Business and Industry Constituency Group Response to the Habitat III Revised Zero Draft of the New Urban Agenda

We welcome the more prescriptive approach and the concrete recommendations outlined in this revised version. We strongly believe that this will facilitate the implementation of NUA.

June 29, 2016

The Business and Industry constituency of the General Assembly of Partners welcomes the revised Zero Draft of the New Urban Agenda (NUA). We are appreciative of the following points:

- Reference to the setting-up of an International Multi-Stakeholder Panel on Sustainable Urbanization which will be instrumental in the implementation of the NUA.
- Recognition of urbanization as an opportunity and the role of cities as key levers in sustainable development globally.
- The holistic approach to sustainable mobility in linking people, places and economic opportunities.
- The vision for ecologically and economically resilient cities that drive sustainable patterns of consumption and production, protect and value ecosystems and biodiversity, and adapt to and mitigate the impact of climate change.
- Recognition of the need for an innovative and effective financing framework and other means of implementation with the engagement of all stakeholders for capacity development, knowledge transfer, and reliable urban data and analysis.
- Support of entrepreneurship and a commitment to improve the business environment to attract investment. Recognition of the contribution of break-through business models to the urban economy while addressing key urban sustainability challenges such as unsustainable production and consumption, pollution, climate change and natural disasters.
- The emphasis on stakeholder engagement and the role of strong and broad partnerships within transparent legal and financial frameworks during the implementation phase. Particularly, recognition of the role of partnerships with a variety of stakeholders in urban development processes.
- Acknowledgement of business activity, investment and innovation as major drivers of productivity, inclusive economic growth, and job creation.
- The commitment to create an enabling, fair and responsible business environment, based on the principles of environmental sustainability and inclusivity, promoting investments, innovations, and entrepreneurship as well as the dedication to address the challenges faced by local business communities.
The encouragement of energy-efficiency measures and the prioritization of smart grids.

The reference to the food-water-energy nexus underlining the interconnected nature of these challenges and the need to develop holistic approaches to overcome them.

**Recommendations for Improvement**

*Please kindly note that recommended text additions have been highlighted in red.*

1. NUA recognizes growing inequalities, emerging urban poverty and segregation, increasing urban sprawl, pollution, high GHG emission levels and disaster vulnerability as major urban challenges, yet the urgency with which these challenges need to be addressed is not clear. The sustainable development challenges we face are too big to be borne by one stakeholder group alone – governments, businesses and civil society need to collaborate to overcome existing barriers and implement solutions. Beyond making commitments, NUA needs to become even more prescriptive in outlining the innovative mechanisms and tools that will help institutionalize multi-stakeholder partnerships for urban development.

   In addition, NUA could underline more strongly the need for a focus on operation, maintenance and adaptation of urban infrastructures. These activities also need to be financed as well as their construction.

2. Cities have long sourced solutions and services from the private sector and have engaged businesses to design, build, operate and maintain major infrastructure. Under traditional engagement models, opportunities for local authorities to fully benefit from the strategic private sector input have been limited. New models of stakeholder engagement that allow businesses and cities to collaborate early in the urban planning process will unlock the full potential of this expertise and generate value for the city and its residents.

   As new infrastructure technologies evolve and become increasingly connected, it’s increasingly important to adopt a holistic, system-wide perspective. Through its expertise and implementation experience, the private sector can help cities navigate these challenges and play a vital role not only in providing specific infrastructure, technology, services and financing solutions, but also in contributing to the definition of the strategies that will support the overall optimization of urban systems to drive sustainability. This *early engagement approach* will deliver major environmental benefits, improved operational performance, while avoiding or delaying new major capital investments.

   As a significant source for innovation, technology and technical expertise and a key implementation partner for cities and urban settlements, the value of the contribution of business in capacity-building as well as transfer of technology and know-how should be recognized.
In the light of these points, we recommend to adjust clauses 11, 24, 49, 74, 129 of NUA with a view to incorporate the importance of early-engagement of stakeholders and the role of the private sector in capacity building.

**Recommended adjustment to clause 11, point b, sub bullet iv:** “Supporting effective financing frameworks that include optimized and transparent public-private partnerships, enabling strengthened municipal finance and efficient local fiscal systems in order to create, sustain and share the value generated by sustainable urban development.

**Recommended adjustment to clause 24:** “We commit to facilitate early engagement, effective participation and collaboration among all stakeholders, including local governments, the private sector, civil society, professionals, academic institutions, trade unions, employer’s organizations, grassroots communities, and others, in ascertaining the opportunities for urban economic development as well as in identifying and addressing existing challenges.”

**Recommended adjustment to clause 49:** “We commit to promote sustainable institutional, political, and financial mechanisms in cities and human settlements to broaden and inclusive democratic platforms that allow meaningful and timely participation in decision-making and planning processes. We also commit to support local governments in fulfilling their key role in strengthening the interface among all stakeholders, offering opportunities for dialogue and early engagement in urban planning, including through gender-responsive approaches and with particular attention to the rights and needs of and potential contributions from all segments of society, including men and women, children and youth, older persons and persons with disabilities, indigenous peoples, and migrants, regardless of their migratory status, race, ethnicity, and socio-economic status.

**Recommended adjustment to clause 74:** “We will promote participatory approaches at all stages of the urban policy and planning processes, from conceptualization to design, budgeting, implementation, monitoring and evaluation routed in new forms of direct partnership between governments, the private sector and civil society through well-resourced and transparent permanent mechanisms and platforms open to all that facilitate business contributions to capacity-building.”

**Recommended adjustment to clause 129:** “We will strengthen cooperation between sub-national and local governments, the private sector and civil society as well as their existing networks to deliver on capacity development programmes by means of peer-to-peer learning, subject-matter related partnerships, and collaborative action such as inter-municipal cooperation, including the establishment of practitioners' networks and other science-policy interface mechanisms.”

3. NUA emphasizes the need for building urban centers that are resilient to natural and man-made hazards, protecting and valuing their ecosystems, natural habitats and biodiversity, and reducing the global environmental footprint.

Natural infrastructure constitutes one of the most efficient and cost-effective solutions that offers protection against natural disasters such as floods and droughts whilst providing watershed
protection, waste-water management services and many other health and aesthetic benefits. Recommendations regarding the adoption of policies that incentivize investments in natural infrastructure would therefore strengthen the NUA by providing clear guidance on next steps.

In this light, we welcome the reference to ecosystem-based solutions in clause 55 and recommend clauses 53 and 86 to also include a reference to natural infrastructure solutions.

**Recommended adjustment to clause 53:** “We commit to promote the creation of well-connected and well-distributed networks of open, multipurpose, safe and green public spaces, including the creation of ecological corridors and investment in natural infrastructure solutions, to improve the resilience of cities to disasters and climate change, reducing flood risks and heat waves, and improving water-shed protection, food security and nutrition, physical and mental health, household and ambient air quality, and attractive and livable urban landscapes.”

**Recommended adjustment to clause 86:** “We will integrate climate change adaptation and mitigation considerations and measures into urban development and planning processes, including resilience-based design of spaces, services and infrastructure, including natural infrastructure, and promoting cooperation and coordination across sectors.”

4. NUA commits to a new set of standards in the selection and design of the urban form and infrastructure as drivers of cost efficiency, co-benefits, and urban economic growth, yet lacks clear recommendations on the means to be employed to achieve those. Detailed guidance on the mechanisms and policies that will allow these standards to be adopted will be critical to implementation.

For example, street networks also need to accommodate the flows of other essential commodities; such as communications, electricity, fire protection, gas, heating and cooling, water, wastewater. These networks should therefore be designed with this service corridor function in mind. Clause 85 could incorporate this view.

**Recommended adjustment to clause 85:** “We will support the provision of well-designed networks of quality, safe and accessible public spaces and streets, considering measures that improve the flow of essential commodities and services such as water, wastewater, communications, electricity and heating, and allow for the best possible commercial use of street-level floors, fostering local markets and commerce, both formal and informal, promoting walkability and cycling towards improving health and well-being.”

5. Similarly, NUA reiterates the ecological and social function of land and promotes a change in the consumption and production patterns, ensuring that they will not exceed the ecosystem’s regenerative capacity. Recommendations and examples of concrete measures and policies that would help reverse land degradation and incentivize land restoration practices would add significant value to the document.
**Recommended adjustment to clause 55:** “We commit to preserve the ecological and social function of land, **support and invest in** ecosystem-based solutions to promote a change in consumption and production patterns, ensuring that they will not exceed the ecosystem's regenerative capacity. We also commit to **restoring degraded land** and sustainable land use containing urban sprawl and prevent unnecessary loss of productive land and land with high environmental value.”

6. We welcome the reference to circular economy in clause 57 in alignment with our previous recommendations as well as the prescriptive measures listed in clause 60. We recommend to further reinforce the importance of measures supportive of circular economy in clauses 57 and 103 as follows:

**Recommended adjustment to clause 57:** “We commit to strengthening the linkages and responsible management of resources like land, water, energy, materials, food, oceans and seas, freshwater resources by creating policy frameworks that will incentivize the reuse of materials and resources, closed-loop waste management systems and environmentally sound production and consumption methods whilst minimizing the release of hazardous chemicals, emissions of greenhouse gases and air pollutants, taking into consideration urban-rural linkages, functional supply and value chains in the full-range of resource requirements vis-à-vis the environmental impact and sustainability, striving to a progressive transition towards a circular economy.”

**Recommended adjustment to clause 103:** “We will support universal access to sustainable waste management systems, based on the principle of decentralization in decisions on alternatives to unregulated waste disposal. We will support the promotion of extended producer responsibility schemes, including waste generators and producers in the financing of urban waste management systems and reducing the hazards of waste streams and increasing recycling rates **through tax incentives and better product design.**”

7. Local authorities and cities around the world have been key players in mobilizing support for an ambitious climate agreement in Paris. It is absolutely key that NUA recognizes and strengthens the role of local governments in pushing the climate agenda forward with a view to contribute to NDCs and raise ambition as we move forward. We welcome the additional references made to climate targets and propose to strengthen clauses 9, 61, 62 and 65 by underlying the urgency of scaling up the deployment of low carbon solutions.

**Recommended adjustment to clause 9, point f:** “promote disaster risk reduction and that are resilient to climate change and other natural and man-made hazards as well as **value, protect and restore** their ecosystems, natural habitats and biodiversity, and **significantly** reduce their environmental impact and carbon footprint.”

**Recommended adjustment to clause 61:** “We commit to support local authorities to develop and **deploy** renewable energy capacity and energy efficiency **measures** which are essential to **drastically reduce** greenhouse gas emissions, achieve sustainable consumption and production patterns, and
accelerate the transition to a low carbon economy that will create new jobs, improve public health, and reduce the costs of energy supply.”

**Recommended adjustment to clause 62:** “We commit to make sustainable use of natural resources and focus on the resource-efficiency of raw materials like concrete, metals, minerals and land, establish safe material recovery and recycling facilities, and promote development of sustainable, energy-efficient and resilient buildings utilizing local and recycled materials.”

**Recommended adjustment to clause 65:** “We commit to promote national, sub-national and local climate action, including climate change adaptation and mitigation, establishing partnerships, including public-private partnerships, to advance low carbon solutions and to support cities, their inhabitants and all local stakeholders as key implementers. We further commit to support the shift to a low- greenhouse gas emissions energy system in urban areas, consistent with the objective of the Paris Agreement on climate change of holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.”

8. Economic opportunities and employment are closely related to sustainable urban development. Access to a livelihood is the first priority especially for the urban poor. Promotion and inclusion of proper space for business and industry, including small scale entities, is vital for successful urban planning. It is the responsibility of authorities to provide the conditions, working together with the business and industry, to create maximum and inclusive economic opportunities for the urban population, both in existing cities, in city extensions and in new towns.

We recommend stressing this point and further strengthening clause 10 as follows:

**Recommended adjustment to clause 10, point a:** “Promote sustainable and inclusive urban prosperity and opportunities for all, leveraging the agglomeration benefits of urbanization, preventing land speculation, ensuring fair and equitable employment creation through the inclusion of proper space for business and industry, productivity, competitiveness, diversification and innovation through sustainable economic development.”

**Recommended adjustment to clause 10, point b:** “Leave no one behind, ensuring urban equity and eradicate poverty in all its forms and dimensions, including extreme poverty, as well as all forms of discrimination, by providing equal access for all, to economic and productive resources, employment, physical and social infrastructure, food security and nutrition, recognizing and leveraging culture, diversity and safety, while enabling participation and enhancing livability, well-being, and quality of life.”

**Recommended adjustment to clause 10, point c:** “Achieve environmentally sound and resilient cities and human settlements, planning and implementing sustainable consumption and production patterns, valuing, protecting and restoring ecosystems and biodiversity in harmony with nature,
reducing disaster risks, mitigating climate change and adapting to its impacts while increasing urban systems’ resilience to physical, economic, and social shocks and stresses.”

9. The issue of the efficiency and performance of basic urban services must be covered and the principles of transparency and accountability in reporting reaffirmed. We therefore recommend clause 11 to be complemented as follows:

**Recommended adjustment to clause 11, point b, sub-bullet ii:** “Strengthening urban legislation to reinforce accountability through consistent monitoring and reporting thereby providing predictability and order in the urban development plans to enable social and economic performance and wealth creation;”

10. The quality of monitoring is correlated to the quality of data gathered. This must be emphasized throughout the NUA. In reality, to effectively monitor progress against the New Urban Agenda, data, indicators, and the tools in which they are captured and analyzed must be consistent and reporting must be mandatory-- from the start. Otherwise, there is a risk of inconsistent data (comparing apples to oranges), inconsistent or incomplete analysis.

   Additionally, it must be clear that monitoring should not be static, but should inform progress as it is being made. Broadly, an emphasis on data collection throughout the document in addition to the dedicated section mentioned above would further strengthen NUA. In this light, clause 122 could be adapted as follows:

**Recommended adjustment to clause 122:** “We will promote the use of appropriate multi-stakeholder partnerships in urban development processes, establishing clear and transparent legal, financial and administrative frameworks, procedures for data collection and dynamic reporting, as well as planning guidelines for multi-stakeholder partnerships, and we will consider the establishment of technical units to advise municipalities on all aspects of partnerships and to provide systematic capacity development for local officials and stakeholders.”

11. Whilst the document makes a number of useful references to water resources, urban water services and, water infrastructure, the importance of these dimensions remains under emphasized in the document as a whole. It is therefore necessary to strengthen the references to water resources and water services to demonstrate the ways in which these are essential for sustainable and resilient cities and for the well-being of their environments, societies and economies. In addition to referencing water widely throughout the document, we recommend a specific section to be added on “water resources and water services” which could read as follows:

   “To ensure the sustainable, efficient and equitable management of the resources in our cities and towns on the long-term, to meet our objectives of SDG 6 on water, and to ensure compliance with the human right to water and sanitation, while mitigating and adapting to climate change, we place the management of the urban water cycle at the center of our preoccupations.”
Rising and competing demands for water, inadequate water infrastructure and degradation of ecosystems are straining the ability of cities to provide water in sufficient quantity and suitable quality as well as to adapt to changes in climate and to protect inhabitants against extreme weather events. Investments made now must have a positive effect on climate change mitigation and also be designed for a dynamic climate. We recognize cities’ potential for technical, organizational or institutional innovation, and for changing the design and management of infrastructure.

We commit to ensuring that the resources, skills and technologies necessary for the construction, operation, maintenance, upgrading and replacement of essential infrastructure are available to ensure the delivery of water supply and sanitation; the collection and removal of water pollution; the resilience to droughts, protection against floods and the preservation of pleasant and viable aquatic environments in our cities and their watershed.

Hydrology, land and urban morphology are interdependent and essential to ensure vibrant cities, secure food and energy supplies, employment and economic activity and long-term sustainability. We recognize this in the planning, administration and management of our cities and towns.

We call for an integrated system of water planning and management that considers urban-rural and upstream-downstream linkages, minimizes conflicts and ecological risks as well as the impacts of climate-related extreme events especially floods and droughts, and maximizes efficiency improvements, synergies and mutual benefits, at the local, river basin and regional scales. The sustainable use and disposal of water and the provision of safe and healthy drinking water should be promoted through a holistic approach of the water cycle, rehabilitating water resources and investing in natural infrastructure where adapted, reducing water use, preventing pollution and treating used water for subsequent beneficial uses or to make it safe to discharge to the natural environment, increasing water storage, reusing and recovering resources and balancing demand collaboratively at the watershed level.

Global, regional, national, watershed and local water governance and delivery mechanisms should be strengthened financially and operationally using all available means to meet our ambitious development objectives.

We recommend anticipating water-related issues when planning urban development, rather than adjusting it to the built environment. Adopting an integrated approach to water, energy, food and health, with the active participation of multiple sectors, communities and local authorities, at the building, district, metropole, regional scales, in intelligence with the watershed, is the cost-effective way to develop risk-resilient and regenerative urban services. Collaboration at a systems level will help reveal synergies and implement solutions with co-optimized benefits on water, sanitation, waste, energy, transport, health and climate.”

In addition to the above-mentioned section on water, we also recommend to strengthen clauses 58 and 100 as follows:
Recommended adjustment to clause 58: “We commit to urban planning processes that incorporate integrated water resources planning and management and incentivize collaboration on a water-shed level considering urban-rural linkages, at the local and territorial scales, ensuring the participation of multiple sectors, stakeholders, users and communities”

Recommended adjustment to clause 100: “We will support adequate investments in infrastructure and service provision systems for water, hygiene and sanitation, sewage, solid waste management, urban drainage, and storm water management to improve health and ensure universal and equitable access to safe and affordable drinking water for all, as well as adequate and equitable sanitation and hygiene for all. We will further ensure that this infrastructure forms part of integrated urban development plans, including housing and mobility, among others, and is implemented in a participatory manner, considering innovative, accessible, context specific, and culturally sensitive solutions. We will equip public water utilities as a means to promote the universal and equitable access to safe and affordable drinking water for all and adequate and equitable sanitation and hygiene for all, as well as to promote sustainable water management through capacity development, including knowledge sharing, peer learning and watershed partnerships. We will also promote financial and operational strengthening of global, regional, national, and local mechanisms to fill the capacity gap in this regard and meet ambitious development objectives.”

12. Clause 25 of the NUA commits to ensuring reliable supply and value chains, yet overlooks the importance of sustainability across these value and supply chains as a prerequisite for resilience. This statement could be strengthened by emphasizing this key point.

Recommended adjustment to clause 25: “We commit to support territorial systems that integrate urban and rural functions into the national and subnational spatial framework and the system of cities, promoting efficient use of land and natural resources, ensuring sustainable supply and value chains that are reliable in connecting urban and rural demand and supply to foster regional development to bridge social and economic gaps.”