

FACING THE ENVIRONMENTAL CHALLENGE

LOCAL AND GLOBAL: THE ROLE OF LOCAL GOVERNMENT IN A SUSTAINABLE WORLD

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National and local priorities — do they differ from each other?

Only 10 years ago, to talk about “the foreign policy of a city” might have almost amounted to treason. That is solely the responsibility of nation states, would have been the angry reply. But the world has moved on, and today many metropolises have deputy mayors in charge solely of international affairs — Paris and Sao Paulo are prime examples. In Europe, many cities, not only capitals, and not only major cities of the European Union, but active cities and regions, have their own office, or “embassy”, in Brussels. Cities want to be seen and heard; they also want to be close to the funding mechanisms of the EU. Municipal international cooperation is not just “twinning” or, for instance, the “city-to-city cooperation” that originated in the cold war years between West European and Soviet cities. Cities form regional and global networks in order to learn from each other, to work together, even when they compete with each other. Networking also multiplies their purchasing power on the international markets. Diplomacy and foreign policy have become local-level activities as well. Maybe — despite the competition among cities — it is only defense that remains within the competence of the national sphere. That said, even issues such as security, conflict resolution, and crime prevention, which earlier were typically considered national affairs, are today also pressing local issues.

World trade has traditionally been regarded as a multilateral issue. Yet most cities were born around local market places; additionally, employment, commerce, industry, subsidies, taxation, production patterns, transport, and logistics are also very much local issues. The provision of public services is a case in point. But have local governments been invited to the World Trade Organization negotiations on reducing tariffs and trade barriers? The answer, regrettably, is no.

Water is a good example illustrating potential conflicts between local, national, and multinational interests. A nation state has an interest in protecting the welfare of a multinational company that is headquartered within its borders. A city in another country, however, might, instead of selling its water and energy utilities to the multinational, prefer to guarantee the provision of freshwater and sanitation according to its own criteria, and would eventually even want to use the existing publicly owned utility to secure employment for its citizens. If seen as a global trade issue, delivering basic services at the local level could easily lead to controversies between different spheres of interest.

Would multilateral agreements be different if they were negotiated by local governments worldwide instead of national governments? And if yes, how? How do the national and the local governments' points of view on the same matter differ from each other? Perhaps the roles could be defined thus: the national level would be legislative and the local level the executive; both would be representative, yet totally inseparable and interdependent?

Once, when I discussed the need for the local level to get its voice heard in multilateral negotiations, an experienced diplomat — with the best of intentions — nodded his head and acknowledged that yes, why not, “in those specific issues that concern you”. I had to ask which are the issues he thought would have no relevance for the local level, for I could not think of any myself. Neither could he.

From grassroots up — both representation and policy-making

Representation — democracy — could be described as an upstream process, bottom-up reaching from villages and communities to local governments — the first of the layers that cover the globe completely — to other sub-national levels (states, cantons, provinces, prefectures, etc.) to sovereign states and various sub-regional coalitions of the willing (EU, G77, G8, etc.) to international and multilateral organizations, such as the UN or the international financing institutions.

However, in a world of equity and participation, representation is not a stable pyramid but a multi-dimensional dynamic process. All parts are linked to each other. ‘Low’ and ‘high’, ‘up’ and ‘down’ are no absolutes but contextual definitions. The local must be in direct dialogue with the global, as well as with the regional, national, and sub-sovereign.

During the Stockholm Water Week in August 2003, the European Commission arranged a seminar about the European Union’s Water Initiative (EUWI), which had been published in Johannesburg a year earlier. There were many references to the local level, local communities, civil society, international water resources management, and global governance; however, no one mentioned local governments and cities! I expressed my concern that if cities were not directly involved, and if there was no local water governance in place, there would be no water, either for agriculture, or industry, or for the wealthy or the poor. The reactions were varied. The representative of the New Economic Partnership for African Development (NEPAD) reminded us how he had said that *everyone* would be involved in a multi-stakeholder process, and by so saying the local level was thereby implicitly included. Someone from the European Commission mentioned that the EU has decentralized its programs, but water and sanitation have not been national priorities; he noted that perhaps more work should be done in that area. The representative of African Water ministers (AMCOW) said very poignantly that national governments will have to work with local governments nationally, and EUWI has to make sure that this happens.

Vertical and horizontal — policy and implementation

Implementation of policies can be seen as a vertical process, where

- global targets, such as the Millenium Development Goals (MDGs), are translated into
- national policies, targets, and timelines, where
- national legislation and programs create the framework for implementation
- national resources are allocated
- tasks, responsibilities, and targets are delegated to sub-national levels
- implementation tools are developed together with the local level.

If representation is a bottom-up process, then likewise is monitoring: the local level reports to national and global levels how it has succeeded in implementing set targets. When the UN Commission on Sustainable Development (CSD) discussed in 2003 the follow-up of the Johannesburg “Earth Summit” Plan of Implementation (JPol) agreed upon during 2002, I could not comprehend why the local level was not mandated to report the number of people to which it had provided access to freshwater, sanitation, and clean energy. How can we know how much the local level has contributed to reducing the numbers of people living in poverty or to the reduction of greenhouse gas emissions? How on earth are the national governments going to do this job if not with local governments?

Monitoring is not only about follow-up, but also a horizontal process of mutual learning: description of benchmarks, success stories, failures, and mistakes. This is how new policies,

strategies, and tools can be developed, in horizontal cooperation with the local level worldwide. Advocacy and mutual learning in particular are processes in which local government associations have an important role to play in assisting cities that want and need to work with each other.

Local governments implementing sustainable development — Not only what, but how?

Most basic services, in one way or another, are provided within the local public domain. But that alone does not guarantee sustainable development. The critical question to ask is *how* they are provided. Will the global common goods — water, energy, air, soil, food, security (the list is being heavily debated and has yet to be defined) — be protected at the same time as the services are secured? You can provide access to freshwater by transporting it in small plastic bottles from the other side of the world, or you can secure access to energy while producing hazardous wastes that pollute groundwater, air, soil, and the food chain and cause irreparable, long-term damage to human health. You can try to bring security with armed guards and closed gates, but that will destroy your community. You can create mobility solutions, such as chauffeur-driven limousines, for the few, but at the same time leave the many waiting for over-crowded open trucks. The point is that a system cannot be sustainable if production leads to pollution, illness, and unjustifiable inequality.

The role of local government is to safeguard the public interest and the sustainability of production and consumption of basic services. But something is seriously wrong if in the process of opening up global markets this basic responsibility of governments at all levels is diminished because it is seen as a barrier to “liberalization of trade”, when in fact it must be an integral part of any new regime of international trade. Once again, water is a good example. Some human rights lawyers argue that water is a human right, not a commodity or a service. Naturally, water should be managed professionally, in an economically sustainable manner, with a fair cost recovery system, but all of those are matters of governance, not of trade.

The customer is king. Public procurement in OECD countries constitutes up to 15% of the GDP. If governments at all levels choose goods and services that are produced in a sustainable manner, they can make a huge difference.

Public transport is one of the key services that most local authorities have to consider. Once again, it is not a utility that can be managed independently, by traffic planners alone. It is a function of factors such as land use planning, image of the public transport system, and quality of the service, i.e. reliability, comfort, efficiency, pricing, network, energy efficiency, and so on. Does the system support equal access and help reduce greenhouse gas emissions, air pollution, and noise? Does it support the local economy and employment? Does it help create a livable urban space?

Many cities have shifted from ‘rational’ management to strategic leadership. New management tools are needed. Triple Bottom Line (TBL) reporting and ecoBUDGET are among such new instruments that have recently been developed for non-profit organizations and municipalities.

Urban transformations in Almada, Portugal

When you cross the river Tejo, coming from Lisbon over the old Bridge of the 25th of April, renamed after the date of the Carnation Revolution, you arrive in the City of Almada. Looking left, you see a huge red crane on which is written the name Lisnave. It used to be the symbol of one of the biggest shipyards in the world, but it was closed down at the beginning of 2001. Certainly the city was not consulted when the financial conditions were created that forced the shipyard to quit Almada, Portugal, and Europe, leaving thousands of families without work and the city with a vacant but heavily polluted piece of land in a prime location.

Almada, a municipality of over 100,000 inhabitants, is an extraordinary mix of urban landscapes: miles of beaches facing the Atlantic, an old center with narrow winding streets, farmland with cows, a naval base, warehouses without roofs, areas of multistory social housing from the 1970s with almost no public spaces, urbane squares from the 1950s, with cafes shaded by trees, and an impressive refurbished retail shopping center with a plaza for public events, a park, and a library.

The Mayor of Almada, Ms. Maria Emilia Neto de Sousa, and the Director of the Environmental Planning Department, Ms. Catarina Freitas, were the driving forces in organizing an international competition to decide the future of 115 hectares of brownfield sites comprising the former shipyard, a landfill area, and its surroundings with layers of built history dating from different periods. The major procedural innovation of this competition is the combining of environmental analysis with development planning.

However, beyond that, the competition was also a signal of who was in charge of the redevelopment: the City of Almada. The landowner, in this case the national government, had already drafted a high-rise luxury housing plan for the site without consulting the city, and without any analysis of the soil. By its action, the city reminded the national government that it had the sole power to determine land uses, and that it had no intention of giving that power away.

Local government leaders like declarations, too

Since the Local Government Session (LGS) at the UN World Summit on Sustainable Development in Johannesburg during August-September 2002, local governments have organized major regional meetings in order to analyze the Johannesburg outcomes and to discuss the next steps. These post-Johannesburg meetings have already taken place in Latin America, Europe, and Asia-Pacific. The Africities Summit took place in Cameroon in December 2003. It is obvious that Local Government worldwide is now much more conscious of its global role and responsibilities than before Johannesburg. This means that both strengthening local government through capacity-building, national legislation, and national policies — decentralization — and planning local implementation strategies and tools are discussed. The paradigm of sustainable development is a priority in cities, be they in Chile, Uganda, Italy, China, Japan, or Australia.

Declarations similar to the final documents of ministerial meetings have been prepared in the mayoral meetings in Johannesburg, Nunoa, Kolding, Sydney, and Yaounde. The language of these declarations is often more clumsy than truly inspirational, but the process of drafting the texts assists greatly in creating a common understanding of the issues, strategies, and goals.

Latin America mayors met 'post-Johannesburg' in Nunoa, Chile

In the meeting in Nunoa, among the 100-plus mayors from over 20 countries were mayors from northwestern cities of Latin American, who had never traveled outside of their own countries before. I was reminded of how Finnish municipal civil servants would, already in the 19th century, journey to continental Europe to do benchmarking, long before the term was coined. They traveled to find out how the most advanced engineers ran water utilities, for example, and took their newly acquired knowledge home. Even today, the Finnish people still enjoy the fruits of those study trips — building infrastructure is a truly long-term investment not only of money and material resources, but of know-how. How silly not to try to learn from your colleagues in other countries!

The Mayor of Nunoa, Pedro Sabat, had been in the Local Government Session at the UN World Summit on Sustainable Development in Johannesburg during 2002 and he was proud to announce the first post-Johannesburg regional meeting of local government leaders, who then signed the Nunoa Charter. A strong message about the urgency of decentralization was directed

at the national governments of the continent. It was obvious that the meeting succeeded in awakening a totally new awareness of local government in Latin America.

Africities

About 2000 African mayors and local leaders met in Yaounde, Cameroon in December 2003 to discuss access to basic services (water, sanitation, energy, solid waste, education, culture, and health), financing, gender equity, partnerships and participation, urban security, governance, and decentralization. These discussions were at first among themselves and their development partners, but on the closing day also with African local government ministers.

We (the Mayors and local leaders attending Africities 3) also stressed that far from weakening the State, decentralization has proved to be a determining factor in stimulating local development, and enabling citizens to increase their participation in management and decision-making processes in cities. (Mayor's Declaration)

Mayors from around the US call on the federal government to join in the fight to reduce global warming

On October 21, 2003, 155 mayors from across the US, including members from both the US Conference of Mayors and the National League of Cities, issued the bipartisan "Mayors' Statement on Global Warming". In the statement, the mayors call on the federal government to join their cities' efforts to reduce the threat of global warming.

The statement came one week before the US Senate took an historic first vote on global warming legislation. This bipartisan legislation, offered by Senators John McCain and Joseph Lieberman, would have taken the first steps in setting up a system to begin to reduce global warming caused by fossil fuel pollution.

"All levels of government in this country and around the world must work together to build a sustainable future," said Mayor James Garner of Hempstead, New York, president of the US Conference of Mayors. "This must be a bipartisan urban, suburban, and national effort."

The mayors who signed the statement represent more than 46 million people in local communities ranging in size from 700 people in LaConner, Washington, to more than 4 million people in the metropolitan region of Houston, Texas. They are united by their cities' commitment to act quickly to reverse the harmful effects of global warming and air pollution on their constituents.

"Portland has been a leader in the fight against global warming for over a decade," said Mayor Vera Katz of Portland, Oregon. "We care about the health of the planet, and we recognize the opportunity to create new industries, jobs, and a better quality of life by building a sustainable economy."

"In San Antonio we've added hybrid vehicles and bicycles to our fleet, and we're working with other cities in our region to analyze and reduce energy use," said Mayor Ed Garza of San Antonio, Texas.

"I'm proud that my city has stabilized greenhouse gas emissions on the way to our 20% carbon reduction goal," said Mayor R.T. Rybak of Minneapolis, Minnesota.

"To secure an independent energy future, we must generate electrical power from emission-free renewable energy resources, such as solar power," said Mayor Dick Murphy of San Diego,

California. "It is one of my top 10 goals for San Diego. It is good for our national security, our economic security, and most importantly, our environmental security."

The mayors cited energy security and accountability as vital reasons for issuing the statement. Easing dependence on foreign oil by increasing the use of alternative fuels such as wind, improves local air quality and public health while also reducing global warming.

In the US, 148 local governments participate in the Cities for Climate Protection Campaign, a program of ICLEI—Local Governments for Sustainability.

Sustainable procurement of public services and products

When purchasing products and services, public authorities use taxpayers' money "at all levels", be they local, national, regional, or global. Sustainable public procurement is a great illustration of how cities can set an example, do research, and join forces to act together towards common global goals.

Just by switching to green electricity, EU public administrations can reduce greenhouse gas emissions amounting to 18% of the EU Kyoto obligations, if the market responds to the increased demand for renewable electricity by increasing capacity. This is one of the results of the European research project, RELIEF, coordinated by ICLEI's Sustainable Procurement team, and supported by the European Commission. The project, which brings together seven research institutes and six local governments from across Europe, was set up in 2001. It was designed to provide a scientific basis for the development of the concept of green purchasing. The findings prove that sustainable procurement is not just a symbolic activity, with marginal practical effects, but can have a significant impact. For example, switching to organic food in public purchasing for canteens and catering would compensate for the nitrification impact on European soils and waters of more than 2.2 million inhabitants. Moreover, the increase in demand for green products would help to improve the competitiveness of suppliers on the private market, and the example set by public authorities can also assist in changing consumer behavior. Again, an illustration of this comes from the fields of information technology equipment following the announcement by the US government in 1993 that only EnergyStar certified computers would be bought. Today, all computers sold around the world meet these requirements. According to the calculations made by the RELIEF project, this has already resulted in greenhouse gas reductions equivalent to around 1 million inhabitants. If the next generation of energy-efficient computers were to be supported in a similar way, another 982,000 person equivalents could be avoided in Europe alone. (A "person equivalent" is calculated by dividing total emissions of a substance from a given geographic area, for example Europe, by that area's population. This gives the average "emission" per person, which can then be compared with the reductions generated by green purchasing.)

Environmental demands on purchasing in Gothenburg, Sweden

In Sweden, the sum spent on procurement within the public sector amounts to 400 billion kroner a year (US \$81 billion). In the Nordic countries, a great deal of the procurement is handled by local authorities, who are in an excellent position to encourage suppliers to offer more environmentally compatible goods and services.

The City of Gothenburg is one of the most industrialized municipalities in Sweden with about 450,000 inhabitants, and 750,000 in the region. The city's local politicians understand the potential of centrally controlled procurement using environmental criteria. The development of procurement procedures began in 1989 with a thorough survey of legislation and regulations relevant for public procurement. In 1990, the City Council made a unanimous decision to oblige the city committees, boards, and companies to include an environmental assessment every time

a decision was made to purchase something. The former Procurement Authority was assigned the task of developing a model for environmentally aware purchasing. This model, based on political decisions, established working methods and an information strategy, and has now been put into practice. All suppliers who submit bids to the City of Gothenburg must provide an environmental declaration and each procurement is subject to an environmental assessment. Special project teams consisting of purchasers, users, suppliers, and other stakeholders develop environmentally optimized well-functioning goods and services. National Guidelines for sustainable procurement have also been established. The benefits for the environment mean benefits for the administration. Coordination of transport logistics reduced the number of deliveries and so lowered prices. Environmentally friendly limited-assortment led to less demand for storage, which also lowered prices. The number of suppliers was reduced, so the order processing became more effective. This meant that the number of invoices in turn was reduced, leading to less administrative work and lower prices. The model also included collaboration with suppliers during the contract period, while joint committees set up projects together with suppliers to develop their products or find solutions that opened up new routes to a healthier environment. These projects were often incorporated in the agreements and have included the reuse of packaging and products, as well as the arranging of transport of different product groups from different suppliers to be delivered in the same consignment. In this way, Gothenburg also has provided small and medium-sized companies with opportunities to be suppliers to the city.

Strategic urban sustainability management in Vaxjo, Sweden

The Municipality of Vaxjo in Sweden has significant experience in the Local Agenda 21 process and is also deeply engaged in climate protection and water protection. To take the environmental work one step further, the municipality decided to implement an environmental management system, namely *ecoBUDGET*, which is specifically developed for political organizations.

The system includes environmental work both within the municipal organization and the municipality as a geographical area. The principal aim of *ecoBUDGET* is to manage natural resources with the same efficiency as financial resources. *ecoBUDGET* is a system which in conformity with other environmental management systems strives for continuous improvements.

With *ecoBUDGET*, the traditional financial accounting system is complemented with an environmental accounting system, in which physical quantities are measured instead of money. A year with *ecoBUDGET* has three phases: to prepare an environmental budget, to implement planned measures to achieve the budget, and thirdly, to balance the environmental annual accounts.

At the end of the budget year a budget balance is drawn up. The budget balance shows the actual environmental pressure compared to the planned pressure in the budget. The budget balance is complemented by a set of indicators representing the status and development in the environmental resources selected. It is called the statement of environmental assets. Finally, the environmental benefit analysis is added to the budget balance, in which the use of environmental resources is connected to human needs. The more human needs are fulfilled per environmental use the better. These measures connect the environmental, financial, and social aspects of sustainable development.

Financing water and sanitation for all requires good local governance

One of the UN Millennium Development Goals — securing access to freshwater for 1.2 billion people — means that huge amounts of money will be needed for infrastructure, provision of services, and capacity building (Goal 7, Target 10: “Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.”). “Privatizing water” is no longer the magic solution, particularly in view of the substantial losses incurred by the few

remaining water multinationals as a result of international currency exchange problems and misjudged investments. These companies cannot go to the banks any more to borrow money. Instead, they are now telling cities that before they can help, the cities first have to secure their own funding. This became very clear in the Financing session of the Water and Cities Day in Osaka during the World Water Forum in early 2003.

Should all cities now get direct access to international money markets? In most cases this would mean that cities would bypass national governments which, being responsible for the national debt burden, don't want cities to borrow on their own and add to that debt.

Having Moody's or Standard & Poor's give a credit rating is far too costly and complicated for most cities, which are not constantly looking for loans anyway. In some cases, the right to collect taxes or fees serves as a guarantee for loans from international financial markets instead of collateral, or instead of a state government guarantee. Cities with reliable performance may also issue bonds. Alternatively, in order to reduce money transfer costs, smaller municipalities can join forces in groups when entering financial markets.

All of this spells *good local governance*. But in order to get funding, local governments must get their act together first: they must increase transparency by opening up their books, and they must have their governance structures and procedures in place. They also need management capacities to bring their service delivery up to a level where it brings in revenue as well.

International city-to-city cooperation

Over the past years, professional agencies for international municipal assistance and cooperation have been developed by local government associations in Canada, Denmark, the Netherlands, Norway, Sweden, and the UK. In Finland, the association does not have a specific agency but the North-South Local Authority Cooperation Program launched by the Association of Finnish Local and Regional Authorities promotes international municipal cooperation. This enables exchange of knowledge, skills, and expertise, along with concrete development activities to improve basic services. It also builds direct networks between municipal civil servants, elected officials, different departments, schools, and libraries.

In this Finnish program, cooperation is initiated by the municipalities themselves. The program is funded by the Ministry of Foreign Affairs of Finland. The total amount of funding is 1.17 million euros for a period of two years (2002-2004). Each municipal partnership is allowed a maximum of 84,000 euros annually. The twinned municipalities — some of them really small rural towns — of the (Finnish) program are: Hauho, Hartola, and Janakkala with Iramba District, Tanzania; Lahti with Bojanala Platinum District, South Africa; Salo with Mbabane, Swaziland; Tampere with Mwanza, Tanzania; Vaasa with Morogoro, Tanzania; and Vantaa with Windhoek, Namibia. The coordinator of the program is from the Association of Finnish Local and Regional Authorities.

Conclusion

Globalization has physical limits. The International Style in the early 20th century, as the ideology of architectural functionalism, or modernism, was called in North America, became one of the first victims of the misguided idea that construction methods and buildings could be the same all over the world. Climate, culture, methods of maintenance, social and behavioral patterns, availability of materials, infrastructure, quality of labor, standards of governance — all are contextually determined and thus not universal. As the CEO of Royal Dutch Shell said in Johannesburg at the UN World Summit on Sustainable Development, Shell may be a multinational energy company but at the same time it is a network of a huge number of local companies that have to take local conditions carefully into account. The local voice has to get heard in the headquarters. We have to develop different mechanisms, processes, and structures in order to negotiate new deals.

There seems to be an invisible link connecting a tradition of good local governance and a high standard of living secured by a welfare state, equal opportunities among men and women, a high standard of education and health care, and a transparent society. If there really is an established link, those countries that have positive experiences in local self-government — constitutional and regulatory legal frameworks, decision-making processes, access to information, information technology systems, roles for the public domain, implementation of sustainability agendas, to list some examples — can regard this know-how as one of their most valuable export goods, one which they should be sharing with the rest of the world.

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