

Six ways cities can become more resilient and sustainable



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City leaders globally are turning challenges into opportunities by taking innovative and just action to reinvent how they deliver for citizens.

In brief

- ▶ Rapid urbanization, climate shocks and economic inequity are putting city infrastructure and leadership under huge pressure.
- ▶ City leaders are responding to pressures by creating livable neighborhoods, improving transport and implementing green and equitable policies.
- ▶ To become more resilient and sustainable, city leaders will need to build trust, involve citizens at every stage and develop the right mindset and ecosystems.

Cities are already home to around 56% of the world's population, with the proportion projected to rise to almost seven in 10 by 2050. Rapid urbanization and growth of megacities are putting city leaders under pressure to provide sufficient infrastructure and services to meet the needs of their populations. At the same time, they're trying to meet their net-zero targets and prevent economic inequity from growing.

Megacities in 1950



Megacities in 2000



Megacities in 2050

Sources: Reliefweb, Blue Marble Citizen

At EY, we wanted to understand how cities are responding to these significant challenges. So, we spoke to senior city leaders in 12 cities and conducted pulse surveys of 6,000 citizens in those same cities.

Image Description

A set of three bubble charts representing the growth of megacities, across the globe, in the years 1950, 2000 and projected for 2050. The size of each bubble is proportional to the population in the city. A "megacity" is defined typically as city with a population of over ten million people. Collectively, the charts show the number of megacities globally has increased from two to 16 between 1950 and 2000, and is expected to reach 50 by the year 2050.

About Research

Between August 2022 and March 2023, the EY organization, in collaboration with the Financial Times (FT) Longitude, interviewed 22 senior city leaders and EY professionals from across 12 cities to understand their perspectives and approaches to building more sustainable and resilient cities.

Interviewees represented city administrations, government ministries, city trade associations, private sector organizations and the EY organization. In addition, in July 2022 and March 2023, EY teams conducted anonymous short online surveys with 6,000 citizens or residents in the same 12 cities (500 per city) on their sentiments toward sustainable cities.

Survey respondents were between 18 and 64 years old and living in the city for at least one year. The pulse was conducted via an anonymous online survey. The 12 cities were Chicago, Copenhagen, Dubai, Hamburg, Jakarta, Los Angeles, Lyon, Manchester, Pimpri-Chinchwad, Singapore, Sydney and Vancouver.

Our research revealed that leaders are treating the issues they face as a springboard for reinventing their cities in innovative and just ways. In this article, we've identified three key

actions they're taking and three prerequisites for their success.

The actions are:

1. Creating livable neighborhoods that are also economically inclusive.
2. Expanding urban transport.
3. Adapting to climate shocks today while building resilience for tomorrow.

The prerequisites are:

1. Establishing trust through effective leadership.
2. Engaging citizens at the right time, in the right ways.
3. Creating the right mindset and ecosystems.

Finally, we've suggested three questions city leaders can ask to make sure they realize the benefits of becoming more resilient and sustainable.

"There are going to be small stores in these neighborhoods, libraries, community centers, home-based businesses. And we're going to put in a lot of green space." Meanwhile, Chicago is using what it calls "intentional placemaking" to create more community meeting places in all 77 of its neighborhoods.



For more than two decades, we've been trying to bring jobs and amenities closer to homes through our decentralization policy - using planning to change the urban structure of the city.

Ng Lang
Chief Executive, Land Transport Authority, Singapore

Chapter 1

Three ways cities are becoming more resilient and sustainable

Creating liveable neighbourhoods, with easy access to jobs, transport and nature, is a focus for many.

Our Research found that innovative leaders are doing three things:

1. Creating livable neighborhoods that are also economically inclusive

No more flocking to the city center; innovative leaders are creating multiple economic areas that drive more inclusive growth while also addressing changing working preferences. "For more than two decades, we've been trying to bring jobs and amenities closer to homes through our decentralization policy - using planning to change the urban structure of the city," explains Ng Lang, Chief Executive of Singapore's Land Transport Authority.

For the City of Vancouver², creating "livable" neighborhoods means returning to old models of community. "We're essentially going to go back in time, to make more villages - more complete communities," says Doug Smith, Director of Sustainability.

2. Expanding urban transport

Improving their public transit systems can help cities to build liveable neighbourhoods and meet their emissions reductions targets. (About a third of urban emissions comes from transport).

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Many cities are electrifying their bus fleets while using incentives and disincentives to encourage citizens to move to electric vehicles, for example. And through its city-wide metro network, Riyadh aims to cut car trips by 250,000 a day within 10 years.

Leaders also recognize the pivotal role of urban transport in making cities more equitable. In Jakarta, the area of the city covered by public transport increased from 42% to 82% from 2017 to 2021 - widening access to key jobs and services and attracting investment.

Cities are already home to around 56% of the world's population, with the proportion projected to rise to almost seven in 10 by 2050. Rapid urbanization and growth of megacities are putting city leaders under pressure to provide sufficient infrastructure and services to meet the needs of their populations. At the same time, they're trying to meet their net-zero targets and prevent economic inequity from growing.

On a par with education and schooling

40%

of citizens ranked transport their most appreciated service provided by the city

3. Adapting to climate shocks today and building resilience for tomorrow

Our research reveals a growing trend for cities to embed sustainability, nature-based and circularity principles into their policies and plans. By restoring and protecting their natural environments, for example, they can mitigate and adapt to climate change while building resilience to extreme weather events. The Singapore Green Plan 2030 includes funding for coastal and flood protection measures. And in Copenhagen, two public building projects using more than 50% recycled materials have raised awareness of circular approaches among local developers.

For Florent Sainte Fare Garnot, Director General of Lyon Part-Dieu (a project to make a district of Lyon more livable), these approaches reflect the new reality of urban planning. "Today, the work is about how to bring nature into cities, how to reconnect ourselves and our urban planning to the trees and the soil, and to ensure the soil is healthy and living," he says.

Cities are also incorporating blue spaces (urban surface water such as rivers, lakes and ponds), flexibility and citizen input into their planning and engineering - often with wider societal benefits in mind. "The environment plan wasn't just about carbon reduction," says Mark Atherton, Director of Environment at Greater Manchester Combined Authority.

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It was about creating a great place for people to live and where businesses thrive. Health and wellbeing were integral.

Chapter 2

Three prerequisites for success

Best practice involves building trust, involving citizens and taking a human-centered approach

Our interviews revealed that city leaders are setting themselves up for success in three ways:

1. Establishing trust through effective leadership

In our pulse surveys, citizens cited trustworthiness as most important in a city leader. Our interviews revealed several ways leaders can build that trust, including:

- ▶ Setting a clear vision and goal
- ▶ Identifying key stakeholder groups to consult
- ▶ Being open, accountable and collaborative

Dr. Nelson Ogunshakin, Chief Executive Officer of the International Federation of Consulting Engineers (FIDIC), believes collaboration is particularly important.

"It is not easy, because some leaders don't have that capability to say, 'We don't claim to have a perfect solution,'" he says. "So, we want to get everybody involved to help us shape the answers."

2. Engaging citizens at the right time, in the right ways

It's evident from the demonstrations taking place in cities globally that citizens care deeply about climate and social issues. Leaders who tap into that energy by inviting citizens to engage with their development plans will increase their chances of success. Best practice uncovered by our research includes:

- ▶ Involving citizens at every stage
- ▶ Using a variety of channels, including grassroots organizations and digital
- ▶ Using clear incentives and positive messages
- ▶ Showing you've listened and taken action
- ▶ Building strong marketing communications capabilities

Burnaby, near Vancouver, deployed many of these strategies when exploring the city's housing needs. Its impressive citizen engagement process led to the establishment of a new municipal housing authority to help create more secure, purpose-built housing. Meanwhile, Manchester co-created its Five-Year Environment Plan6 with residents and businesses.

Engagement can also start from the bottom up. When Copenhagen City Council was struggling to meet some of its 2025 Climate Plan targets, the community stepped in. "I think we'll see more of the community pushing civil servants and the municipality to move a lot faster, not just on goal setting but on finding tangible solutions," says Ditte Lysgaard Vind, Chair of the Danish Design Council.

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Ditte Lysgaard Vind
Chair of the Danish Design Council

2. Creating the right mindset and ecosystems

Many cities are using digital technologies and data to help them become more resilient and sustainable. For example, Cape Town has rolled out smart meters and advanced metering infrastructure technologies to help address water scarcity. And data collected by Lisbon's network of sensors will help to map the dispersion of pollutants in the city, with a view to improving overall air quality. But as Laura Jay, Regional Director for North America at C40 Cities, says, "We need to lead with the kind of human-centric thinking that can then be enabled or accelerated by the technological solution."

Forward-looking cities work with partners - from citizens and community groups to private sector organizations and the leaders of other cities - to deliver change. They also embed sustainability and resilience into the education system. Singapore is looking to

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nurture the next generation of environmental stewards

as part of its Green Plan 2030, for example.

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Chapter 3

Sustainability and economic growth: a virtuous circle

The more resilient and sustainable a city becomes, the more likely it is to achieve its goals.

The health of a city starts with its environment as a place to live, work and play. Without a healthy, sustainable approach to environment, a city's attractiveness to investment, talent, and families will suffer in the long term.

That's why it's encouraging to hear that bold city leaders are turning the challenges they're facing into opportunities. How are they doing it? By building climate and sustainability scenarios into their plans for economic development while improving the well-being of citizens. It's a combination that sets them up to achieve their ambitions - whether that's as a center for finance, innovation or tourism.

Three big questions city leaders can ask

1. What role are open spaces playing in our city's equity strategy?
2. How are we bringing people

together so they can contribute at every stage of the development process?

3. How are we financing and building the infrastructure that will protect our city and its citizens from climate change?

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Summary

Cities are increasingly the economic engines of the world, but their fast growth is putting infrastructure, services, and the achievement of their net-zero goals under strain. In this article, we reveal three key trends in how city leaders are responding to these challenges. We also highlight three factors that need to be in place if their plans are to succeed.

Government & Public Sector services

In many parts of the world, expectations of government are rising. Citizens are demanding greater online access to public services and a more personalized, seamless digital experience. But at a time of low economic growth and tight public finances, the challenge can rarely be met with more government spending and a larger public sector workforce. Our Government & Public Sector community shares a passion to help governments work better for their people.

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