

4 July 2006

C20: LARGE CITIES CLIMATE LEADERSHIP GROUP

Division Sustainability & Innovation

Presenter Geoff Lawler, Director Sustainability & Innovation

Purpose

1. To recommend that the City of Melbourne accept the invitation of the Mayor and Deputy Mayor of London to participate in a Memorandum of Understanding (“MoU”) with the William J Clinton Foundation (“Foundation”) as a member of The Large Cities Climate Leadership Group (“C20”) led by the Mayor of London.

Recommendation from Management

2. That the Environment Committee:
 - 2.1. resolve to enter into a Memorandum of Understanding between The Large Cities Climate Leadership Group and the William J Clinton (“MoU”), generally in the form of Attachment 2 to this Management Report, subject to the final form of the MoU falling within the terms of reference of the Environment Committee; and
 - 2.2. request the Lord Mayor sign the finalised MoU on behalf of Council.

Key Issues

3. On 21 June 2006 the Mayor and Deputy Mayor of London wrote to the Lord Mayor of Melbourne advising that London is negotiating a MoU with the Foundation wherein the Foundation (and President Clinton) will work with C20 on reducing carbon emissions. London’s intention is to sign this MoU on behalf of participating cities and launch it in July 2006. The Mayor of London will act on behalf of C20 and has invited Melbourne to be one of the participating cities.
4. Copies of the Mayor and Deputy Mayor of London’s letter and the draft MoU are Attachments 1 and 2 to this report.
5. Melbourne has been approached in this way because it participated in the foundation meeting of cities held in London in October 2005.

6. The MoU requires participating cities to commit to:

“accelerated programmes of carbon emissions reductions” and to

“take advantage of the various programmes created by the partnership as is useful to assist their efforts”.

7. The MoU requires the Foundation to work with C20 members to:

“develop and implement a series of collaborative initiatives among cities, designed to accelerate carbon emissions reductions and will also provide direct assistance to individual cities”.

8. Melbourne already has a commitment to an accelerated programme through its *Zero Net Emissions by 2020* strategy.
9. The MoU lists a number of activities that the Foundation will concentrate on. This list, which is not intended to be exhaustive, includes creating a buying club for the cities to get lower prices for sustainable products, technical assistance, carbon accounting, mobilising the private sector, non-government organisations and global political leadership and liaison with other cities. Participation in activities such as these with large city governments would be complementary with and enhance Council’s activities on similar topics within the network provided by the International Council on Local Environmental Initiatives.
10. The buying club is a most innovative idea. The concept is that the buying power of large cities can be used collectively to deliver innovative “global” products cheaper or sooner than the normal market would allow. An example might be hydrogen fuelled bus fleets. Given that the City of Melbourne’s jurisdiction is much smaller than the other C20 cities, this may be of limited direct benefit. However, the Council could act as an access point for State, National or private sector agencies to give “scale” to a future participation.
11. Unlike many international groupings of cities around climate change action, this one has a financial backer. Aside from the expense of attending periodic meetings of the Group, there can only be benefit to Melbourne from participation.

Time Frame

12. Participants will be announced by the Mayor of London in July 2006.

Relation to Council Policy

13. This proposal is consistent with Council’s objectives as expressed in City Plan 2010.

Finance

14. There are no direct financial implications for Council arising from the recommendations contained in this report.

Legal

15. The MoU states it is not intended to be a legally binding contract. The MoU is flexible in terms of its application meaning that it enables members of C20 including the City of Melbourne to opt in or out of individual elements of the programme as they see fit.

Background

16. In October 2005 the Mayor of London staged the C20: World Cities Leadership Climate Change Summit. The participating cities were: London, New York, Stockholm, San Francisco, Toronto, Shanghai, Delhi, Mexico City, Beijing, Berlin, Barcelona, Chicago, Sao Paulo, Rome, Paris, Madrid, Melbourne, Kingston, Saint Denis and Nieuwegin. The City of Melbourne was represented by the Director Sustainability & Innovation.
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Attachments:

1. Copy of Letter received from Mayor and Deputy Mayor of London, 21 June 2006
2. Draft Memorandum of Understanding

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London SE1 2AA
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Minicom: 020 7983 4458
Web: www.london.gov.uk

Lord Mayor John So

Lord Mayor of Melbourne
City of Melbourne Town Hall
90-120 Swanston St
Melbourne
3000 Australia

Our ref:

Date: 21 June 2006

Dear Lord Mayor So

We are writing to update you about exciting progress regarding the C20: Large Cities Climate Leadership Group.

Our previous letter of 26 May outlined the progress made since our successful Summit in October 2005. The letter referred to discussions we have been holding to turn the Communiqué agreed at the Summit into a concrete programme of collaborative actions between cities. We said that we would be in touch soon with further details.

We are now very pleased to be able to inform you that a major opportunity has arisen that could significantly accelerate this work.

The William J. Clinton Foundation, headed by former US President Bill Clinton, has agreed to offer to the Large Cities Leadership Group an undertaking to service the programme set out in the Communiqué and to raise resources, and mobilise the best expertise in the world to carry out this work.

The Clinton Foundation already has a notable track record in delivering real change on major international issues. For example, in helping to organise a global response to the AIDS pandemic, including creating a global purchasing consortium that has cut the prices of AIDS drugs and tests by 50-80 per cent.

The William J. Clinton Foundation has now organised the Clinton Foundation Climate Initiative (CCI) to help address issues of global warming.

We believe that a partnership between our Group of large cities and the Clinton Climate Initiative could make a major contribution to accelerating the world's response to global warming.

We have drafted a memorandum of understanding (attached) setting out the proposed collaboration with the CCI. In summary, it proposes that the Clinton Foundation will work with cities to prepare a carbon-reduction programme, to be agreed by the Group, and then support participating cities in their implementation. Each individual city would, of course, retain the right to choose to opt in or out of individual elements of the programme as they see fit.

Our proposal is that, subject to your agreement, London would sign this memorandum on behalf of participating cities and publicly announce this partnership this summer. We hope you will be happy for Melbourne to be listed as a participating city and would very much like to discuss this proposal with your office in further detail. We will contact you very shortly to arrange this.

We are sure that your administration will also want to discuss directly with the Clinton Foundation and they will contact you to arrange this at your convenience.

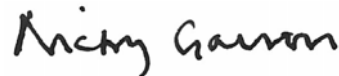
We hope that you will feel as excited as we do about the potential association with the Clinton Foundation Climate Initiative and the prospect for greatly enhancing the profile of large cities like ours on tackling climate change. This is a fantastic opportunity for Melbourne to further enhance its role as an international champion on this issue.

Please do not hesitate to contact us if you would like to discuss this in person, or if your office would like further information about this proposal please contact my climate change advisor, Mark Watts (+44 207 983 4035 email: mark.watts@london.gov.uk).

Yours sincerely



Ken Livingstone
Mayor of London



Nicky Gavron
Deputy Mayor of London

cc: Geoff Lawler

DRAFT MEMORANDUM OF UNDERSTANDING BETWEEN THE LARGE CITIES CLIMATE LEADERSHIP GROUP AND THE WILLIAM J CLINTON FOUNDATION**Background**

Urban areas account for well over 75% of total greenhouse gas emissions. Reducing these emissions through greater energy efficiency and the use of cleaner energy sources can therefore make a huge difference in arresting global warming and the attendant calamities it can bring.

The Large Cities Climate Leadership Group (sometimes described as the C20) is an association of large cities dedicated to tackling climate change. Its purpose is to accelerate greenhouse gas emissions reductions in participating cities and so provide leadership to cities and governments worldwide. It was established by the Mayor and Deputy Mayor of London and came together for a first summit in London in October 2005. The summit agreed a communiqué (attached), which set out the basis for a programme of collaborative activities.

The overall approach of the group is directed by a general meeting of member Mayors, who will meet at summits every 12 to 24 months. The next summit will be held in New York in spring/summer 2007. In between summits, a steering group of Mayoral representatives, coordinated through a small support unit based in London, will meet to agree the content of the Group's programmes, organise future summits and agree other business of the Group. The support unit will be responsible for the administrative functions associated with the Group, but will not be involved in implementing programmes.

The Group intends to expand its membership over time, though the members intend to remain a small association of large and leading cities. The Group will also invite a select group of innovative cities to contribute in an advisory capacity to its work.

The William J. Clinton foundation has recently organised the Clinton Foundation Climate Initiative (CCI) to help address issues of global warming. President Clinton has long been concerned about global warming and climate change is a major focus of the Clinton Global Initiative that met last September in New York. Now the foundation will undertake direct action to help address this global crisis.

The foundation has achieved success in helping to organise a global response to the AIDS pandemic. The foundation created a global purchasing consortium that has cut the prices of AIDS drugs and tests by 50-80%. The foundation has also organised direct, on-the-ground technical assistance to the governments of 23 countries to develop and implement AIDS care and treatment plans and general assistance in procurement to an additional 22 countries that are part of its consortium. The foundation, in partnership with governments and leading research institutions also provides operations research and information exchange vehicles for national AIDS programmes.

The William J. Clinton foundation will utilize the global influence of President Clinton and the skills that it has developed in global mobilization to confront crises such as AIDS to help initiate programmes that directly result in substantial reductions in greenhouse gas emissions.

The Partnership

This Memorandum of Understanding (MOU) sets out the basis whereby the Large Cities Climate Leadership Group and the William J. Clinton foundation will co-operate to further the shared goals of reducing carbon emissions in urban areas.

Under this agreement, the William J. Clinton Foundation through CCI will help to manage the coordinated initiatives of the Large Cities Climate Leadership Group and to assist member cities to implement climate change solutions. CCI will be the sole partner of the Large Cities Climate Leadership Group in this endeavour. In this role, CCI will work with member cities to develop and implement a series of collaborative initiatives among cities, designed to accelerate carbon emissions reductions and will also provide direct assistance to individual cities. The CCI efforts, building on the Mayors' communiqué will include but not be limited to the following:

- Organise a purchasing consortium that would act as a buying club for the cities, entering into partnerships with vendors that result in lower production and delivery costs and therefore lower sustainable prices, creating a vehicle for buyer influence in the creation of new products and services and setting conditions for improved vendor practices.
- Provide "best in world" technical assistance on the vast array of potential actions that cities can take to lower greenhouse gas emissions. This would include areas like more efficient buildings (insulation, HVAC systems, window treatments, etc;), more efficient street and traffic lighting, local energy production, more efficient water and sanitation systems, lower emission solutions for transportation, and a variety of other areas.
- Provide standardised systems for measurement and evaluation, including carbon accounting, and for operations research on what works and what doesn't and real time mechanisms for sharing of this information among the cities.
- Help mobilise the private sector, NGOs and global political leadership to support the organisation and its own activities.
- Provide liaison activities to other cities that are not part of the Group.
- Other activities as agreed upon between the Large Cities Climate Leadership Group and CCI.

Individual cities that are members of the Large Cities Climate Leadership Group will commit to accelerated programmes of carbon emissions reductions and will take advantage of the

various programmes created by the partnership between the Large Cities Climate Leadership Group and CCI as is useful to assist in their efforts.

CCI will make available to other interested cities the benefits of the purchasing consortium, the operations research and measurement and evaluation and other activities that it establishes as part of this partnership.

CCI will create a staff of experts to organise and run the purchasing consortium, to manage the relationships with the cities, to implement the measurement and evaluation and operations research functions and to manage the technical assistance programmes. CCI will form partnerships with other expert groups as useful to assist in these efforts.

CCI will undertake to raise adequate resources to establish and carry out the work outlined above and other mutually agreed programmes.

In addition, President Clinton, subject to scheduling constraints, will attend the Large City Climate summits and will endeavour to promote the successful climate change programmes carried out by member cities when he visits those cities.

Implementation

This MOU will go into force when signed by the two parties. The Mayor of London will act on behalf of the Large Cities Climate Leadership Group. The signatures will take place as soon as the Mayors of 20 of the Large Cities Climate Leadership Group give their agreement to it. It is anticipated that this will occur by July 2006 and that an announcement of the partnership will be made shortly thereafter.

The MOU will be reviewed at the mutual discretion of the Large Cities Climate Leadership Group and the Clinton Foundation and can be amended at any time by mutual agreement of the parties.

The parties acknowledge their intention that this Memorandum of Understanding will not form a legally binding contract between them.

FINANCE ATTACHMENT

C20: LARGE CITIES CLIMATE LEADERSHIP GROUP

There are no direct financial implications for Council arising from the recommendations contained in this report.

Joe Groher
Manager Financial Services

LEGAL ATTACHMENT

C20: LARGE CITIES CLIMATE LEADERSHIP GROUP

The Memorandum of Understanding ("MoU") is not intended to be a legally binding contract and therefore, no party to it can seek to enforce the MoU against the City of Melbourne. Further, the MoU is flexible in its application and enables members of C20 including the City of Melbourne to opt in or out of individual elements of the programme as they see fit.

Section 3C(2) of the *Local Government Act 1989* ("the Act") provides that in seeking to achieve its primary objective of endeavouring to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions, the Council, inter alia, may have regard to the following facilitating objective:

"(a) to promote the social, economic and environmental viability and sustainability of the municipal district;"

Section 3D of the Act provides that the role of a Council includes:

"(c) maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner;" and

(d) advocating the interests of the local community to other communities and governments;"

Further, under section 3F(1) of the Act, Council also has the power to do:

"... all things necessary and convenient to be done in connection with the achievement of its objectives and performance of its functions."

Ongoing legal advice will be provided in relation to projects and initiatives of C20 involving the Council as required.

Kim Wood
Manager Legal Services