

G7 SUSTAINABLE URBAN DEVELOPMENT Ministers' Communiqué – final version

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Preamble

- 1. The relevance of the transformative power of cities as drivers for sustainable development has been highlighted by the Group of Seven (G7) Head of States and Governments who met in Borgo Egnazia, Apulia Region, on the 13th-15th June 2024. G7 Leaders stressed the importance of the cooperation on Sustainable Urban Development and tasked relevant Ministers to «discuss concrete actions to reduce spatial inequalities, protect the environment, the climate, and promote smart and innovative economies in urban areas», as well as to promote health, safety and inclusion of citizens in view of climate change, anticipating its effects.
- 2. We, the G7 Ministers responsible for Sustainable Urban Development met in Rome on the 3rd and 4th November 2024. Building on previous dedicated Ministerial Meetings (in Takamatsu in 2023 under the Japanese G7 Presidency and in Potsdam in 2022 under the German G7 Presidency) we want to contribute to achieving the policy priorities for the Italian 2024 G7 Presidency. Our cooperation is intended as a response to the 2024 G7 Leaders' Communiqué, to keep the commitment to establish a joint understanding of effective urban development policy and to decide on joint actions for unlocking the full potential of cities.
- 3. We do recognise the crucial and special roles of cities as drivers in achieving strategic objectives and concrete results, such as the United Nations (UN) Sustainable Development Goals (SDGs) of the 2030 Agenda, the New Urban Agenda, the Paris Agreement and the other relevant multilateral agreements. We consider cities and sustainable integrated urban policies respectively the appropriate scale and the right dimension to work towards the common global transitions to:
 - net-zero, circular, climate-resilient cities with pollution-free and nature-based solutions, smart and sustainable mobility, balanced urban-rural linkages, carbon storage and biodiversity conservation to achieve deep, rapid and sustained reductions in global greenhouse gas emissions and to prevent and adapt the adverse effects of climate change, including heatwaves, flooding and drought;
 - social, just and inclusive cities, taking into account also the most vulnerable situations and people, the disparities among neighbourhoods, offering solutions that guarantee affordable, adequate and accessible housing; this can happen through clean, safe, energy efficient buildings and basic services for all, the promotion of socio-economic and cultural services to improve the quality of places and ensure participatory or empowerment processes;
 - digital and smart cities, which use the rapid evolution of digitalisation and artificial intelligence when relevant to strengthening the quality and the quantity of services, increasing and improving data systems and big, open data analysis for smart solutions to foster transparent administrative capacity building and integrated urban management, to ensure the respect of changing needs of cities and inhabitants, and an overall improvement in the quality of life for all while ensuring strict respect for human rights.

- 4. We commit to support cities in achieving their full potential for a sustainable and resilient urban transformation, in its material and immaterial infrastructures, embracing the environmental, social, spatially balanced, and economic dimensions of development. Therefore, we commit ourselves to discuss and share the most effective urban models, solutions and practices. As a result, we commit to promote ideas towards joint actions and explore opportunities for further dialogue.
- 5. We recognise that the principles of sustainable urban development can assist in reconstruction following major events such as war, severe climate events, natural disasters or humanitarian crises. In this context, we note the outputs of the Ukraine Recovery Conference (UCR) 2024 held in Germany with its special emphasis on the recovery of municipalities and regions, and the intention of Italy to continue URC's focus in 2025.

1. Relevant international agreements and declarations

- 6. We reaffirm our commitment to implement the provisions of international agreements and declarations through urban policies that effectively contribute to achieving these objectives from an urban and territorial perspective. In this regard, we recall the following outputs of the 2024 Italian Presidency:
 - **G7 Leaders' Communiqué**, emphasising the relevance of sustainable urban development and the transformative power of cities worldwide as drivers for sustainable development.
 - G7 Climate, Energy, and Environment Ministers' Meeting Communiqué, affirming the necessity of using policy and regulatory levers to continue transitioning away from fossil fuels, to double the global average annual rate of energy efficiency improvements to 4 percent by 2030, to support smart urban clean energy transitions and to explore priority actions in the built environment to reduce the impact of climate change, biodiversity loss, and pollution. It also affirms the key role of cities and local governments in achieving sustainable development and the localization of the SDGs, through the Partnership Platform on Localizing the SDGs that will be launched by the Italian Presidency in cooperation with UN Habitat.
 - G7 Industry, Technology, and Digital Ministers' Meeting Communiqué, acknowledging the potential of Artificial Intelligence and digital systems to help improving governments' provision of safe and secure data systems and capacity, which are critical for evidence-based policymaking and the delivery of public services
 - **G7 Transport Ministers' Meeting Communiqué**, affirming the relevance of sustainable transport modes, highlighting that a more integrated approach to transport policies with land-use policies in the urban context is needed, and underscoring the importance of coordinating urban development and transport policies.

- G7 Inclusion and Disability Ministers' Meeting Communiqué, outlining actions around universal access and accessibility, independent living, inclusive employment, service availability, prevention and management of emergency, inter alia.
- 7. Moreover, we recognise the relevance of urban policies in the international framework, regarding environmental aspects, inclusion and social rights; we also acknowledge the role of local authorities concerning investment in infrastructure, innovation and inclusiveness in managing urban settlements.

2. Priorities for Sustainable Urban Development Transitions

- 8. With regards to the ecological, energy and climate transition towards net-zero, climate resilient and nature-positive cities, we encourage cities to harvest transitions through integrated policies and actions on: climate change, scaling up and speeding up both adaptation and mitigation actions; sustainable use of scarce resources; conservation of nature and biodiversity in urbanised areas, with the reduction and removal of pollution sources impacting air, water and soil and the construction of healthy, liveable, green and accessible urban environments, also including nature-based solutions; energy sustainability, enhancing energy efficiency and accelerating the deployment of renewable energy in heating, cooling and transport; circular economy at local level (circular city), through reusing, recycling and recovering materials, focusing on the building stock, reducing greenhouse gas emissions, facilitating the use of low-carbon materials, including wood, taking into consideration their life-cycles, aiming near zero and resilient buildings to increase resource efficiency and green transition.
- 9. With regards to the social and demographic transition towards inclusive cities, and in the frame of gender equality, cities are encouraged to respond through integrated policies and actions on: social inclusion, by providing services also through public and private sector cooperation, for vulnerable people, persons with disabilities, elderly people, marginalised population groups, ensuring accessibility to the physical and virtual environment, to the communications, products and services and by committing to gender-responsive urban planning, so that no one is left behind; adequate housing affordability and accessibility by ensuring that all people, especially those at risk of homelessness, have access to safe and affordable housing, addressing the negative impacts of short-term rentals; adequate job and skills development, by providing inclusive upskilling and reskilling opportunities and strengthening "productive cities" as hubs for social and intellectual interactions; culture and cultural heritage, by enhancing the relevance of culture, making and/or preserving the tangible and intangible cultural values; shared and multilevel governance, by fostering democratic, meaningful and active public participation, decentralisation, and empowerment, involving third-sector enterprises and city administrations, in accordance with the New Urban Agenda, is key to shaping inclusive cities.

10. With regards to innovation and digital transition towards more sustainable and efficient cities, we encourage cities to respond through integrated policies and actions on: egovernment, by improving access to information and public services, and enhancing participation in public policy-making; digital interactive services, by improving urban living conditions through digitalisation and digital infrastructures with a "human-centred urban development" approach, respectful of people's needs, human rights and individual privacy; a smart city approach in urban planning and management, by enhancing the use of digital technology in the analysis of urban issues, planning and governance (i.e. employing Urban Data Platforms, Digital Twins and, when appropriate, Artificial Intelligence), with a focus on stakeholder involvement; creation of innovation through city planning by promoting urban ecosystems where forward-thinking institutions and companies converge with start-ups, business incubators, accelerators, education institutes and universities; alternative finance as an opportunity, by enhancing the potential of public procurement and innovative investment models, and involving the private sector in public infrastructure provisions.

3. Principles, inspiring methods and practices to implement Sustainable Urban Development

General principles for Sustainable Urban Development

- 11. We reaffirm the importance of **spatial planning** in effective urban policy. Cities, through transformative policy and regulatory frameworks to manage their needs, present an extraordinary field of experimentation and innovation to contribute to achieve the social, economic and environmental objectives set out in international agreements.
- 12. In the interests of sustainable development, it is necessary to further advance the political goal of **inclusive**, **safe**, **resilient**, **sustainable and equal living conditions**. Spatial planning and regional development policy instruments must be strengthened for this purpose.
- 13. We reaffirm the relevance of an integrated and territorial approach aligned with related regional, national and international policies and frameworks. We highlight that the objectives of the Rio Conventions, the Paris Agreement, as well as the 2030 Agenda for Sustainable Development with its 17 SDGs are substantially interconnected and should be addressed through an integrated place-based approach to maximise the benefits for urban areas.
- 14. We underscore that national governments should foster multi-level governance. This facilitates consistency, complementarity and coherence between national and sub-national actions relating to sustainable urban development, including urban and other local policy programmes and their implementation. We stress that knowledge and information sharing, along with financial, legal and technical assistance, support from national and regional governments, are necessary and we encourage and welcome the efforts of local governments

to mobilise their own resources and networks with local communities, indigenous peoples and all stakeholders.

- 15. We recognize the importance of international collaboration in exploring solutions to common challenges in realising inclusive and sustainable cities. While related approaches can vary widely from country to country and place to place, exchanging strategies and best practices and collaborating with international partners who share similar challenges can expand knowledge beyond national boundaries and help identify solutions. City to city partnerships can help address global challenges by promoting direct exchange and knowledge sharing.
- 16. We underline that **the place-based approach** focuses on tailoring solutions to the specific needs of each city and territory within the framework of national urban policies. Rather than applying one-size-fits-all interventions, this approach can allow for local assets, knowledge and skills, by means of sufficiently granular data and modelling, to create integrated and customised strategies for high-quality urban development and territorial cohesion. By adopting a place-based approach, urban policies can better address local needs, promote inclusivity, quality of life, and contribute to the overall resilience and sustainability of cities.

Inspiring methods and practices effectively helping cities to address global and common challenges, with the support of national-level policies

- 17. **Strengthening urban-rural linkages** in order to foster more balanced and integrated regional development, ensuring that both urban and rural areas benefit from sustainable economic growth.
- 18. Ensuring that city residents have access to safe, adequate, sustainable and affordable housing that meets diverse needs is essential for the sustainability and resilience of urban areas and for people to live in dignity. Some steps that national governments can take include: providing low-cost financing to support the construction of rental housing projects; investing in protecting existing community housing and affordable housing stock; offering rental supports assistance for low-income households; implementing housing policies focused on vulnerable and marginalised people; promoting non-profit housing initiatives; encouraging innovation in housing construction and design, improving regulatory guidelines to speed up the construction of quality housing.
- 19. Fostering a balanced and efficient land use and urban transformation; plans can contribute to the reduction of greenhouse gas and air pollutant emissions, advancing climate resilience, conserving biodiversity and enhancing housing affordability and accessibility. Urban transformation aimed at achieving these positive outcomes should be pursued, in compliance with the principles of Just Transition, with focus on strategies to increase urban resilience, also with the support of ongoing scientific research, on identifying and analysing policy approaches. We encourage policies that promote more sustainable and inclusive

- development patterns within built-up areas, such as integrated urban regeneration and limited urban sprawl.
- 20. Preserving urban cultural identities and heritages; an approach that, consistently with the spirit of Baukultur, can be implemented through the reuse of abandoned and/or under-utilised built heritage, sites and spaces, and that can become a way for addressing economic, ecological, and social challenges of cities, as well as for increasing attractiveness and liveability of cities, empowering local communities and enabling them to develop contemporary forms of urban culture.
- 21. Addressing energy precariousness; actions implemented at neighbourhood-level for renewable energy communities and grids for energy efficiency, (i.e. district heating and cooling systems) are examples of collective actions in which local governments can collaborate with citizens and small and medium-sized enterprises to increase social value and convey the green transition. These actions are crucial to ensure a more decentralised and inclusive energy system, also addressing the related needs of communities and business more sustainably.
- 22. Promoting innovative urban ecosystems and local levers, labour, land and infrastructure, employee services; working on sustainable reindustrialisation factors at the local level requires the engagement of all stakeholders, and in particular strengthening links between elected representatives and manufacturers to create a fertile environment for industrial growth and contribute to the development of public policies around concrete needs from the ground. This means considering, in an integrated way, the issues of skills development, job attractiveness, acceleration of the ecological and energy transition, efficient land use, all while fostering both technological and social innovation, particularly through the social economy. In terms of innovation, bringing together research and development, training and business players can be achieved by promoting cluster policies, which also contribute to social inclusion.
- 23. Promoting sustainable investments in urban frameworks, particularly for green spaces, also by advocating for private sector investment through evaluation systems and standards. Recalling the avoid-reduce-compensate principle, pursuing a multimodal vision of public transport and Transit Oriented Development if consistent with mobility and other urban functions and if supported by sustainable urban logistics. This integrated approach aims to avoid policy silos, enhancing accessibility, liveability, and sustainability in cities through public/private collaboration.
- 24. Addressing data gaps by sharing best practices, as collection and management of data, statistics elaboration and information, is key for: implementing early warning systems; working towards simplification and interoperability; facilitating the optimization of planning processes and enhanced services delivery.

4. Commitment for Joint Action

- 25. We, the Ministers responsible for urban development of the Group of Seven (G7), recognize that the G7 Countries have different urban dynamics but common challenges and they can benefit from a mutual understanding of policies implemented by national governments on shared objectives (principles, tools, best practices, and place-based strategies).
- 26. Therefore, we, the Ministers responsible for urban development of the Group of Seven (G7), commit ourselves to the following joint actions, while exploring opportunities for further dialogues:
 - a) continuing to support the exchange between the G7 governments on matters of common interest and practice regarding sustainable urban development, building on the Kagawa Takamatsu agreement, through various formats of consultation;
 - b) promoting these formats, that should be pursued to establish an ever-closer network for dialogue within and outside the Group of Seven (G7), including the European Union, with the involvement of key international partners, as OECD and UN Habitat, following the work carried out under the Italian Presidency on Integrated Urban Policy to achieve the SDGs;
 - c) working with our organisations that partner directly with cities to share experiences and practice in relation to sustainable urban development, recommending the recognition of the U7 as an engagement group based on the positive outcome of dialogue with them within this urban development track.

Moreover, we, the Ministers responsible for urban development of the Group of Seven (G7), support among others, the sharing of experiences and knowledges on:

- d) climate change mitigation and adaptation programmes related to housing and urban development that are equitable;
- e) how to plan for and deliver adequate housing that meets the needs of communities and addresses issues of access to and the affordability of housing, including programmes to address homeless people and those at risk of it;
- f) how to use data and software (including digital twins and AI) for people-centred smart cities to support sustainable urban development objectives and action, while respecting democratic and individual rights.