



CITIES

**FORUM
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TOGETHER FOR GREEN AND JUST CITIES

Torino, 16 March 2023

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Financing Sustainable Urban Development in times of crisis

The Finance case – Urban Sustainability in Europe – post-pandemic drivers of environmental transitions - The EEA Report 6/22 -

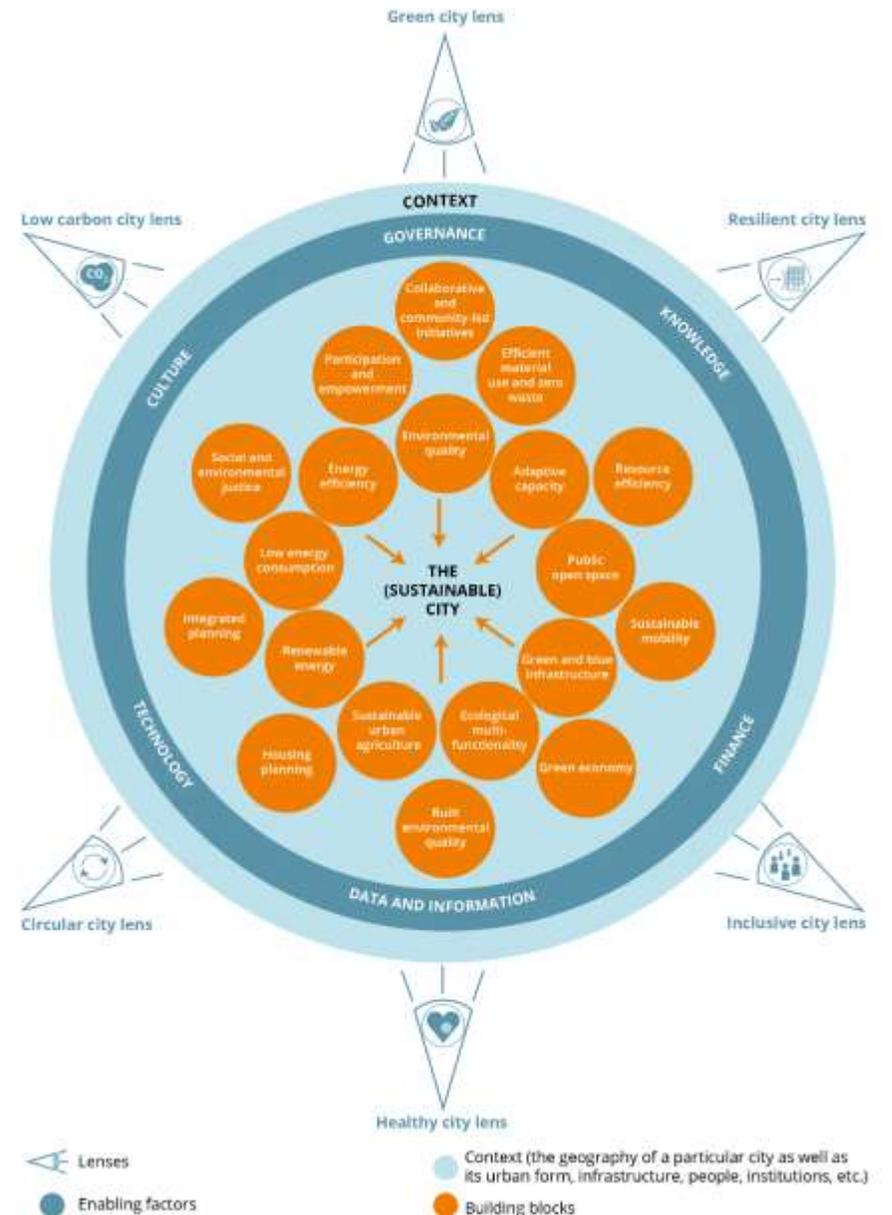
Ivone Pereira Martins, EEA



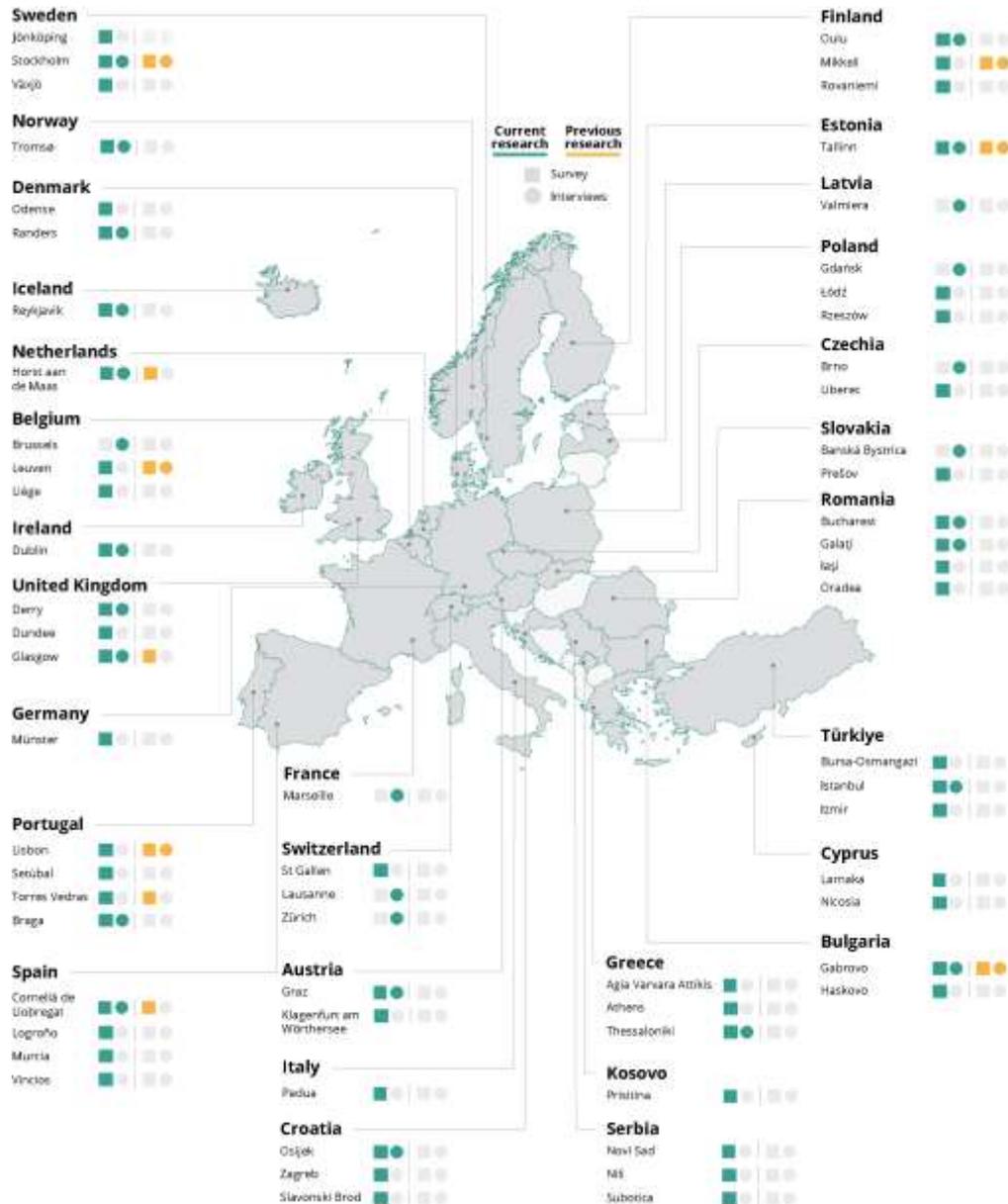
The conceptual framework

Based on four main components:

- **Lenses** - perspectives that represent priority issues/concerns reflecting the EEA's environmental remit
- **Context** - historic, physical, social and institutional characteristics which create and shape the setting in which a specific city exists, develops and functions
- **Enabling factors** - high-level forces that facilitate (drivers) or hinder (barriers) the transition towards urban environmental sustainability
 - Culture
 - Governance
 - Knowledge
 - Technology
 - Data & information
 - **FINANCE**
- **Building blocks** - key elements/processes that contribute to urban environmental sustainability



Participants and methodology used



New research

- cities of all EEA member states, larger sample
- 56 survey respondents (EUSurvey)
- 27 in-depth interviews (of which 19 cities also completed the survey)
- participation dominated by cities of Southern and Eastern Europe

Previous research

- EGCA (European Green Capital Award), and ECGLA (European Green Leaf Award) winners and finalists
- 26 survey respondents (40 eligible)
- 7 in-depth interviews (all interviewed cities completed the survey)
- Participation dominated by cities from Northern and Westerns Europe (geographical spread mirrored that of the awards)

Total new & previous research

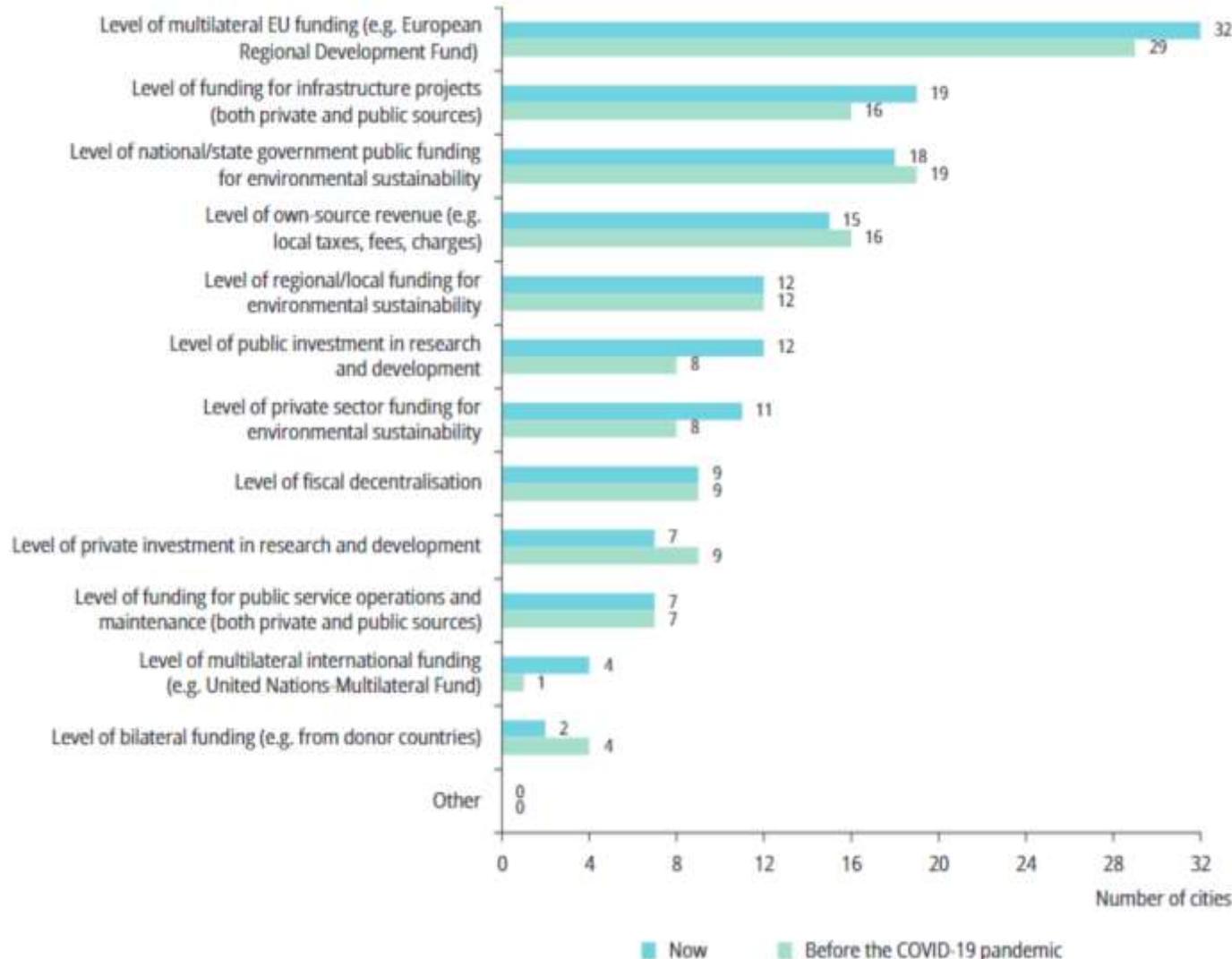
- 80 cities participated (survey or interviews)
- 72 survey respondents
- 31 in-depth interviews (Stockholm, Tallin, Gabrovo in both studies)
- Views of cities from all parts of Europe

Map: Cities that participated in the current research



Finance Drivers

Figure 3.16 Factors related to finance that supported environmental sustainability transitions in cities

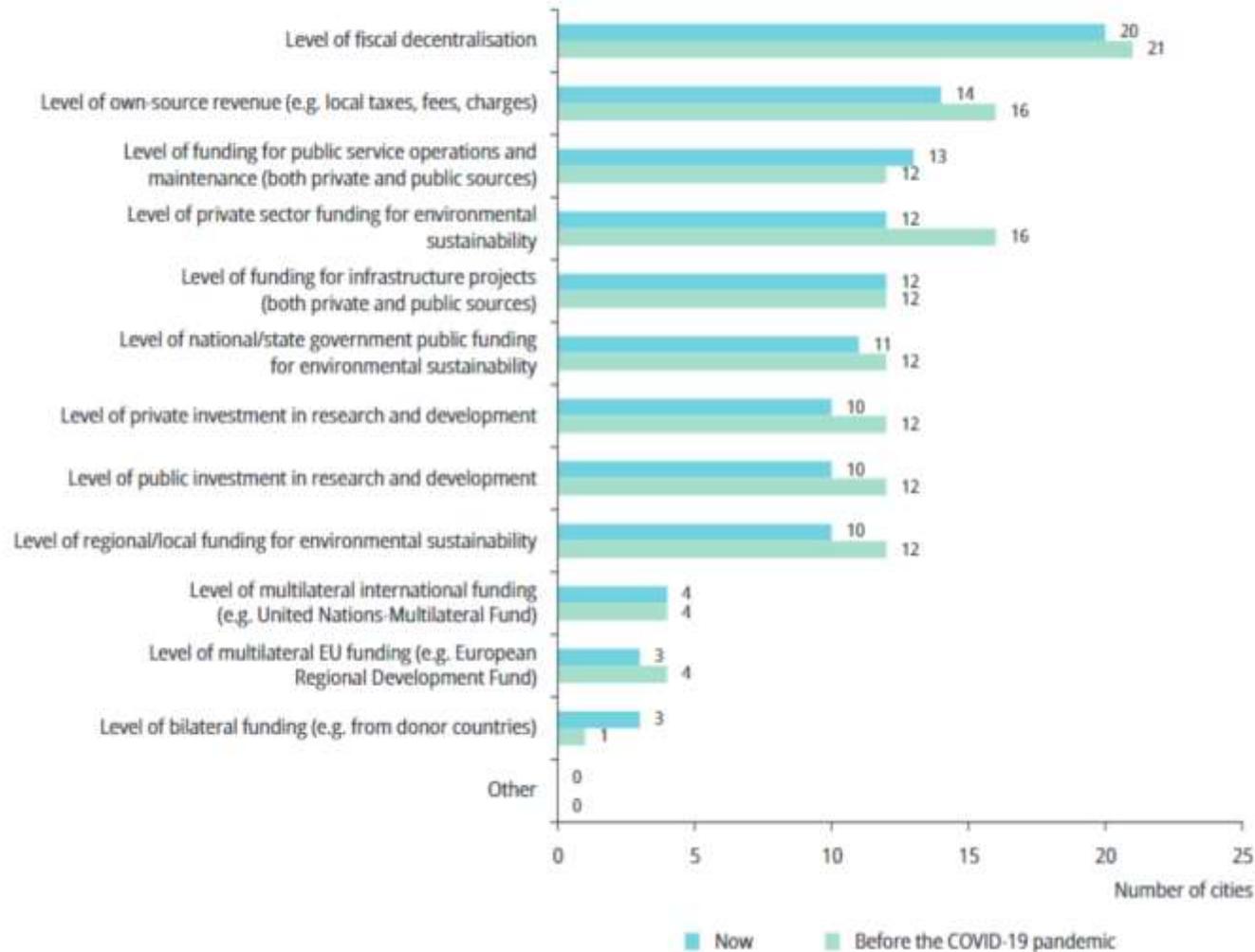


- Access to multilateral funding is key
- Requires specific capacities national/local & public/private
- Disconnect – existing volume of funds / uptake capacity – need for some mediator
- Level of fiscal decentralization – a most important factor
- Partnerships with private sector are very relevant – cities need to remain the “problem owners” – align with city sustainable vision - role of SMEs



Finance Barriers

Figure 3.17 Factors related to finance that inhibited environmental sustainability transitions in cities

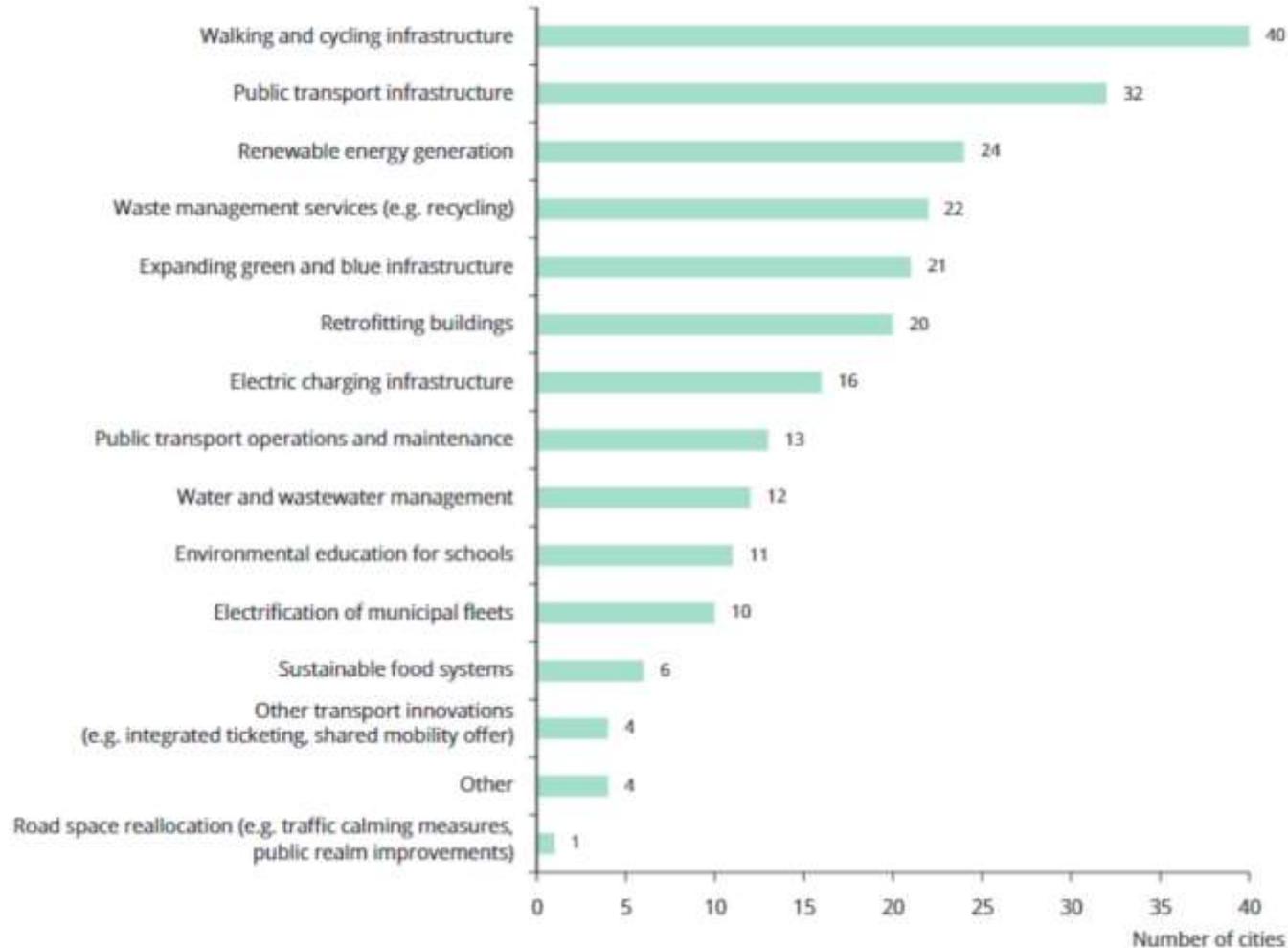


- Next generation EU / Resilience and recovery packages – lack of agency at subnational level – spending priorities
- Shifting local economies/ metropolitan coordination needed
- Significant budgets continue to be allocated to “business as usual” rather than green transition
- Wealth matters, but is a double edge sword – wealthiest cities have an outsized env. Footprint – while equipped to receive more funds



Spending priorities towards sustainability

Figure 3.18 The current most important spending priorities to achieve cities' environmental sustainability objectives



...spending priorities confirm previous EEA findings

There are recurrent themes and challenges that are common to all cities such as rethinking existing infrastructure (And green/blue infrastructure in this context), tackling urban sprawl and car-centric urban planning (mobility /accessibility) and retrofitting. Transition pathways need to be tailored to individual cities and their unique qualities



<https://www.eea.europa.eu/themes/sustainability-transitions/urban-environment>

**THANK
YOU!**

