



# Experiment 2 - Kessel-Lo District Greening

Building a green community and mobility strategy in Kessel-Lo



## BACKGROUND AND FRAMING

What is the logic behind this experiment?

Kessel-Lo is one of the five boroughs of Leuven with over 30.000 inhabitants and a density of 2.187 inhabitants per km2. It is demarcated by two main transport axes, connecting the city with the region around Leuven. This makes Kessel-Lo a highly congested area, with large car dependency and sneek traffic. Residents of Kessel-Lo have long called for the City Government to take action to improve the quality of living in the district.

Two current policy plans - high on the political agenda - are intended to contribute to a modal shift in this area of the city: 1) a mobility plan for Kessel-Lo; 2) an ambitious regional mobility and spatial development plan (Regionet). Both provide the opportunity for strategic innovation around three complex challenges identified:

1. How to grow acceptance, ownership and support amongst citizens in Kessel-Lo for new, disruptive mobility and urban living plans that serve the city beyond the immediate Kessel-Lo community.

2. How to develop a financial model for small/medium/large infrastructure developments that tap into resources beyond public finances, in order to speed up progress.

2. How to work within and across multiple domains of governance - e.g. the province of Flemish Brabant, the city of Leuven, Interleuven, De Lijn and AWW Flemish Brabant

This strategic experiment offers an opportunity to surface insights and intelligence about how to support climate action at a neighbourhood level (spatial development, community greening) and co-design mobility strategies that builds ownership amongst its citizens and improves quality of life, while meeting the broader transport needs of a city.

## SUPPORTING FACTS

Research suggests that improved climate policies can lead to gentrification and higher climate emissions driven by higher consumption patterns. Efforts to limit gentrification and reinvest money in the community may help reduce carbon emissions, in particular investments that enable shared activity (eg. parks) rather than private consumption (eg. shopping malls) and support a lower carbon lifestyle.

International Journal of Urban and Regional Research

Studies from Germany and Denmark have shown the importance of legitimacy in creating climate policy and action - they emphasize the importance of broad participation and the strength of cultural legitimacy over abstract moral reasoning.

A report on investing in green infrastructure in the UK showed that from 2012-17 shares in companies in the FTSE Environmental index significantly outperformed the FTSE Global index, suggesting that there is significant green investment potential. The key to unlocking private finance is long term commitment and policy stability.

Aldersgate Group, 2018

Research shows that investment by private businesses in green infrastructure makes financial sense as city greenery can increase customer footfall (particularly for retail and leisure businesses), encourage visitors to 'linger-longer' and potentially 'spend more' in a pleasanter environment.

Stockholm Environment Institute, 2017

## STRATEGIC LEARNING

What will we learn to inform our city's future strategic investments?

How might data-driven contracting models - from real-time outcome-based contracting to 'Smart Covenants' - benefit neighbourhood climate investments?

How might innovative financing models for planned and future infrastructure projects strategy maximise multiple-value creation, decentralise efforts to drive behaviour change and create new institutions critical for a democratic and just transition?

How do we contract for collective action in a way that aligns to both a district-led narrative and wider city missions?

How do we build authentic co-ownership of this community transition amongst a citizenry?

How might authorities in different jurisdictions create the conditions for cooperation and collaboration, to

1. overcome issues of governance and test out creative, new arrangements; and

2. test new and more agile regulatory processes, working together with citizens and local businesses to respond better to emerging climate action?

## ECONOMIC CASE

What is the logic behind this experiment?

### Citizen participation

Building authentic community ownership will be crucial for making changes that require behaviour change - for example, reducing passenger transportation needs (3 kton CO2e per year) and shifting to public & non-motorised transport (5 kton CO2e per year)

### Mobility (changing commuting habits)

Electrification of passenger cars could save 24kton CO2e per year (4% of projected 2030 total) - providing EV parking spaces could help drive demand. In addition, the shift to public and non-motorised transport, and increased car pooling, could save 5 and 3 kton CO2e per year respectively.

## IDENTIFYING RELATIONSHIPS

### CO-INVESTMENT POSSIBILITIES



Municipalities in the region



Commuters



Local and regional government



Local entrepreneurs



Local foundations



Diverse EU financing resources

### BENEFICIARIES



Local community



Municipalities in the region



Commuters



Local government



(Local) entrepreneurs



Home owners

### VALUE CREATION €

### CO - BENEFITS



Improved community cohesion



Improved territorial cohesion



Increased intermunicipal cooperation



Increased access to (community) services



Increased general wellbeing



Increase value private property



Local identity building



Increased social inclusiveness

### DIRECT BENEFITS



Increased modal shift



Healthier, safer, more pleasant living environment



Multifunctional, qualitative public domain



Climate resilient neighbourhoods/ reduced urban heat island effect



Carbon emissions reduction



Increased public support, citizen involvement and ownership of ambitious climate action



Improved governance arrangements favouring accelerated climate action



Diversification financing resources and investment models

### EXPERIMENTS

Collective District Retrofit

Kessel-Lo District Greening

Haasrode Research Park

### DATA-DRIVEN CONTRACTING MODELS

In order to respond nimbly to climate gentrification (in part from planned and future public investments) we need to design, prototype and deploy digital native investment contracts (e.g. 'smart' contracts) and legal property information (e.g. digital property deeds);

By doing so, it will be possible to create collective neighbourhood investment models for climate transition projects, at a more granular level than local governments;

Digital contracting will allow greater transparency and democratic oversight of public spending, and therefore improve civic participation in public decision making.

### CLIMATE TRANSITION FINANCING

Small/medium/large infrastructure projects relating to climate action in Leuven have different financing requirements and therefore represent different opportunities for long-term, value creation investment models.

To ensure infrastructure and other climate action related projects are truly aligned to city missions in Leuven, financing models should focus on investing in people and places (maximising the public benefits for their communities/neighbourhoods), rather than single projects.

### GREEN DISTRICT CONTRACT

Co-creating a shared narrative around quality of living for Kessel-Lo with residents, aligned to Leuven's wider city missions will: a) allow for increased community building and create a citizen-led framework against which to implement climate action; and b) mobilise demand for climate action and earn greater legitimacy and traction.

Recognising and celebrating social commitments through a Green District Contract will enable high quality civic action and leadership in Kessel-Lo.

Tracking the progress of aggregated climate action through a Green District Contract can help to adapt and align local and city-wide strategies.

### CITIZEN PARTICIPATION & EXPERIMENTATION

Building novel forms of civic participation will be a crucial component of creating public legitimacy for government plans for climate transition.

In addition, these novel forms of civic participation will support authentic co-creation and co-ownership of the climate transition by assuring resident's input and influence during the process.

Civic participation will allow the benefits of climate investment and climate transition projects to be able to be shared further and faster (by building in the legitimacy and consent from the outset).

### GOVERNANCE & REGULATORY SANDBOX

Creating a legal or organisational framework enabling the management of multi-jurisdictional, placed-based challenges limits the risks and uncertainties and likely accelerates progress.

Establishing an agile and collaborative regulatory process will help to reduce regulatory barriers, uncertainty & political risk in developing climate transition projects.

Facilitating regulatory learning and adaptation in response to innovation will improve local government's ability to manage and mitigate the complex risks associated with climate change.

