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Issues Brief 2013 #2: Cities, Climate and Savings

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Issue

Reducing greenhouse gas (GHG) emissions is good for the planet - but can it ever be good for the pocketbook? [Cities around the world](#) are putting that assumption to the test, and proving that reducing emissions can generate wealth – and better health too.

Background

Seventy per cent of people will live in cities by 2050 (OECD, 2013), which means emissions reduction plans must work in urban areas. A survey of 110 global cities by the non-profit Carbon Disclosure Project (CDP) shows that many have already taken action, often far ahead of national-level policy. Examples in the report include:

- In Copenhagen over 40 per cent of workers commute by bicycle saving the city over US \$40 million in congestion and accident costs. Its clean tech sector [grew by 8 per cent](#) per year for the past 20 years versus 1.1 per cent for the rest of Denmark (OECD, 2013).
- In Los Angeles, retrofitting traffic and streetlights saved the city \$11 million a year.
- In [Woking](#), power is generated by [solar and heating and cooling plants](#), saving about 5.4 million pounds from 1990 to 2005.
- Washington, DC retrofitted 5400 DC Housing Authority housing units, saving \$3.9 million a year in electricity and \$2.4 million in operational and maintenance costs.
- 77 percent of reporting cities are undertaking adaptation measures to safeguard communities, e.g. storm-water management to reduce flooding, and heat wave preparation

Additional benefits to direct savings include public transit, green space, and efficient infrastructure. This attracts investors, who then create jobs and wealth. For example, [walkability](#) raises real estate value. Finally, the cost of inaction must be considered. Hurricane Sandy caused \$19 billion in damage to New York City. The risk of a similar storm in New York will increase 40 per cent by the 2050's due to climate change. Acknowledging this, New York convened a [Special Initiative for Rebuilding and Resiliency](#). Sandy is a harsh lesson of the cost of failing to adapt.

Conclusion

Contrary to the belief that reducing emissions means reducing wealth, green initiatives have already brought economic and health benefit to cities. However more research is needed to

conclude that cities are likely to grow their economies *faster* by taking action to combat climate change.

Recommendations

- Increasing efficiency is a proven cost-saver, especially in buildings and lighting.
- Investing in green space, walkability and public transit helps attract business.
- Weigh the potential costs of going green against rising local costs of climate change.
- Europe and Asia produce more than double the GDP per tonne of GHGs emitted than North America. East Asian and Latin American cities also outperform North America's. Greater efficiency is not only possible but also cost-effective.

Reference

- **Wealthier, Healthier Cities: How climate change is giving us wealthier, healthier cities. 2013**

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