parallel reforms in fiscal policy (such as phasing out fossil fuel subsidies), financial policy (to ensure sufficient municipal resources for sustainable infrastructure) and governance (placing cities at the heart of national development strategies) can further amplify the impact of these investments.

## How Policy Alignment Drives Collaboration

**When actors are not aligned,** the city suffers from the costs of conflicting agendas, uncoordinated investments, inefficiencies, and short-lived change.



**When actors are aligned towards a shared vision,** the city benefits from harnessing synergies, minimizing trade-offs, and increased collaboration between actors on implementation.



Investments in these seven sectors can yield enormous benefits if city and national leaders harness the potential of cities to drive a green, inclusive and resilient recovery. But success is dependent on a thoughtful, targeted distribution of funding.

One area that has been heavily impacted by the COVID-19 crisis and has seen a significant amount of stimulus spending already is transportation. Within this sector, urban public transport is experiencing major financial challenges, and applying stimulus funds to support these networks can be a critical component in improving sustainability in cities. Solid investments in integrated bus, rail and bike systems, for example, have an out-sized effect; in addition to lowering vehicle emissions, they can create and maintain jobs more quickly than other transportation investments. They also offer broad benefits to city residents, especially by providing more equitable access to jobs, education and services.

While some of these approaches have been pioneered in the field with promising results, they have not yet been scaled up to become viable alternatives to the status quo. COVID-19 may change that. Many municipi-

palities have converted car lanes to walking and biking infrastructure to accommodate a pandemic-driven surge in active mobility. Public space and green space are being re-prioritised. Ongoing programs in cities like Rio de Janeiro and Bengaluru are laying the groundwork for a low-carbon future by investing in transit-oriented development and land value capture to deliver better services to all. In China, the national government is prioritising grid upgrades to accommodate more electric vehicles and promote renewable energy. We find it encouraging that, despite the pandemic, 823 more cities embraced net-zero emissions commitments in 2020 than the year before.

Another important avenue for recovery is investing in water provision to support sustainable solutions that are long overdue. African cities, to cite one example, face escalating water-related challenges compounded by worsening climate change and rising urbanisation (World Resources Institute, 2021). Smart, systematic investments in urban water resilience could ensure that communities have safe, reliable, affordable water and that water supplies are protected through disaster preparedness and effective management.

### *The Role of Business*

Businesses are essential partners in helping countries to reach their climate goals, and the momentum to reduce emissions and develop low-carbon strategies among businesses continues to grow. In fact, many of them are moving faster and further than their respective national governments. According to the Science Based Targets initiative, nearly 2,000 large companies are already taking action to reduce greenhouse gas emissions in line with science (Science Based Targets, 2021), and more than 280 of them have committed to the SBTi's Business Ambition for 1.5°C campaign to achieve a net-zero world no later than 2050. In Europe, Apple, IKEA and Deutsche Bank were among more than 150 businesses, and investors urging the European Union to raise its GHG emission reduction target for 2030 to 55% compared to 1990 levels.

Working together, governments, businesses and citizens can help city and national leaders turn crisis into opportunity by harnessing the potential of cities to drive a green, inclusive and resilient recovery. As the COVID-19 pandemic exposes deep inequalities in core services, infrastructure and opportunities, we can build back better to create a low-carbon future for all. Growing global awareness of the key role that healthy,

sustainable cities will play in the coming decades can be the impetus for investments that can take us there.

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