

Cities and Regions Can Be Important Actors in the Fight Against Climate Change

In lively conversation, leaders from business, policy and government talked about the role of cities and regions in advancing global agendas, and the importance of collaborative leadership to drive sustainable development

In recent years, governments, policymakers, and entrepreneurs have drawn attention to city and regional leadership for driving economic competitiveness and growth. Today, 55 percent of the world's population live in cities, concentrating more than 80 percent of global GDP. Urbanization is expected to continue to expand, even considering the impacts of the COVID-19 pandemic on cities' economies and the growth of suburbs during lockdowns. By 2050, nearly seven out of 10 people will live in cities, according to the World Bank.

Cities face a common set of challenges related to waste management, energy consumption, and CO₂ emissions. These challenges can be an opportunity for municipalities to become protagonists in the fight against climate change. Multi-level governance for regional and urban development can be particularly efficient in driving innovative and sustainable efforts to halt environmental degradation and reduce carbon footprints. Furthermore, cities and regions can adapt faster than countries to uncertain circumstances and fast-changing situations.

During the Frame the Future of Local Development, in partnership with the Brazilian National Confederation of Industries (CNI), on September 22, global

leaders working in policy, government, and the private sector discussed how to mobilize entrepreneurial efforts to drive sustainable and resilient solutions at the local and regional levels. They commented on the factors that create an enabling environment for innovation and innovators, and discussed the importance of collaborative leadership for advancing local and global agendas.

The Frame the Future of Local Development gathered insights from Dr. Petros Doukas, Distinguished Fellow, GFCC, Chairman of the Board, Capital Partners, and Mayor of Sparta, Greece; Dr. Jefferson Gomes, Technology and Innovation Superintendent, SENAI-CNI; Mr. Kwanza Hall, Senior Fellow, GFCC, and former U.S. Representative; Dr. Paul Madden, Director, Center for Competitiveness; Ms. Gianna Sagazio, Innovation Director, Brazilian National Confederation of Industries (CNI); and Ms. Maria Skotte, Director, Clean. Dr. Roberto Alvarez, Executive Director, GFCC; and the Honorable Deborah L. Wince-Smith, President, GFCC, and President & CEO, Council on Competitiveness, moderated the discussions.

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President, GFCC
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of where they live to participate in the future of innovation", pointed out Ms. Wince-Smith, highlighting the work of the Council on Competitiveness to pivot regional innovation and cluster networks. "Regional innovation is a real driver of prosperity and inclusiveness in our respective countries," she noted.

Participants

Dr. Petros Doukas

Distinguished Fellow, GFCC

Chairman of the Board, Capital Partners

Mayor of Sparta, Greece

Dr. Jefferson Gomes

Technology and Innovation

Superintendent, SENAI-CNI, Brazil

Mr. Kwanza Hall

Senior Fellow, GFCC

Former U.S. Representative

Dr. Paul Madden

Director, Center for Competitiveness

Ms. Gianna Sagazio

Innovation Director, Brazilian

National Confederation of Industries (CNI)

Ms. Maria Skotte

Director, Clean, Denmark

Hosts

The Hon. Deborah L. Wince-Smith

President, GFCC

President & CEO, Council on Competitiveness

Dr. Roberto Alvarez

Executive Director, Global Federation of Competitiveness Councils (GFCC)



WATCH THE CONVERSATION

Surveying Available Assets

Cities and regions have different economic profiles. Local development strategies must start with an evaluation phase, surveying available assets in a multi-stakeholder setting and involving local businesses, universities, government agencies, and communities. One strategy is to build on top of existing natural, historical, and cultural assets and capabilities, and introduce new business models and technology to boost productivity levels. That has been the approach used in Sparta, Greece, and Belfast, in the United Kingdom.

Sparta enjoys natural advantages for agriculture, and the sector has historically been a relevant source of income for inhabitants. Dr. Doukas, mayor of the city, explained that he has worked to enhance local agriculture, investing in new technologies, using science to favor agriculture, and refining business strategies. For instance, the government has created a network to connect and build new capacities for local producers. They have issued a new city branding, "Made in Sparta," to value local products.

In parallel, the city has been developing tourism as a sector, taking advantage of its historical influence and Byzantine architecture from Ancient Greece. A third investment strategy has focused on sports, particularly long-distance running, to attract people interested in the activity.

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The city of Belfast and its surrounding region also have agribusiness as a leading industrial sector. But dairy production, although profitable, has been responsible for environmental degradation and

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water pollution. The local government is trying to address the situation in the region by investing in new technology solutions applied to a circular economy model. In the next years, they will build an industrial anaerobic digestion facility that processes the organic waste from the pasteurization plant. The organic byproduct, rich in nitrate and phosphate, will serve as fertilizer for crops. The initiative in partnership with the Centre for Competitiveness will assist local farmers and redesign the supply chain, creating new economic value.

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Dr. Paul Madden
Director, Center for Competitiveness

Create an Enabling Environment

Creating an enabling environment for local development and innovation depends on various factors, including investments in infrastructure, talent, access to capital, and access to affordable amenities, such as housing, transport, and food services. This effort depends on strengthening public and private partnerships and fostering cooperation across sectors.

Cluster organizations that connect SMEs, big companies, startups, universities, and research institutions, with the support of local governments, can become an alternative venue for cooperation and information exchange. Furthermore, developing regional toolkits with background information and general guidance to help local leaders, businesses, and entrepreneurs identify gaps and resources and build partnerships is another enabling factor.

Denmark has been focusing on accelerating the transition to a net-zero economy, and it has involved multiple industries and stakeholders in the process. With that goal, the government funded a cluster organization focused on

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SENAI-CNI, Brazil

environmental technologies called Clean. The cluster operates at the intersection of the public and the private sectors, coordinating actions with research institutions and facilitating projects in clean tech. Clean identifies local challenges and invites SMEs, startups, and universities to work together around a chosen issue to advance the innovation process.

Similarly, in the United Kingdom, the government has invested in multi-stakeholder initiatives to accelerate local development. The city of Belfast will receive more than 1.3 billion dollars to support local economic activities in growth sectors — such as life and health sciences, the digital and creative industries, and advanced manufacturing — through a fund named City Regional Deals, negotiated between the central government and local authorities. Planning and implementing the deal involved the private sector, universities, and colleges, who worked to identify and tackle critical economic challenges, local competitive strengths, and pressing needs.

The Centre for Competitiveness has been directly involved in creating the new Advanced Manufacturing Center through the deal, which will showcase factories of the future and enable small manufacturing companies to test Industry

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4.0 technologies. "We will help small companies to articulate their challenges and map out the support needed in the innovation center, connecting academics in the field," explained Dr. Madden.

The Propel Center, in Atlanta, in the U.S., is an example of an alternative model of local economic development financed primarily by the private sector. The center will operate as an innovation hub inside the Clark Atlanta University. Through its acceleration program, it will provide courses focused on entrepreneurship, app development, the business of entertainment, and community-driven problem solving. The whole initiative has been funded through direct investments made by Apple and Southern Company.

In Brazil, the National Service for Industrial Learning (SENAI) has developed a model that aggregates education, technological hubs, and businesses to develop Industry 4.0 expertise and training. For Dr. Gomes, it is crucial to put in place not only the technology, but also an entrepreneurial environment that fosters innovation. "Business and technology must hold hands to enable the creation of a culture of innovation and train the next generations on the ground," he noted.

Dr. Gomes stressed the importance to lay the talent foundations needed for any local or regional development initiatives.

Leadership Meets Collaboration

"Every place has strengths and weaknesses — in that you find your resilience," advised Mr. Hall. "It is necessary to have an honest discussion with leaders about the local assets, and then turn a negative into a positive to boost economic development and job creation." For him, leadership and collaboration across sectors are essential for developing place-based solutions.

In Greece, Dr. Doukas pointed out the importance of holding to a core group of supporters that have know-how and leadership to continue advancing local development strategies when the main leadership delegates tasks. In Denmark, Ms. Skotte revealed Clean's strategy to strengthen stakeholder engagement by inviting local businesses, academics, and entrepreneurs to participate in the organization institutional design, which has been done since the organization's foundation and contributed to creating long-term collaboration. "We created ambassadors, and even though we are a small organization, I feel very proud when I see that people take ownership when they talk about Clean," revealed Ms. Skotte. Building on his experience in the public sector, business and community engagement, Mr. Hall noted that leaders need to remain accessible and available to deliver this type of connectivity to stakeholders.

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Leadership attuned to the needs of local populations and that collaborates with multiple actors is essential to city and regional development. In the face of today's challenges, and with the rapid pace of urbanization, it becomes even more important that local leaders consider a multi-stakeholder setting that engages and facilitates collaboration. Dr. Alvarez concluded the session highlighting the critical importance of strategy development for cities and regions.