URBAN GOVERNANCE, CAPACITY AND INSTITUTIONAL DEVELOPMENT

HABITAT III POLICY PAPERS

POLICY PAPER 4:

URBAN GOVERNANCE, CAPACITY AND INSTITUTIONAL DEVELOPMENT

HABITAT III - 2016

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The Habitat III Policy Units and Papers were coordinated by the Habitat III Secretariat. The work was led by the team comprised of Ana B. Moreno, Wataru Kawasaki, Irwin Gabriel Lopez, Laura Bullon-Cassis, and Dennis Mwamati. Gratitude should also be expressed to the rest of the Habitat III Secretariat, the interns and volunteers who supported this process.

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The Habitat III Secretariat gratefully acknowledges the Government of Ecuador for the financial support provided to produce this publication.

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Suggested reference for this publication: United Nations Conference on Housing and Sustainable Urban Development, *Habitat III Policy Papers: Policy Paper 4 Urban Governance, Capacity and Institutional Development* (New York: United Nations, 2017), www.habitat3.org

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ISBN Volume: 978-92-1-132749-6
ISBN Series: 978-92-1-133392-3

Foreword

The New Urban Agenda was unanimously adopted at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in Quito, Ecuador on 20 October 2016. In December 2016, during the sixty-eighth plenary session of the seventy-first General Assembly, all United Nations Member States endorsed the New Urban Agenda and committed to work together towards a paradigm shift in the way we plan, build, and manage our cities.

The implementation of the New Urban Agenda is crucial for the achievement of the Sustainable Development Goals as well as the Paris Agreement on Climate Change. How we envisage and share our urban spaces ultimately impacts how we address global challenges, and it is in our cities, towns, and villages where actions must be prioritized and operationalized. Over 30,000 Conference participants came together in Quito to discuss this common vision for sustainable development and its effective implementation.

The Habitat III Policy Units were formed to identify policy priorities, critical issues, and challenges, including structural and policy constraints, which would serve as inputs to the New Urban Agenda. They were also tasked with developing action-oriented recommendations for its implementation.

Each Policy Unit was led by two organizations and composed of a maximum of 20 experts with different and cross cutting expertise, each of which were nominated by Member States and stakeholders from all regions. The experts were drawn from various constituent groups and backgrounds, and their selection was guided by geographical and gender balance considerations, as well as qualitative criteria regarding expertise and experience in each relevant policy area.

The Habitat III Policy Papers are the final outcome of the Habitat III Policy Units' work. The Papers served as official inputs to the Habitat III process and were a key part of the formulation of the Zero Draft of the New Urban Agenda. They are also part of the Habitat III legacy and a valuable resource of information and knowledge that various urban actors may find useful in their work on housing and sustainable urban development. The exercise that was carried out with Policy Units and Policy Papers sets a pioneering precedent for future United Nations intergovernmental processes to be not only informed by, but also based on independent expert knowledge.

I would like to express my appreciation to all policy experts and co-lead organizations who provided their insight, expertise, and time to develop the ten Policy Papers. I especially thank the London School of Economics and Political Science (LSE) and the United Cities and Local Governments (UCLG) as Policy Unit 4 co-leaders for their stewardship in coordinating inputs from policy experts and finalizing the Policy Paper on Urban Governance, Capacity and Institutional Development.

I am grateful for the immense dedication and enthusiasm that the co-leaders and policy experts have shown in taking up the challenge of collecting and consolidating key policy recommendations for the New Urban Agenda. And I would like to express my gratitude by showcasing their key messages towards the New Urban Agenda.

Dr. Joan Clos
Secretary-General of the United Nations Conference
on Housing and Sustainable Urban Development (Habitat III)

Acknowledgements

The Habitat III Secretariat expresses its deep appreciation to Member States that provided financial support for the United Nations Conference on Housing and Sustainable Urban Development (Habitat III): the People's Republic of China, the Czech Republic, the Republic of Ecuador, the Republic of Finland, the French Republic, the Federal Republic of Germany, the Republic of Indonesia, the Republic of Kenya, the United Mexican States, the Federal Republic of Nigeria, the Slovak Republic, the Republic of South Africa, and the Kingdom of Spain.

Our gratitude goes out to local and regional governments that financially contributed to the Habitat III preparatory process and the Conference itself, in a pioneering and unique way: the City Council of Barcelona, the Municipal Government of Cuenca, the Government of the Federal District of Mexico, the Government of the State of Mexico, as well as the city of Surabaya.

We would like to convey special appreciation for the Rockefeller Foundation and the United Nations Environment Programme for their financial contribution to the Habitat III preparatory process and Conference.

The Habitat III Secretariat would also like to express its gratitude to the organizations and institutions which supported the Conference with in-kind funds: the Ford Foundation, the Municipality of Tel-Aviv, the Montreal Metropolitan Community (CMM), and the United Arab Emirates.

We would also like to give special thanks for the in-kind contributions that made the Policy Units a reality by hosting some of the Expert Group Meetings in 2015 and 2016: the Bartlett Development Planning Unit (DPU) - University College London, the CAF-Development Bank of Latin America, the Ford Foundation, the Inter-American Development Bank (IDB), the Korea Research Institute for Human Settlements (KRIHS), the London School of Economics (LSE Cities), the Organisation for Economic Co-operation and Development (OECD), the Union Internationale des Transports Publics (UITP), the United Cities and Local Governments (UCLG), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Human Settlements Programme (UN-Habitat), the Urban Innovation Centre – Future Cities Catapult, and the World Bank.

Finally, we would like to convey our most sincere appreciation for the voluntary work of all the Policy Unit co-lead organizations and their representatives, as well as the Policy Unit experts, who enthusiastically and generously shared their knowledge in the elaboration of the Habitat III Policy Papers. Their commitment and extensive time spent preparing the policy recommendations contributed to a vibrant preparatory process and Conference, and are reflected in the New Urban Agenda.

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Acronyms/Abbreviations

ASEAN	Association of South- East Asian Nations
CMM	Montreal Metropolitan Community
DPU	Bartlett Development Planning Unit of the University College London
EUKN	European Urban Knowledge Network
IAGU	Institut Africain de Gestion Urbaine of Senegal
ICT	Information and Communications Technology
IDB	Inter-American Development Bank
INU	National Institute of Urban Planning of Italy
KRIHS	Korea Research Institute for Human Settlements
LSE	London School of Economics
Mercosur	Mercado Común del Sur
NGO	Non-Governmental Organization
OECD	Organisation for Economic Cooperation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
PPPs	Public Private Partnerships
SDI	Slum Dwellers International
UCLG	United Cities and Local Governments
UITP	Union Internationale des Transports Publics
UN Environment	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UN-Habitat	United Nations Human Settlements Programme
UNISDR	United Nations Office for Disaster Risk Reduction
PRI	Principles of Responsible Investments
WHO	World Health Organization
WIEGO	Women in Informal Employment

Introduction

Technical expertise towards the New Urban Agenda

The United Nations General Assembly decided to convene the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in October 2016, in Quito, Ecuador, to reinvigorate the global commitment to sustainable urbanization, and to focus on the implementation of the New Urban Agenda with a set of global standards of achievement in sustainable urban development.

The Habitat III Conference and its preparatory process provided a unique opportunity to bring together diverse urban actors, particularly local authorities, to contribute to the development of the New Urban Agenda in the new global development context after the historic adoption of the 2030 Agenda for Sustainable Development and its Goals, the Paris Agreement on Climate Change, and other global development agreements and frameworks.

In September 2014, during the first session of the Habitat III Preparatory Committee (PrepCom1) held in New York at the United Nations headquarters, the Secretary-General of the Conference, Dr. Joan Clos, presented a report[1] on the preparations for the Conference and launched an innovative, inclusive, and action-oriented preparatory process carried out in four areas: knowledge, engagement, policy, and operations.

In the same report, paragraph 68, it is noted that the work of several Policy Units on thematic areas could facilitate the collection of inputs to the Habitat III preparatory process in an innovative way, ensuring the participation of all actors in the composition of those units.

A Habitat III Strategic Framework was developed based on these four areas, while linkages among the four areas were guided by the principles of innovation and inclusiveness requested by Member States.

[1] A/CONF.226/PC.1/4

FIGURE 1. HABITAT III STRATEGIC FRAMEWORK

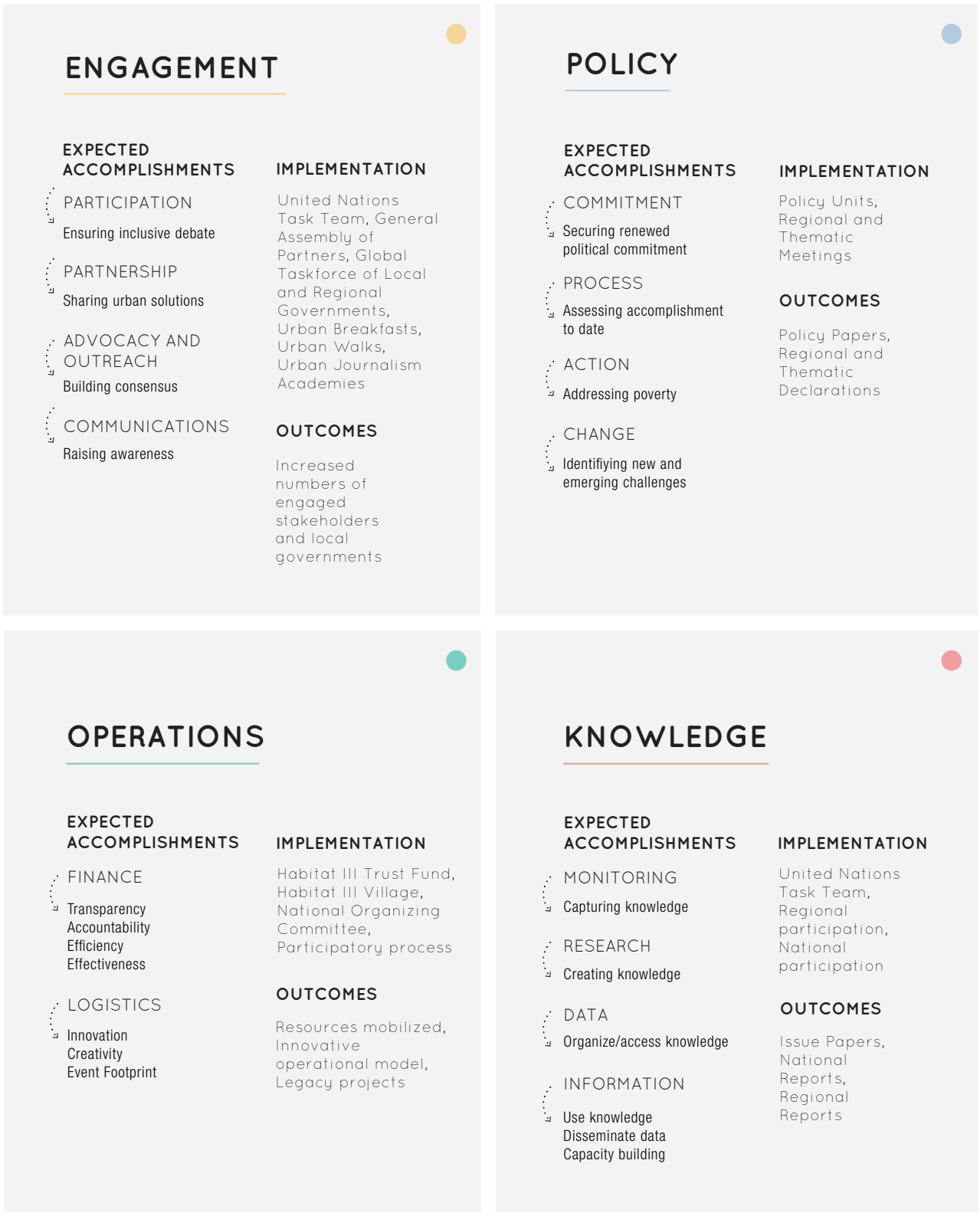


FIGURE 2. EXPECTED ACCOMPLISHMENTS FOR THE HABITAT III POLICY AREA

Establishment of the Policy Units

After PrepCom1, which took place in September 2014, from October to December 2014, the Bureau of the Preparatory Committee proposed the Habitat III Thematic Framework with six thematic areas, 22 Issue Papers and ten Policy Units.

FIGURE 3. HABITAT III THEMATIC FRAMEWORK

AREAS	ISSUE PAPERS	POLICY UNITS
1. Social Cohesion and Equity – Livable Cities	1. Inclusive cities (a.o. Pro-poor, Gender, Youth, Ageing) 2. Migration and refugees in urban areas 3. Safer Cities 4. Urban Culture and Heritage	1. Right to the City and Cities for All 2. Socio-Cultural Urban Framework
2. Urban Frameworks	5. Urban Rules and Legislation 6. Urban Governance 7. Municipal Finance	3. National Urban Policies 4. Urban Governance, Capacity and Institutional Development 5. Municipal Finance and Local Fiscal Systems
3. Spatial Development	8. Urban and Spatial Planning and Design 9. Urban Land 10. Urban-rural linkages 11. Public Space	6. Urban Spatial Strategies: Land Market and Segregation
4. Urban Economy	12. Local Economic Development 13. Jobs and Livelihoods 14. Informal Sector	7. Urban Economic Development Strategies
5. Urban Ecology and Environment	15. Urban Resilience 16. Urban Ecosystems and Resource Management 17. Cities and Climate Change and Disaster Risk Management	8. Urban Ecology and Resilience
6. Urban Housing and Basic Services	18. Urban Infrastructure and Basic Services, including energy 19. Transport and Mobility 20. Housing 21. Smart Cities 22. Informal Settlements	9. Urban Services and Technology 10. Housing Policies

At the second session of the Habitat III Preparatory Committee (PrepCom2), held in April 2015 in Nairobi, Kenya, at the headquarters of the United Nations Human Settlements Programme (UN-Habitat), Member States called upon participating States to support the work of the Policy Units with a goal of facilitating the elaboration of policy recommendations which would contribute, together with the inputs from broad regional and thematic consultations among all stakeholders, to the Bureau of the Preparatory Committee's work in preparing the draft outcome document of the Conference.[2]

On 8 May 2015, in his capacity as Secretary-General of the Conference and pursuant to the request by Member States to select technical experts -- keeping a balance between Government-nominated technical experts and others and guided by the need for equitable geographical representation and gender balance -- Dr. Joan Clos sent an official letter encouraging Member States of the United Nations to support the work of the Policy Units by nominating suitably qualified technical experts to constitute ten Policy Units in order to facilitate the elaboration of policy recommendations. Stakeholders were also invited to nominate experts. The terms of reference for co-lead organizations and experts were shared on the Habitat III website, as well as the selection process and criteria details (see Appendixes A, B and C).

Over 700 nominations were received from Member States as well as stakeholders' organizations, including experts from academia, national and local governments, civil society, and other regional and international bodies. A selection process based on the set criteria such as expertise, gender balance, and geographical representation was completed in close consultation with the Bureau of the Preparatory Committee.

A total of 20 appointed organizations, two per Policy Unit, were selected based on their expertise in the subject area given the specific topic of the Policy Unit, participation and engagement in other intergovernmental processes and/or global development frameworks, and diversity in their constituent groups. The co-lead organizations also contributed technical, financial, or in-kind support to the work of the Policy Units.

A maximum of 20 experts per Policy Unit were also selected, including at least one expert on gender issues and one on children and youth. Each Policy Unit had at least one expert from a Least Developed Country.

[2] See 1/1205 resolution at A/CONF.226/PC.2/6.

FIGURE 4. HABITAT III POLICY UNITS CO-LEAD ORGANIZATIONS

AREAS	POLICY UNITS	CO-LEAD ORGANIZATIONS
1. Social Cohesion and Equity – Livable Cities	1. Right to the City, and Cities for All	• ActionAid • CAF-Development Bank of Latin America
	2. Socio-Cultural Urban Framework	• Institut Africain de Gestion Urbaine of Senegal (IAGU) • United Nations Educational, Scientific and Cultural Organization (UNESCO)
2. Urban Frameworks	3. National Urban Policies	• Organisation for Economic Co-operation and Development (OECD) • United Nations Human Settlements Programme (UN-Habitat)
	4. Urban Governance, Capacity and Institutional Development	• LSE Cities, London School of Economics and Political Science • United Cities and Local Governments (UCLG), facilitating the Global Taskforce
	5. Municipal Finance and Local Fiscal Systems	• Lincoln Institute of Land Policy • World Bank
3. Spatial Development	6. Urban Spatial Strategy: Land Market and Segregation	• National Institute of Urban Planning of Italy (INU) • Urban Planning Society of China (UPSC)
4. Urban Economy	7. Urban Economic Development Strategies	• Bartlett Development Planning Unit (DPU) - University College London • Korea Research Institute for Human Settlements (KRIHS)
5. Urban Ecology and Environment	8. Urban Ecology and Resilience	• The Rockefeller Foundation • United Nations Environment Programme (UN Environment)
6. Urban Housing and Basic Services	9. Urban Services and Technology	• Association of German Cities • Union International des Transports Publics (UITP)
	10. Housing Policies	• Habitat for Humanity • Inter-American Development Bank (IDB)

The Habitat III Secretariat and the co-leaders organized several virtual meetings throughout the work of the Policy Units from September 2015 until the end of February 2016 in order to strengthen coordination, clarify matters of the required work, and prepare for the face-to-face Expert Group Meetings, and for more substantive discussions and decision-making on the contents of the Policy Papers.

A total of 20 Policy Unit Expert Group Meetings were organized from November 2015 to February 2016, and hosted by some of the co-lead organizations or key partners of the Habitat III preparatory process. Participants of the Expert Group Meetings were composed of policy experts and co-leaders and coordinated by the Habitat III Secretariat.

FIGURE 5 - HABITAT III POLICY UNITS LIST OF EXPERT GROUP MEETINGS

Policy Unit	City/Country	Dates	Hosted by
Policy Unit 1	Lima, Peru	24-25 November 2015	CAF-Development Bank of Latin America
	Bogota, Colombia	27-28 January 2016	CAF-Development Bank of Latin America
Policy Unit 2	New York, USA	25-27 January 2016	The Ford Foundation
	Paris, France	22-25 February 2016	UNESCO
Policy Unit 3	Paris, France	12-13 November 2015	OECD
	Incheon, Republic of Korea	15-16 December 2015	UN-Habitat; Korea Research Institute for Human Settlements (KRIHS)
Policy Unit 4	London, UK	15-16 December 2015	LSE Cities, London School of Economics and Political Science
	Barcelona, Spain	10-12 February 2016	United Cities and Local Governments (UCLG), facilitating the Global Taskforce
Policy Unit 5	Washington DC, USA	20-22 January 2016	World Bank
	London, UK	15-16 February 2016	Urban Innovation Centre – Future Cities Catapult
Policy Unit 6	Barcelona, Spain	16-17 November 2015	UN-Habitat
	New York, USA	4-5 February 2016	The Ford Foundation
Policy Unit 7	London, UK	3-4 December 2015	Bartlett Development Planning Unit (DPU) - University College London
	London, UK	9-10 February 2016	Urban Innovation Centre – Future Cities Catapult
Policy Unit 8	Bangkok, Thailand	23-24 November 2015	The Rockefeller Foundation
	Paris, France	25-26 January 2016	OECD
Policy Unit 9	Barcelona, Spain	17-18 November 2015	UN-Habitat
	Brussels, Belgium	11-12 February 2016	Union Internationale des Transports Publics (UITP)
Policy Unit 10	Barcelona, Spain	19-20 November 2015	UN-Habitat
	Washington DC, USA	27-29 January 2016	Inter-American Development Bank (IDB)

First outcome: Policy Paper Frameworks

All the Policy Units identified challenges, policy priorities, and critical issues as well as developed action-oriented recommendations for the implementation of the New Urban Agenda. The Policy Paper Framework was based on the template provided by the Habitat III Secretariat (see Appendices D and E) and submitted by the end of December 2015. It was also published online on the Habitat III website.

Official comments on the ten Policy Paper Frameworks by Member States and stakeholders were received by the end of January 2016, and also made available on the Habitat III website as a contribution to the policy process towards Habitat III. The co-lead organizations and experts took the feedback and comments into consideration to further work on the elaboration of the Policy Papers.

Comments from the perspective of the United Nations were also shared by the United Nations system through the United Nations Task Team on Habitat III (see Appendix F).

FROM MEMBER STATES

- Argentina
- Brazil
- Colombia
- Ecuador
- European Union and Member States
- Finland
- France
- Germany
- Japan
- Mexico
- Myanmar
- Netherlands (the)
- Norway
- Russian Federation (the)
- Senegal
- Thailand
- United States of America (the)

FROM STAKEHOLDERS

- Caritas International
- Ecoagriculture Partners
- Habitat International Coalition
- Helpage International
- Institute for Global Environmental Strategies
- Institute for Housing and Urban Studies, Erasmus University of Rotterdam
- International Council for Science and Future Earth
- Techo
- Union for International Cancer Control
- World Future Council
- World Resources Institute
- World Wildlife Fund

FROM UN AGENCIES

- OHCHR
- UN Environment
- UN-Habitat
- UNISDR
- UN-Women
- WHO

Finalization of the Policy Papers

Throughout the Expert Group Meetings, all ten Policy Papers were finalized and delivered by the Policy Units on 29 February 2016, and published on the Habitat III website. The Policy Papers were the result of collective efforts from the co-leaders and experts who had countless virtual and face-to-face discussions, resulting in critical and action-oriented policy recommendations to feed into the New Urban Agenda.

A formal handover of the Policy Papers to the Secretary-General of the Conference and the Bureau of the Habitat III Preparatory Committee took place during the Habitat III Europe Regional Meeting in Prague, Czech Republic, on Friday, 17 March 2016.

Representatives of the Policy Unit co-leaders and experts met with the Secretary-General of the Conference as well as the Bureau of the Preparatory Committee, and co-lead organizations of the Policy Units were thanked for their dedicated work and support, while the experts of all ten Policy Units were commended for their tireless efforts and the expertise they demonstrated in finalizing the Policy Papers.

Intersessional Process towards the Zero Draft of the New Urban Agenda

Policy Units were further involved as headway was being made in preparations for Habitat III. Furthering its vision for the preparatory process and for the Habitat III Conference to be carried out in an inclusive, efficient, effective, and improved manner, the General Assembly, in its resolution A/70/210, decided to organize five days of Open-Ended Informal Consultative Meetings before the submission of the Zero Draft of the New Urban Agenda in order to provide an opportunity for feedback on the conclusions of the Habitat III Policy Units and the Habitat III Regional and Thematic Meetings.

As part of the Intersessional Process, the Secretary-General of the Conference convened the Policy Units at the Habitat III Open-Ended Informal Consultative Meetings, which took place from 25 to 29 April 2016 at the United Nations headquarters in New York. The meeting brought together over 500 participants representing relevant stakeholders, international organizations, the United Nations system, and governments, more than 120 of which were Policy Unit experts and co-leaders from the respective organizations who participated and acted as moderators, presenters, and panelists over the period of five-day consultations.

The meeting was organized with daily themes on regional perspectives; transformative commitments for sustainable urban development; effective implementation; and how to enhance means of implementation. Co-leaders, in particular, played a significant role in organizing and leading each panel discussion in coordination with the Habitat III Secretariat. Panels aimed to examine the recommendations and outputs of the Policy Papers.

The formal handover of the Policy Papers at the Habitat III Europe Regional Meeting in Prague, Czech Republic

The Habitat III Conference: Policy directions towards the implementation of the New Urban Agenda

Apart from the elaboration of the Policy Papers, the Policy Units continued to contribute to the next stages of the Habitat III process, with their feedback and the Policy Papers actively resonating throughout the development of the outcome document that ultimately articulated the New Urban Agenda at the Habitat III Conference.

With the agreed New Urban Agenda, Policy Dialogue sessions were organized with the leadership of the co-lead organizations during the Habitat III Conference in Quito from 17 to 20 October 2016. The co-lead organizations developed a concept note for the Policy Dialogues which aimed to provide rich and innovative discussions and conversations on the theme of the Conference based on the elaborated recommendations of the respective Policy Papers. The Policy Dialogues, with a particular action-oriented focus on the implementation of the New Urban Agenda, were able to mobilize a variety of actors from all over the world, and provided a unique space to discuss the Policy Units thematic areas.

A unique legacy

The Policy Papers, due to the dedicated work of the Policy Units, were the building blocks of the New Urban Agenda, and contributed to the participatory, innovative, and inclusive manner in which the Conference in Quito took place. The creation of the Policy Units has played a key role in opening new opportunities to build on and to increase the relevance of sustainable urban development as a priority among Member States, the United Nations system, local governments, stakeholders, and other key urban players to implement the New Urban Agenda and achieve its goals together.

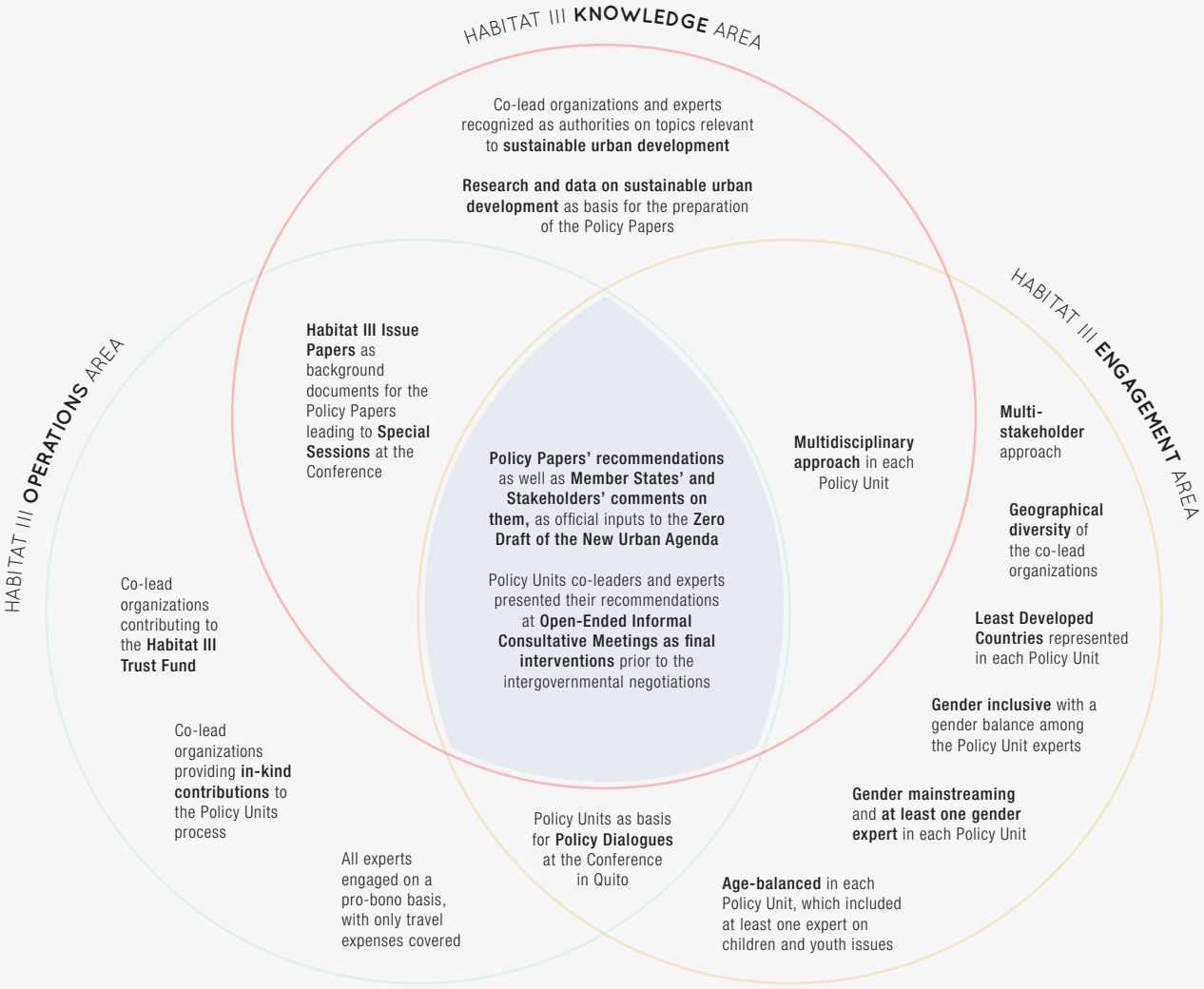
FIGURE 6. POLICY UNITS' ROLE IN THE HABITAT III STRATEGIC FRAMEWORK

Policy was one of the four conceptualized areas, along with knowledge, engagement, and operations, in the Habitat III strategic framework, which laid out the efforts necessary to achieve the goals and objectives of the Habitat III Conference and its preparatory process.

The Policy Area, composed of Policy Units and Regional and Thematic Meetings (see Figure 1), played an important role in providing significant substantive inputs during the Habitat III preparatory process and the formulation of the New Urban Agenda.

The Policy Units brought together 200 experts and 20 co-lead organizations recognized as authorities on sustainable urban development to create ten Policy Papers, which resulted in key building blocks of the New Urban Agenda in an inclusive, innovative, and participatory manner.

Apart from the results of the Policy Units in the Policy Area, each of the Habitat III strategic areas maximized its synergy effect and its role by interacting across and interlinking among the other three areas, ensuring that the entire process in the run up to the Habitat III Conference was integrated. This figure demonstrates how the Policy Units enabled the successful work of the Policy Area, while complementing and contributing to the other areas, with the active involvement of Member States, the United Nations system, local governments, stakeholders, and other key urban experts.


HABITAT III KNOWLEDGE AREA
Co-lead organizations and experts recognized as authorities on topics relevant to sustainable urban development
Research and data on sustainable urban development as basis for the preparation of the Policy Papers
HABITAT III OPERATIONS AREA
Habitat III Issue Papers as background documents for the Policy Papers leading to Special Sessions at the Conference
Co-lead organizations contributing to the Habitat III Trust Fund
Co-lead organizations providing in-kind contributions to the Policy Units process
All experts engaged on a pro-bono basis, with only travel expenses covered
Policy Papers' recommendations as well as Member States' and Stakeholders' comments on them, as official inputs to the Zero Draft of the New Urban Agenda
Policy Units co-leaders and experts presented their recommendations at Open-Ended Informal Consultative Meetings as final interventions prior to the intergovernmental negotiations
Policy Units as basis for Policy Dialogues at the Conference in Quito
HABITAT III ENGAGEMENT AREA
Multidisciplinary approach in each Policy Unit
Multi-stakeholder approach
Geographical diversity of the co-lead organizations
Least Developed Countries represented in each Policy Unit
Gender inclusive with a gender balance among the Policy Unit experts
Gender mainstreaming and at least one gender expert in each Policy Unit
Age-balanced in each Policy Unit, which included at least one expert on children and youth issues

Policy Unit 4 on Urban Governance, Capacity and Institutional Development

Co-Lead Organizations

LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE (LSE CITIES)

LSE Cities is an international centre at the London School of Economics and Political Science that carries out research, education and outreach activities. The mission is to study how people and cities interact in a rapidly urbanising world, focussing on how the design of cities impacts on society, culture and the environment. Through research, conferences, teaching and projects, the centre aims to shape new thinking and practice on how to make cities fairer and more sustainable for the next generation of urban dwellers. The Centre's contribution to Habitat III is led by Ricky Burdett, Director, LSE Cities and Philipp Rode, Executive Director, LSE Cities.

www.lsecities.net

UNITED CITIES AND LOCAL GOVERNMENTS (UCLG), FACILITATING THE GLOBAL TASKFORCE

UCLG represents and defends the interests of local and regional governments (sub-national) on the world stage, regardless of the size of the communities they serve. It has membership in over 115 countries. The organisation's mission is to be the united voice and world advocate of democratic local self-government, promoting its values, objectives and interests, through cooperation between local governments, and within the wider international community. UCLG facilitates the Global Taskforce of Local and Regional Governments for Post-2015 Agenda towards Habitat III. The Global Taskforce is an umbrella mechanism that was set up in 2012 to define and implement a joint strategy regarding the contributions of international local government networks to international policy debates in particular 2030 Development agenda and Habitat III.

www.uclg.org and www.gtf2016.org

Co-leaders[1]

LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE (LSE CITIES)

Philip Rode

Executive Director, LSE Cities London School of Economics and Political Science

Mr. Philipp Rode is the co-director of the LSE Executive MSc in Cities and co-convenes the LSE Sociology Course on 'City Making: The Politics of Urban Form'. Mr. Rode holds a PhD from the Department of Sociology at the LSE that focused on urban governance and integrated policy-making. As researcher, consultant, and advisor he has been directing interdisciplinary projects comprising urban governance, transport, city planning, and urban design at the LSE since 2003. The focus of his current work is on institutional structures and governance capacities of cities as part of an international collaboration with UN-Habitat/Habitat III and on city-level green economy strategies, which includes co-directing the LSE Cities research for the Global Commission on the Economy and Climate. Mr. Rode has previously led the coordination of the chapters on Green Cities and Green Buildings for the United Nations Environment Programme's Green Economy Report. Mr. Rode is the Executive Director of the Urban Age Programme and since 2005 has organised Urban Age conferences in partnership with Deutsche Bank's Alfred Herrhausen Gesellschaft in over a dozen world cities, bringing together political leaders, city mayors, urban practitioners, private sector representatives, and academic experts..

Catarina Heeckt

Project Manager, LSE Cities

Ms. Catarina Heeckt joined LSE Cities in 2012 and has since worked on a variety of publications, including Going Green, the Stockholm and Copenhagen Green Economy Leader Reports, and Innovation in Europe's Cities – a report on the Bloomberg Philanthropies European Mayors Challenge. Ms. Heeckt recently completed a project on urban climate co-benefits together with C40 and is the Project Manager for LSE Cities' contribution to the Coalition for Urban Transitions, established by the Global Commission on the Economy and Climate. Ms. Heeckt also leads ongoing research collaboration between LSE Cities and the International Growth Centre that has explored urban growth in Myanmar and is expanding into other South Asian countries. In addition, Ms. Heeckt has been closely involved in the organisation and research for the Urban Age conferences in London, Rio de Janeiro, and Delhi, and acts as the course coordinator for both the LSE Sociology course 'City Making: The Politics of Urban Form' and the LSE Executive Summer School short course 'London and Global Cities'. Ms. Heeckt holds an MSc in Environmental Policy and Regulation from the LSE and a BA (Hons) in Political Science and International Development from McGill University.

[1] All biographies of the co-leaders and experts are as of the date of the establishment of the Policy Units in September 2015.

UNITED CITIES AND LOCAL GOVERNMENTS (UCLG), FACILITATING THE GLOBAL TASKFORCE

Emilia Sáiz
Deputy Secretary General, United Cities and Local Governments

Ms. Sáiz studied European Studies and Law, specializing in international law, with a master's degree in local governance in the information society. Ms. Sáiz has worked in the founding organization of UCLG, IULA, since 1997. Ms. Sáiz has led programmes dedicated to institutional capacity building, women's empowerment, and decentralized cooperation. Ms. Sáiz is currently the Deputy Secretary General of United Cities and Local Governments (UCLG) and Co-Chair of the Gender Programme of Cities Alliance. Ms. Sáiz also facilitates the Global Taskforce of Local and Regional Governments for the Post-2015 Development Agenda and Habitat III, and coordinates the inputs of the constituency to the UN process.

Experts of Policy Unit 4 on Urban Governance, Capacity and Institutional Development

Quazi Baby

Executive Director and Founder, Participatory Development Action Program

Ms. Baby is a member of Coalition for the Urban Poor, Breaking the Silence, International Women Partnership, Land and Housing Rights Forum, Disadvantage Adolescent Working NGOs, and Huairou Commission. Ms. Baby has received International recognition for her work with UN-Women through the Yvonne Hebert Scholarship from UN-Women, New York ,and she has received an honorary doctorate award from Sapporo University, Japan. Ms. Baby is the Executive Director of Participatory Development Action Program (PDAP), a woman activist, as well as development worker in Bangladesh. Ms. Baby has established her organization in 1994 which works mainly with women, girls, and child development issues, and is involved with different development activities, especially non-government organizations in the field of women's and children's rights, environmental development, reproductive health, housing rights, etc. Ms. Baby has contacts and association with national and international NGOs.

Augusto Barrera

Researcher at Facultad Latinoamericana de Ciencias Sociales (FLACSO)

Mr. Barrera is the Coordinator of the Cite Institute of FLACSO and the former Mayor of Quito. Mr. Barrera is a specialist in local development planning and political science, holding a Master in Political Science from Ibero America, and the International University of Andalusia.

Flemming Borreskov

President and Founder at Catalytic Society

Mr. Borreskov holds master's degree in Economics from Copenhagen University. Mr. Borreskov is Founder and President of the Catalytic Society, with the mission to develop and promote the creative interaction between government, the business community, and civil society - with a particular emphasis on cities and on the interaction between people and cities. Mr. Borreskov began his career in 1976 at the Danish Ministry of Environment and was since 1983 has engaged in the financial sector. In 2000, Mr. Borreskov was appointed CEO of Realdania, one of Denmark's largest foundations, founded the same year. Realdania's mission is to create quality of life for all through the built environment, and Mr. Borreskov has guided the development of Realdania to a strategic philanthropic organization.

Ilaria Boniburini

Senior Lecturer, University of Rwanda

Ms. Boniburini holds a PhD in Urban Planning and is a leader of the Action Research project with the city of Kigali in Rwanda. Ms. Boniburini is the coordinator of Eddyburg, an architect, urban planner, and scholar with trans-disciplinary experience in the field of public spaces, the right to the city, and urban development for rapidly urbanizing countries. Ms. Boniburini obtained her architecture degree in 1996 and a Master in Requalification of Infrastructures and Settlements in 2005, both from the Polytechnic of Milan. In 2011, Ms. Boniburini completed a PhD in Urban and Territorial Planning at the University of Florence. In September 2015, Ms. Boniburini began working a researcher on urban governance at the University of the Witwatersrand, where she was granted the NRF SARCHI Spatial Analysis and City Planning Post- Doc Fellowship.

Aliye Celik

President of the Consortium for Sustainable Urbanization

Ms. Celik holds a PhD in Architecture and is the Representative of United Cities and Local Government to the United Nations. Ms. Celik is the President, Founder, and Co-Chair of the Consortium for Sustainable Urbanization. As the past Head of the New York office of UN-Habitat, Ms. Celik directed preparations for the Habitat II Conference in Istanbul, Turkey in 1996, and served UN-Habitat Nairobi and New York, working on building technologies, sustainable urbanization, energy, and gender issues. Ms. Celik's publications are in the field of urban environment and health, poor women, and space.

Doaa El-Sherif

Housing and Building National Research Center

Ms. El-Sherif is a researcher and professor of Environmental Planning and Urban Management at the Housing and Building National Research Center in Egypt, a position held since July 1987. Ms. El-Sherif has also participated in various international conferences on urban and development issues at the national, regional, and international levels.

Pablo Cesar Fuentes

Metropolitan Regional Secretary of Housing and Urban Development

Mr. Fuentes holds a master's degree in Alta Gestión in Human Security, Climate Change and Energy Efficiency. Mr. Fuentes is an advisor to urban projects, regional ministerial secretary of Housing and Urban Development, metropolitan region of Santiago and Head Department of Regional Planning. Mr. Fuentes is visiting professor in the Territorial Policies Course and a professor at the Metropolitan Technological University, and has worked on issues of urban development at the Ministry of Housing and Urbanization (MINVU) and regional planning and land management at the Metropolitan Regional Government of Santiago.

Martin Grisel

Director of the European Urban Knowledge Network European Grouping of Territorial Cooperation

Mr. Grisel holds PhD from the University of Leiden and is a speaker at high level UN-Habitat meetings. Mr. Grisel is a knowledge partner of national governments, and a highly experienced urban professional working at the interface between policy, practice, and research at the European and wider global level.

Teo Chee Hai

International Federation of Surveyors

Mr. Hai is the President of the International Federation of Surveyors (2011 - 2014), a licensed/chartered surveyor in the private practice in Malaysia. Born in Malaysia, Mr. Hai successfully completed his undergraduate program in surveying in Australia in 1980, and a master's program in Malaysia in 2004. Mr. Hai is a Past Secretary-General of the ASEAN Federation of Land Surveying and Geomatics and a Past President of the Royal Institution of Surveyors Malaysia (RISM), has held a number of positions in the Association of Authorised Land Surveyors Malaysia (AALSM), and has had a number of ministerial appointments in Malaysia including to the Land Surveyors Board (2003 - 2009) and the second National Economic Consultative Council (1999/2000).

Peter Herrle

Professor Emeritus at Technische Universität, Berlin

Mr. Herrle is Professor emeritus for International Urbanism. Until 2012, he was The Director of the Habitat Unit at Technische Universität Berlin. His major research fields are urban governance, urban informality, housing and mega-urban development. Mr. Herrle is also Advisory Professor at the Tongji University Shanghai. Mr. Herrle initiated and chaired a dual master program "urban design," in cooperation with the Tongji University Shanghai as well as an international postgraduate master's program on urban management for professionals from various disciplines. The program is implemented in cooperation with GIZ and other development agencies. For more than 30 years he has been consultant to bilateral and international development agencies in various fields including housing, urban management and urban planning in more than 20 countries in Asia and Africa. Mr. Herrle is founding editor of the 'Habitat International Series' at LIT-Publishers and co-editor of 'Megacities and Global Change' series at Steiner Publishers. Mr. Herrle has also authored several background and policy papers for GIZ.

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Ms. Hermant holds a master's degree in Economic Sciences form Paris-Dauphine University. Ms. Hermant is serving as a Senior Policy Officer in urban and territorial issues and is an urban researcher. Ms. Hermant manages the triennial Perception Survey on Quality of Life in European cities and co-authored the European "Cities of tomorrow" report.

Alcinda Holwana

Professor of Anthropology and International Development at the Open University, United Kingdom

Ms. Holwana is a visiting professor of Anthropology and International Development at the Open University, United Kingdom and Chair of International Development. Ms. Holwana was the Director of the International Development Centre from 2005-2010. Prior to joining the Open University, Ms. Holwana was a Program Director at the Social Science Research Council in New York and a Program Officer at the United Nations Office of the Special Representative of the Secretary-General for Children and Armed Conflict. Ms. Holwana has carried out extensive research on political conflict and politics of culture; on the impact of war on children and other vulnerable groups; and on youth politics, social movements, and social change. Ms. Holwana's latest books include: Youth and Revolution in Tunisia (2013), The Time of Youth: Work, Social Change and Politics in Africa (2012), and Child Soldiers in Africa (2006).

Irina Ilina

Director of the Institute for Regional Studies and Urban Planning of the IRSUP

Ms. Ilina is the Director of the Institute for Regional Studies and Urban Planning of the IRSUP, the Former Deputy Minister for the Department of Natural Resources and Environmental Protection of the city of Moscow. Ms. Ilina holds a PhD in Economics and national economy management and environmental economics. She has also been the author and co-author of over 500 research works and urban development projects on the problems of strategic and spatial planning, land use, urban planning, policy-making for sustainable development, and ecological and economic issues.

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Mr. Pinilla is a lawyer with a master's degree in Urban Management. Mr. Pinilla runs an independent consultancy in coordination with the legal and public component of an urban revitalization project in Bogota, Colombia called 'Progresa Fenicia' promoted by Los Andes University. Mr. Pinilla participated as a consultant in projects led by the Urban Legislation Unit of UN-Habitat, the CAF-Development Bank of Latin America, the Inter-American Development Bank, and the World Bank.

Soo-Jin Kim

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Ms. Kim holds a master's degree in European Comparative Public Law from University of Paris. Ms. Kim works at the Directorate of Public Governance and Territorial Development, Organization for Economic Corporation and Development, Paris, and is the author of analytical reports on regional and urban development policies. Ms. Kim is also the author of a synthesis report on metropolitan governance, a report on regional development policies, and reports on urban development policies.

Taibat Lawanson

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Ms. Lawanson holds a PhD in Urban and Regional Planning from The Federal University of Technology, Nigeria. Ms. Lawanson is a senior lecturer at the University of Lagos, Nigeria and was also an urban planner at EIE Design Associates, a member of Human Development and Capability Association, a member of Urban Affairs Association, and part of the International Society for City and Regional Planners. Ms. Lawanson's publication and research are in the field of environmental health and urban poverty.

Wicaksono Sarosa

Chairman of the Executive Board of Kemitraan-Habitat

Mr. Sarosa has worked in sustainable development and governance as the Executive Director of the Urban and Regional Development Institute (URDI), a Jakarta- based not-for-profit organization. Mr. Sarosa is also a lecturer at the Trisakti University and a principal at Ronakota Selaras, a design and planning consulting firm. Mr. Sarosa earned his doctorate degree in urban and regional planning from the University of California at Berkeley (2001), a bachelor's degree in Architecture from the Bandung Institute of Technology, and a master's degree in Urban and Regional Planning, from 1990- to 1992, as a Fulbright scholar in the United States.

Relinda Sosa Perez

President of National Confederation of Women Organized for Life and Integrated Development (CONAMOVIDI), GROOTS Peru

Ms. Sosa organizes and builds female leadership in communities vulnerable to landslides, earthquake, floods, food insecurity, and loss of subsistence methods. Ms. Sosa began her work in 1990 as a community kitchen director during the peak of Peru's cholera epidemic. After the founding of CONAMOVIDI in 2005, Ms. Sosa was elected its first president. The organization aims to strengthen the rights of women in rural and urban areas, organizing farmers, artisans, and women from community kitchens. CONAMOVIDI has helped social organizations from 65 provinces and 16 departments of Peru, training women to participate in social management with local governments and implementing community mapping processes to identify areas of vulnerability and risk. Ms. Sosa went on to supervise a civil society planning committee and the governing board of the Ministry of Women. Ms. Sosa is an advocacy speaker who has participated in national, regional, and global conferences.

Pascal Moloi

Member of the Panel of Advisor of the Minister of Human Settlements

Mr. Moloi holds a Bachelor of Arts from the University of the Witwatersrand. As part of a team contracted by the World Bank, Mr. Moloi carried out assessment of the Ethiopian Governments Public Sector Capacity Building Programmes (PSCAP), and has played oversight role over 13 Entity Boards of the City of Johannesburg and been a Board Member of the Johannesburg Summit Company (JOSCO) responsible for the hosting of the 2002 World Summit. Mr. Moloi has extensive practical experience in local government, and has undertaken extensive work to assist several South African municipalities in transformation projects. Mr. Moloi is one of the authors of the South Africa's National Development Plan.

Esther Ofei-Aboagye

Social Policy Analyst and Development Management Consultant, Former Director of Local Government Studies

Ms. Ofei-Aboagye holds a PhD in Public Policy. Ms. Ofei-Aboagye has worked as a consultant in policy formulation for the government of Ghana, as a national consultant for the Development of National Social Protection Policy for Government of Ghana/UNICEF with great experiences in review, monitoring, and evaluation of social development programmes as well as in local economic development support and local governance.

Luis Aguilar Villanueva

Director of the Instituto de Investigación en Políticas y Gobierno at the Universidad de Guadalajara

Mr. Villanueva is currently the Director of the Institute of Public Policy and Governance at the University of Guadalajara, Mexico. From 2006 to 2013, Mr. Villanueva was a member of the UN Committee of Experts on Public Administration, serving as Rapporteur and Chairman, and is currently a member of the Scientific Council of CLAD (Consejo Latinoamericano para la Administration del Desarrollo). Mr. Villanueva has been distinguished as Emeritus National Researcher in the social sciences field and was the foremost advocate for the introduction of public policy and governance studies in Latin America and Spain, where he teaches regularly and is considered a reference in the public policy, management, and governance subjects. Mr. Villanueva's current subject of study is related to corporate governance in the public sector.

POLICY PAPER 4

URBAN GOVERNANCE, CAPACITY AND INSTITUTIONAL DEVELOPMENT

Executive summary

Since the Habitat II Conference in 1996, the wider context of urban development has changed considerably and many urban challenges have become more pronounced and evident. The globalization of economies and value systems, population growth and rapid urbanization, the threat of climate change and environmental degradation, increasing inequalities, global migration, global health risks and the impact of new technologies have all been reshaping the challenges facing the governance of cities and their societies. This Habitat III policy paper focuses on urban governance, capacity and institutional development and identifies the following ten key messages based on aspirations for the right to the city, sustainable and equitable development and territorial equity:

By and large, urban governance frameworks and institutions in most countries need to evolve to face critical challenges. Urban governance systems in most countries are currently not fit for purpose and need critical reforms to enable sustainable urban development. These reforms will have to go beyond sectoral policies and consider cooperation between different spheres of government and non-State actors, fostering a balanced distribution of powers, capacities and resources including the revision of legislative, regulatory and fiscal frameworks.

In many countries, existing institutional frameworks prevent urban governments from fully delivering on their responsibilities. Inadequate decentralization, lack of resources, insufficient capacity and poor frameworks for engagement with civil society and key stakeholders weaken urban governance. Many countries suffer from ill-defined distributions of responsibilities between different levels of governments, leading to the duplication of roles and blind spots. Such ineffective multilevel governance systems compromise planning processes, risk backlogs in budget spending, incur higher transaction costs and create wider economic inefficiencies, as well as compromising transparency and accountability.

Cities and urban societies continue to suffer from an imbalance of political power and insufficient inclusiveness and participation. Collective decision-making has so far failed to address the gap between broader, typically national developmental agendas and inhabitants' needs on the ground. While representative democracy is an important vehicle to allow citizens to exercise their rights, more participatory processes suffer from structural constraints. Women, youth, ethnic minorities, the urban poor and other disadvantaged groups such as people with disabilities are still side-lined in decision-making processes. Inequalities, insufficient access to basic services, lack of decent housing, job insecurity and informality are shaping spatially fragmented and socially segmented cities. The demands of inhabitants need more participatory spaces to avoid increasing social tensions and discontent with political systems.

The expansion of metropolitan areas and the growing gap between these and intermediary cities pose additional challenges to urban and national governance. The growth of large metropolitan areas — e.g. metropolises, megacities, urban regions and corridors — is reshaping the urban landscape, raising new challenges for the management of metropolitan areas. Weak metropolitan governance undermines development potentialities and the attractiveness of metropolitan areas as cornerstones of national development. At the same time, the lack or the inadequacy of policies for intermediary cities, particularly in developing countries (who will host most of the urban growth in the coming years), prevents the creation of a strong system of cities and a balanced regional socioeconomic development.

Above all, new urban governance should be democratic, inclusive, multi-scale and multilevel. Effective multilevel governance needs to be the result of a broad consultative process, built around mechanisms for vertical and horizontal integration. Vertical integration involves collaboration between national, regional and local government (and ultimately supranational institutions). Horizontal integration involves collaboration between sectoral ministries and departments, municipalities and public institutions at the same governance level. In addition, and recognizing urban complexity, diversity and local context, multilevel governance should include collaboration between governmental and non-governmental actors, above all civil society actors and the private sector. Integration at all levels will increasingly benefit from digitalization and be facilitated by a shift towards digital era governance.

New urban governance requires robust national urban and territorial policies. National urban governance frameworks need to enable effective multilevel governance through clear legal and institutional structures, based on the principles of subsidiarity and decentralization (respect for local self-government, clear sharing of powers and responsibilities, etc.), an adequate intergovernmental allocation of financial resources, and empowerment of citizens. Ensuring a better allocation of national resources to subnational governments needs to be coupled with equalization mechanisms to reduce inequalities between regions, metropolitan areas and intermediary cities, with the aim of building synergies and complementarities between cities and territories.

Local and subnational governments anchor new urban governance on the ground and play a pivotal role in implementing the New Urban Agenda. Strong and capable local governments are the key levers to ensure inclusive and sustainable urban development, with accountable urban governance systems and balanced multi- stakeholder involvement. The models of urban governance for the twenty-first century need empowered local governments employing professional staff. Inter-municipal cooperation, including between urban and rural municipalities, should be facilitated through adequate incentives to create economies of scale and integration. Decentralization on the one hand empowers and on the other hand obliges. Increased responsibilities and duties to local governments demand openness and transparency but also accountability and responsibility.

Strong metropolitan governance is a key component of new urban governance. National Governments should enable metropolitan governance, ensuring the involvement of both local and regional governments in the reform process. As there is no one-size-fits-all solution, different models could be established within the same country in order to respond to the specific needs of different metropolitan regions. Most importantly, providing metropolitan regions with authority over critical metropolitan concerns (which may be context specific while tending to have a strong focus on spatial governance) requires democratic legitimacy, legal frameworks and reliable financing mechanisms for metropolitan governance.

A buoyant and participative civil society involves clear recognition of citizens' rights. Formal participation procedures should be complemented by collaborative partnerships which go beyond consultation of policies/interventions, recognizing civil society groups as active "partners" in new urban governance. Innovative and effective participation tools should be adopted to foster meaningful engagement and emancipation of all inhabitants, bringing social justice, liveability and democratic governance to the process of urban transformation. Alongside an active participatory democracy, transparency and accountability are the key pillars for new urban governance.

Capacity-building for urban governance needs to be accelerated. Improving differentiated capacities linked to urban governance needs to take into account institutional capacities, the technical and professional skills of individuals as well as local leadership skills. Building capacities related to urban planning, budgeting, public asset management, digital era governance, data gathering and engaging with other stakeholders are of particular urgency. Capacity-building actions need to go beyond conventional training and stimulate learning in the short, medium and long term.

I. Vision and framework of the policy paper's contribution to the New Urban Agenda

1. Successful implementation of the New Urban Agenda will depend on appropriate, democratic, efficient and inclusive urban governance and institutional frameworks. The New Urban Agenda should build on the legitimacy of the Istanbul Declaration, in which Member States recognized that local authorities are key partners in urban governance, as well as acknowledging the role of civil society and the private sector.[1] At the same time, the New Urban Agenda should be closely linked to the 2030 Agenda,[2] the Paris Agreement on Climate Change [3] and the Addis Ababa Agenda on Financing for Development.[4] Urban governance will need to undergo a deep transformation to achieve these global agendas, all of which converge in our cities and territories.

A. Towards a new urban governance[5]

2. Urban governance consists of a set of institutions, guidelines, regulatory and management mechanisms in which local governments [6] are key, but not exclusive, components.

3. Our cities and their surroundings require a new urban governance based on open decision-making, with the active participation of local stakeholders and with the aim of defining the best policies for the common good. In terms of political process, its implementation should combine representative democracy, based on the regular election of local authorities, and participatory democracy, ensuring the involvement of all at the local level.

4. This requires an effective system of multilevel governance,[7] with well-defined spheres of government (national, regional and local) based on appropriate decentralization policies that aim to construct a balanced

[1] The Habitat Agenda — Istanbul Declaration on Human Settlements, para. 12, recognizes "local authorities as our closest partners, and as essential, in the implementation of the Habitat Agenda". The full text of the Habitat Agenda also pointed out that it is "they, local authorities and other interested parties, who are on the front line in achieving the goals of Habitat II" (para. 56).

[2] United Nations (2015a).

[3] United Nations Framework Convention on Climate Change (2015).

[4] United Nations (2015b).

[5] "Governance refers to the process whereby elements in society wield power and authority, and influence and enact policies and decisions concerning public life, and economic and social development. Governance is a broader notion than government. Governance involves interaction between these formal institutions and those of civil society." (The Governance Working Group of the International Institute of Administrative Sciences 1996).

[6] In this document, the term "local governments" refers to all subnational governments except those of the highest tier in federal countries (state, provinces, Lander), with some exceptions. For example, when federal governments have the city governance responsibility (e.g. Berlin, Brussels, Mexico City, Buenos Aires, etc.) they are considered local governments. Countries could have different tiers of subnational governments (one, two, three or even more levels). In general, the first tier, the level closest to the inhabitants, are city councils, municipalities, communes, Gemeinden, districts, townships, metropolitan districts, etc. Some countries even have a level below municipalities or city councils (boroughs, arrondissements, parroquias). The United States of America, for example, also has special districts with specific responsibilities and powers (e.g. schools districts). The second tier is designated in general as counties (e.g. United Kingdom of Great Britain and Northern Ireland); departments (e.g. in France or Colombia), provinces (e.g. Spain); (Landkreise in Germany, or Rayons in Russia). The third tier consists of regions (e.g. Peru or France). Big urban areas could be managed by one city council (Johannesburg) or by many municipalities (Sao Paulo, New York), by governments merged into the second or third tiers (of Mexico City or Buenos Aires); or governments operating across tiers: Paris is a municipality (first tier) but also a department (second tier); Berlin is a municipality and a Land. The Greater Authority of London is considered a second-tier government.

[7] The term "multilevel governance" was first used by Marks (1993) to refer to European policymaking. Today, the concept is used in a wider, global context to call for "transformation in the distribution of authority on grounds of efficiency", even within the context of global governance (Stephenson 2013). In this paper, multilevel governance is understood as a "decision-making system to define and implement public policies produced by a collaborative relation either vertical (between different levels of government, including national, federal, regional or local) or horizontal (within the same level, e.g. between ministries or between local governments) or both. It also includes the partnership with actors from civil society and private sector for the achievement of common goals. In order to be effective, multilevel governance should be rooted in the principle of subsidiarity, the respect for local autonomy and establish mechanisms of trust and structured dialogue" (Issue paper on urban governance).

and collaborative system of well-managed cities and improved urban-rural linkages so that no city or territory is left behind.[8]

5. In times of uncertainty and change, informed, flexible, innovative, forward-looking governance, open to continuous learning, is needed to develop intelligent governance. Currently, global public health problems, the impacts of climate change and inequalities are increasing the vulnerability of cities. Many cities are home to youth booms or vulnerable ageing populations and many are experiencing unprecedented migration flows as a consequence of the democratic transition. Profound transformations will be required in the pattern of production and consumption, methods of public participation and involvement of citizens in public policy if all these challenges are to be faced. New urban governance will depend on capacity-building for all spheres of government, particularly municipal authorities.

6. Finally, the complexities and specificities of the various urban scales should be recognized. Small towns, intermediary cities and urban agglomerations require complex and multisectoral forms of metropolitan governance.

B. Goals of a new urban governance

7. A new urban governance will need to respond to the call for the exercise of the right to the city as a strategic approach to combat exclusion. This involves the redistribution of material, social, political and cultural resources, based on the principles of democracy, equality, inclusiveness and recognition of diversity. The right to the city nurtures tolerance and peaceful coexistence while guaranteeing equal access and protection of common goods, including land use. It also seeks the far-reaching participation of all relevant actors in decision-making.

8. A new urban governance should also promote sustainable and equitable development that prevents the depletion of natural resources and addresses environmental challenges. It should foster a new economy [9] that values social emancipation and achievements above profit, where work is a means to enhance human dignity and inclusion.

9. Finally, a new urban governance should facilitate territorial equity by linking up cities and rural areas and ensuring access to services for all based on the principle of spatial equality.

C. Characteristics of a new urban governance

10. **Democratic and inclusive.** This implies guaranteeing the right to participate in the development of cities and their surroundings for all stakeholders, with special attention given to vulnerable groups. It also implies ensuring access to technologies to enhance service provision and participation.

11. **Long-term and integrated.** New urban governance should allow for long-term public policies, beyond terms of office. It should also foster comprehensive public policies that involve the whole territory in a systemic and intelligent way.

12. **Multi-scale and multilevel.** New urban governance requires coordination between different levels of government [10] and sectors of society, so that challenges that arise in cities can be faced efficiently.

13. **Territorial.** Urban areas are not only the place where the majority of the population lives; they are embedded in territories where the built environment meets the natural environment. In a new urban governance, cities must be seen and understood as a system of relationships between urban and rural areas operating as an urban ecosystem.

14. **Proficient.** Institutions and individuals should have the necessary skills to implement relevant public policies in a responsive and realistic way.

15. **Conscious of the digital age.** New technological developments can assist local authorities in crafting more transparent, accountable, participatory and responsive governance systems. Digital era governance [11] may also equip citizens and businesses with the ability to push for changes in society in a bottom-up fashion that might lead to a fundamental change in our economies.[12]

II. Policy challenges

16. Since the Habitat II Conference in 1996, the framework conditions for urban development have changed significantly. The globalization of economies and value systems, population growth and rapid urbanization, the threat of climate change, increasing inequalities, global migration and the impact of new technologies have all been reshaping the challenges facing the governance of cities and societies.

[8] Organization for Economic Cooperation and Development (OECD) (2013b).

[9] United Nations Environment Programme (2011); The Global Commission on the Economy and Climate (2014).

[10] While the term "levels of government" is used in this document, it does not imply that any one level of government is superior to another.

[11] Dunleavy and Margetts (2010).

[12] See Rifkin (2015: 18): "Markets are beginning to give way to networks, ownership is becoming less important than access, the pursuit of self-interest is being tempered by the pull of collaborative interests, and the traditional dream of rags to riches is being supplanted by a new dream of a sustainable quality of life".

17. Over the past few years and in a majority of regions, we have witnessed a trend towards decreasing turnout in national and local elections combined with rising civil society discontent with political systems and public institutions. There have been popular outbreaks in many cities of the world, reflecting growing demands by citizens for more equity and democracy and highlighting the key policy challenges facing future urban governance.

A. Increasing complexity of urban governance

18. Due to the increasing complexity of our societies, urban governance is increasingly shaped by multilevel systems and multi-stakeholder interactions.

19. Current urbanization trends and urban changes are influencing development dynamics on a global scale, posing unprecedented challenges for urban governance.[13] An acknowledgement of the increasing complexity of urban systems has led to the recognition that urban governance needs to adopt a more integrated approach in order to respond to current and future challenges.[14] A new concept of urban governance has to grasp the issue of integrating different levels of government and a wide range of participating actors — formally or informally — in policy formulation and implementation.

20. Any general agenda for reforming urban governance also needs to acknowledge the challenges associated with the diversity of local conditions and new urban forms, taking both the opportunities that urbanization offers and its adverse effects into consideration. The coexistence of metropolitan areas, intermediary cities, small towns, rapidly growing cities and shrinking cities calls for a differentiated policy approach. Even though national definitions of threshold size vary widely, urban policy (at the national level) is confronted with the challenging task of having to adapt policies to specific urban characteristics, while reducing inequalities between different urban areas and regions (different in terms of poverty, demographic issues, infrastructure, etc.).

21. A balanced and well-managed system of cities calls for strategies that include coherent long-term and cross-sector national urban and regional/territorial [15] policies that provide adequate support and coordination within and between different levels of government and ensure the efficient use of resources.

B. Absent or inadequate decentralization

22. In the past 30 years, more than 100 countries have created local government systems, with local authorities elected through regular democratic elections in order to anchor democracy at the local level, improve service delivery and respond to local communities' demands.

23. However, the implementation of these reforms has been varied and complex. In some countries local governments have great autonomy and accountability: they are responsible for the widespread provision of basic services and are able to raise revenues and expenditures which represent a significant share of total government spending (averaging 24 per cent in Europe). However, since the global financial and economic crises, local governments have faced budget constraints and have struggled to renew infrastructures in order to adapt to structural changes (e.g. ageing populations and climate change). In other countries, where basic service provision is still lacking, local governments typically have limited powers and resources and lack professional staff and revenue raising capacities. Their budgets are small in both absolute and relative terms (e.g. less than 10 per cent of central government expenditure in a majority of countries in sub-Saharan Africa).[16]

24. Ineffective decentralization processes can result in weak multilevel governance, inadequate planning processes, economic inefficiencies, backlogs in budget spend and higher transaction costs.

C. Ineffective legal and institutional frameworks

25. In many countries the potential of local governments as key levers of urban governance remains unexploited due to a chronic weakness stemming from an ineffective legal and institutional framework.

26. Only a limited number of countries have developed and implemented comprehensive and coherent national urban policies in the last ten years.[17] Often, national legal and institutional frameworks are not adequately adapted to the specific contexts of urban areas and the capacity of subnational governments. There is often a disconnect between legal, administrative and fiscal frames, a lack of clarity in the distribution of responsibilities between different levels of government, and regulations that are frequently contradictory. In addition, these frameworks are often too rigid to react to the rapidly changing situations and dynamics of urbanization.

[13] Burdett et al. (2014).

[14] Rode et al. (2008).

[15] In this paper, "territorial" policies or "territorial strategies" refer to the policies related to regional planning. Regional planning address region-wide environmental, social, and economic issues — including efficient placement of land-use activities, infrastructure, and settlement growth — that will encompass more than one state, province or region.

[16] United Cities and Local Governments (UCLG) (2014b).

[17] Dodson et al. (2015).

27. Urban planning and land regulation, for example, are critical areas for urban governance.[18] In many countries current legal and institutional frameworks do not allow national or local governments to respond adequately to the growing speculation in land and housing. The weakening of land-use and social housing policies in recent decades has diminished the access of the poor to decent housing, increasing urban social segmentation and the development of slums in developing countries. Informal settlements, insecure tenure and eviction continue to be a critical dimension affecting nearly 1 billion people globally. This situation will continue and grow over the coming decades unless adequate policies are implemented and local governments are empowered and capacitated to improve land and housing management, ensure the enforcement of land regulations and contribute to integrating informal settlements (and customary land management systems) into the urban planning and management of urban areas.[19]

28. Inter-municipal cooperation (the development of partnerships and cooperation between neighbouring municipalities), could reduce institutional fragmentation, enhance the synergies of agglomeration economies and foster coherence and coordination within and between municipalities (e.g. for service delivery, planning, etc.). It is well entrenched in Europe and increasingly in other regions, for example in Latin America, but it is not always recognized or facilitated in many other regions. In many countries, legal frameworks and national policies hamper cooperation between neighbouring cities and between cities and their hinterlands, reducing the strength of urban-rural linkages.[20]

29. Good-quality laws help build strong institutional frameworks, public accountability and stakeholder involvement in urban and territorial development, strengthening the role of the public sector in regulating urban development and protecting public goods. Ineffective legal frameworks remain a persistent challenge in recognizing these goals.

D. Metropolitan challenge

30. More than five hundred cities worldwide have exceeded the threshold of 1 million inhabitants.[21] Many of these have physically grown beyond their administrative boundaries (local and sometimes even national) and their economies have become more globalized, attracting flows of goods, capital and migrants from different regions of the world. Some have expanded to megacities, urban corridors or large urban regions. A metropolitan area can be a single conurbation for which planning and distribution of services is functional, or it can be made up of dozens of municipalities with significant disparities and spatial segregation across neighbourhoods. The lack of coordination at the metropolitan scale may create cost-ineffective solutions, especially in terms of coping with spill-over and externalities challenges.

31. The number of metropolitan governance authorities has increased considerably since the 1990s. Metropolitan governance arrangements range from soft inter-municipal cooperation to more structured, integrated, sometimes even elected forms of governance. Most metropolitan governance reforms have triggered intense political debates and controversies. However, barriers to further reform efforts exist, including strong local identities and antagonisms, the vested interests of municipalities and residents, opposition from higher levels of government or constraints related to local public finance systems.[22]

E. Inequality and exclusion

32. Current urbanization processes are reinforcing inequality and exclusion — particularly for women, youth, the elderly, minorities and the urban poor. Social imbalances cause friction and in some cases violence and political instability. It is generally acknowledged that the existing challenges cannot be overcome without proper participation and a far-reaching, active involvement of inhabitants. Participatory processes still suffer from structural constraints, with an absence of legislation that recognizes civil society organizations, guarantees and promotes participation, and allows access to public information and data to promote informed citizenship organization. There is also a lack of transparency and accountability in public institutions.

33. The challenge of advancing a right to the city approach — based on the recognition of human rights as a cross-cutting dimension of urban policy — is central to strengthening citizen participation and ensuring more equity in urban societies.

F. Weak frameworks for service delivery partnerships

34. With regard to service provision, public partnerships with other actors (private sector, NGOs, community organizations, etc.) can assist with service delivery and other critical aspects of urban development (slums, city expansion, etc.).

[18] LSE Cities et al. (2015).

[19] Parnell and Oldfield (2014).

[20] Salet and Savini (2015).

[21] United Nations Department of Economic and Social Affairs, Population Division (2014)

[22] Andersson (2015).

35. However, in many regions the legal frameworks dealing with tendering, contracts and oversight are weak or unimplemented and this lack of clarity discourages domestic and foreign business investment.

36. At the same time, public-private partnerships (PPP) have proved complex to undertake (e.g. pre-feasibility studies, strong technical expertise and negotiation capacities). National and local governments often do not have the information and expertise necessary to negotiate on an equal footing with powerful international companies that have extensive experience in different areas of public services delivery.

37. Public institutions, and particularly local governments, also face the challenge of developing partnerships with communities and the informal sector.

G. Insufficient monitoring and evaluation of urban policies

38. Many subnational governments currently have no access to localized data and thus do not have the capacity to take informed decisions and better prioritize local policies. The task of monitoring and evaluating the Sustainable Development Goals and the New Urban Agenda will require the compilation of more disaggregated and localized data, with the support of national statistical offices in collaboration with local governments and stakeholders to ensure the follow-up of public policies.

39. In addition, national Governments do not sufficiently promote the involvement of local governments and stakeholders in the definition, implementation and monitoring of urban and regional policies and plans, while civic society stakeholders lack access to independent mechanisms for the monitoring and evaluation of public policies and projects (e.g. observatories, citizens' or communities' report cards).

H. Rapid technological change

40. The digital age has dramatically changed our societies, the way we live, work and play. New technological developments offer unforeseen possibilities for businesses, citizens and public actors. Yet public authorities sometimes find it difficult to respond to these new developments. What should be regulated? What should be left to the market? How best to protect common goods? [23]

41. Technological change poses complex and interrelated urban challenges that require city institutions to adapt.[24] The collection, ownership, use and openness of "big data" and networked and real-time information have already led to the establishment of new urban governance processes and structures.[25] Questions surrounding the use of sensors, algorithms, automation, surveillance, and personal data protection and privacy present a continuing challenge for urban governance into the future.

III. Prioritizing policy options: transformative actions for the New Urban Agenda

42. Creating the enabling conditions for developing policies that lead to a dynamic, sustainable and equitable urban future calls for a balanced distribution of power, enabled by legal and financial instruments that take into account the key principles of subsidiarity and proportionality. New urban governance, which is based on the generally accepted principles of good governance, puts the protection of all inhabitants at the core of urban and rural development: it respects human rights, is transparent and accountable, protects marginalized and vulnerable members of society, and promotes citizen participation, youth empowerment and gender equality.[26] Good governance protects and improves the environment; it aims to improve quality of life, safeguard public health, and reduce the environmental impact of all human activities while striving to achieve economic prosperity and employability.

43. Legal frameworks addressing overarching issues relating to the New Urban Agenda are essential to enhance the efficiency of institutional frameworks. Member States are advised to revise and/or develop a comprehensive legal system to underpin all facets of urban management, adapted to different urban realities. Good-quality laws help to build strong institutional frameworks, public accountability and stakeholder involvement in urban and territorial development, strengthening the role of the public sector in regulating urban development and protecting public goods. Legal frameworks need to be both empowering and flexible in order to help cities meet their new challenges.

44. More general enabling conditions for the New Urban Agenda include capacity-building, participation, and the flexibility to adapt to changing sociospatial contexts, new policy-specific needs, environmental changes, and the impact of innovative technologies such as the digital revolution.

[23] See European Urban Knowledge Network (EUKN) (2015).

[24] Margetts and Dunleavy (2013).

[25] Kitchin (2014); Townsend (2014).

[26] Transparency International (2015).

A. Create strong multilevel governance frameworks

45. Effective multilevel governance[27] is the overarching prerequisite for new urban governance and the successful implementation of the New Urban Agenda. Implementing the Sustainable Development Goals is a multilevel challenge.[28] Within multilevel governance systems, national Governments need to facilitate dialogue and collaboration between different levels of government and public institutions, while retaining its sovereign functions. Decentralization, partnerships and participation have already led to some reduction of hierarchy and more fluidity between the levels. Networks, within and across geographical boundaries and governmental levels have become inter-linked; non-governmental actors such as NGOs, civil society organizations, and the private sector are seen as key partners for governments at all levels.[29]

46. A multilevel governance framework, based on regular consultation and partnerships across different levels of government, requires coherent legal frameworks and regulations to avoid overlapping, gaps and the inefficient use of resources. Establishing a clearly defined and reliable financing mechanism is also a critical factor in creating an effective multilevel governance system. For example the European Union Urban Agenda, bringing together member States, the European Commission, local authorities, knowledge institutions and the private sector in thematic partnerships, is an inspiring case of a policy approach based upon shared interests.

47. To be effective, multilevel governance needs to be based on institutional frameworks that can directly address critical problems and challenges in an integrated way rather than relying on fragment policy sectors.[30] This acknowledges that effective integrated governance needs to prioritize the integration of certain geographic scales and sectors over others.[31] Integrated governance is congruent with multilevel governance. It needs to consider two dimensions: (a) vertical coordination between municipalities, metropolitan authorities, regional, state/provincial and national (in some regions, such as the European Union, also supranational); and (b) horizontal coordination between sectoral departments, authorities and governments, as well as non-governmental actors at the same governance level.

48. Promoting the collaboration between governmental and non-governmental actors (e.g. civil society, the private sector, academia, etc.) requires particular attention.[32] Public-private and public-private-popular partnerships require different forms of cooperation or co-production from those between state actors. Civil society organizations and NGOs should be regarded as key partners of governmental actors. With an adequate legal framework and support, local partnerships with local communities and the private sector can be developed to ensure universal access to basic local services, as well as resilient infrastructures to guarantee human rights and dignity, address social and economic inequalities and environmental challenges.

B. Strengthen decentralization processes

49. City governments, as the level of government closer to urban dwellers, have become increasingly important as a result of decentralization, networking and globalization.[33] The development of an effective decentralization process that recognizes the importance of all levels of governance and clearly delineates the roles, powers and functions of national and subnational governments is necessary to establish an effective multilevel governance framework. The multilevel governance approach outlined above should therefore be based on the principles of respect for local self- government and subsidiarity, in order to ensure that subnational governments take up their full responsibilities in fostering sustainable urban development.[34] In many countries, this requires a better sharing of power and resources between national and subnational institutions/governments.

50. Effective decentralization requires adequate resources — both human and financial — to be channelled to local and regional governments, which need to be accountable to their citizens in the fulfilment of their responsibilities. Local authorities should be vested with the necessary powers to mobilize local resources, with the capacity to manage and collect local taxes and fees, set service tariffs, have access to different financing sources, and experiment with innovative financing models. Within guidelines and rules established by national Governments and the legislature, local governments should also be encouraged to access national borrowing and, where possible, international finance.

[27] Since the Brundtland report (World Commission on Environment and Development, 1987) sustainable development has been perceived as a policy that balances social, economic and environmental interests. Balancing these sometimes conflicting interests requires an effective multilevel governance structure that offers an institutional framework for decision-making and implementation. Without such a framework, it will not be possible to "make cities and human settlements inclusive, safe, resilient and sustainable" (Sustainable Development Goal 11) and to address today's urgent global challenges. This is acknowledged by several United Nations resolutions and statements. Paragraph 76 of resolution 66/288 of the General Assembly recognizes that "effective governance at the local, subnational, national, regional and global levels representing the voices and interests of all is critical for advancing sustainable development" and paragraph 79 clearly emphasized the need for an "improved and more effective institutional framework for sustainable development which should be guided by the specific functions required and mandates involved" (Rio+20 Declaration, "The future we want").

[28] Meuleman and Niestroy (2015).

[29] Stoker (1998).

[30] 6 et al. (2002).

[31] Rode, P. (2015).

[32] Curry (2015).

[33] Ibid.

[34] Evans et al. (2006); Floater et al. (2014); Rydin (2010).

51. Local authorities also need to be given autonomy to manage their staff (to decide on hiring, rewarding and firing based on merit and transparency, etc.). The professionalization of local government institutions, based on clear career paths and appropriate remunerations and training for local government employees, is essential. To strengthen transparency and accountability, the legal and institutional framework should improve public control and citizens' access to public data (e.g. through the use of new technologies); and fight against corruption and bribery. An effective, well-enforced regulatory framework (using tendering, contracts, etc.) is also essential to get the best out of private enterprises and expand partnerships for specific projects with communities.

52. Effective decentralization is critical to enhancing national and local urban policies. To improve the institutional framework, national Governments should promote the strong involvement of city and regional authorities in all processes of metropolitan and subnational legal or administrative reforms, in the definition of subnational development strategies and particularly in the definition and implementation of national urban and territorial policies.

C. Promote integrated national urban and territorial policies

53. The existence of decentralization and strong national frameworks for urban and territorial policies is also critical for the management of a balanced system of cities and territories. These policies need to be supported by a clear legal and institutional framework, based on the principles of subsidiarity, an adequate intergovernmental allocation of financial resources and the empowerment of citizens. A multilevel governance approach will be strengthened by strong political will, which is needed to define visionary national strategies through a broad consultative process.

54. National frameworks for urban and territorial policies are critical for fostering sustainable urbanization and regional development, ensuring integration across policy silos and better allocation of national resources to subnational governments, coupled with mechanisms to reduce socioeconomic and territorial inequalities between and within regions. Such policies will recognize the importance of all levels of human settlements — rural areas, small towns, intermediate cities [35] and metropolitan areas — in the system of cities and devolve governance mechanisms in such a way that all systems are able to respond appropriately to local realities and challenges, fostering interconnectivity and complementarity and thereby building an integrated system of cities.

55. Habitat III Policy Unit 3 highlights the need for national urban policies to be legitimate, integrated and actionable, monitored effectively and supported by mechanisms that ensure continuity while allowing for necessary adjustments.

D. Reinforce metropolitan governance

56. Responding to new urban challenges requires adjusting the distribution of power to match the reality of where people live and work (functional urban areas),[36] rather than matching policies to administrative boundaries that were, in some cases, drawn up centuries ago. Metropolitan governance mechanisms can offer flexible coordination of policies amid rapidly changing conditions to help address externalities and spillover issues and create synergies to boost metropolitan development.[37] Strategic spatial planning,[38] major infrastructure development and the provision of public services in metropolitan areas call for a concerted effort — for example, the complexity of providing public transport systems that enable millions of trips to be made in a safe and timely manner every day poses serious technical, managerial, political and financial problems that isolated municipalities cannot solve individually.

57. There is no one-size-fits-all solution; metropolitan governance models can range from soft partnerships to more institutionalized arrangements (e.g. single- or multisectoral planning agencies, inter-municipal collaboration agreements, elected or non-elected metropolitan supra-municipal structures).[39] Different models could be set up within the same country in order to respond appropriately to the specific needs of different metropolitan regions.

58. Adequate legal tools and related incentives are required in order to foster metropolitan governance and voluntary inter-municipal cooperation. National standards (such as population thresholds) could be established for identifying areas where metropolitan governance is required — taking into account the specific economic, social, environmental and cultural characteristics of different places. In order to be successful, metropolitan governance reforms require "buy-in" from all levels of government — particularly from core and peripheral cities — and they need to be adapted to the different national/regional contexts.[40]

[35] ESPON (2012); Roberts (2014).

[36] Hamilton, D.K. (2014); van den Berg et al. (1997).

[37] Clark and Moonen (2013).

[38] Salet et al. (2003).

[39] World Bank Group (2015); OECD (2015b), Ahrend et al. (2014b); Bahl et al. (2013).

[40] OECD (2015a).

59. Metropolitan governance structures should be given powers that are relevant to metropolitan concerns, together with access to financing mechanisms that deal with externalities and mobilize medium- and long-term investments in big infrastructure projects and metropolitan services. Metropolitan finances should ensure that equalization mechanisms are in place to reduce internal disparities. Partnerships with the private sector and communities can also contribute to improving resource mobilization for service delivery and infrastructures (contracts, lease, concessions, etc.)

60. The emergence of urban regions and corridors — including across national borders — calls for even wider horizontal cooperation to facilitate economic and social development and to respond to environmental challenges. Cross-boundary coordination between national, regional and local authorities is needed to enhance the resilience of rapidly urbanizing areas.

E. Promote a new culture of participation and equity

61. The challenges outlined in section II call for a new "culture of participation" based on an empowered civil society and a buoyant local democracy, characterized by an approach encompassing co-responsibility for urban and local development. New urban governance can contribute to a recalibration of the "interface" between government, the private sector and civil society, thereby "deepening" democratic practices to balance traditional and informal lobbies. The establishment of a new kind of "culture" is one of the most serious challenges for urban governance.

62. An appropriate and efficient legal framework to ensure the responsible participation of citizens in decision- making at different levels is a precondition for boosting civil society participation in urban development on a regular basis. In particular, this concerns the participation of women, youth, informal workers and marginalized groups (e.g. slum dwellers, minorities or immigrants) at the local level.

63. In addition to national and local legal frameworks, national and local governments should define institutional spaces or mechanisms, set clear and transparent rules, facilitate access to public information (open data) and promote adequate policy support in order to encourage the participation of autonomous civil society organizations in local decision-making processes. New technologies can help keep inhabitants informed and involved.

64. Innovative participation processes have been established and applied in some countries over the past few years (participatory budget and planning, youth councils, etc.). However, as some critics of these processes stress, participatory practices should not result in controlling citizen participation, but rather in fostering autonomous community organization.

65. Civil society should make local and national governments accountable to citizens and communities, building independent mechanisms for the monitoring and evaluation of public policies (e.g. observatories). National and local governments can also promote independent mechanisms to facilitate arbitration where conflicts arise between citizens and public administration (e.g. the local ombudsman).

F. Strengthen capacity-building for urban governance

66. New urban governance requires greater capacity at all levels of governance and for all involved actors. Above all, every local government should be able to set up a well-resourced capacity-building programme, led locally in partnership with civil society and supported both nationally and internationally. Decentralization and devolution should be the focus of specific capacity-building programmes. The extent of decentralization and the legal frameworks that accompany this should be assessed, as well as urban planning and management, the capacity of subnational governments to improve their accounting, auditing and procurement systems and the follow-up capacity of national Governments, etc.

67. This requires a systemic approach and the mobilization of different modalities of education and training — high and middle-level education, technical courses, peer-to-peer learning and technical support — to overcome the gaps that exist in the professional and administrative capacity of many countries to manage urbanization. Innovative strategies targeted at local governments and other institutions that operate at the city level should be developed.[41] This includes the engagement of local government and civil society in a mutual exchange of information and knowledge. The involvement of civil society requires the development of capacity-building programmes to improve the capacity of community leaders and public institutions to engage in dialogue and support a partnership-collaborative approach. Powerful NGOs such as Women in Informal Employment (WIEGO) and Slum Dwellers International (SDI) have been able to pool resources and increase access to information for low-income communities, with tangible positive outcomes.[42]

[41] Meuleman and Niestroy (2015).

[42] Cf. Women in Informal Employment: Globalizing and Organizing (WIEGO) (2015), and Shack/Slum Dwellers International (SDI)) (2015).

68. Efforts should also be directed at closing the gap between the realities of academia and that of local government. In addition, there is a need for stronger learning links between local governments and the business sector in order to foster richer collaboration between public officers and local stakeholders. In terms of monitoring and evaluation, there is a need to strengthen national and local capacity to access and produce disaggregated data (e.g. through the use of new technologies), as well as developing subnational governments' capacity to monitor urban and territorial data.

G. Enable digital era governance

69. New urban governance will have to be digital era governance.[43] This implies that public interest must be the driving force behind urban innovation and the deployment of information technologies for a new urban governance. Established instruments of e-governance — above all digital access to information — will have to continue being developed in a "citizen centric" way to better facilitate interdepartmental, inter-agency and cross-sector collaboration. In addition, new technological opportunities such as those linked to sensoring, real-time information, predictive analytics, "algorithmic governance", automation and big data need to be explored, tested and potentially scaled further while at the same time considering the risks, technology obsolescence, cost-effectiveness and overall efficiency.

70. Digital era governance should empower civil society. Social media give all actors a platform to voice their concerns, express their interests, organize political pressure and interact with political leaders. E-governance can facilitate democratization and participation, for instance by engaging citizens more directly with the legislative and policymaking processes (by proposing new legislation or by suggesting amendments to existing laws).

71. In an age of digital transformation, the role of governments should be to facilitate, stimulate, offer room for technological and social innovation, remove legal, financial or fiscal obstacles, and bring parties together in a spirit of multi-stakeholder partnership. Still, a critical role for public authorities is to establish the rules of engagement (such as ensuring interoperability, open data and protecting rights), create frameworks to protect the public interest and personal privacy, and offer a long-term vision. This requires governments to be learning organizations, continuously open to change.

IV. Key actors for action: enabling institutions

72. The successful implementation of the New Urban Agenda will only be possible through a sustained collaborative effort between all relevant actors. This includes national, subnational and local governments working closely with civil society and the private sector to ensure clear mandates, mechanisms for cooperation and dialogue, the sharing of best practices, accountability and transparency, effective decentralization, and the promotion of stakeholder participation at all levels. Although each actor has many specific and unique responsibilities, the challenges outlined in section II cannot be addressed in isolation. Even where the basic motivations of actors may differ (e.g. for profit or non-profit), they all share a common interest in articulating and realizing the New Urban Agenda. Identifying these actors and their roles is a key step towards the crucial task of policy design and implementation.

A. Local governments

73. Local governments are pivotal to implementing the New Urban Agenda and consequently decentralization policies should be beneficial to them. Strong and capable local governments are the key levers to ensure inclusive and sustainable urban development,[44] accountable and transparent city management, and a dynamic multi- stakeholder involvement aimed at the protection of human rights and public goods.

74. Local governments should promote and pursue more integrated and participatory approaches to urban and territorial governance, including economic, social and environmental aspects as well as aesthetic and cultural ones. Local governments should enhance accountability and transparency mechanisms, including open access to public documents. They should improve their capacity to manage urban and territorial development (e.g. planning and land management policies), preferably in accordance with a proper code of conduct and through training and peer-to-peer learning. Inter-municipal cooperation should be a priority to promote synergies and ensure economies of scale between local governments. The challenges of local government finance are critical to urban governance and also require specific attention (see policy paper 5 and sections III and V).

75. These integrated approaches require the participation of local stakeholders in key processes (planning, implementation, monitoring) through mechanisms such as participatory planning and budgeting, local

[43] Dunleavy et al. (2005).

[44] Sorensen and Okata (2010).

consultation, neighbourhood committees, digital democracy, referenda, and monitoring of urban policies. To encourage the participation of civil society, local governments should put mechanisms in place to facilitate and support the autonomous organization of inhabitants based on their freedom of association.

76. Local governments should enter into a broad dialogue with civil society groups. They are the key facilitators for participation processes, responsible for creating an "enabling" environment for all actors. They also have to take on the difficult role of mediating between various pressure and interest groups in the urban development process, thereby making it more inclusive. To do this, local governments will have to acquire new skills for dealing with diverse and contested issues. Moreover, horizontal cooperation between various departments and vertical exchange between different levels of government is a prerequisite for effective local government.

77. Local government associations should be recognized as providers of capacity-building and important vehicles for knowledge-sharing — locally, nationally and internationally.

78. The issue of metropolitan governance requires special consideration due to the wide range of stakeholders required to make it work, including the private sector (which can sometimes advocate for metropolitan governance in order to promote the economic competitiveness and attractiveness of metropolitan areas), professional communities (such as architects, engineers, geographers, sociologists, economists and political scientists), the education and knowledge community (universities and think tanks), labour unions, and many other civil society organizations. All these actors play a role in creating a sense of belonging and ownership.

79. Other intermediate governments (such as provinces, regions or states) can also play a crucial role in the coordination and effectiveness of metropolitan governance. Intermediate levels of government and metropolitan areas are typically competing for responsibilities and financial revenues. Win-win solutions need to be sought and effective cooperation encouraged in order to avoid unproductive competition and duplication of effort.

80. Local governments can, with national Governments, play an additional role in establishing indicators for the monitoring and evaluation of urban policies, creating an accountability framework for the delivery of basic services, and supporting capacity-building programmes at the local level (see paras. 14-15; sect. A; UN-Habitat International Guidelines on Decentralization, 2009).

B. National Governments

81. Although local governments are closest to the inhabitants of cities and have the greatest potential impact in shaping the urban agenda, national governments are best positioned to promote and ensure effective decentralization and stakeholder participation at all governmental levels. National Governments should recognize the importance of capacity-building at the local level and partner with local governments to ensure successful implementation of the New Urban Agenda.

82. Tensions between different spheres of government in the urban governance realm are inevitable but they are exacerbated by a lack of clear roles and responsibilities. It is therefore essential that national Governments clearly define what these roles and responsibilities are for each key actor and that they grant a high degree of autonomy to local governments in the application of the roles and responsibilities transferred or assigned to them.

83. National Governments are responsible for establishing the legal and institutional frameworks for national urban and territorial policies (see policy paper 3 on national urban policy). In this regard, national authorities should create and promote appropriate mechanisms for dialogue and coordination between different levels of government, with the strong involvement of local governments in the definition, implementation and monitoring of urban and regional policies and plans. For example, national Governments could create national urban forums,[45] think tanks or legislative processes to discuss urban issues of national relevance with all stakeholders.

84. National Governments should promote openness and transparency as well as accountability and responsibility in all spheres of government. They should strengthen national systems (e.g. audit offices and procurement systems) and independent legal mechanisms for the administrative resolution of conflicts. Furthermore, they should ensure the collection of localized data — with the help of national statistical offices in collaboration with local governments and local stakeholders — to facilitate the monitoring and evaluation of national and subnational urban development policies.

85. Where relevant, national Governments should support and facilitate cross-border cooperation, thus recognizing the significant economic and social benefits arising from greater coordination between continuous urban areas, while also supporting cross-border and supranational cooperation between cities and regions. In addition, national Governments should facilitate greater cooperation and exchange between urban areas within their territory.

[45] National urban forums, in various forms and roles but mostly facilitated by the national Government, have been actively implemented in Brazil and are emerging in some Asian countries.

C. Judiciary and legislative branches

86. The legislature is important at all levels when setting out rules and regulations to enable the New Urban Agenda. The legislature also has an important role when it comes to the application of policies, treaties and agendas, for example "The Brundtland Report on Our Common Future", "The COP21 Agenda on Climate Action" and the New Urban Agenda, which are put forward and ratified in supranational contexts but require legal enforcement at the national level.

87. The judiciary plays a key role in interpreting and defining the scope of principles, values and rights and can therefore play a strategic role in promoting and encouraging the New Urban Agenda. The judiciary has the vital task of ensuring the "right of individuals and civil society organizations to take legal action on behalf of affected communities or groups that do not have the resources or skills to take such action themselves" and have "access to effective judicial and administrative channels for affected individuals and groups so that they can challenge or seek redress from decisions and actions that are socially and environmentally harmful or violate human rights", as outlined in the 1996 Istanbul Declaration.

D. Supranational governments and intergovernmental cooperation

88. Supranational institutions can play an important role in defining and endorsing global guidelines for good urban governance. The European Union Lille Agenda, for example, has promoted "greater recognition of the role of towns and cities in spatial planning", and further developed work on urban indicators which began with the European Union Urban Audit.[46]

89. However, other intergovernmental forums, including regional and subregional organizations (e.g. ASEAN, MERCOSUR, the African Union and subregional organizations in Africa), must also be acknowledged as important enabling actors. Such organizations should encourage cross-border inter-municipal cooperation and commitments, for example the 2015 Makassar Declaration on ASEAN Cities and Local Governments, produced by mayors from ASEAN member States. They could also produce guidelines and share good practices on urban governance among their members.[47]

E. Civil society

90. Civil society is a social sphere separate from both the State and the market, encompassing a wide range of non-governmental and not-for-profit organizations that have a presence in public life and that express the interests and values of their members (or others) based on ethical, cultural, political, scientific, religious or philanthropic considerations. Civil society organizations include non-profits (local, national, global), community organizations, charities, trade unions, faith-based organizations, indigenous groups and social movements.

91. Civil society organizations are important actors in the articulation and implementation of the New Urban Agenda; they facilitate and enable the active involvement of all inhabitants. This includes women, youth and the elderly, indigenous communities, migrants and refugees, ethnic and religious minorities, lesbian, gay, bisexual and transgender communities and other vulnerable, disadvantaged or marginalized communities. Such groups and individuals are not always able to exercise their agency through civil society organizations (such as NGOs), the private sector, or formal political channels.

92. It is therefore important to reinforce the Istanbul Declaration statement that "sustainable human settlements development requires the active engagement of civil society organizations, as well as the broad-based participation of all people".

93. A functioning relationship between government institutions and civil society requires mediators and facilitators. Some NGOs and those in academia have assumed this role in diverse capacities, entering into long-term alliances with civil society groups, while others are offering specific services and play a catalytic role in introducing and refining new initiatives (such as community-based slum surveys or monitoring systems) in close collaboration with community organizations.

F. Education and knowledge institutions

94. Education and research about urban issues could play a more active role at the local level in the dissemination and promotion of knowledge to civil society and to local governments.

95. Primary schools, secondary schools and high schools could play an important role in teaching and training children and young people about basic urban principles and issues and what it takes to be an active democratic citizen in a city, taking part in local decision-making processes. In the long run this would strengthen capacity-building and participation at the local level.

[46] Parkinson (2005), p. 15.

[47] Transparency International (2015).

96. Academia not only adds systemic knowledge to ongoing projects and urbanization processes but, with the involvement of students, it has the potential to bridge the gap between different types of knowledge and between theory and practice. Students can provide planning and design services in a participative and collaborative way.

97. Closing the gap between academia and local government realities will require stronger links and interaction between the two, together with open dialogue. Universities can take the lead in knowledge generation and updating curricula to be more relevant and responsive to local policy priorities. While it is highly recommended that local governments make research-informed decisions, the academic community should also make an effort to disseminate and promote the findings of its research to policymaking bodies.

G. Private sector

98. The private sector is going to play an important role in implementing the New Urban Agenda.[48]

99. This sector includes individual, for-profit and commercial enterprises or businesses (developers, contractors), manufacturers and service providers, business associations and coalitions, and corporate philanthropic foundations. Paragraph 238 (b) of the Istanbul Declaration highlights the importance of "encouraging business enterprises to pursue investment and other policies, including non-commercial activities that will contribute to human settlements development, especially in relation to the generation of work opportunities, basic services, access to productive resources and construction of infrastructures". This principle should also underpin the New Urban Agenda, while the potential for businesses of all sizes to both contribute to service delivery and promote innovation must be fostered.

100. The private sector can, for example, take an active role in urban development through public-private partnerships and public-private-popular partnerships. National and local governments should, where appropriate, develop legal and institutional frameworks and gather the knowledge to enable and regulate such complex partnerships, ensuring the public interest is protected in the long run.[49] Governmental actors should also support the active participation of local stakeholders in implementation, emphasizing co-responsibility, co-ownership and co-creation.

101. While the traditional role of the private sector is to create jobs, wealth and profit, it should increasingly ensure "social corporate responsibilities" by working with a triple bottom line: the financial, the environmental and the social seen as equally important for long-term success. This is consistent with the 10 principles of the United Nations Global Compact and paragraph 43 (m) of the Istanbul Declaration, which emphasizes "an expanded concept of the 'balance sheet'".

102. Corporate philanthropic organizations will also play an important role in the New Urban Agenda, by promoting innovative practices, providing valuable financial support, and facilitating the transfer of knowledge about successful models of urban development.

H. Financial institutions and international development agencies

103. Financial institutions such as pension funds, banks, insurance companies and sovereign wealth funds play a special role in allocating capital according to different needs. They should, at the global, national and regional levels, work with national and local governments in a responsible and accountable way, based on a transparent code of conduct (e.g. UNPRI — Principles of Responsible Investments). When investing in local projects, they should work in partnership with local government and other local stakeholders on project design and implementation, in line with the commitment in the Addis Ababa Action Agenda to "better align[ing] private sector incentives with public goals, including incentivizing the private sector to adopt sustainable practices, and foster long-term quality investment".

104. Similarly, international development agencies should channel funds to basic urban services and infrastructures and provide funding for training and ongoing capacity-building at the local level. They should, as outlined in the Addis Ababa Action Agenda, "support cities and local authorities of developing countries, particularly in least developed countries and small island developing States, in implementing resilient and environmentally sound infrastructure, including energy, transport, water and sanitation, and sustainable and resilient buildings using local materials".

V. Policy design, implementation and monitoring

105. As outlined in previous sections, the development of a new urban governance that responds to the increasing complexities and uncertainties of our societies requires important shifts at different levels. A new culture of cooperation between institutions and the participation of civil society calls for the building of an effective multilevel governance

[48] United Nations (2009).

[49] Da Cruz and Marques (2012).

system, supported by decentralized institutions and national urban and territorial policies; governance adapted to metropolitan areas; a buoyant and engaged civil society; and capacity-building programmes.

106. National authorities should:

Create strong multilevel governance frameworks

(a) Create and promote appropriate mechanisms for regular dialogue and coordination between different levels of government, to involve subnational governments in the definition and implementation of key policies and all other matters that concern them directly, e.g. decentralization, subnational administration boundaries, urban and territorial policies;

(b) Implement these mechanisms at national and regional levels (e.g. through national or regional governments' councils, forums, consultation committees) to strengthen the cooperation between public institutions. This will be critical for the implementation of the New Urban Agenda and the Sustainable Development Goals, which were designed as a multilevel and multisectoral undertaking, with the aim of facilitating the localization of goals and targets;

(c) Carry out an assessment of the main institutions, processes and regulations that involve urban and territorial development policies in order to identify institutional overlaps and gaps, contradictory legislation and regulations and planning and budget execution backlogs;

(d) Engage in a progressive revision of national, regional and local government legislation and regulations in a collaborative way, to promote a more coherent and inclusive multilevel governance system, combining bottom-up and top-down approaches to foster integrated national urban and territorial policies;

Strengthen decentralization processes

(e) Regular review of national and local government legislation and rules to ensure that subnational governments are adequately empowered to support an effective decentralization process, based on the principle of subsidiarity and respect for local self-government. Incremental and adaptive legal and institutional reforms should promote effective decentralization based on the recognition of legally autonomous subnational governments, elected through universal suffrage and endowed with clear devolved powers, responsibilities and resources defined in national laws and, where practicable, in the Constitution;

(f) Ensure that empowered local governments are entitled to adequate financial resources, sufficiently diversified and commensurate with the devolved responsibilities provided by law, so that they are responsible for, and accountable to, the citizens that have elected them. A significant proportion of the financial resources of local authorities should derive from local taxes, fees and charges to cover at least part of the costs of the services they need to provide. However some resource will involve transfers (grants, subventions) from other levels of government in order to top up local budgets. To avoid leaving any territory or city behind, equalization mechanisms should guarantee that all territories and cities have the means to guarantee basic services for their inhabitants. National policies should facilitate adequate access to responsible and transparent borrowing so that subnational governments can invest in essential and resilient infrastructures and services (for more details on financial reforms see paper by Policy Unit 5);

(g) Acknowledge that local authorities should be allowed to determine their own administrative structures in order to adapt to local needs, and have the autonomy to manage their staff based on merit and transparent policies that avoid clientelism. This may require capacity-building in order to foster the professionalization of local government employees;

(h) Strengthen the capacity of subnational governments, as well as the follow-up capacity of national Government, to guarantee transparency and accountability (e.g. good accounting, auditing and procurement systems). It is also necessary to improve access to public information and data (e.g. open data) and define mechanisms to fight against corruption and bribery (codes of conduct, declaration of interests and assets, anti-corruption enforcement mechanisms, etc.);

(i) Encourage appropriate regulatory frameworks and support local governments in partnering with the private sector and communities to develop basic services and infrastructures. The use of new technologies should be promoted to improve city management as well as accountability and transparency, mindful of the protection of public goods and of specific constraints in terms of access to digital information and local habits;

Promote integrated national urban and territorial policies [50]

(j) Develop or strengthen national urban and territorial policies as a critical pillar for multilevel urban governance, with the aim of promoting more balanced and sustainable regional development;

[50] See also paper by Policy Unit 3.

(k) Develop or improve national urban and territorial policies to build a framework for stronger coordination between national and local governments and key stakeholders. Policies should be developed through a broader consultation process to create ownership among different parties;

(l) At the national level, strengthen the capacities and the coordination among sectoral ministries and national institutions dealing with urban and territorial policies (e.g. through a ministry or a coordination office at ministerial level for urban development) to avoid segmented urban policies and promote integrated approaches;

(m) At the regional level, promote and facilitate the collaboration and complementarities between metropolitan areas, intermediary cities and small towns with their hinterlands to build a strong "system of cities" and foster urban-rural partnerships;

(n) Ensure that national and territorial policies recognize and support the role of intermediary cities as nodes for regional development in order to drive a more balanced urban and territorial development;

(o) Foster cooperation between nearby local governments (horizontal cooperation) and particularly between small towns, by considering a legal framework which would allow and encourage associations of municipalities to deliver joint plans and services, with the aim of achieving economies of scale and efficient use of resources. Special attention should be given to regions with specific characteristics (e.g. delta regions) and cities that are part of clusters and urban corridors, in order to take advantage of new economic opportunities for planning, access to infrastructures and public services, comprehensive environmental protection, etc.;

(p) Consider cross-border cooperation to improve the management of emergent urban areas, regions and corridors across national borders. This involves the development of bilateral cooperation agreements and of regional integration mechanisms (e.g. the European Union, Singapore-Batam-Johor in the ASEAN region and the cooperation of cities in MERCOSUR).

(q) Ensure that national and territorial policies safeguard against environmental degradation and damage at all levels of government;

(r) With regard to Sustainable Development Goal target 1.4, improve the management of informal settlements and ensure that land regulatory frameworks and planning provide for the implementation of the "continuum of land rights", recognizing a plurality of tenure types within the local context. Governments at all levels should recognize and record people-to-land relationships in all its forms, embrace diversity and complexity in the land sector and implement fit-for-purpose solutions towards increasing tenure security for all urban inhabitants;

Reinforce metropolitan governance

(s) Consider the creation of metropolitan governance structures, facilitated by adequate institutional arrangements or law reforms or incentives to foster voluntary inter-municipal cooperation at the metropolitan scale. To this end, national Governments, in consultation with local authorities, are advised to establish national standards (such as population thresholds) for identifying metropolitan areas;

(t) Establish metropolitan level accounts which bring together data aggregated from different existing sources, but also include dedicated new data that captures the metropolitan dimension. Key data should cover metropolitan spatial development, economic development, housing, transport and environmental performance;[51]

(u) Endow metropolitan governments with their own powers and responsibilities, with a clear division of tasks between metropolitan government and other levels of government to avoid competing responsibilities. Key sectoral policies to be addressed at the metropolitan scale might include spatial planning and land use, transport infrastructure and key services (water, waste), environmental protection, economic development, housing, risk prevention, etc. To avoid competition for responsibilities and financial resources effective cooperative mechanisms need to be pursued, particularly with municipalities and other intermediate levels of government (for example regions, states or provinces);

(v) Establish clearly defined and reliable financing mechanisms to empower metropolitan governance, but avoid competition between municipalities and other intermediate levels of government. Metropolitan authorities must be provided with increased fiscal competences to mobilize the potential wealth generated within their territories, be they economic or property gains (including land-added value) and intra-metropolitan equalization mechanisms;

(w) Consider specific metropolitan funds, raised by local taxes and transfers from municipalities and other levels of government (including central Government), to deal with externalities (spillovers) and that could act as levers to mobilize medium- and long-term investments. This will improve metropolitan creditworthiness and allow them to access national and international financing, both

[51] OECD (2012).

public and private, in order to invest in the development of major infrastructures and services;

Promote a new culture of participation and equity

(x) At the national level, create or advance the development of an effective regulatory framework to foster participation by local governments. It should be drafted by a comprehensive and inclusive platform of individuals and organizations, taking into account local context, culture and practices. It should address issues such as participation, operational mechanisms, monitoring instruments, financial provision and when participation processes are to be applied;

(y) Promote open-mindedness on the part of local leaders towards disadvantaged groups and a readiness to enter into dialogue. This can be increased through transparency, accountability and comprehensive communication strategies such as, but not limited to, access to public documents, open-data policies, public hearings and public discussions of important projects in their early stages. The latter is of particular importance in projects where conflicting interests are anticipated;

(z) Ensure that the existence of autonomous civil society movements and organizations is acknowledged and supported by local authorities and higher levels of government. This can be achieved through mechanisms such as the allocation of a percentage of the local budget to civil society movements, support in kind, the provision of space and equipment, access to the media and other enabling means;

(aa) Encourage experimentation with innovative direct participatory processes such as participatory budgeting, co-production of services with civil society organizations, and community-based monitoring;

(bb) Participation should take advantage of digital technologies and social media for information, data collection, communication and coordination of various activities;

(cc) Engage civil society organizations, NGOs and academia in monitoring and evaluating public policies and projects, e.g. through observatories, citizens or communities' report cards;

(dd) Develop independent mechanisms to defend the position of inhabitants with respect to local authorities and private companies, particularly for slums and informal settlements. Encourage women to participate in public discourses, administration and decision-making for urban development through incentives, campaigns, training and increased public recognition;

Strengthen capacity-building for urban governance: capacity-building must accompany governance reforms to ensure that the changes are sustainable and implementation is successful

(ee) Create a system-wide capacity-building alliance that allows for structural dialogue between national and local governments and like-minded partners (academia, NGOs), existing local government and civil society networks and, where appropriate, international cooperation;

(ff) Promote awareness-raising initiatives to demonstrate the added value of capacity-building and links between capacity-building and wider policy outcomes. Strategies and programmes for capacity-building must be rooted in the local context. Sectoral approaches to traditional training need to evolve into more integrated approaches that break down silos and allow for strategic, system-wide thinking. Capacity-building strategies should encourage experimentation and innovation;

(gg) National and local governments should set up well-resourced capacity-building programmes to train their officers and employees to improve the quality of urban management and support a collaborative and integrated governance approach;

(hh) Training programmes and government initiatives should be specifically geared towards strengthening the skills and abilities of the most marginalized and vulnerable groups in society to enable these communities to overcome the causes of their vulnerability and exclusion;

(ii) They should also set up specific training programmes that address civil society participation needs in order to improve the capacity of community leaders and public institutions to engage in dialogue and support a collaborative partnership approach. Local government associations need to be recognized [by law] as providers of capacity-building and important instruments for knowledge-sharing;

(jj) As a precondition to such efforts, it is essential to ensure that the careers of civil servants are rewarded: financial and reputational recognition will be essential. International development initiatives should always include funding for training and ongoing capacity-building at the local level to ensure the sustainability of any such programme;[52]

(kk) Any such programmes should build on and expand cooperation between cities, local governments and civil society both North-South and South-South that, with adequate support, could contribute to capacity-building programmes and support peer-to-peer learning to enhance the role of public officers (elected and non elected) in urban and territorial development and in facilitating local stakeholder participation;

Monitoring and data

(ll) Establish regular monitoring systems of urban and territorial policies at national and local levels, with multi-stakeholder involvement and agreed quantitative and qualitative indicators. The monitoring systems will benefit from the gathering and availability of comparable statistical data and information;

(mm) Governments at all levels to contribute to the availability of high-quality, timely and reliable data, disaggregated by income, gender, age, race, ethnicity, migratory status and disability, with geographic location and characteristics relevant in national contexts;

(nn) Make use of many of the targets and indicators developed for the 2030 Agenda (Sustainable Development Goals), particularly Goals 11 and 16, which could contribute to building a set of basic indicators for urban governance. In addition, a broader base of indicators needs to be defined, so that each country can adapt them to their particular context or interest. The set of indicators should evolve and be dynamic;

(oo) Create reporting mechanisms that form part of a "national observatory of urban and territorial polices", with a joint steering committee with representatives from national and local governments, academia, civil society, the business sector, to develop a national reporting system supported by regular reporting at the city level, peer-to-peer reviews, citizen satisfaction surveys or report cards and community-based monitoring;

(pp) Establish effective evaluation mechanisms that can be used as a capacity-building tool by including all relevant actors, who collectively reflect and review their own practices and enrich their plans and actions through a formative evaluation;

(qq) Ensure the successful development and implementation of a citizen-centric digital era governance that continuously taps into technological innovations. This will require strong political will, collaborative leadership and new institutional frameworks, "including a national ICT policy and e-government strategy, as well as strengthening institutions and building the capacities of public servants";[53]

(rr) Develop and establish standards for open data, compatibility, collaboration and interoperability;

(ss) Ensure a commitment to transparent, accountable, responsive, inclusive and collaborative urban governance, backed up by adequate human capital and a "made to measure" robust ICT infrastructure. Public authorities should take ownership of the requirements on the design, use and monitoring of ICT governance tools.

VI. Conclusion

107. Appropriate urban governance and institutional frameworks hold the key to the success of the New Urban Agenda. Successful urban governance will need to be democratic and inclusive, it should have the long-term in mind but be flexible and able to adapt quickly. It should be multiscale and multilevel, able to adapt to changes by being innovative, forward thinking, open to new ideas and responsive to the rapid transformations of urban landscapes (e.g. metropolization, peri urbanization and rapid urban growth in developing countries). Successful urban governance also needs to respond flexibly to changes in urban economic and social structures (e.g. new pressures posed by an ever-changing digital age, increasingly virtual and delocalized economies, social fragmentation and gentrification, ageing populations and youth bulges) and, last but not least, to global uncertainties (uneven economic growth, financial and economic crises, the impact of climate change and natural disasters, etc.).

108. New urban governance needs to respond clearly to the new demands of citizens to address the right to the city by creating enabling legal and institutional frameworks at different governmental levels.

109. New urban governance will increasingly be the result of complex and intricate multilevel and multi-stakeholder governance systems, based on interactions between different levels of government and between citizens and a wide range of non governmental actors, including the private sector.

110. At the national level, a robust multilevel governance system will have (a) strong national policies for urban and territorial development, (b) effective decentralization processes, as well as (c) transparent and accountable institutions supported by good, coherent and enforceable legal frameworks.

[52] E.g. as articulated in the Addis Ababa Action Agenda, "support cities and local authorities of developing countries, particularly in least developed countries and small island developing States, in implementing resilient and environmentally sound infrastructure, including energy, transport, water and sanitation, and sustainable and resilient buildings using local materials".

[53] United Nations (2014), p. 12

111. At the city level, strong and capable local governments are the key levers to ensure inclusive and sustainable urban governance and accountable and transparent city management, with a vibrant multi- stakeholder involvement to achieve equal rights and opportunities for all. It is at the city level that the right to the city should be recognized as a cross-cutting policy approach.

112. The first pillar of multilevel governance is a national urban and territorial policy that promotes a strong system of cities and balanced territorial development. The inclusiveness, openness and consensus building that form part of the process of defining these policies will be as crucial as the outputs. It will be the foundation for a more cooperative and coherent working framework between different levels of government and key stakeholders. This process will promote a paradigm shift, combining bottom-up and top-down approaches, with the aim of building synergies and complementarities between metropolitan areas, intermediary cities and small towns.

113. The second key pillar of multilevel governance is the empowerment of local governments through the sharing of powers, capabilities and resources. Models of urban governance for the twenty-first century should include strong recognized local governments with greater authority and more professional staff, promoting a more holistic and integrated approach to urban development. Inter-municipal cooperation, including between urban and rural municipalities, should be facilitated through incentives to create economies of scale and integration. Local authorities should also be responsible for the active involvement of local stakeholders, including the most vulnerable, in local decision-making.

114. In a majority of countries, big urban agglomerations are the engines of national development. Metropolitan governance systems should be adapted to individual contexts and endowed with appropriate powers and resources. The governance of new urban forms — for example megacities, urban regions and corridors — will be one of the biggest challenges.

115. In spite of the shape and size of urban governments, access to adequate financing needs to be addressed. Adequate local fiscal competences and capacities are necessary to allow local governments to mobilize the potential wealth generated within their territories to finance the city. As part of the multilevel arrangements and decentralization process, central Governments must also ensure (through shared taxes and transfers) that equalizing mechanisms are in place for a balanced redistribution of national resources among the territories. They should support the access of local governments to borrowing to invest in infrastructures that will shape the urban future and ensure national development. Adequate regulatory frameworks and technical support can promote co-responsibility and co-production of services and infrastructures between local governments, the private sector and communities through innovative partnerships. New technologies could be important levers to change urban management and facilitate participation. In all these cases, public authorities should be mindful of the need to guarantee universal access to public services and the protection of the commons (public space, water, air and the environment).

116. The third pillar of a fair, multilevel governance system is an empowered civil society that is well organized and respected, with the capacity to be an active and demanding partner in public institutions. An effective regulatory framework to foster participation should be developed at the national level and adopted by local governments for their daily practice. The existence of autonomous civil society movements and the private sector should be acknowledged and supported by local authorities and higher levels of government through, for example, funding or other means. Involvement in decision-making of women, youth, the urban poor, minorities and disadvantaged groups should be increased through transparency, accountability and comprehensive communication strategies.

117. Innovative, meaningful, transparent and accountable interfaces between governments, civil society and the private sector need to be developed further. Co production of services with civil society organizations should be encouraged to create new alternatives, particularly for the most marginalized areas that may face difficulties being served by traditional systems.

118. The New Urban Agenda will require a broad process of capacity-building, involving national and local governments, civil society and the private sector. National institutions and local government should set up well-resourced capacity-building programmes to support the transformative process of training public employees, as well as local leaders from civil society organizations. A system-wide capacity-building alliance between national and local governments, like-minded partners (for example academia and NGOs) as well as civil society networks and international organizations, will be crucial for fostering capacity-building.

119. Multi-stakeholder monitoring systems of urban and territorial policies at the national and local levels can only be built if there is agreement on the definition of indicators and reliable disaggregated data are gathered.

120. In times of uncertainty and change, only a new urban governance based on the values and practices discussed in this paper can help “make cities and human settlements inclusive, safe, resilient and sustainable”.

POLICY PAPER 4

ANNEXES

Annex I

Key reference documents

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POLICY PAPER 4

APPENDICES

Appendix A. Policy Units selection process and criteria

HABITAT III POLICY UNITS

SELECTION PROCESS AND CRITERIA

BACKGROUND

In the framework of the preparations towards Habitat III, a total of ten Policy Papers on relevant topics will be developed by Policy Units (each Policy Unit will develop one Policy Paper) composed of 20 experts each, coming from different geographic areas and constituencies. The main objectives of this will be:

// To bring together high-level expertise to explore state-of-the-art research and analysis on specific themes;

// To identify good practices and lessons learned; and

// To develop policy recommendations on particular issues regarding sustainable urban development.

The ten Policy Units will focus respectively on the following ten topics:

1. Right to the City, and Cities for All;
2. Socio-Cultural Urban Framework;
3. National Urban Policies;
4. Urban Governance, Capacity and Institutional Development;
5. Municipal Finance and Local Fiscal Systems;
6. Urban Spatial Strategy: Land Market and Segregation;
7. Urban Economic Development Strategies;
8. Urban Ecology and Resilience;
9. Urban Services and Technology; and
10. Housing Policies.

IDENTIFICATION OF EXPERTS

The process to identify experts for the composition of ten Policy Units will include the following steps:

"# Request to Member States to officially propose, to the Secretary-General of the Conference, suitable experts to be part of specific Policy Units.

To this aim, a letter was sent on 8 May 2015 to all Member States.

2. Request to accredited stakeholders to officially propose, to the Secretary-General of the Conference, suitable experts to be part of specific Policy Units.
   To this aim a letter to all ECOSOC, Habitat II, and specially accredited organizations will be sent.
   In addition to the accredited organizations, the Habitat III Secretariat in consultation with Bureau Members may invite other international organizations, recognized for their contributions to specific Policy Units' topics, to propose suitable experts. The Habitat III Secretariat is not limiting the number of nominated experts.

3. The Habitat III Secretariat will also request the UN Task Team, building on the work done for the preparation of Issue Papers, to propose suitable experts to be part of specific Policy Units.

[See Terms of Reference for Experts]

CRITERIA OF SELECTION

Based on the proposals received, the Secretary General will appoint 20 experts for each Policy Unit. The selection, conducted in close consultation with the Bureau of the Preparatory Committee for Habitat III, will be based on the following criteria:

// DEMONSTRABLE COMPETENCE
The candidate should be able to demonstrate a highly recognized competency at the level of work experience and production of research/studies on subjects directly related to the topic of the Policy Unit. To this aim, research and publications issued on the topics, relevant work experience, and participation and engagement in other intergovernmental processes and/or global development frameworks will be considered and evaluated.

// GEOGRAPHICAL BALANCE
The selection will strive to ensure a fair balance on the geographic origin of the experts in order for all five geographic regions to be fairly represented in each unit.

// GENDER BALANCE
Whenever possible and depending on the availability of suitable candidates, the selection will ensure that male and female are equally represented in all the units.

In addition to the above, careful considerations will be made, as relevant, on ensuring the diversity of approaches and sub-thematic focuses. When necessary, other mechanisms such as interviews could be carried out during the selection process.

The selection will be nominative based on the above criteria.

As part of the nominations, the Habitat III Secretariat is expecting to receive the CVs of experts.

CO-LEAD ORGANIZATIONS

Each Policy Unit will be co-led by two organizations appointed by the Secretary-General of the Conference. The organizations willing to co-lead a Policy Unit will be selected in close consultation with the Bureau of the Preparatory Committee for Habitat III, based on the following criteria:

// International scope of the organization and high level demonstrable recognition in the subject area and/or specific topic of the Policy Unit;
// Priority will be given to international organizations that can demonstrate participation and engagement in other intergovernmental processes and/or global development frameworks; and
// Diversity in their constituent groups.

[See Terms of Reference for Co-lead organizations]

FINANCIAL SUSTAINABILITY

The cost of the Policy Units has been calculated in approximately 2.5 Million USD, including travel for two meetings (and one virtual meeting), the Habitat III Secretariat support and travel, the documentation, publication of documents, translation in six official UN languages, and the technical support for the open consultations. Each Policy Unit would cost 250,000 USD. Member States and other potential donors are being approached for contributing to the Habitat III Trust Fund.

Appendix B. Terms of reference for co-lead organizations

HABITAT III POLICY UNITS

TERMS OF REFERENCE FOR
CO-LEAD ORGANIZATIONS

Each Policy Unit will be co-led by two organizations appointed by the Secretary-General of the Conference, upon selection by the Secretary-General of the Conference in close consultation with the Bureau of the Preparatory Committee for Habitat III.

Organizations should be nominated to co-lead Policy Units based on the following criteria:

// International scope of the organization, and high level demonstrable recognition in the subject area and/or specific topic of the Policy Unit;
// Participation and engagement in other intergovernmental processes and/or global development frameworks;
// Diversity in their constituent groups; and
// Geographical balance.

Policy Unit co-leaders can be nominated by Member States, stakeholders recognized by the UNECOSOC, and Habitat II accreditations, and specially accredited organizations.

Based on the proposals received, the Secretary-General will appoint 20 organizations to co-lead ten Policy Units.

STARTING DATE: September 2015

CLOSING DATE: 29 February 2016 (involvement until the end of the Habitat III process might be requested at the later stage)

DUTIES AND RESPONSABILITIES OF CO-LEADERS

In close collaboration with the Habitat III Secretariat:

- Coordinate contribution on substantive documents prepared by selected Policy Unit experts;
- Coordinate preparation of a detailed structure of the draft Policy Papers;
- Support analysis of the available data, including available statistics, information available in Habitat III Issue Papers, outcomes from official Regional and Thematic Meetings, etc.
- Support presentation of the structure and the preliminary contents and messages of the Policy Papers at Expert Group Meetings;
- Coordinate meetings organized online; and

- Submit draft and final deliverables of respective Policy Units to the Secretary-General of the Conference.

BENEFITS AND EXPENSES

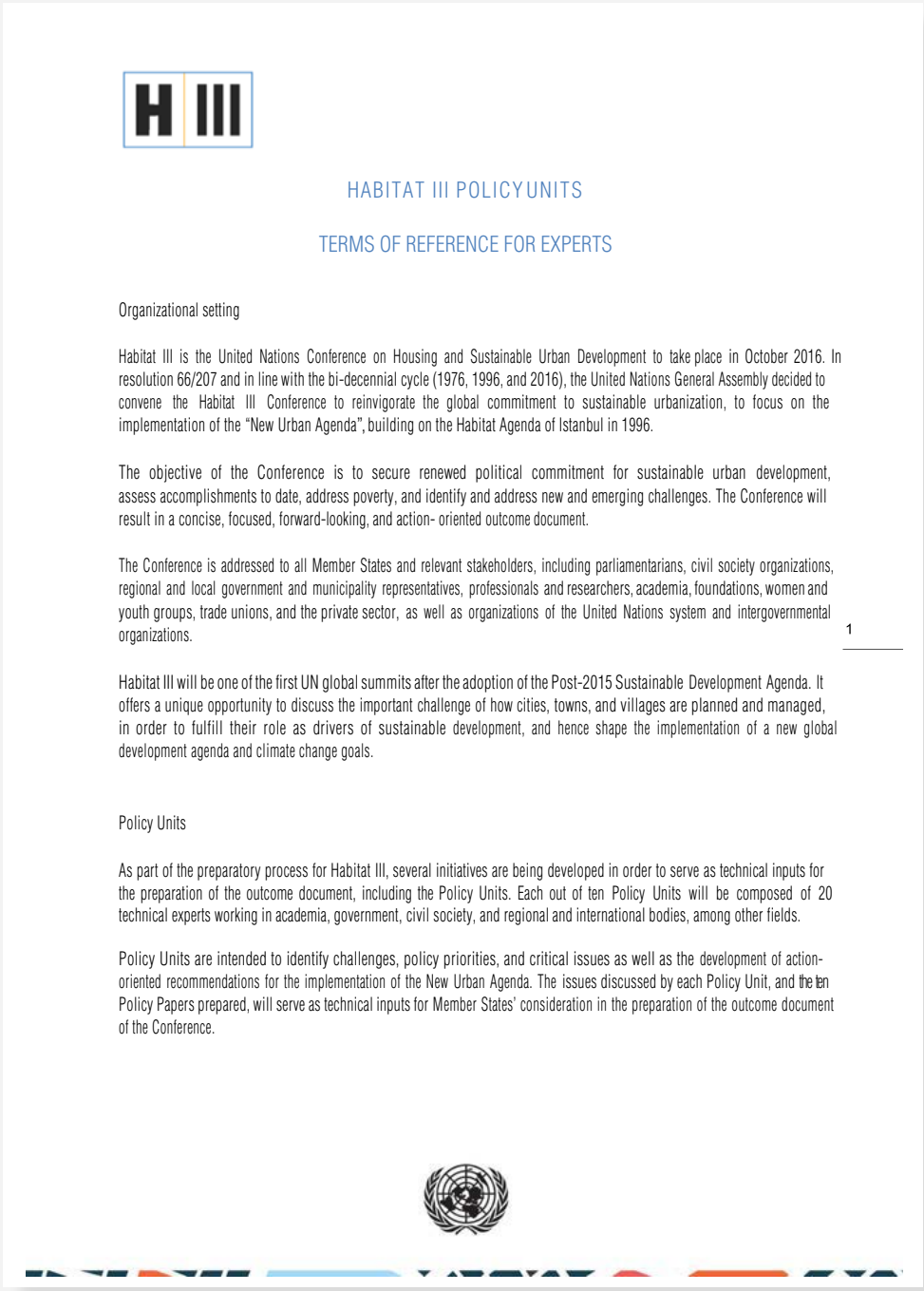
The work of co-lead organizations is on voluntarily basis. The Habitat III Trust Fund will cover travel expenses and associated daily allowances for the two planned Expert Group Meetings.

The working language will be English.

CALENDAR

- September 2015: work of experts starts. Introduction, orientation kit, background documents, strategic framework for each Policy Unit, decisions on each group on calendar of Expert Group Meetings, operational arrangements, etc.
- October 2015: first Expert Group Meeting
- November 2015: second Expert Group Meeting
- December 2015: first draft of the ten Policy Papers (as established by PrepCom2)
- January 2016: written comments by Member States and stakeholders submission period
- February 2016: final presentation of the ten Policy Papers
- Virtual meetings may take place within the period of work of the Policy Unit

Appendix C. Terms of reference for Policy Unit experts



HABITAT III POLICY UNITS

TERMS OF REFERENCE FOR EXPERTS

Organizational setting

Habitat III is the United Nations Conference on Housing and Sustainable Urban Development to take place in October 2016. In resolution 66/207 and in line with the bi-decennial cycle (1976, 1996, and 2016), the United Nations General Assembly decided to convene the Habitat III Conference to reinvigorate the global commitment to sustainable urbanization, to focus on the implementation of the "New Urban Agenda", building on the Habitat Agenda of Istanbul in 1996.

The objective of the Conference is to secure renewed political commitment for sustainable urban development, assess accomplishments to date, address poverty, and identify and address new and emerging challenges. The Conference will result in a concise, focused, forward-looking, and action- oriented outcome document.

The Conference is addressed to all Member States and relevant stakeholders, including parliamentarians, civil society organizations, regional and local government and municipality representatives, professionals and researchers, academia, foundations, women and youth groups, trade unions, and the private sector, as well as organizations of the United Nations system and intergovernmental organizations.

1

Habitat III will be one of the first UN global summits after the adoption of the Post-2015 Sustainable Development Agenda. It offers a unique opportunity to discuss the important challenge of how cities, towns, and villages are planned and managed, in order to fulfill their role as drivers of sustainable development, and hence shape the implementation of a new global development agenda and climate change goals.

Policy Units

As part of the preparatory process for Habitat III, several initiatives are being developed in order to serve as technical inputs for the preparation of the outcome document, including the Policy Units. Each out of ten Policy Units will be composed of 20 technical experts working in academia, government, civil society, and regional and international bodies, among other fields.

Policy Units are intended to identify challenges, policy priorities, and critical issues as well as the development of action-oriented recommendations for the implementation of the New Urban Agenda. The issues discussed by each Policy Unit, and the ten Policy Papers prepared, will serve as technical inputs for Member States' consideration in the preparation of the outcome document of the Conference.

The main objectives of the Policy Units are:

// To bring together high-level expertise to explore state-of-the-art research and analysis on specific themes;

// To identify good practices and lessons learned; and

// To develop policy recommendations on particular issues regarding sustainable urban development.

The ten Policy Units will focus respectively on the following ten topics:

1. Right to the City, and Cities for All;
2. Socio-Cultural Urban Framework;
3. National Urban Policies;
4. Urban Governance, Capacity and Institutional Development;
5. Municipal Finance and Local Fiscal Systems;
6. Urban Spatial Strategy: Land Market and Segregation;
7. Urban Economic Development Strategies;
8. Urban Ecology and Resilience;
9. Urban Services and Technology; and
10. Housing Policies.

The Policy Unit co-leaders

Each Policy Unit is co-led by two organizations appointed by the Secretary-General of the Conference, upon selection by the Secretary-General in close consultation with the Bureau of the Preparatory Committee for Habitat III.

In close collaboration with the Habitat III Secretariat, the Policy Units co-leaders:

- Coordinate contribution on substantive documents prepared by selected Policy Unit experts;
- Coordinate preparation of a detailed structure of the draft Policy Papers;
- Support analysis of the available data, including available statistics, information available in Habitat III Issue Papers, outcomes from official Regional and Thematic Meetings, etc.
- Support presentation of the structure and the preliminary contents and messages of the Policy Papers at Expert Group Meetings;
- Coordinate meetings organized online; and
- Submit draft and final deliverables of respective Policy Units to the Secretary-General of the Conference.

The Habitat III Secretariat
The Habitat III Secretariat is the main focal point for the Policy Unit experts and works closely with the Policy Unit co-leaders in ensuring the coordination of the elaboration of the Policy Papers.

The Policy Unit experts
Selected experts will be home-based.

Starting date: 1 September 2015
Closing date: 29 February 2016 (involvement until the end of the Habitat III process might be requested at the later stage) Duties and responsibilities:

- Contribute to reviewing substantive documents prepared for the Post-2015 process, and other relevant intergovernmental conferences;
- Support the analysis of the available data, including available statistics, information available in Habitat III Issue Papers, outcomes from official Regional and Thematic Meetings, etc.;
- Support preparation of the structure and the preliminary contents and messages of the Policy Papers at the first and second Expert Group Meetings (EGM1 and EGM2);
- Participate in the meeting organized online and other virtual exchanges;
- Advise on incorporating proposed changes into the draft Policy Papers, harmonize Policy Papers, and submit it to the Habitat III Secretariat.

3

Benefits and expenses:
The work of experts is on voluntarily basis. The Habitat III Trust Fund will cover travel expenses and associated daily allowances for the two planned expert group meetings.
The working language will be English.

Calendar:

- September 2015: work of experts starts. Introduction, orientation kit, background documents, strategic framework for each Policy Unit, decisions on each group on calendar of expert group meetings, operational arrangement, etc.
- October 2015: first Expert Group Meeting
- November 2015: second Expert Group Meeting
- December 2015: first draft of the ten Policy Papers (as established by PrepCom2)
- January 2016: written comments by Member States and stakeholders submission period
- February 2016: final presentation of the ten Policy Papers
- Virtual meetings may take place within the period of work of the Policy Unit

Appendix D. Policy Paper Framework template

HABITAT III POLICY UNIT - POLICY PAPER FRAMEWORK

	Expected Accomplishment	Activities	Scope	Outcome
1. Challenges	Identify challenges, including structural and policy constraints	Review of the Habitat III Issue Papers Review/ analysis of key publications/documents Identification of examples/projects/practices Identify research and data	Local level, national level, stakeholders ... Other specificities: type of country (small island, landlocked...), type of city (intermediate, megalopolis...), specific area (tropical zone, subregion...)	**Problem definition** is established after an analysis and assessment of the state and trends regarding the issues of the specific policy unit.
2. Priorities	Identify the policy priorities and critical issues for the implementation of a New Urban Agenda	Establish a criteria for identifying policy priorities Define key transformations to achieve by policy priorities Identify conditions or external factors favourable for the success of the policy priorities Create targets for those policy priorities		**Policy options** are established and a criteria to prioritize them in terms of impact and transformation is created
3. Implementation	Develop action-oriented recommentations	Identify key actions at all levels of implementation Analyse financial resources required and instruments for their sustainability Establish indicators of successful implementation, monitoring and evaluation Analyse linkages with the Agenda 2030		**Policy design**, implementation and monitoring

HABITAT III POLICY UNIT - POLICY PAPER FRAMEWORK (CHALLENGES)

	Expected Accomplishment	Activities	Outputs
1. Challenges	1.1. Identify challenges, including structural and policy constraints	a. Review of the Habitat III Issue Papers	a.1. Main recommendations to take into account from the issue paper
			a.2. Disagreements/controversy
		b. Review/ analysis of key publications/documents	b.1. Bibliography / Key documents
		c. Identification of examples/projects/practices	c.1. List of examples/projects/practices
		d. Identify research and data	d.1. SDGs targets and indicators related
			d.2. List of other indicators to be taken into account

HABITAT III POLICY UNIT - POLICY PAPER FRAMEWORK (PRIORITIES)

	Expected Accomplishment	Activities	Outputs
2. Priorities	2.1. Identify the policy priorities and critical issues for the implementation of a New Urban Agenda	a. Establish a criteria for identifying policy priorities	a.1. List of criteria
		b. Define key transformations to achieve by policy priorities	b.1. List of key transformations
		c. Identify conditions or external factors favourable for the success of the policy priorities	c.1. List of external factors
		d. Create targets for those policy priorities	d.1. List of targets

HABITAT III POLICY UNIT - POLICY PAPER FRAMEWORK (IMPLEMENTATION)

	Expected Accomplishment	Activities	Outputs
3. Implementation	**3.1. Develop action-oriented recommentations**	a. Identify key actions at all levels of implementation	a.1. Key actions
		b. Analyse financial resources required and instruments for their sustainability	b.1. Financial resources
		c. Establish indicators of successful implementation, monitoring and evaluation	c.1. Indicators of success c.2. Monitoring mechanisms c.3. Linkages with the Agenda 2030

Appendix E. Policy Paper template

United Nations Conference on Housing and Sustainable Urban Development

Policy Paper Template

25 pages [Calibri (Body)/ font 11]

Executive Summary:
This section summarizes the key issues, contents, objectives, and strategic directions covered by the respective Policy Units. [2 pages]

1. Vision and Framework of the Policy Paper's Contribution to the New Urban Agenda
This section provides guiding principles, global norms, and frameworks (e.g. SDGs) that link to the New Urban Agenda. [2 pages]

2. Policy Challenges
This section discusses key policy issues and challenges and also provides analyses and assessments of the states and trends of the thematic areas covered. [4 pages]

3. Prioritizing Policy Options – Transformative Actions for the New Urban Agenda
This section identifies policy priorities and critical recommendations for the implementation of the New Urban Agenda, criteria for the policy priorities, and targets. [5 pages]

4. Key Actors for Actions – Enabling Institutions
This section identifies key actors such as central and local governments, academia, civil society organizations, private sector and social movements, and others to transform policy priorities to actions that will contribute to the achievement of the New Urban Agenda. [5 pages]

5. Policy Design, Implementation, and Monitoring
This section addresses operational means to implement policy recommendations, including possible financing options and monitoring instruments. It discusses analysis of linkages with the 2030 Agenda. [5 pages]

6. Conclusion
This section summarizes the key messages, highlighting the new opportunities for action in realizing the New Urban Agenda. [2 pages]

Annexes:
Policy Paper Framework
Other annexes to be considered such as case studies

Appendix F. Web links to Policy Unit 4 background documents

Policy Paper 4 Framework
http://habitat3.org/wp-content/uploads/PU4-HABITAT-III-POLICY-PAPER-FRAMEWORK.pdf

Comments received by Member States to the Policy Paper 4 Framework
http://habitat3.org/the-new-urban-agenda/preparatory-process/policy-units/

Brazil
Colombia
Ecuador
European Union and Member States
Finland
France
Germany
Japan
Mexico
Netherlands (the)
Norway
Senegal
United States of America (the)

Comments received by stakeholders' organizations to the Policy Paper 4 Framework
http://habitat3.org/the-new-urban-agenda/preparatory-process/policy-units/

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HelpAge International
Institute for Global Environmental Strategies
International Council for Science
World Resources Institute
World Wildlife Fund (WWF)

United Nations

ISBN 978-92-1-132749-6

www.habitat3.org