Investing in Sustainable Cities: Policy, Planning, and Private Investment

David Wood

February 20, 2013
Why Sustainable Cities?

“On the eve of Rio+20, governments are challenged to build a world that is safer, cleaner and healthier in a ‘do more with less’ environment. Such a sustainable world starts with sustainable cities. Partnering to invest in sustainable and resilient cities is therefore central to achieving this goal.”

Angel Gurría, OECD Secretary-General
Songdo, South Korea
Lagos, Nigeria
Detroit, Michigan, USA
Why Sustainable Cities?

• Macro Context for Responsible Investment:
  – Urbanization
  – Climate change
  – Resource scarcity

• What attracts investors?
  – Scale
  – Dynamism
  – Infrastructure, physical and social
Metropolitan Area Planning Commission (MAPC), Massachusetts
Jardim Gramacho, Rio de Janeiro, Brazil
Bogotá, Colombia
Joint European Support for Sustainable Investment in City Areas (JESSICA)
Policy and the Market

SUPPLY DEVELOPMENT
- Investment rules and requirements

DIRECTING CAPITAL
- Taxes, subsidies, reporting requirements and intermediation

DEMAND DEVELOPMENT
- Enabling "corporate" structures

- Co-investment
- Procurement
- Capacity building

GOVERNMENT INFLUENCE
- GOVERNMENT DIRECT PARTICIPATION
Challenges for policy makers

- Coordinating time horizons
- Coordinating public planning and private investment
- Integrating growth and equity
- Entwining sustainability and investment
- Building investment products
- Monitoring social and environmental performance