

MANAGING ECOSYSTEM GOODS TO FOSTER EQUITABLE ECONOMIC GROWTH IN CITIES

Background

City governments have resources, funding and negotiating power to provide public services. While economic gains are made from essential infrastructure investments, the economic benefits of protecting environmental assets, namely improvements in the economic and social wellbeing of city residents, are seldom considered.

As a result, ecosystem management is often a low priority for cities, despite the substantial benefits that ecosystems provide to residents.

As the world's cities grow, pressures on vital ecosystems are likely to increase. Urbanisation is often associated with improvements in standards of living, but the process of urbanisation threatens the benefits residents derive from ecosystem goods and services. For instance, water scarcity is increasing, and air pollution kills millions of people each year.

City governments must take a proactive role in maintaining the functioning of ecosystems around them to ensure enduring access to these benefits.

What are ecosystem goods and services?

Ecosystem goods and services refer to the benefits the environment provides, making life possible and improving its quality.

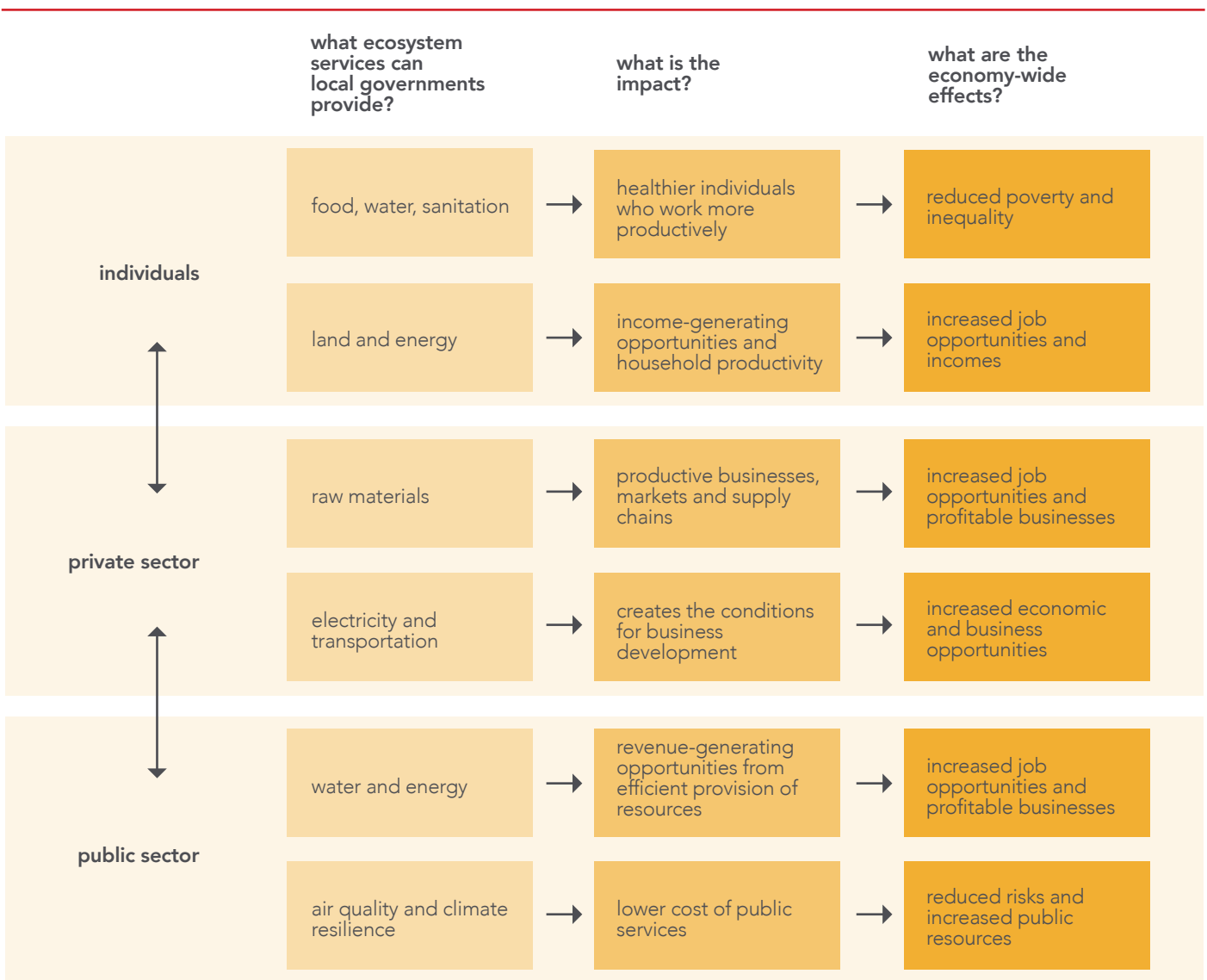
As shown in the table below, there are a wide range of services from ecosystems, benefitting people in many ways.

Whereas some, provisioning services, can be directly used or consumed by people, regulating and cultural services lead to benefits that are less tangible but still vital to people's lives.

Provisioning Services	<ul style="list-style-type: none">• Food• Timber and biomass fuel• Clean water and sanitation• Medicinal resources from plants
Regulating Services	<ul style="list-style-type: none">• Climate and temperature regulation• Flood water• Air, water and soil quality
Habitat Services	<ul style="list-style-type: none">• Habitat for species• Maintaining genetic and species biodiversity• Pollinators for agriculture
Cultural Services	<ul style="list-style-type: none">• Recreation and physical activity• Tourism• Aesthetic quality and mental wellbeing

How do ecosystem services link to economic opportunities?

Ecosystem services benefit individuals, support businesses and build government capacity. The primary pathway whereby ecosystems services affect the economy is through impacts on human health. This includes meeting basic needs like clean water and clean air. Businesses also benefit from access to a productive labour force, raw materials for production and infrastructure. The cumulative effects on individuals and businesses feed back into public sector finances as greater revenue and lower costs of social services.



What can local governments do to manage ecosystem services?

Local governments play a crucial role because they understand local needs and local actors in the provision of ecosystem services. City governments' policies protect and restore ecosystems, they deliver goods and services, and they coordinate stakeholders. Cities can also advocate for local needs at a national and international level to secure resources. The diagram below shows examples of the types of policies local governments can use.

Key Policy Tools for Local Decisionmakers



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About the Cities Alliance Joint Work Programme for Equitable Economic Growth in Cities

Cities Alliance is the global partnership for poverty reduction and promoting the role of cities in sustainable development. Chaired by the UK Department for International Development (DFID), the Joint Work Programme (JWP) for Equitable Economic Growth explores and addresses the link between improved provision of public goods and services, and more inclusive, equitable and sustainable city economies.

More Information on the programme:
<https://www.citiesalliance.org/components-jwp-for-equitable-economic-growth>.

This document is informed by diagnostic work conducted by Vivid Economics on behalf of the Cities Alliance.



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