

HABITAT III ISSUE PAPERS





HABITAT III
ISSUE PAPERS

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The Habitat III Issue Papers were coordinated by the Habitat III Secretariat. The work was led by the team comprised of Ana B. Moreno, Roi Chiti, Wataru Kawasaki, Ilijja Gubic, Leire Badiola, and Rosa Suriñach. 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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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 Issue Papers are summary documents that address research areas, highlight general findings, and identify research needs on topics related to housing and sustainable urban development. Through its Task Team on Habitat III, the United Nations system collaborated on the preparation of the Issue Papers. The Papers provided a background on each thematic area as well as the key challenges and recommended next steps. These were vital documents in the Habitat III process, having established in-depth review and analysis on specific relevant issues, and ultimately serving as the foundation for the work of the Policy Units.

I would like to thank our colleagues from the United Nations Task Team on Habitat III who provided their time, insight, and expertise so that the Issue Papers could be drafted as an official input to the Habitat III preparatory process. I particularly appreciate the lead role played by focal points who actively contributed to an earlier version of the Issue Papers (first drafts), and who participated in the writeshop to finalize them in May 2015 in New York.

I am grateful for this inter-agency collaboration, which brought together different parts of the United Nations system in a coordinated and integrated way, and which united the different agencies, funds, and programmes to work jointly towards the implementation of the New Urban Agenda and the achievement of its common goals.



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 to 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 offer special thanks for those in-kind contributions that allowed the Issue Papers to be translated into six United Nations official languages and other languages: the Government of France for French translation; Federación de Mujeres Municipalistas de América Latina y el Caribe (FEMUN-ALC), Evaluación Multisectorial Inicial Rápida (MIRA), Fundación Mujeres Iberoamericanas en Red por la Igualdad Presupuestal entre Mujeres y Hombres, and Huairou Commission: Women, Homes and Community for Spanish translation; UN-Habitat Moscow Office for Russian translation; Shanghai Municipality for Chinese translation; Talal Abu-Ghazaleh Translation Co. for Arabic translation; and the United Nations Volunteers (JNV) online platform for Portuguese translation.

Finally, we would like to convey our most sincere appreciation to our colleagues in the United Nations Task Team on Habitat III, who enthusiastically and generously shared their expertise and time throughout the process of drafting the Issue Papers. Their voluntary commitments have contributed to a vibrant preparatory process and Conference, and we recognize their work not only in creating these Papers, which were an indispensable basis of knowledge for the Policy Papers and the New Urban Agenda, but also in building consensus and collaboration within and across the United Nations on these crucial urban topics.

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Acronyms/Abbreviations

AFD	French Development Agency
AFDB	African Development Bank
AIMF	Francophone Association of Mayors
ASEAN	Association of South-East Asian Nations
ASUD	Achieving Sustainable Urban Development
AUC	African Union Commission
BRT	Bus rapid transit
CBD	Convention on Biological Diversity
CCAC	Climate and Clean Air Coalition
CCCI	Cities and Climate Change Initiative
CFS	Committee on World Food Security
CMC	Conference on Migrants and Cities
CMM	Montreal Metropolitan Community
CO2	Carbon dioxide
CPI	City Prosperity Initiative
CRM	Climate Risk Management
DKI	Daerah Khusus Ibukota
DPKO	United Nations Department of Peacekeeping Operations
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
EbA	Ecosystem-based Adaptation
ECA	United Nations Economic Commission for Africa
FG-SSC	Focus Group on Smart Sustainable Cities
ES	Ecosystem services
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESCPA	United Nations Economic and Social Commission for Western Asia
EV	Electric vehicles
FAO	Food and Agriculture Organization of the United Nations
FEMUN-ALC	Federación de Mujeres Municipalistas de América Latina y el Caribe
FPIC	Free prior and informed consent
GAW	Global Atmosphere Watch
GDP	Gross Domestic Product
GFDRR	Global Facility for Disaster Reduction and Recovery
GFMD	Global Forum on Migration and Development
GHG	Greenhouse gas
GI	Green Infrastructure
GI-REC	Global Initiative for Resource Efficient Cities
GLII	Global Land Indicators Initiative
GLTN	Global Land Tool Network
GMG	Global Migration Group
GNSC	Global Network on Safer Cities
GURME	GAW Urban Research Meteorology and Environment
GWOPA	Global Water Operators Partnership
GVA	Gross Value Added
Habitat III	United Nations Conference on Housing and Sustainable Urban Development
ICLEI	International Council for Local Environmental Initiative

ICT	Information and Communication Technology
IDB	Inter-American Development Bank
IDMC	Internal Displacement Monitoring Centre
IDPs	Internally Displaced Persons
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFMSA	International Federation of Medical Students Associations
IG-UTP	International Guidelines on Urban and Territorial Planning
ILO	International Labour Organization
IOM	International Organization for Migration
IoT	Internet of things
ITS	Intelligent Transport Systems
ITU	International Telecommunication Union
JMDI	Joint Migration and Development Initiative
KNOMAD	World Bank Global Knowledge Partnership on Migration and Development
LDCs	Least Developed Countries
LED	Local economic development
LGBT	Lesbian, Gay, Bisexual, and Transgender
MDG	Millennium Development Goal
MFSA	Municipal Finance Self-Assessment tool
MIICIC	Migrants in Countries in Crisis
MTA	New York Metropolitan Transportation Authority
NGO	Non-Governmental Organization
NMT	Nonmotorized transport
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
OWG	Open Working Group
PCE/I	Planned city extensions and infill
PEDRR	Partnership for Environment and Disaster Risk Reduction
PrepCom	Preparatory Committee of Habitat III
QoL	Quality of life
SDGs	Sustainable Development Goals
SLCPs	Short-lived Climate Pollutants
SloCaT	Partnership on Sustainable Low Carbon Transport
SMEs	Small and medium-size enterprises
SuSanA	Sustainable Sanitation Alliance
TUGI	The Urban Governance Initiative
UCLG	United Cities and Local Governments
URLP	Urban Refugee Learning Programme
URTT	Urban Refugee Task Team
UNCDF	United Nations Capital Development Fund
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UN Environment	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNICITRAL	United Nations Commission on International Trade Law

UNISDR	United Nations Office for Disaster Risk Reduction
UNITAR	United Nations Institute for Training and Research
UNODA	United Nations Office of Disarmament Affairs
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNPAN	United Nations Public Administration Network
UNV	United Nations Volunteers
UNWTO	World Tourism Organization
UPD Lab	Urban Planning and Design Lab
VGGTs	Voluntary Guidelines on the Responsible Governance of Tenure, Land, Fisheries and Forests
WEF	World Economic Forum
WHO	World Health Organization
WIEGO	Women in Informal Employment: Globalizing and Organizing
WMO	World Meteorological Organization

Introduction

Issue Papers: Knowledge for 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, including local authorities and the United Nations system expertise, 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 (PrepCom 1) held in New York at the United Nations headquarters, the Secretary-General of the Conference, Dr. Joan Clos, presented a report¹ 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. The Secretary-General of the Conference also expressed his intention to create the United Nations Task Team on Habitat III as an inter-agency group in which focal points of several United Nations system would coordinate system-wide preparations towards Habitat III.

The Habitat III Strategic Framework was developed based on these aforementioned four areas, while linkages among the four areas were guided by the principles of innovation and inclusiveness requested by Member States. The Habitat III Issue Papers were identified as one of the first outcomes in the knowledge area of the Strategic Framework, and the United Nations Task Team on Habitat III was invited to develop them.

¹ A/CONF.226/PC.1/4

FIGURE 1. HABITAT III STRATEGIC FRAMEWORK

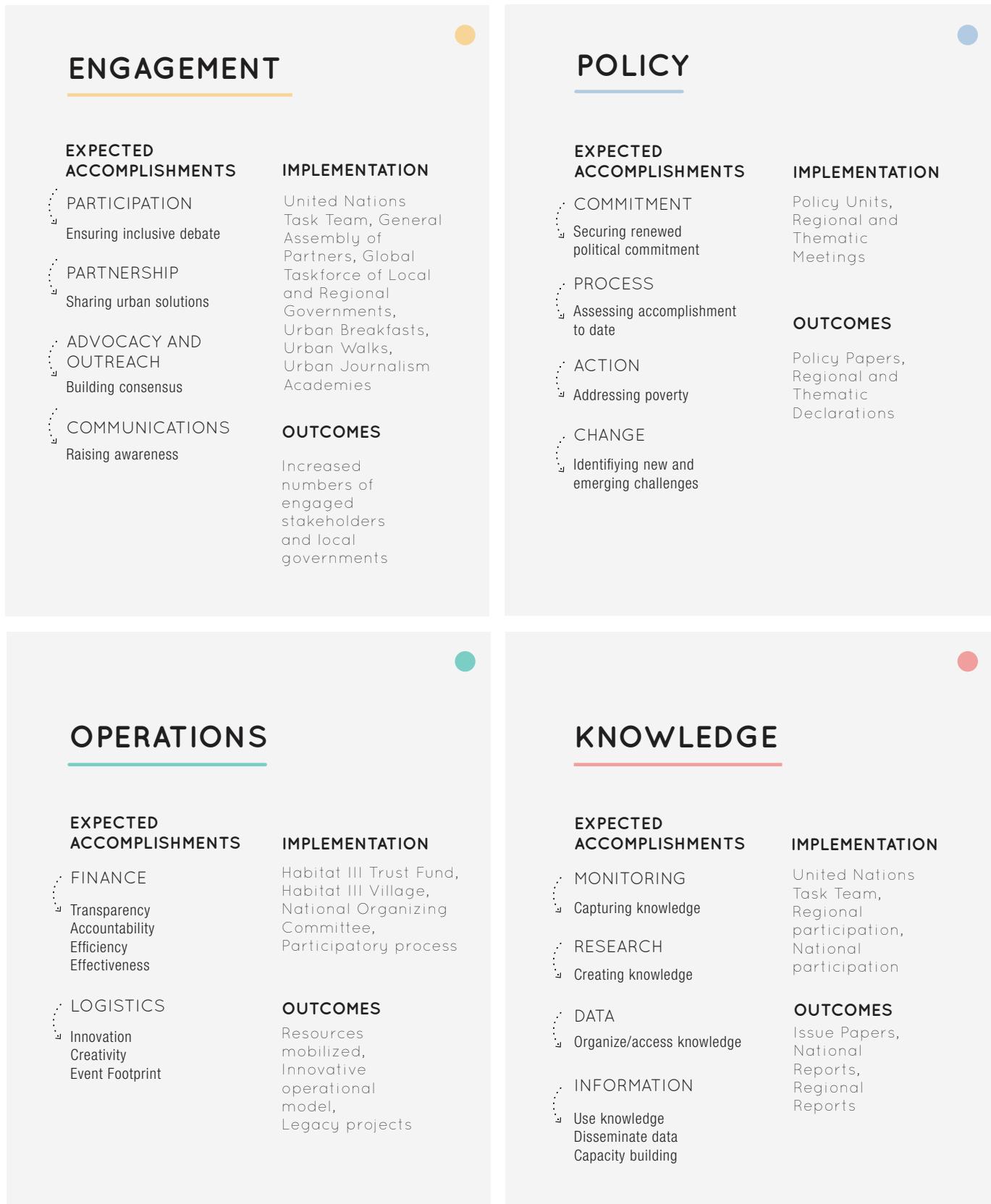


FIGURE 2. EXPECTED ACCOMPLISHMENTS FOR THE HABITAT III KNOWLEDGE AREA



Establishment of the Habitat III Thematic Framework

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 10 Policy Units. Further the United Nations Task Team on Habitat III was subsequently tasked to lead the elaboration of 22 Issues Papers.

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

One UN effort to elaborate the Habitat III Issue Papers

The Issue Papers were considered stocktaking documents highlighting and addressing significant urban issues and general findings by identifying research needs on housing and sustainable urban development.

The first meeting of the United Nations Task Team on Habitat III took place on 22 January 2015, in the United Nations headquarters in New York. As part of the first task of the Task Team, the lead agencies and contributors for each of the Papers were nominated after requesting those agencies interested to contribute to identify and volunteer for their preferred area of expertise/Issue Paper (see Appendix A for the details on the assignment).

The Habitat III Issue Papers were led or co-led by the United Nations agencies, funds, and programmes listed below (in bold) with contributions from other United Nations agencies (those not in bold).

FIGURE 4. PARTICIPATING UNITED NATIONS SYSTEM FOR HABITAT III ISSUE PAPERS

AREAS	ISSUE PAPERS	UN TASK TEAM
1. Social Cohesion and Equity – Livable Cities	1. Inclusive cities (a.o. Pro-poor, Gender, Youth, Ageing)	1. DESA, UNDP, UNFPA, OHCHR, UN-Habitat, UNICEF, UNESCO, UN-Women, WHO
	2. Migration and refugees in urban areas	2. UNHCR, OHCHR, IOM, UNITAR, UNDESA, FAO, UN-Habitat, UNFPA
	3. Safer Cities	3. UN-Habitat, WHO, UNICEF, UNICRI, UN-Women, UNODA, UNODC, UNU, World Bank
	4. Urban Culture and Heritage	4. UNESCO, UNDESA, UN-Habitat, OHCHR
2. Urban Frameworks	5. Urban Rules and Legislation	5. UN-Habitat, UNDESA
	6. Urban Governance	6. UNDP, UN-Habitat, UNDESA, UNFPA, CBD, UN-Women
	7. Municipal Finance	7. World Bank, UN-Habitat, CBD
3. Spatial Development	8. Urban and Spatial Planning and Design	8. UN-Habitat, UNOPS, CBD, UNESCO, UNISDR
	9. Urban Land	9. UN-Habitat, OHCHR, FAO, IFAD, CBD, UN Environment, UN-Women
	10. Urban-rural linkages	10. UN-Habitat, FAO, IFAD, UN Environment, UNFPA, CBD
	11. Public Space	11. UN-Habitat, CBD, UN-Women

4. Urban Economy	12. Local Economic Development	12. Word Bank, UN-Habitat, ILO, UNDESA, WFP, UNWTO, CBD, UNESCO
	13. Jobs and Livelihoods	13. UN-Habitat, ILO, WFP, UNDP, CBD
	14. Informal Sector	14. UN-Habitat, ILO, UNDP, WFP, UN-Women
5. Urban Ecology and Environment	15. Urban Resilience	15. UN-Habitat, UN Environment, UNISDR, UNITAR, UNDESA, WMO, UNICEF, CBD, UNFPA, UNICRI, UN-Women
	16. Urban Ecosystems and Resource Management	16. UN Environment, CBD, UNDESA, WHO, UNESCO, UN-Habitat
	17. Cities and Climate Change and Disaster Risk Management	17. UNDP, UN-Habitat, UNITAR, WMO, WHO, UNOPS, UN Environment, CBD, UNFPA, ITU
6. Urban Housing and Basic Services	18. Urban Infrastructure and Basic Services, including energy	18. UNOPS, UN-Habitat, UNDESA, UN Environment, UNFPA, CBD, WHO
	19. Transport and Mobility	19. UN-Habitat, UN Environment, UNDESA, World Bank, WHO
	20. Housing	20. UN-Habitat, UNOPS, OHCHR, UN-Women, WHO
	21. Smart Cities	21. UN-Habitat, UNDP, ITU, CBD
	22. Informal Settlements	22. UN-Habitat, OHCHR, UNOPS

First outcome: the draft Issue Papers

A short version of the draft Issue Papers², including background on each area analyzed, key challenges and recommendations on next steps (see template in Appendix B), was submitted to the Habitat III Secretariat by 30 March 2015 by the United Nations Task Team on Habitat III after two months of work.

At the first plenary meeting of the second session of the Habitat III Preparatory Committee (PrepCom2), held at the headquarters of the United Nations Human Settlements Programme (UN-Habitat) in Nairobi, Kenya, on 14 April 2015, five representatives of UN-Habitat and a representative of UN Environment presented the draft versions of the 22 Issue Papers.

Member States also acknowledged at PrepCom2 that the “issue papers as well as the outputs of policy units are intended to serve as informative technical inputs for consideration by Member States during their deliberations in preparation of the outcome document of the United Nations Conference on Housing and Sustainable Urban Development”³.

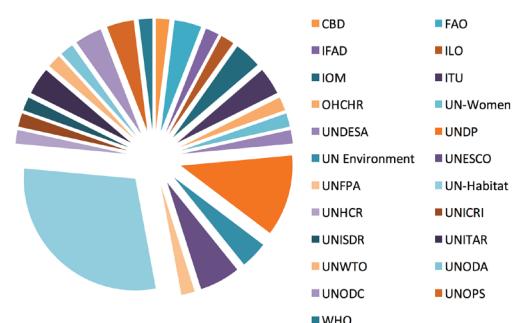
In accordance with the adopted resolution, Member States also requested all the Issue Papers to be published on the Conference website, no later than 31 May 2015, and invited Member States to transmit written comments on the final Issue Papers by the end of June 2015; as well as stakeholders and local authorities in July 2015⁴.

Finalization of the Issue Papers

In order to finalize the Habitat III Issue Papers after PrepCom2, the Habitat III Secretariat organized a writeshop in New York, USA, with the participation of representatives from all the United Nations agencies, funds, and programmes identified as co-leads and/or contributors of the Habitat III Issue Papers from 26 to 29 May 2015.

Prior to the writeshop, by 15 May 2015, the United Nations Task Team on Habitat III prepared and submitted a long and comprehensive version of the Issue Papers to be used as the basis for discussion during the writeshop. The long version was also reviewed for comments by the Bureau of the Preparatory Committee on 18 May 2015.

The Habitat III long version of the Issue Papers followed a template with a limit of 3,000 words (see Appendix C) aimed to provide an in-depth review and analysis of specific issues relevant to the discussions of the Conference.



A total of 51 participants from 23 different agencies from the United Nations system (see graphic), eight of which remotely attended, gathered at the four-day writeshop to have in-depth discussions and exchange expert knowledge for the finalization of the Issue Papers. All 22 Issue Papers were successfully finalized in collaboration with the United Nations Task Team on Habitat III, and published on the Conference website by 31 May 2015.

² Available from www.habitat3.org

³ See 1/1205 resolution at A/CONF.226/PC.2/6

⁴ Ibid.

The whole process of drafting of the Issue Papers not only produced background documents for the Habitat III Policy Units, but also brought together inter-agency collaboration among the United Nations system and its contribution to the Habitat III process.

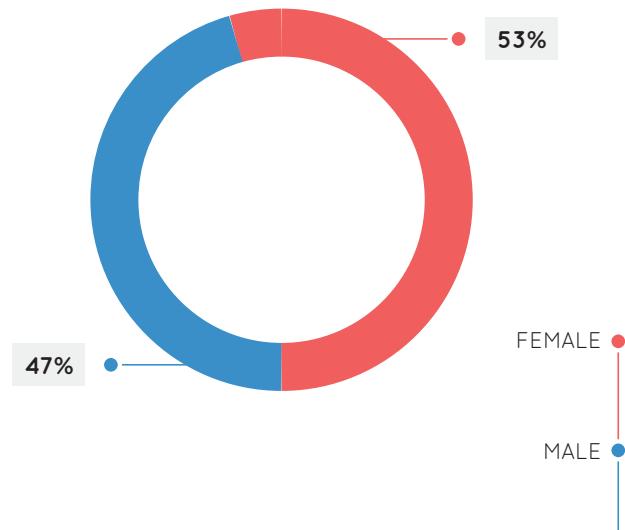


FIGURE 5. LIST OF UNITED NATIONS EXPERTS WHO PARTICIPATED IN PERSON IN THE ISSUE PAPERS' WRITESHOP

	UN SYSTEM	FOCAL POINT
1	FAO	Sudeshna Chowdhury
2	ILO	Edmundo de Werna
3	IOM	Chris Richter
4		Ioana Popp
5	ITU	Kadiatou Sall-Beye
6	OHCHR	Bahram Ghazi
7	UN-Women	Patricia Cortez
8	UNDESA	Jonas Rabinovitch
9	UNDP	Minerva Novero
10		Joseph D' Cruz
11		Kodjo Mensah-Abrampa
12		Renata Rubian
13		Rajeev Issar
14		Kalyan Keo
15	UNEP	Maaike Jansen
16	UNFPA	Daniel Schensul

17		Gulelat Kebede
18		Marco Kamiya
19		Ananda Weliwita
20		Imogen Howells
21		Robert Lewis-Lettington
22		Diana A. Lopez
23		Remy Sietchiping
24	UN-Habitat	Marcus Mayr
25		Lowie Rosales-Kawasaki
26		Laura Petrella
27		Cecilia Andersson
28		Juma Assiago
29		Kulwant Singh
30		Fernanda Lonardoni
31		Patricia Holly
32	UNHCR	John Solecki
33	UNICRI	Duccio Mazarese
34	UNISDR	Glenn Dolcemascolo
35	UNITAR	Estrella Merlos
36		Colleen Thouez
37	UNWTO	Sarbuland Khan
38	UNODA	Maria del Rosario de la Fuente
39	UNODC	Johannes De Haan
40		Ruben D. Vargas
41	UNOPS	Cecilia Lopez y Royo
42		Adriana Navarro-Sertich
43	WHO	Suvi Huikuri

PARTICIPANTS IN THE WRITESHOP ONLINE (REMOTELY)

	UN SYSTEM	FOCAL POINT
1	CBD	Andre Mader
2	FAO	Makiko Taguchi
3	IFAD	Karim Hussein
4	ITU	Mythili Menon
5	UNEP	Sharon Gil
6		Dorine Dubois
7	UNESCO	Lynne Patchett
8		Marie-Ange Theobald

Comments from Member States and stakeholders

Member States were invited by the Secretary-General of the Conference to transmit comments on the Issue Papers to the Habitat III Secretariat in a written Note Verbale during the month of June 2015 (see Appendix D).

Official comments on the Issue Papers by Member States were received in June 2015, and also made available on the Habitat III website (see Appendix E). In July 2015, stakeholders and local authorities were invited to provide comments, and those submitted were also published on the same website.

FROM MEMBER STATES

- Argentina
- Brazil
- Ecuador
- European Union and Member States
- Finland
- France
- Germany
- Kenya
- Mexico
- Netherlands, the
- Peru
- Romania
- Turkey
- United Kingdom of Great Britain and Northern Ireland (the)
- United States of America (the)

FROM STAKEHOLDERS

- Association for Settlements and Housing Activities
- Commonwealth Association of Surveying and Land Economy
- Commonwealth Association of Planners
- Habitat International Coalition
- Huairou Commission: Women, Homes and Community
- International Alliance for Women
- International Society of City and Regional Planners
- Institute for Housing and Urban Development Studies
- International Movement of Catholic Student Movement – Pax Romana and the International Federation of Medical Students Associations (IFMSA)
- World Resources Institute

Citizens' contributions through online debates

The Habitat III Urban Dialogues hosted a series of first e-debates on the 22 Issue Papers structured in the six thematic areas of the Habitat III Thematic Framework from 6 to 31 July 2015. The thematic consultations through this online dialogue were moderated by the members of the United Nations Task Team on Habitat III. These six thematic areas were:

- I. Social Cohesion and Equity - Livable Cities, moderated by IOM and UNDP
- II. Urban Frameworks, moderated by UNDP and UN-Habitat
- III. Spatial Development, moderated by UN-Habitat
- IV. Urban Economy, moderated by ILO and UN-Habitat
- V. Urban Ecology and Environment, moderated by UN-Habitat
- VI. Urban Housing and Basic Services, moderated by UN-Habitat

Seamless transition from Knowledge to Policy towards the New Urban Agenda

The Habitat III Issue Papers were a collection of summary documents providing background and knowledge, key challenges, and recommendations on the most significant urban issues to be addressed in the area of sustainable urban development. The Issue Papers fed into the global preparatory process of Habitat III as a knowledge product; at the same time, they contributed to the work of the Habitat III Policy Units as background documents.

The Issue Papers as special thematic sessions in the Conference

At the Habitat III Conference in Quito, the United Nations Task Team on Habitat III reassembled to organize the Special Sessions by providing substantial discussions on the implementation of initiatives in each thematic area of the Issue Papers. All 22 Special Sessions aimed to discuss and present initiatives on the implementation of the New Urban Agenda with respect to the Issue Paper topics. Building on the challenges, priorities, policy interventions, and action-oriented recommendations identified and addressed in the 22 Issue Papers, specific accomplishments with immediate and longer-term outcomes were discussed among the United Nations agencies system-wide in order to effectively and efficiently implement and monitor the New Urban Agenda.

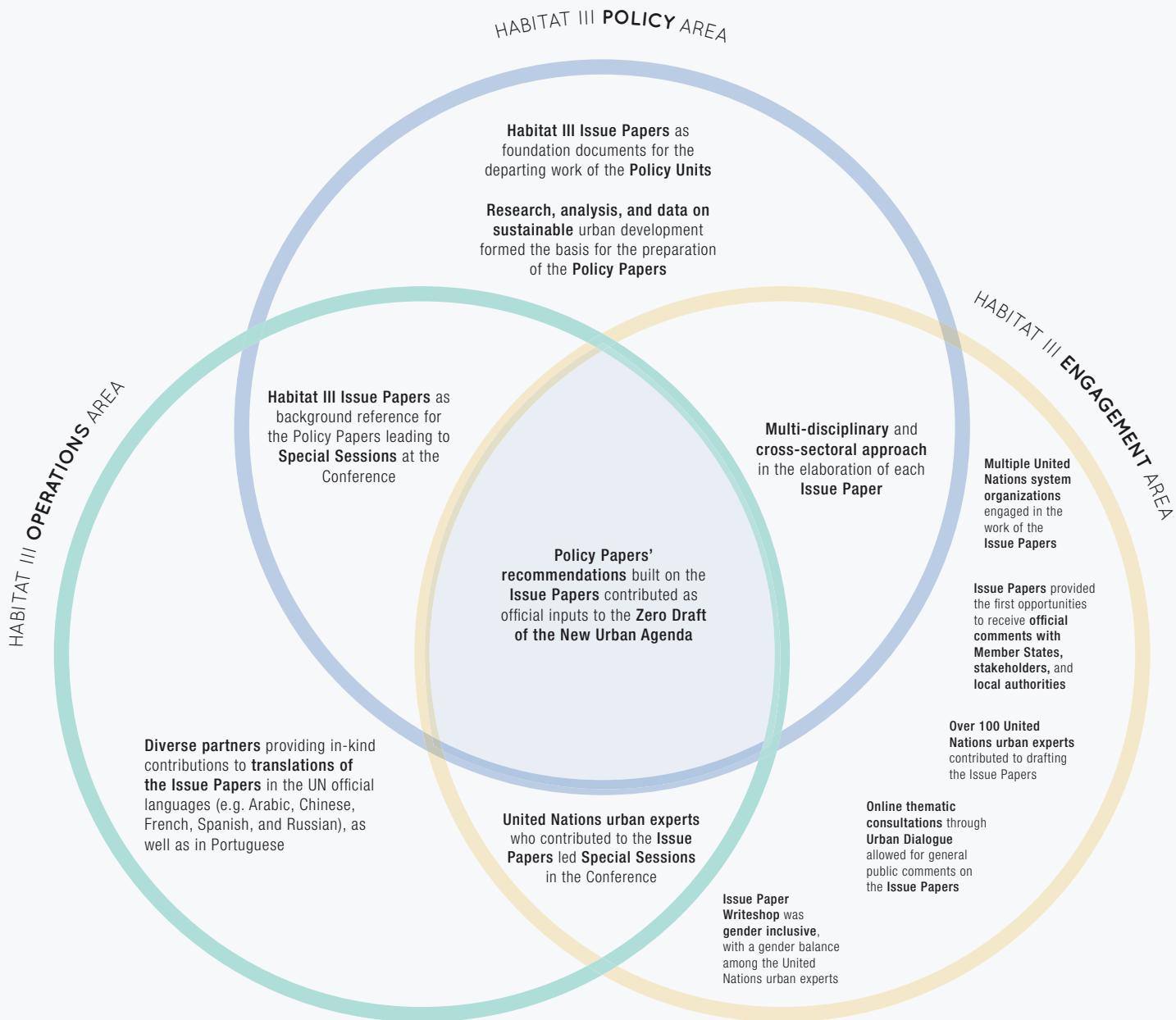
FIGURE 6. ISSUE PAPERS' ROLE IN THE HABITAT III STRATEGIC FRAMEWORK

Knowledge was one of the four conceptualized areas, along with engagement, policy, 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 Knowledge Area, composed of Issue Papers, National Reports, and Regional Reports (see Figure 1), played an important role in providing knowledge base on sustainable urbanization at global, regional, and national levels to the Habitat III preparatory process and the formulation of the New Urban Agenda.

The Knowledge Area brought together a wide range of urban experts from the United Nations system, stakeholders, and governments to provide data and information to the preparatory process. The Issue Papers were one of the key Habitat III knowledge products, elaborated by the United Nations Task Team on Habitat III, to summarise the state of the art on different aspects of sustainable urbanization, including key facts and figures, key drivers for action, as well as existing platforms and projects. They subsequently resulted in foundation documents and background reference as the departing point for the work of the Policy Units.

Apart from the results of the Issue Papers in the Knowledge 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 Issue Papers enabled the successful work of the Knowledge 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
ISSUE PAPERS



ISSUE PAPER

1

Bucharest, Romania - 30 June 2014: Residents enjoying Herastrau Park in Bucharest, Romania © Shutterstock

INCLUSIVE CITIES

Co-Lead organizations: OHCHR, UN DESA, UNDP, UNFPA

Contributors: UNESCO, UN-Habitat, UNICEF, UN-Women, WHO

+ KEY WORDS

Inclusive growth, inclusion, equality, social inclusion/exclusion, human rights, nondiscrimination, migrants, marginalized groups, security of tenure, balance of power, gender, empowerment, consultation and participation, speculation on housing and land

Summary

Urbanization offers the potential for new forms of social inclusion, including greater equality, access to services and new opportunities, and engagement and mobilization that reflects the diversity of cities and countries around the globe. Yet inequality and exclusion abound, often at rates greater than the national average, at the expense of sustainable development. Two drivers can combat the rise of urban exclusion and put cities on a better path. The first is political commitment to inclusive urban development at multiple levels, in the face of many forces and stakeholders that incentivize uneven and unequal development. The second is a range of mechanisms and institutions to facilitate inclusion, including participatory policy-making, accountability, universal access to services, spatial planning and a strong recognition of the complementary roles of national and local governments in achieving inclusive growth.

Key Facts and Figures

- Cities often have much greater economic inequalities than countries overall.¹ Although the world's largest cities are also often the most unequal, there are big inequalities in small cities in Africa and Latin America.
- More than two thirds of the world's population live in cities where income inequalities have increased since 1980,² sometimes to worrying levels above the United Nations alert line.³
- There are serious variances in income and consumption at the urban level in the same country, and the aggregate national value can rarely describe what happens in all urban settings.⁴
- One third of urban dwellers in the developing world (863 million people) live in slum-like conditions.⁵ While the slum measure does not generally apply to cities in developed countries, residents of these cities face major challenges associated with poverty, substandard housing and services, under- or informal employment, violence and more.
- Cities of the developing world account for over 90 per cent of the world's urban growth and youth account for a large percentage of those inhabitants. It is estimated that as many as 60 per cent of all urban dwellers will be under the age of 18 by 2030.⁶

¹ Within an individual country, variations between urban centres' Gini coefficients are huge. In 8 out of 12 of the countries that the UN-Habitat/CAF analyzed in Latin America and the Caribbean, the difference between inequality levels in the most equal and the most unequal city diverts 45 per cent from the national average.

² UN-Habitat "Concept paper for the World Urban Forum 7" (Nairobi, UN-Habitat, 2013). Available from <http://wuf7.unhabitat.org/wuf7theme>

³ The alert line is determined by the United Nations when countries/cities reach a Gini coefficient in income above 0.4.

⁴ CAF-Development Bank of Latin America and UN-Habitat, *Construction of More Equitable Cities: Public Policies for Inclusion in America Latina* (Nairobi and Caracas: UN-Habitat and CAF, 2014). Available from <https://unhabitat.org/books/construction-of-more-equitable-cities/>

⁵ Almost one billion people live in slums without basic services and social protection. UN-Habitat, *State of the World's Cities 2010/2011 - Cities for All: Bridging the Urban Divide* (Nairobi: UN-Habitat, 2010). Available from https://unhabitat.org/?mbt_book=state-of-the-worlds-cities-20102011-cities-for-all-bridging-the-urban-divide

⁶ UN-Habitat, *Cities of Youth, Cities of Prosperity* (Nairobi, 2013)

⁷ United Nations, Framework of Actions for the follow-up to the Programme of Action of the International Conference on Population and Development Beyond 2014, Report of the Secretary-General (New York, 12 February 2014)

- Poor women, especially those living in the slums, tend to concentrate in low-wage, low-skilled and often home-based jobs in the informal sectors. Because they also face unique barriers in accessing health and other services, they are denied the advantages generally seen in urban living.⁷

The Issue

Urbanization can lead to a more harmonious and inclusive society. Evidence shows that urbanization represents enormous opportunities for inclusive and sustainable development, including gender equality and the empowerment of women.

- Urbanization provides a powerful potential for social mobilization and freedom of expression, including for the marginalized and excluded, and for wider participation and influence in politics and policy.
- In cities there are growing opportunities for women for education and to engage in professional activities. Cities have also increased demand for women workers in services and industries, in jobs that bring benefits but also risks like poor working conditions, gender gaps in pay and health problems.
- The greater cultural diversity found in urban areas can undo social norms, gender stereotypes and traditions or customs that hold women and disadvantaged groups back, thereby reducing associated discrimination.
- Local governments are closely connected to populations as the immediate provider of services, especially to those groups most at risk of being excluded and marginalized.
- Cities facilitate strong networks, enabling collaboration and partnerships to empower every woman and man, to promote the diversity, belonging and connectedness that is essential to combat disillusionment and radicalization, particularly among young people. Well-managed cities can promote a model of interaction that upholds the rights of every inhabitant.

The economic dynamism of cities brings many benefits but can also exacerbate inequalities because the rewards and benefits of growth are concentrated in the hands of those who have the strongest social and political claim. Gender, ethnicity and religion, physical ability, youth and age, migration and employment

status (i.e., for informal workers) are all clear determining factors in the capacity of individuals and groups to access the full benefits of urbanization, or often to limit their access. Unequal outcomes within urban areas are reinforced by exclusion in opportunity.⁸ In complex urban systems, such outcomes and opportunities are tightly interlinked and interactive, strongly reinforcing one another.

Around the world, cities are usually more unequal than the countries they are found in. There are also serious variances in income and consumption at the urban level in the same country, and the aggregate national value can rarely describe what happens in all these urban settings. Studies show that income inequalities and discrimination are rarely if ever isolated to specific populations.⁹ They intersect with other forms of inequalities in the social, legal, spatial, cultural, political and environmental spheres, reinforcing deprivation and exacerbating further inequalities.

Economic inequality is closely linked with gender and spatial inequality, leading to the exclusion and often criminalization of disadvantaged and vulnerable groups such as slum dwellers, migrant workers, children, young people, elders, people with disabilities, indigenous people and minority groups. Disadvantages are greater for women within these groups because they also bear gender-based discriminations.

Migrant labourers who have moved from rural to urban areas within and across borders seldom share fully in the wealth and opportunities in cities. For many, the move to the city is associated with unstable, unequally remunerated or underpaid jobs, coupled with other abuses and deprivations. Many migrants have no choice but to settle in slums, which results in their exposure to pollution, crime and environmental threats, as well as limited access to basic services such as clean water and sanitation, health and education. Their deprivations are often aggravated by the informal or “illegal” status of those settings, resulting in them occupying a blind spot in relevant government plans and policies.¹⁰ For example, slum dwellers often experience obstacles in access to school because they lack residency status or birth certificates. They also have higher drop-out rates because of child labour practices and stronger fear of violence and harassment. As a result they often depend on private schooling that requires additional expenditure and may be of poor quality.¹¹

Women living below the poverty line, especially those living in slums,¹² tend to concentrate in the low-wage, low-skilled and often home-based jobs in the informal sectors, and non-core jobs.¹³ The growth of slums also affects women disproportionately, not only because they are, on average, poorer than men (three fifths of the world's one billion poorest people are women and girls),³ but also because they often lack decision-making opportunities and experience greater difficulty in accessing resources and services tailored to their needs.¹⁴ The impact of such inequities is particularly notable in health outcomes, further influenced by social determinants of health.¹⁵ This is exacerbated by barriers that the urban poor and slum dwellers face in accessing health services, including overcrowding, high costs, poor quality and major transport challenges.¹⁶

A significant challenge that faces cities is the rise of racism and discrimination. Various forms of racism, discrimination, xenophobia and intolerance have been perpetrated against individuals and populations, transgressing their fundamental human rights, and exacerbating exclusion, exploitation and even hatred. Consequently, the full enjoyment of these groups' rights, including their potential for democratic participation and socioeconomic inclusion, has been imperilled. The increasing role of cities as major actors (with their own autonomy and resources) in the fight against racism is therefore crucial in this respect. Collective action — through initiatives such as the International Coalition of Cities against Racism — is a positive step.¹⁷

Key Drivers

Establishing Political Commitment to Inclusive Urbanization

State authorities at both the national and local level are bound to implement national and international obligations, including the protection and promotion of human rights without discrimination. Effective implementation of human rights, equality and nondiscrimination cannot be achieved without the proactive involvement of local and subnational governments. The role of state authorities is clear when it comes to ensuring access, affordability and adequacy of services for all residents in cities. Equal access to employment, education, adequate housing, health services, justice, water, sanitation, electricity and transport all contribute to inclusiveness and social cohesion.

⁸ UNDP, *Humanity Divided: Confronting Inequality in Developing Countries* (New York, 2013). Available from <http://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/humanity-divided--confronting-inequality-in-developing-countries.html>

⁹ See analysis of the World Values Survey Wave 6 2010–2014 in the Global Framework of Actions for the follow-up to the Programme of Action of the ICPD Beyond 2014, which shows that where intolerance is high it is rarely isolated to a single group or subset of the population.

¹⁰ UNESCO-IEP, “Educational marginalization in national education plans”. Background paper for EFA Global Monitoring Report 2010 (Paris, 2009). Available from <http://unesdoc.unesco.org/images/0018/001866/186608e.pdf>

¹¹ See *Reaching the Marginalized* (Education for All Global Monitoring Report) (Oxford, UK: Oxford University Press, 2010). Available from: <http://unesdoc.unesco.org/images/0018/001866/186606E.pdf>.

¹² Almost one billion people live in slums without basic services and social protection. UN-Habitat, *State of the World Cities reports* are available from <http://mirror.unhabitat.org/categories.asp?catid=559>.

¹³ UNFPA and IIED, “Urbanization, gender and poverty: Technical briefing” (London and New York, 2012). Available from <http://www.unfpa.org/resources/urbanization-gender-and-urban-poverty>

¹⁴ UN-Habitat, *State of the World's Cities 2012–2013. Prosperity of Cities* (Nairobi, 2013). Available from <http://mirror.unhabitat.org/pmss/listItemDetails.aspx?publicationID=3387>

¹⁵ WHO and UN-Habitat, *Hidden Cities: Unmasking and Overcoming Health Inequities in Urban Settings* (Geneva, 2010). Available from http://www.who.int/kobe_centre/publications/hidden_cities2010/en/. Knowledge Network on Urban Settings, *Our Cities, Our Health, Our Future—Acting on Social Determinants for Health Equity in Urban Settings*, Report to the WHO Commission on Social Determinants of Health (Geneva: World Health Organization, 2008). Available from http://www.who.int/social_determinants/themes/urbanization/en/.

¹⁶ United Nations, Framework of Actions for the follow-up to the Programme of Action of the International Conference on Population and Development Beyond 2014.

¹⁷ International Coalition of Inclusive and Sustainable Cities web page available from <http://www.unesco.org/new/en/social-and-human-sciences/themes/flight-against-discrimination/coalition-of-cities>.

Despite obligations toward all inhabitants to uphold their rights and the evident benefits of having more inclusive cities, cities face a wide range of factors that drive exclusion, including but not limited to:

- a policy focus on economic growth at the expense of inclusion;
- high competition between cities for investments. This incentivizes reducing social protections and provisions for the poor as part of efforts to attract national and international capital;
- environmental threats to cities, including climate change, that result in eviction or relocation of the poor who often live in fragile or exposed areas within the city;
- extreme power and resource imbalances in access to governance and decision-making; and
- commodification of land and resulting speculation.

"Across the world, problems in ensuring the affordability of housing, land and property are responsible for the increasing number of people who are pushed away from well-urbanized and well-located neighborhoods into inadequate, insecure housing conditions on the periphery. Urban planning directed to creating so-called "world-class cities" rather than controlling speculation and reining in rising rental and home prices through appropriate land management tools have contributed to boosting property prices in cities and diverted land for higher-income groups.

These factors have historically affected governance and planning systems across a wide range of development contexts, reinforcing the march of unequal development.

The resulting creation of spatially separated settlements for the rich and the poor in urban and rural areas can be defined — as the previous Special Rapporteur described — as "urban and rural apartheid." Slums and squatter settlements arise in part from the colossal gap between supply and demand of affordable housing in well-located land and lead to discrimination, playing a strong role in keeping large groups in poverty and poor living conditions, with little access to opportunities for a better future. The result is fragmented and divided cities, with the erosion of social cohesion."

— *Report of the Special Rapporteur on adequate housing to the General Assembly, A/63/275.*

It is therefore essential that local and national governments take a positive and proactive approach to achieving inclusive cities—as a means of delivering on their obligations and setting a course to urbanization that delivers effectively for everyone. This includes promoting a more balanced approach to the perception of migrants: it is essential to improve the current migration "narrative," which is essentially negative, to more accurately reflect contemporary migration realities. Cities also need a new way to talk about the historically positive impact of human mobility on our societies, many of which have been built with the contributions made by migrants.

Establishing the pathway to inclusive cities

- **Participation and social innovation in planning, implementation and evaluation**

Supporting excluded urban groups to share their views and represent their own needs is an essential aspect of ensuring everyone's inclusion and meaningful participation. Mobilizing excluded groups themselves, whose ability to engage with more powerful stakeholders, is greatly enhanced through collective action. Special emphasis should be placed on increasing women's, young people's and older people's participation in democratic life and decision-making at all levels. Gender equality perspectives should, for example, be mainstreamed into all decisions around budgeting, infrastructure investments, and land-use and development planning. Experience shows that collective action by communities, women's organizations and organizations of the urban poor (i.e., organizations such as Shack and Slum Dwellers International or informal workers' groups such as the Global Alliance of Waste Pickers, the Self-Employed Women's Association, or HomeNet) are highly effective in addressing key urban challenges (e.g., housing, environment, and disaster risk reduction) and negotiating with other stakeholders like government or private land owners.

Fostering inclusive social innovation processes can build partnerships among stakeholders with historically different interests to solve collective problems wherever possible. Marginalized, vulnerable and excluded groups can use the urban space to project their voices, to participate in community politics, and influence social and political processes. Examples from the Asian Cities Climate Change Resilience Network show how participatory vulnerability assessments engaging a wide range of stakeholders can help build mutual understanding of problems, trust among disparate actors and new ways of working. Inclusive social innovation processes can lead to more inclusive outcomes—for instance, awarding solid waste management contracts to associations of informal waste pickers, developing independently managed early flood-warning systems (as in Hat Yai City in Thailand), or improving urban design to support elderly populations.

- **Realizing and promoting the rights of all to universal access to quality basic services**

Another lever for change involves an urban age - and gender-responsive development model with adequate policies and institutional frameworks for promoting universal access to urban basic services, such as sustainable and affordable housing; health including sexual and reproductive health; nutritious food, water and sanitation; education and training facilities, including life-long learning and vocational education; and basic income security, especially for urban dwellers living in poverty and those experiencing discrimination. Such services should be available and accessible to everyone, and meet certain minimum quality standards as established by international human rights law. It is essential to assess the way these services are accessible and utilized according to the different needs of other marginalized groups, such as indigenous people, migrants, ethno-cultural specificities of communities, women with disabilities, adolescent girls, older people and others in the decision-making processes related to urban planning.

Social protection and social services such as social transfers and health coverage can reduce the vulnerability of poor and excluded populations, particularly when they are designed to be responsive to these populations' particular needs. Along with generating decent work, attending to protections and services prioritizes equality and investment in people, which are at the centre of promoting inclusive cities. Focusing particular attention on migrant populations is crucial in this regard, including removing internal mobility restrictions; removing obstacles linked to migration status for access to basic services such as health and education; addressing various forms of discrimination, including multiple discrimination, against migrants in different spheres of life—economic, social, political and cultural—and providing support to migrants to facilitate their full integration in host societies by tackling stereotypes and promoting intercultural dialogue and understanding.

Rural/urban migrants are disproportionately young. This means that age-responsive support to housing, education, health services (including sexual and reproductive health) and employment are essential. Safe and generative urban spaces for youth have been linked to youth having greater access to training, health services, and a space to for youth to have their voices heard in local governance.

- **Spatial planning for inclusion**

Improved spatial connection establishes a link between land use and accessibility, eliminates or reduces the imbalances between residential and working areas and reduces the gap between slums and consolidated neighbourhoods. It facilitates access to the areas where job opportunities, equipment and public services are located, thereby limiting territorial inequality.

Spatial planning for inclusion holds particular potential in countries and cities where urbanization is happening rapidly. Urban population growth offers the possibility of new spatial forms, new approaches to providing services, and the

creation of new opportunities for urbanizing populations. Spatial planning can create the infrastructural foundation that supports economic transitions. New jobs emerge that, if in line with human rights and labour standards, can provide pathways for individuals, households and communities to reduce poverty and increase well-being and greater equality.

- **Accountability**

Decisions and processes that affect urban residents need to be transparent, subject to public scrutiny and include free and fair dispute and complaint mechanisms—all of which are critical to reducing instances of public corruption that work in favour of powerful interests. Gender-responsive community report cards, for instance, allow communities to develop indicators to assess their own needs and evaluate government performance. Under The Urban Governance Initiative (TUGI), the use of report cards in Cebu, Philippines, helped assess the city government's capacity to respond to the needs of women, which further led to a gender code for the city and the adoption of a new ordinance on domestic violence.

Initiatives and databases can provide free access to information to the public—for instance, on budgeting, urban development plans, zoning, and disaster risk. Across the globe, initiatives to promote transparency in decision-making are being adopted by municipalities. They are notably adopted in several Latin American countries and in Indonesia (for instance, the Solo Kota Kita project), where they aim to enable informed citizen votes during participatory budgeting processes. These initiatives are mostly based on open data policies in the most connected countries, with the development of visual tools and neighbourhood mapping. In other cities, governments are partnering with community members to collect information on informal settlements or informal economy.

- **Understanding the roles of national and local government in generating inclusive urbanization**

Much of the previous sections address vital factors at the local level. However, exclusion is also reinforced by a variety of national and global factors that local governments and stakeholders are not in a position to address. Coherence and coordination between central and local governments is essential to ensure synergies and complementarities of interventions at different levels, incorporate urban growth into national and local planning, and avoid blind spots and lacunae in relevant policies and plans. Too often, discrepancies and contradictions exist between central government policies and those implemented by local authorities.

Decentralization processes may fail to establish a clear division of labour with corresponding accountabilities, which will hinder the elimination of inequalities. Cooperation between cities, and between urban and rural areas, is a way to address these issues and challenges. Through the exchange of expertise, competencies, good practices and practical experience in areas such as education, employment, housing and awareness-raising, cities and

city-level actors can leverage achievements in sustainable and inclusive urban development to encourage innovation and build mutually beneficial collaborative relationships.

National policies play an important role in enabling or constraining local actors from achieving inclusive outcomes at the local level:

- Efforts to devolve authority and finance to the local level, paired with mechanisms for capacity development and accountability, can enable governments to better service their populations.
- Reforming laws and regulations that constrain movement (such as domestic registration systems in China and Vietnam) or that limit migrants' ability to access basic services, and strengthening laws and regulations on the integration of population projections, including those relating to urban growth, into development planning are crucial.
- Reform of policies that force cities to compete based on characteristics such as physical size or GDP (for instance, city classification systems) do not promote efficient or social progressive resource allocation.
- Flexible fiscal policies and budget allocation processes that recognize the differentiated needs of various types of cities may prove necessary.

Cities and national government can moderate exclusionary outcomes, especially related to urban planning and land administration. Urbanization processes should be more firmly entrenched in a human rights framework that aligns goals and implementation processes to specific human rights obligations. They have to promote local governments' accountability to evolve from technocratic models to rights-based models. This can affect the entitlements of city dwellers as human rights-holders. Decisions and processes in cities need to: be transparent with information accessible to everyone; foster women's agency and full and equal representation in decision-making; be subject to public scrutiny; and be buttressed by free and fair dispute and complaint mechanisms. City-dwellers and notably those belonging to disadvantaged groups should be empowered to be able to claim their rights when they are violated or remain unfulfilled.

Platforms

- *Tool: Population Situation Analysis: A Conceptual and Methodological Guide.* Available from <http://www.unfpa.org/publications/population-situation-analysis>. This guide provides the basis for an integrated appraisal of population and reproductive health dynamics and their impacts on poverty, inequality and development, including their links with the demography of urbanization.
- *Initiative: "Every Woman, Every Child".* Available from <http://www.everywomaneverychild.org/> Launched by UN Secretary-General Ban Ki-moon during the United Nations Millennium Development Goals Summit in September 2010, Every Woman Every Child is an unprecedented global movement that mobilizes and intensifies international and national action by governments, multilaterals, the private sector and civil society to address the major health challenges facing women and children around the world. It has a new locational focus — every woman, every child, everywhere — that looks particularly at urban inequalities and human mobility.
- *Process:* The special procedures of the Human Rights Council are independent human rights experts with mandates to report and advise on human rights. See <https://www.ohchr.org/EN/HRBodies/HRC/Pages/Home.aspx>
- *Process:* The human rights treaty bodies are committees of independent experts that monitor implementation of the core international human rights treaties. See <https://www.ohchr.org/EN/HRBodies/Pages/TreatyBodies.aspx>
- *Tool: Urban Health Inequity and Assessment Tool (Urban HEART).* Main Document: http://www.who.int/kobe_centre/publications/urban_heart.pdf; User Manual: http://www.who.int/kobe_centre/publications/urban_heart_manual.pdf
- *Platform: Hidden Cities: Unmasking and Overcoming Health Inequities in Urban Settings* (WHO and UN-Habitat, 2010).
- *Network:* The International Coalition of Cities against Racism, launched by UNESCO in 2004, fosters the exchange of expertise, good practices and practical experience to develop city-level policies to combat exclusion and discrimination. See www.unesco.org/shs/citiesagainstracism.



ISSUE PAPER

2

A family from Syria at a refugee camp in Passau, Germany © Shutterstock

MIGRATION AND REFUGEES IN URBAN AREAS

Co-Lead organizations: IOM, OHCHR, UNHCR

Contributors: FAO, UNFPA, UN-Habitat, UN DESA, UNITAR

+ KEY WORDS

Migrants, refugees¹, internally displaced persons, diaspora, resilience, equality, discrimination, marginalization, xenophobia, access to adequate housing, livelihoods and basic services

Main Concepts

This Issue Paper aims to raise awareness of how inclusive planning for rapid urbanization, migration and displacement—through improved rights and protection for migrants and refugees, access to adequate services, opportunities and space, and regulations that create an enabling environment—can maximize migrants' and refugees' skills, resources and creativity that drive sustainable development.

The central pillars of the New Urban Agenda, which provide guidance on issues such as urban planning and design and the legal frameworks needed to produce positive outcomes of urbanization, also offer an opportunity to respond to the needs of migrants, displaced people and refugees in urban areas.

Figures and Key Facts

More than a billion people are migrants—almost 250 million are outside their own countries. All have moved in search of opportunity, but too many have moved in search of safety from conflict, persecution and disasters.

Approximately 37 per cent of international migration is between developing countries, and around 40 per cent of international migrants have moved to a neighbouring country within their region of origin. The majority of migrants and displaced populations move to urban areas.² Almost all countries are now simultaneously countries of origin, transit and destination, with the majority of countries carrying international legal obligations to protect refugees. Some 60 per cent of the total 14.4 million refugees³ and 80 per cent of the 38 million internally displaced persons (IDPs)⁴ are thought to live in urban areas as a result of conflict and other drivers.

Mixed migratory movements continue to grow in scale and complexity. Those fleeing conflict and persecution are caught in precarious situations, and distinguishing people with a legitimate claim to international protection or other genuine protection needs is increasingly difficult as a result of the varied and composite motivations for moving, especially when people's legal status can change during the voyage.

The proportion of refugees living in urban areas out of the total number of refugees has increased by 8 per cent in the past three years. An estimated 45 per cent of refugees are in protracted situations.⁵ Among IDPs, there were people living in displacement for 10 years or more in nearly 90 per cent of the 60 countries and territories IDMC monitored in 2014.⁶

¹ The 1951 Convention relating to the Status of Refugees defines a refugee as a person who "owing to [a] well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable, or owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it." Available from <http://www.refugeelegalaidinformation.org/1951-convention>.

² IOM, "World Migration Report 2015" (Geneva, 2015). Available from http://publications.iom.int/system/files/pdf/wmr2015_en.pdf.

³ The refugee number referred to here does not include the 5.1 million refugees registered with United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

⁴ The Internal Displacement Monitoring Centre (IDMC) total figure includes only an estimate of people displaced living outside camps (including both urban and rural displacement).

⁵ A protracted situation is, by definition when a minimum of 25,000 people have been displaced for five years.

⁶ The IDMC GO did not focus on land grabbing and looked at evictions only as a cause of secondary displacement.

⁷ OECD Migration Policy Debates, May 2014.

Issue Summary

Destination countries often lack an enabling national legal and policy framework (permitting freedom of movement and the right to work, for example) in accordance with their international obligations. Many migrants and refugees are compelled by law or circumstance to live in segregated, hazard-prone and poorly maintained residential areas. People lacking legal documents are vulnerable to abuse, exploitation, arrest and detention; are restricted in movement; and face severe difficulties accessing justice, livelihoods, adequate housing and services such as health and education. Even without legal barriers, lack of information, bureaucratic procedures, language barriers and regulations often combine to make it difficult for migrants and refugees to access these rights, services, and opportunities and in turn, make it difficult for them to contribute to the sustainable development of host cities.

Legal restrictions and social, economic and racial discrimination often have a negative impact on the ability of migrants, IDPs and refugees to access economic opportunity. City administration must work with partners, including those concerned, to ensure access to the tools required to promote livelihoods. This must be undertaken in a way that buttresses and builds links with the local economy.

Although migrants and refugees contribute to the social, economic and cultural fabric of their host communities, they are frequently seen as burdens rather than assets. Studies confirm that migration energizes labour markets and generates new demand for goods and services, while also contributing to innovation that fuels urban centres.⁷ Migrants and refugees can become key players in city development, growth, resilience and sustainability. They can serve as bridges between destination and origin cities. They have skills and resources and can act as transnational traders, business partners, philanthropists and investors.

There is growing international attention to urbanization and local strategies for sustainable development. The Sendai Framework reflected an urgent need for mobilized action to prevent new risks, reduce the impacts of hazards, and expedite recovery after disasters. States recognized that mobile populations, if well managed, contribute to the resilience of communities and societies and their knowledge, skills and capacities can be useful in the design and implementation of disaster risk-reduction plans.

Migrants and refugees, particularly those in an irregular situation, are often rendered invisible because of their legal status, language barriers, marginalization and restricted opportunities in participating in society. Their true numbers are only estimates, resulting in them being left out in policy and decision-making processes.

Integrating migration concerns into development-planning solutions at local, national and global levels offers sustainable responses to situations of large-scale and protracted displacement, promoting benefits for the displaced as well as their host societies. Urban environments offer the possibility of greater opportunities for economic integration and self-reliance for migrants and refugees. They potentially offer a local integration alternative to return.

An increasing number of cities are integrating migration policies into urban planning and development initiatives. Despite this, cities face significant obstacles ranging from a lack of resources and capacities to efficient and effective coordination with local authorities' administration and other stakeholders to harness this potential.

Without planning for migration and displacement, city urban plans lack the necessary practical approaches to address the challenges that municipalities face. In many destination cities, the generic urbanization model of the last forty years has fostered segregation over integration. As cities grow as a result of migration they must also plan to foster "place making" for all city dwellers, migrants, refugees and IDPs.⁸ Planning for urbanization includes spatial as well as regulatory planning to eliminate legal and practical barriers that prevent the full participation of migrants and refugees in the urban economy and system.

Municipalities are largely not involved in migration policy processes and have little contact with institutions that would support them with expertise. Including migration and displacement issues in urban planning and development will help make cities capable of responding to the physical, social and economic challenges that are a growing part of the twenty-first century.

States have a responsibility to protect all individuals in their territory and should work to find durable solutions. However, in situations involving large influxes of mobile populations, states are often in greater need of support to fulfill this responsibility.

Humanitarian and development concerns are often addressed in an entirely separate and "stove-piped" manner — that is, out of context or else with misallocated funds. There is a clear relationship between emergency, rehabilitation and development, and migration and displacement are relevant and key components in each of these issues. The international community recognizes that emergency assistance should be provided in ways that support long-term development to ensure smooth transition from relief to rehabilitation.

At the same time, economic growth and sustainable development are essential for the prevention of, preparedness and resilience against natural disasters and other emergencies. Integrating migration and refugee concerns into disaster preparedness and response creates the indispensable link between humanitarian assistance and development.

Key Drivers for Action

The New Urban Agenda provides an opportunity to respond to the needs of mobile populations in urban areas by adopting an inclusive urbanization model that takes into account population movements; promotes and protects the rights of all people, while building on their capacity; and responds to humanitarian and development concerns in synergy.

Planning for population movements

Planning for, and effectively managing migration and displacement is critical to promoting productive, socially inclusive, resilient and sustainable cities:

- Urban development policies must incorporate an appropriate, area-based understanding of potential migration, displacement and settlement patterns, local hazard exposure and vulnerability factors.
- Contingency planning and preparedness in urban areas is essential in this regard, including assessment of national legal and policy frameworks and the capacity of communities, the economy, infrastructure, administrative structures, service-delivery systems, housing, land and other resources to absorb newly arrived populations.
- Building the capacity of local actors to collect robust data, disaggregated to identify protection challenges, including discrimination, to inform urban planning and development is also critical. Knowing where migrants and refugees are, who they are, and bringing "hidden" problems to light requires creative approaches to outreach for registration, documentation and protection monitoring, support, and services.
- Urban planning for disaster risk reduction should prepare for any potentially adverse impact of incoming migration and displacement to urban areas, particularly in hazard-prone areas or those already limited by inadequate housing, water and sanitation services.
- Documenting and promoting the use of good practices is critical to any inclusive urbanization model. We must find ways to capture

⁸ Colleen Thouez, "Working with cities on mobility, diversity and prosperity," *Migration Policy Practice* vol. 4, No. 2 (2014): 8–15, available from http://publications.iom.int/system/files/pdf/mpp16_24june2014.pdf.

learning and ensure that the New Urban Agenda replicates new and innovative ideas and good practices. For example, humanitarian and development organizations, universities and other partners should continue undertaking research on migrants' and refugees' impact on local economies.

- In situations of displacement, alternatives to camps, whenever possible, should be pursued. National and local authorities should be supported in receiving displaced people in urban areas, recognizing their vulnerabilities and contributions while considering the absorption capacity of host neighbourhoods and cities.

Enhancing participation and empowerment

The New Urban Agenda must embrace strategies for the political, social and economic empowerment of people. Too often, migrants, refugees, and IDPs do not count in urban development, resulting in city development that further marginalizes and discriminates against those most in need of protection:

- Local authorities and other actors should ensure the free, active and meaningful participation of migrants, refugees and IDPs in urban decision-making processes and urban and spatial development. For example, these groups should be included in relevant national action plans and strategies, such as plans on the provision of public housing or national strategies to combat racism and xenophobia.
- Freedom of speech and assembly, the right to information, consultation and participation in decision-making processes and the right to vote—to name only a few rights—are also crucial to sustainable and inclusive urban development.
- A human rights approach to urbanization will pay particular attention to the needs of all migrants and mobile populations, including refugees, victims of trafficking, internally displaced persons and unaccompanied minors, for example, in the context of health and education delivery or housing.
- Migrants, refugees and IDPs should not be seen as mere recipients of aid and charity, but as rights-holders, contributors and partners in the development of cities. If appropriately empowered, migrants and refugees can generate a considerable boost for local economies by helping create jobs and fuelling growth. Local authorities and other actors must therefore harness and maximize the skills, productivity, and experience migrants and displaced populations bring to their host communities.
- Discrimination is a significant barrier to migrants and refugees meeting their full development potential. The New Urban Agenda

should therefore address the sometimes hostile stance of many local governments and communities against migrants, the urban poor and the informal sector, especially during times of economic difficulties. Lack of inclusion practices is often reinforced by discriminatory practices, both official and de facto.

Building strengthened partnerships

Harnessing the positive potential of migrants and refugees, while addressing the implications of population movements, requires strengthened partnerships between global, national and local actors, humanitarian and development actors, and migrants and refugees themselves.

Our main collective responsibility should be greater efficiency and effectiveness through a closely coordinated link between humanitarian interventions and broader development planning to make sustainable livelihoods in neighbourhoods affected by displacement a reality. We must avoid parallel structures for migrants and refugees, and build on and support what already exists on the ground. This requires effectively coordinating creative and strategic partnerships between governments, civil society, private sector, academia, community-based organizations and humanitarian and development partners.

Platforms and Projects

The special procedures of the Human Rights Council are independent experts with mandates to report and advise on human rights from a thematic perspective. They include:

- The Special Rapporteur on the human rights of internally displaced persons. Website at <http://www.ohchr.org/EN/Issues/IDPersons/Pages/IDPersonsIndex.aspx> (See latest report to the General Assembly on sustainable solutions for IDPs in urban settings, A/69/295, https://www.iom.int/sites/default/files/UN_Documents/69th_Session/A_69_295.pdf)
- The Special Rapporteur on the human rights of migrants. See its website at <http://www.ohchr.org/EN/Issues/Migration/SRMigrants/Pages/SRMigrantsIndex.aspx>
- The Global Migration Group (GMG) is an interagency group bringing together heads of agencies to promote the wider application of all relevant international and regional instruments and norms relating to migration, and to encourage the adoption of more coherent, comprehensive and better-coordinated approaches to the issue of international migration. The GMG is particularly concerned with improving the overall effectiveness of its members and other stakeholders in capitalizing upon the opportunities and responding to the challenges presented by international migration.

- The Global Forum on Migration and Development (GFMD) is a voluntary, informal, nonbinding and government-led process open to all States, Members and Observers of the United Nations, to advance understanding and cooperation on the mutually reinforcing relationship between migration and development and to foster practical and action-oriented outcomes.
- *The Urban Refugee Task Team.* Established in 2012, the Urban Refugee Task Team (URTT) is a network of UNHCR and NGOs working to strengthen engagement and collaboration in urban areas, including the URTT Webinars Series, the promotion of learning through the Urban Refugee Learning Programme (URLP) and the uptake of good practices in urban areas through the Good Practices for Urban Refugees website <http://www.urbangoodpractices.org/> — a rich resource offering hundreds of good practices from urban settings as well as tools and guidance.
- IOM's Conference on Migrants and Cities (CMC) will be held on 26 and 27 October 2015 in Geneva within the framework of IOM's International Dialogue on Migration (IDM), the organization's main forum for migration policy dialogue. The conference aims to provide mayors and local authorities with the opportunity to have a voice in migration governance. It will thus bring them around the same table with national authorities to debate, for the first time in a global policy forum (IDM), the issue of mobility management at local level and advance the socioeconomic well-being of migrants and their inclusion in communities and societies in which they live.
- The Mayoral Forum on Human Mobility, Migration and Development ("Mayoral Forum") is an annual city-led dialogue on migration and development, supported by local, regional and international partners. It provides an incubating space where local leaders can share practical and inventive solutions for governing migration, protecting rights and promoting inclusive urban growth. Partners explore how good practices can be replicated in other cities, and identify the resources for local implementation. The forum acts as a bridge, opening access for cities and regional governments to policy circles where they can inform (and be informed by) national and international policy-making. In so doing, it fosters local adaptation and implementation of common principles, based on international standards. The Mayoral Forum is supported by the United Nations: the International Organization for Migration (IOM), United Nations Institute for Training and Research (UNITAR), the Joint Migration and Development Initiative (JMDI) and the World Bank Global Knowledge Partnership on Migration and Development (KNOMAD).
- The First Mayoral Forum was held in Barcelona in June 2014 and called the "Call of Barcelona". It emphasized the need to amplify the voice of cities in global discussions. See <http://www.bcn.cat/novaciutadania/pdf/ca/home/DeclaracioBcn.en.pdf>
- The second Mayoral Forum occurred in Quito, Ecuador, in November 2015. It was called the "Quito Local Agenda on Migration and Development." Its outcome document, available from https://www.unitar.org/dcp/sites/unitar.org.dcp/files/uploads/quito_outcome_document_en.pdf, outlines how cities are meeting the sustainable development goals (SDGs), and where additional resources are required.
- The Third Mayoral Forum was in Quezon City, Philippines (September 2016). The "Quezon City Commitment to Action" reaffirms the connections between good local migration governance, respect for human rights, and the attainment of the SDGs. See http://www.migration4development.org/sites/default/files/quezon_city_declaration_30sept_final.pdf
- The blueprint for local implementation by ASEAN Cities of the "Migrants in Countries in Crisis" (MICIC) Guidelines is available from <https://micicinitiative.iom.int/>
- The Third Mayoral Forum will take place in Berlin (26–27 June 2017).
- Released in 2009, the Policy on Refugee Protection and Solutions in Urban Areas aims to ensure that cities are recognized as legitimate places for refugees to reside and exercise the rights to which they are entitled.⁹
- Released in July 2014, the UNHCR Policy on Alternatives to Camps reinforces the principles of the urban refugee policy and seeks to move away from traditional camp-based operational responses and create possibilities for refugees to live lawfully, peacefully and independently in communities with the ability to take responsibility for their own lives and families.¹⁰ The policy promotes sustainable operational approaches that build upon the resources and capacities of refugees and promotes synergies with national and local development, infrastructure and service-delivery systems.

⁹ UNHCR, "Policy on Refugee Protection and Solutions in Urban Areas," September 2009, available from <http://www.refworld.org/docid/4ab8e7f72.html>.

¹⁰ UNHCR, "Policy on Alternatives to Camps," UNHCR/HCP/2014/9 entered into force 22 July 2014, available from <http://www.refworld.org/pdfid/5423ded84.pdf>.

- The *World Migration Report 2015 — Migrants and Cities: New Partnerships to Manage Mobility* examines the complex dynamics between migrants and cities and new partnerships being forged at the local level among migrants, local government, civil society and the private sector to manage highly diverse cities with mobile populations. It showcases various local initiatives to create inclusive environments for migrants and offers practical policy options to create an “opportunity structure” to maximize the benefits of urban migration. See <https://www.iom.int/world-migration-report-2015>.
- The *Migrants in Countries in Crisis (MICIC) Initiative* is a state-led effort to improve the ability of states and other stakeholders to prepare for and respond to the needs of migrants caught in countries in situations of acute crisis, whether as a result of conflict or natural disaster, including protecting their dignity and alleviating suffering. Through a process of broad and inclusive consultations, the initiative aims to produce a set of voluntary guidelines and principles that define the roles and responsibilities of different stakeholders vis-à-vis migrants in countries in crisis and compile good practices in preparing for, responding to, and addressing long-term consequences of such situations.
- The *Solution Alliance* seeks to promote and enable the transition for displaced people away from dependency towards increased resilience, self-reliance and development. The alliance works through policy agendas, including the post-2015 development agenda and the New Deal process, to recognize displacement as a development challenge as well as a humanitarian and protection issue and to ensure that a diverse and growing group of partners form a vibrant network and maximize the impact of their individual efforts based on the alliance’s principles and objectives.



ISSUE PAPER

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The local market at night in Cannaregio, Venice, Italy © Shutterstock

SAFER CITIES

Co-Lead organization: UN-Habitat

Contributors: UNICEF, UNICRI, UNODA, UNODC, UNU, UN-Women, WHO, World Bank

+ KEY WORDS

Inclusiveness, community and urban safety, planned urbanization, crime prevention, city leadership and accountability, governance, social integration, social cohesion

Main Concepts

City leadership. Within the framework of national strategies and policies, all levels of government should play a leadership role in developing effective and humane crime-prevention and community-safety strategies and in creating and maintaining institutional frameworks for their implementation and review. This implies both “government leadership” from national and local governmental levels (ministries, regional authorities, municipal authorities) but also major urban stakeholders, and in particular business and community groups, in leading progressive urban safety efforts where governmental authorities are lagging behind or limited in scope and resources. Approaching urban safety by “city” leadership means thinking through the governance structures of the city as catalysts for collective and collaborative action centred on the responsibilities of government, but also the possibilities and capacity of key business and community actors.

Resilience refers to how individuals, communities and business cope in the face of multiple shocks and stresses. It also creates new opportunities for transformational development. Resilience at the city level means that the urban area, as a dynamic and complex system, can adapt to various challenges. Local communities need to become resilient if they aim to reduce their citizens’ vulnerabilities and the opportunities and rewards for engaging in crime and violence.

Social capital refers to social networks, relationships of trust and relationships with institutions: how individuals and/or communities enter and participate in social networks and how this participation results in opportunities for individual or collective action that contribute to community cohesion, solidarity and social integration.

Crime prevention requires strategies and measures that seek to reduce the risk of crimes occurring, and their potential harmful effects on individuals and society, including fear of crime, by intervening to influence their multiple causes.

Urban safety. In addition to preventing crime and violence, urban safety also involves the enhancement of individual rights including the physical, social and psychological integrity of a person. Urban safety is a complementary concept to crime prevention because it starts from the observation that inadequate urban development and local governance—along with social and territorial exclusion patterns—encourage crime and violence. Urban safety adopts a citywide and participatory process to address the risk factors, and above all, protection factors of insecurity in cities, to create the conditions of more sustainable, inclusive, cohesive and just cities.¹

Innovation. Technology is crucial to security and can provide platforms for vulnerable groups to have a voice. Making use of advanced technologies, including social media, may help to improve local crime-prevention and community-safety strategies, policies and programmes.

Key Facts and Figures

- Empirical studies show that it is not the size of urban agglomerations that create criminal surroundings but rather the poor planning, design and management of urbanization.²
- The functionality, layout and organization of urban spaces influence people’s level of security. The principles governing layout, functionality, management (and governance) of urban spaces that determine the quality of urban development resemble those that contribute to the safety of such spaces, as well as to their users’ feelings of safety.³
- Access, use and availability of public space, including safe public transport for all, are key for ensuring social inclusion and building safer cities. There are several innovative municipal crime-prevention and urban safety practices, particularly in Latin America, that have used “appropriation of public space” as an asset to pacify gangs and in exchange regulate the proliferation of small arms and reduce neighbourhoods’ vulnerability to crime and violence.
- The urban nature of homicide, for example, is particularly noticeable in Central America, the Caribbean and much of Africa. Settlements of more than 50,000 inhabitants record a disproportionate number of homicides in countries in Central America.⁴ Studies have shown that a large percentage of urban dwellers in developing and transitional countries have been victims of crime over a five-year period, with victimization rates reaching 70 per cent in parts of Africa and Latin America and the Caribbean.
- There is evidence from all regions of the world that most of those who become involved in crime, whether organized, gang-related or street crime, are young and male. Some 70 per cent of homicide victims globally are male, mostly young men in the 15- to 25-year-old age group, as are their perpetrators.⁵
- Findings from UN-Women Safe Cities Global Initiative indicate that sexual harassment and other forms of sexual violence in public spaces are an

¹ Universidad Alberto Hurtado, “Ediciones Universidad Alberto Hurtado,” available from <http://www.uahurtado.cl/investigacion/ediciones-universidad-alberto-hurtado/>.

² Franz Vanderschueren, “Prevention of urban crime: Safer cities concept note” (Nairobi: UN-Habitat Safer Cities Programme, 2006)

³ Politecnico di Milano, “Planning urban design and management for crime prevention handbook,” European Commission Directorate-General Justice, Freedom and Security, available from <http://www.veilig-ontwerp-beheer.nl/publicaties/handbook-planning-urban-design-and-management-for-crime-prevention/view>

⁴ UNODC, 2013 Global Study on Homicide, available from https://www.unodc.org/documents/gsh/pdfs/2014_GLOBAL_HOMICIDE_BOOK_web.pdf.

⁵ UN-Habitat, *Enhancing Urban Safety and Security Global Report on Human Settlements 2007* (London: Earthscan, 2007). Available from <https://www.un.org/ruleoflaw/files/urbansafetyandsecurity.pdf>.

⁶ UNODC, 2011 Global Study on Homicide, Available from https://www.unodc.org/documents/congress/background-information/Crime_Statistics/Global_Study_on_Homicide_2011.pdf.

everyday occurrence for women and girls around the world – in both urban and rural areas, and in developed and developing countries.

- Violent killings around the world involve the use of firearms. Guns are implicated in nearly 200,000 human deaths per year. A majority of this armed violence takes place in urban settings; more than two-thirds of reported victims of armed violence live in countries not in armed conflict.⁷
- Research points to inequalities,⁸ lack of institutional and social control and social exclusion (not poverty)⁹ as underlying causes of crime and violence in urban areas.
- States around the world have recognized the importance of cooperation and partnerships with community organizations, nongovernmental organizations, the business sector and private citizens to enhance safety and security, including at the local level.¹⁰ Equally, states have initiated participatory urban-planning processes that target citizens' participation in improving the safety of citywide public open spaces and streets.
- Coordination of local and national government action is essential for effective crime prevention and community safety, including addressing the interlinkages between transnational organized crime, and local crime, violence and insecurity.
- Disaggregated data on crime and violence at the subnational level can help to define priorities for interventions and identify targets for programmes and assistance where they are likely to be most effective. Successful examples of coordinated crime and violence prevention at the local level often come from experiences of local government-led policies.

Issue Summary

Knowledge

There is an increased global recognition, including within the context of the post-2015 Development Agenda process, that inclusive, safe and resilient cities and societies are a cornerstone for, and primary outcome of,

sustainable development.¹¹ The majority of the world's poorest people live in cities affected by high crime and violence and largely in the context of tenure insecurity, weak social support networks and areas prone to man-made and natural disasters—over 1.5 billion people.¹² The Global Report on Human Settlements, which focused on "enhanced urban safety and security," provided a first global overview of the state of urban safety and identified the need for a multidimensional approach to urban safety. Since then, several global flagship reports focusing on the urban dimension of crime and violence have been developed. Since 2011, Member States accredited to the governing bodies of UN-Habitat and UNODC have called for the preparations of UN Guidelines on Safer Cities to consider the prevention of crime, building urban safety and fostering social cohesion as priorities to be incorporated into sustainable urban planning, management and governance policies considering the existing Guidelines for Cooperation and Technical Assistance in the field of urban crime prevention.

Where cities are well-planned, they are engines of economic growth and prosperity. They offer access to services and contain numerous institutional frameworks that generate social capital and new urban identities that can enhance social integration and cohesion and help prevent urban crime and violence. However, for many cities in the developing world, poorly planned urbanization has contributed to rising income inequalities. These inequalities are expressed through growing social discontent, mistrust in democratic institutions and rules, social unrest, conflict, crime and violence. These inequalities are evident in urban segregation patterns that enlarge physical and symbolical distances between citizens, which in some cases have led to progressive privatization of security, gated communities and ghettos. The horizontal and centrifugal expansion model of growth in cities is a clear expression of social and economic exclusion patterns that need to be reverted by strong political policies to reorder social development around social cohesion, safety and sustainability.

Well-planned citywide community-based integrated and comprehensive urban crime- prevention and safety strategies contribute to sustainable urban development. But urban sustainability can be achieved and preserved only through effective urban safety.¹³ Crime prevention and urban safety actions, including at the local level, have taken several approaches, such as promoting people's well-being through social, economic, health and educational measures;

⁷ Sabrina Pfiffner and Heather Sutton, "The gun-free zone—A tool to prevent and reduce armed violence," Global Burden of Armed Violence, UNODA Occasional Paper 25, available from <https://unoda-web.s3-accelerate.amazonaws.com/wp-content/uploads/assets/publications/occasionalpapers/en/op25.pdf>

⁸ CAF, UN-Habitat, *Cities Prosperity Initiative* (Avina, UN-Habitat, CAF-Development Bank of Latin America, 2014).

⁹ Crime victim surveys such as conducted in Nairobi (2001), Dar es Salaam (2000), and Johannesburg (1997) show that on the contrary, crime has the greatest impact on the urban poor.

¹⁰ See for example, the 13th UN Congress on Crime Prevention and Criminal Justice, Draft Report on Agenda Item 6, "National approaches to public participation in strengthening crime prevention and criminal justice" (A/CONF.222/L.2/Add.5).

¹¹ This is, for example, reflected in the Outcome Document of the Open Working Group on Sustainable Development with proposed goals to "make cities and human settlements inclusive, safe, resilient and sustainable" as well as a goal to "promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels."

¹² IDRC, "Researching the urban dilemma: Urbanization, poverty and violence 2012," available from https://www.idrc.ca/sites/default/files/sp/Documents%20EN/Researching-the-Urban-Dilemma-Baseline-summary_e.pdf; ICPC, *The 4th International Report Crime Prevention and Community Safety: Trends and Perspectives*, available from http://www.crime-prevention-intl.org/uploads/media/ICPC_report_4.pdf

¹³ Vanderschueren, 2004.

¹⁴ The 2002 United Nations Guidelines on the Prevention of Crime emphasize the role of governments at all levels in facilitating sustainable planned comprehensive crime-prevention policies, and outline four main approaches: crime prevention through social development; community, or locally -based crime prevention; situational crime prevention; and reintegration programmes. They establish eight basic principles: government leadership, social-economic development and inclusion, cooperation/partnerships, sustainability/accountability, knowledge base, human rights/culture of lawfulness, interdependency and differentiation. The ECOSOC 1995 Guidelines for Cooperation and Technical Assistance in the Field of Urban Crime Prevention outlined how integrated crime prevention action plans should: (1) define the nature and types of crime problems; (2) consider involving a range of actors; (3) consider factors such as education, employment, housing, health, drug and alcohol abuse, and access to social services; (4) provide action at various levels, including primary prevention, prevention of recidivism, and the protection of victims.

changing conditions in neighborhoods that influence offending through urban planning and design; reducing opportunities and increasing the risks of being apprehended; and preventing recidivism by assisting in the social reintegration of offenders.¹⁴ Urban safety actions have encompassed two aspects: (1) the value of neighbourhoods as spaces and places of identity and belonging and the socialization of individuals, families, schools and communities; and (2) the value of a holistic citywide approach to crime, violence and insecurity covering the whole territory under the local government's jurisdiction. This systemic vision has allowed cities to plan for social integration and to connect vulnerable areas with the areas of greatest opportunity and resources to achieve territorial cohesion within the city.

While the relationship between socioeconomic development and violence is complex, available evidence suggests that lethal violence is often rooted in contexts of inequality, social marginalization, weak rule of law and injustice. To break the vicious circle between violence and underdevelopment, a better understanding of the dynamics at play is needed. Urban safety and crime-prevention strategies, policies and programmes should thus be based on a broad and multidisciplinary foundation of knowledge about the root causes of crime and victimization in a given area, and promising and proven practices to address them. Methods of collecting and using relevant crime and violence information at the local government level are evolving and many guides and tools to support the development of effective crime- and violence-prevention strategies now exist.¹⁵ Crime measurement has become less reliant on police records alone and is supported with population sample surveys of victims' experiences¹⁶ and local safety audits that help to increase the involvement of the public in shaping local safety and crime-prevention policies and actions. The use of technology to promote collaborative planning and governance of safety may also be considered to gather useful information for the development of comprehensive urban security plans.

When people feel threatened, they alter their behaviour and consequently how they interact with the city. This is particularly the case for women who are more likely to be victims of some type of crimes, such as rape and sexual harassment. Women are also very vulnerable to violent robbery. As a result, around the globe women tend to feel less secure than men in large cities, and the gap is increasing according to the size of the city. The perceived safety of a place affects the local economic development and market prospects.

Policy

Safety and crime-prevention strategies and policies that have not addressed a multilevel coordinated governance approach have produced unsustainable and short-term actions and results. To ensure the sustainability of crime-prevention and urban-safety actions at the local level, they have to be developed within the framework of national urban policies complementing the national crime-prevention strategies.¹⁷ All levels of government have to play a leadership role in developing effective and humane crime-prevention and urban-safety strategies and in creating and maintaining institutional frameworks for their implementation and review.

Cooperation/partnerships should be an integral part of effective crime prevention and urban safety, given the wide-ranging nature of the causes of crime and the skills and responsibilities required to address them. This includes partnerships working across ministries and between authorities, community organizations, nongovernmental organizations, the business sector and private citizens. Safety considerations should also be integrated into all relevant social and economic policies and programmes, including those addressing housing and urban planning, employment, education, health, poverty, social marginalization and exclusion. Particular emphasis should be placed on communities, families, children and youth at risk.

"City leadership" as prompted by major business actors is an increasingly central factor in urban safety. Business leadership organizations (BLOs) and progressive government-business coalitions have an increasing stake in strategic urban planning and major urban development initiatives the world over. A UN-led effort for co-producing safety for all should harness this potential, and allow for appropriate scrutiny of the growing nongovernmental impact of safety, technology, service and infrastructure providers in cities.

Given the fact that most of those who have become involved in crime in urban settings are young and male, a strong policy focus on the role of youth in local government safety interventions is key, particularly with attention to education, leadership and skills training to build on the social capital of young people who live in the most vulnerable communities. This could lead towards livelihoods that are an alternative to drug and gang involvement and tap into the positive transformational energies and learning abilities of children and young people as agents for change. Complementary national security strategies also need to take into account the population's social and economic reality and not criminalize poverty, especially in countries where the majority of the people live and work in informal settings.

¹⁵ International Centre for the Prevention of Crime (ICPC), *The 4th International Report Crime Prevention and Community Safety: Trends and Perspectives* (Montreal: ICPC, 2014). Available from http://www.crime-prevention-intl.org/uploads/media/ICPC_report_4.pdf.

¹⁶ Marc Coester and Eric Marks, *International Perspectives of Crime Prevention 6* (Godesberg GmbH: Forum Verlag, 2014).

¹⁷ Tanzania, Kenya and South Africa have developed such national urban policy frameworks with safer-cities guidelines.

Figure 2: Typical municipal policy approach on Safer Cities¹⁸



Engagement

Greater emphasis on safety as a public good enhances the need for collaboration and partnerships of traditional and nontraditional sectors in security and urban development. A broad-based approach to building consensus on urban safety involves establishing local coalitions and partnerships rooted in the co-production of everyone's safety. Local authorities can play an important role in facilitating such partnerships, while central governments provide the resources, an enabling environment and the necessary policy framework.¹⁹ At the onset of any safer-cities approach, local stakeholder mapping is a key component. While governments retain primary responsibility for providing security to citizens, the implementation of effective security and safety strategies, in particular at the local level, can benefit from closer coordination with the private sector and civil society. This requires aligning private-sector interests with the public sector and its engagement along with the adoption of guidelines and mechanisms to make such a partnership both possible and effective.

Many cities, particularly in high-crime contexts, have successfully tackled urban crime, violence and insecurity as an opportunity for new spaces for citizens' engagement. Good governance and safe cities are reciprocal: where inhabitants are free from fear, and where safety is improved for citizens and neighbourhoods, interaction among people, groups and with public institutions becomes possible. Promising practices on urban safety have opened up

participatory opportunities for sharing urban solutions, paying particular attention to issues such as youth at risk, gun-free zones, gender violence in public spaces and gang-prone urban areas.²⁰ Equally, the potential benefits of networking across national boundaries are demonstrated by the vast variety of city networks and "city diplomacy" activities. With growing connections among peers located in very different geographical contexts, and a long tradition of national collaborations among municipalities, this networked governance offers critical advantages in tackling urban safety challenges beyond local limitations, lagging national agendas and in contexts of resource constraints. Undertaking city diplomacy for urban safety means leveraging the "network power" of cities in a globalized age.

Operations

Over the past two decades, financing for technical cooperation on "safer cities" has grown to meet the increasing demand for decentralized security policies and local governments' enhanced role and capacities in coordinating safety and crime-prevention strategies. In spite of advances made in the last twenty years since Habitat II, cities are still a long way from balancing the attention and the resources that national governments devote to municipal-led urban crime-prevention strategies.

New communications technologies like social media can offer useful tools for government actors to enhance the effectiveness of crime-prevention policies and strategies, including by engaging the public in crime prevention. Law enforcement can share information and raise awareness about crime and violence.

Key Drivers for Action

- *Citizens empowerment and participation:* Genuine participation from communities and other stakeholders, including the private sector is critical for developing and implementing effective and inclusive policies and laws to enhance safety and security in cities. Evidence-based programming and participatory approaches to crime prevention and community safety are important for the co-production of safety for all. Urban crime-prevention and safety policies and programmes can be effective only when communities are consulted and when interventions are based on evidence and tailored to the specific needs and vulnerabilities of key populations. The role of youth and women in creating safety and security in cities is key.

¹⁸ UN-Habitat Safer Cities Toolkit, 2005. This corresponds with the 2002 United Nations guidelines on the prevention of crime which refers to the following approaches: social development, including promoting protective factors through social and economic development programs (health, education, housing, urban planning) and addressing marginalization and exclusion and promoting positive conflict resolution; situational crime prevention, including environmental design, surveillance, target hardening; prevention of organized crime by addressing links with local crime (reduce participation of criminals in lawful markets, prevent misuse of tenders, and protect marginalized/vulnerable groups).

¹⁹ UN-Habitat, *Enhancing Urban Safety and Security Global Report on Human Settlements 2007*.

²⁰ The city of New York is a much-cited example. Some notoriously criminal neighborhoods —Harlem, for instance—were transformed during the 1990s into safe places and simultaneously showed very favourable economic development. Likewise, in the City of Durban, the Safer Durban Warwick Junction was transformed by integrating low-income women's trades into the urban regeneration of the market space within an integrated area development frame. The city transformed a high-crime hot spot into a safe space for women and girls, and therefore for all citizens.

- *Multilevel and multisectoral governance:* Addressing the multiple root causes of crime and violence requires coordination between national and local-level authorities as well as among the various sectors of governance—including education, housing and urban planning, economic development, justice, etc. It also requires addressing urban challenges by coalescing key stakeholders around an agenda of leadership in and for cities, geared at a renewed urban partnership between government (local and national) and private actors (community and business). City leaders such as mayors and their peers have a core responsibility in spurring leadership for urban safety and can act as catalysts of pervasive multilevel efforts.
- *Urban planning and design for social integration:* Reinvigorating urban design has to consider gender- and age-inclusive and adequate public spaces (including streets) as places for people to meet, as sites for social interaction and exchange, as landscapes of economic vitality (especially for the urban poor) and for the construction of citizenship in a framework for social and territorial cohesion and the coproduction of safety for all.
- *Innovative financing for building safety through slum upgrading:* Addressing the impact of crime on the urban poor needs proactive social and cultural investments using the notion of social urbanism as a form of crime prevention and an innovative financing approach that incorporates both urban regeneration and planning and social and economic initiatives to reduce inequalities.
- *Rule of law and human rights:* To shape good governance, trust in rule of law and an enabling environment are vital to encourage long-term investment. Promoting inclusive rules and regulations in line with international human rights standards and the collective capacities for implementation around laws and institutions of governance could shape the culture and conviviality of “safe, inclusive and connected public spaces” and enhance the “right to the city for all.” Vulnerable communities have to be integrated, such as the poor, migrants, women and children and people with disabilities who together participate in the co-production of everyone’s safety. Establishing clear legal and operational frameworks can regulate public–private cooperation and the engagement of civil society to make security policies more inclusive and ready to address a wider spectrum of challenges and threats.

Platforms and Projects

- The Global Network on Safer Cities (GNSC)/ UN-Habitat Safer Cities Programme <https://unhabitat.org/urban-initiatives/networks/global-network-on-safer-cities/>
- The Safer and Inclusive Cities Initiative—IDRC <https://www.idrc.ca/en/safe-and-inclusive-cities>
- The World Bank E-Learning Tool on Urban Crime Prevention <http://scholarship-positions.com/blog/world-bank-online-course-urban-crime-violence-prevention/201510/>
- UN-Women Safe Cities Global Initiative. “Creating Safe Public Places.” <http://www.unwomen.org/en/what-we-do/ending-violence-against-women/creating-safe-public-spaces>
- Plan International – Adolescent Girls Creating Safer Cities <https://plan-international.org/because-i-am-a-girl/creating-safer-cities>

Existing Technical Tools

- UNODA Municipal Gun Free Zone Guidelines
- UN-Habitat Safer Cities Toolkit; Regional Manuals on Local Crime Prevention; Youth Crime and Neighbourhood Vulnerability; Building Safety through Slum Upgrading; and Safer Cities for Women
- UNODC/UN-Habitat Crime Prevention Assessment Tool and Policing Urban Space Handbook
- UNODC Training Manual on Victimization Surveys; Policing Urban Space
- UNODC Criminal Justice Assessment Toolkit
- UNODC Crime Prevention Guidelines – Making them Work
- UNODC/ECE Manual on OECD Guidance Notes (with contributions from UNODC) on Preventing and Reducing Armed Violence in Urban Areas, Reducing the Involvement of Youth in Armed Violence
- UN-Women Safe Cities Toolkit
- World Bank E-Learning Tool on Urban Crime Prevention
- IDB Citizens Security Manual
- UNDP Community Security and Social Cohesion Guidelines
- Handbook to assist the establishment of public private partnerships for the protection of vulnerable targets—UNICRI, 2010
- IPO Security Planning Model – UNICRI, 2007



ISSUE PAPER

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Residents enjoy the weekly local market in the town of Sineu in Mallorca, Spain © Shutterstock

URBAN CULTURE AND HERITAGE

Co-Lead organization: UNESCO

Contributors: OHCHR, UN DESA, UN-Habitat

+ KEY WORDS

Culture-based regeneration, urban heritage conservation, urban landscape, cultural and creative industries, cultural values, cultural diversity, creative economy, inclusive development, social cohesion, right to cultural heritage, density, mixed use, strategic territorial governance

Main Concepts

- Culture, according to the UNESCO Universal Declaration on Cultural Diversity, is “the set of distinctive spiritual, material, intellectual and emotional features of a society or a social group that encompasses art and literature, lifestyles, ways of living together, value systems, traditions and beliefs.”¹ Urban culture thus includes these features within an urban setting, from both a functional and anthropological perspective.
- Cultural and creative industries have as their main objective the creation, production, distribution and consumption of goods, services and activities that have cultural and artistic content. They are characterized by being at the intersection of economy and culture, having creativity at the core of their activities, artistic and/or cultural content, and links to innovation. Cultural and creative industries include cinema and audiovisual arts, design and crafts, media arts, music, performing arts, publishing and visual arts.
- Creative cities are defined as urban complexes where cultural activities are an integral component of the city’s economic and social functioning, for example, through support to cultural and creative professionals, enhanced investments in cultural infrastructure, creative industries and new ICTs, or the adoption of bottom-up approaches to urban development.
- Historic urban landscapes are the result of cultural and natural values and attributes that are historically layered and extend beyond the notion of “historic centre” or “ensemble” to include the broader urban context and its geographical setting: sites’ topography, geomorphology, hydrology and natural features, built environment (both historic and contemporary), infrastructures above and below ground, open spaces and gardens, land-use patterns and spatial organization, perceptions and visual relationships, and other urban structure elements. It also includes social and cultural practices and values, economic processes and the intangible dimensions of heritage as related to diversity and identity.
- Urban heritage represents a social, cultural and economic asset and resource reflecting the dynamic historical layering of values that have been developed, interpreted and transmitted by successive generations and an accumulation of traditions and experiences recognized as such in their diversity. Urban heritage includes urban elements (urban morphology and built form, open and green spaces, urban infrastructure), architectural elements (monuments, buildings) and intangible elements. Urban heritage conservation or urban conservation relates to urban-planning processes aimed at preserving cultural values, assets and resources through conserving the integrity and authenticity of urban heritage. These processes safeguard intangible cultural assets through a participatory approach.

Figures and Key Facts

- Culture plays a fundamental role in urban economies, through monetary and non-monetary values. Safeguarding and promoting cultural heritage and creative industries opens major opportunities for cities. In the developing world, such industries have become a key asset to create qualified jobs and reach out to vulnerable populations, in both the formal and informal sector.
 - The volume of world trade of creative goods and services doubled between 2002 and 2011, reaching US\$624 billion. Exports of creative goods in developing countries grew 12.1 per cent annually on average over this period. Cultural industries account for a growing portion of urban jobs, representing 16 per cent of all jobs in Mumbai or 12 per cent in London.
 - Cultural tourism is a rapidly developing sector for cities. Tourism represents 9 per cent of the world’s Gross Domestic Product (GDP) and a higher share of Least Developed Countries’ (LDCs’) economies (16 per cent of GDP in Cambodia). While 40 per cent of all trips include a cultural element, cultural tourism grows 15 per cent a year (against 4 to 5 per cent for overall tourism growth).
 - Urban heritage conservation is a strong economic driver. Official Development Assistance (ODA) increasingly targets urban heritage to harness this potential. Over the last 20 years, the Inter-American Development Bank (IDB) provided US\$670 million in loans for the conservation and development of cultural heritage in Latin America. Built heritage renovation and maintenance represents 27.5 per cent of the value of European construction industry.
- With booming rural to urban migrations, urban societies have become more culturally diverse. However, the lack of appropriate urban planning and governance has affected the historic role of cities as platforms for the promotion of culture: social and spatial segregation has now become an overarching issue and new types of threats have emerged.
- Threats to urban culture and heritage have significantly increased over the last 20 years. With the mounting pressures of urbanization, urban heritage faces severe conservation and safeguarding issues. Damage resulting from conflict situations has also become an important issue.
- While globalization processes, facilitated by the development of information and communication technologies (ICTs), enhance interaction between cultures, they also represent a challenge for cultural diversity and the safeguarding of traditional cultural practices, with higher risks of imbalances between rich and poor countries.

¹ UNESCO Universal Declaration on Cultural Diversity, 2 November 2001. Available from http://portal.unesco.org/en/ev.php?URL_ID=13179&URL_DO=DO_TOPIC&URL_SECTION=201.html

- Municipal authorities have become key actors of culture-based urban governance. The decentralization processes over the last decades has facilitated the integration of cultural assets into urban development strategies as a result of local authorities' enhanced awareness of local issues and local communities' increased participation in both developed and developing cities.
- Failures in urban planning models over the last decades call for culturally sensitive urban-development models. The example of World Heritage Cities and Creative Cities can inspire new planning and governance models to mitigate urban conflicts and reduce cities' ecological footprint with a view to build more compact, inclusive and resilient cities.

Issue Summary

The urban crisis calls for renewed models of urban development.

Globalization and an unprecedented urban growth over the last decades bring out new challenges for cities to ensure equitable access to jobs and basic services—housing, sanitation, transportation—and to foster social inclusion and tackle inequalities. Urban planning models adopted over the last decades—based on zoning and private transportation—have shown their limits and contributed to urban sprawl. These unsustainable schemes have not only emphasized the cities' vulnerability and environmental footprint, but also contributed to dehumanize urban environments in terms of scale or sense of belonging.

While cities as hubs for migrations have been enriched by a more culturally diverse population, new types of challenges to social cohesion have emerged. Social and spatial segregation, already underlined in Habitat II, have become a key issue in many of the world's cities. The historical function of cities as melting pots and catalysts for intercultural dialogue is now jeopardized because wealth generated by urban growth is unevenly distributed.

Culture is now recognized as a key resource and asset for sustainable urban development.

Culture has historically been a driving force of urban development. Stemming from social and cultural processes, urban heritage reflects societies' identities, expectations and visions over time. Urban culture—the cultural and social practices, behaviours and assets developed within urban environments—is often characterized by pluralism and paves the way for cross-fertilization and innovation.

Although culture's role for the economic, social and environmental sustainability of cities has long been recognized at the local level, it has been marginal in most international debates on urbanization over the past 40 years. Culture

was mostly addressed through a sector-based approach, but rarely in a comprehensive way as a lever for sustainable urban development strategies and improvement of people's well-being, identification and involvement.

However, since 2010, the United Nations General Assembly has repeatedly acknowledged the role of culture for sustainable development through several resolutions and milestone reports related to the Post-2015 Development Agenda, including the Open Working Group Proposal for Sustainable Development Goals (SDGs) which encompasses a target dedicated to culture under the SDG on "sustainable cities." Culture is now firmly recognized by the international community as a key component of strategic urban planning and a key innovation for the definition of a New Urban Agenda.

Threats to urban culture and heritage have increased over the last decades.

Urban heritage conservation policies are increasingly challenged by urban pressures. While urban heritage is the most represented category on the World Heritage List, urban sites are faced with critical conservation issues (unplanned infrastructure, uncontrolled tourism developments and urban densification) that affect the physical integrity of monuments and the authenticity of the urban layout. What is at stake is to preserve, for future generations, the cities' identities, the physical testimony of their multifaceted history and the cultural values they embody while maintaining their accessibility.

Cultural heritage is increasingly targeted, especially in conflict or postconflict areas. As visible platforms of cultural diversity, cities and their cultural institutions or historic monuments are under threat of looting or intentional destruction. As core markers of people's identity, cultural traditions and expressions, monuments and institutions are primary targets for oppression and their interdiction constitutes a form of psychological warfare. Attacks on cultural symbols are intended to weaken the foundations of social cohesion and threaten peoples' integrity and cultural diversity. Protecting this heritage is therefore a key security issue. Heritage recovery in postconflict situations has become an essential source of resilience for local communities. Peace-building processes also include consideration for multiple interpretations of heritage. The participation of everyone concerned and the promotion of intercultural dialogue regarding cultural heritage is in this context of utmost importance.

Urban cultural practices — traditional and contemporary — can be weakened by globalization processes, exploitation of economic resources and promotion of tourism. Tourism can potentially harm communities' ability to safeguard and transmit their cultural practices and sites, or it tends to encourage standardized features. Minority cultural expressions risk marginalization. Rural to urban migrations can affect local cultural values, practices or know-how, leading to disruption in intangible cultural practices, loss of community memory, cultural impoverishment and homogenization. Gentrification processes in historic areas can also lead to exclusion of the vulnerable communities who are the historic dwellers of these areas and the repositories of their memory.

Promoting culturally sensitive urban strategies is essential to build resilient and inclusive cities.

“Re-humanizing” the city should become a strategic objective of the New Urban Agenda. Enhancing local culture and recognizing cultural diversity can be a powerful way to mitigate urban conflicts, foster tolerance, preserve the social fabric and promote pluralism. Social inclusion of disadvantaged groups, particularly in the redevelopment of urban areas and cultural spaces, can be facilitated through wider recognition of their cultural identity.

Access to culture and participation in cultural life should be an integral part of all urban policies. The representation and participation of communities in the design and implementation of culturally sensitive urban policies should be promoted to fully respect the freedom of individuals to participate, access cultural heritage and contribute to the creation of culture, including through the contestation of dominant norms and values within the communities.

Cultural infrastructures such as museums can offer civic spaces for intercultural dialogue and knowledge sharing and contribute to social cohesion and mutual understanding. Heritage conservation processes can facilitate dialogue and inclusion for different urban communities or social groups to build a consensus on the value of their common heritage and create a sense of belonging in respecting diversity.

Good practices of urban heritage conservation can inspire inclusive and holistic approaches to urban development and lay the foundations for “fit-for-purpose” planning tools and legal frameworks. Historic centres offer living laboratories of dense urban areas with mixed functions and quality public spaces where innovative urban approaches are used experimentally (including soft transportation or mixed tenure) with a view to combine the requirements of conservation and the improvement of quality of life. Vernacular heritage—based on the use of local construction materials and building techniques adapted to climate conditions—can also inspire contemporary architectural models aimed at addressing climate change and reducing energy consumption. At the wider territorial scale, historic areas can serve as models of mixed urban development and density to plan and design city extensions that meet the requirements of compactness, connectivity and integration.

Culture-based urban strategies can open new paths for job creation and locally owned economic development. Cultural and creative industries, the performing arts and heritage conservation activities might be a reservoir of jobs for the urban poor in both the formal and informal sectors. The cultural industries and the creative economy play a growing role in cities’ development and transformation processes and increasingly contribute to local economy and employment and need to be taken into account in urban development frameworks. Safeguarding and promoting culture at the local level is a way to develop endogenous resources and create conditions for sustainable revenue generation. The development of sustainable cultural tourism can also be a catalyst for revenue generation to upgrade urban infrastructure, especially in developing countries.

Local authorities have become key actors of culture-based urban governance.

In recent decades, cities have expressed a growing interest in placing culture at the core of urban-development strategies, especially now that urban development is increasingly addressed through a territorial, sector-based approach. Prompted by decentralization processes, municipal authorities are investing in culture as a key asset within territorial-branding and urban-regeneration strategies (for instance, cultural infrastructure, artistic and cultural activities, public/private partnerships on culture). Safeguarding heritage can also be a strategic priority for small- to medium-sized historic cities in developing countries where heritage-related activities account for most of the economic flows and local jobs. Investing in cultural infrastructure and industries, and promoting social participation through culture can help cities to build more inclusive societies and coherent urban territories, as illustrated by the example of Medellin, Colombia.

Culture is now acknowledged as a key priority of local development by local authorities’ networks. The Agenda 21 for Culture developed by the United Cities and Local Governments (UCLG) exemplifies this movement.² The Indian Historic Cities’ Network or the European Capital of Culture Programme are other examples. Regional training programmes on heritage or culture targeting local authorities were initiated in the past decade, among which EU-funded training programmes developed by the Francophone Association of Mayors (AIMF) in West Africa or South East Asia. Several programmes funded by multilateral or bilateral agencies—notably the European Union, the Inter American Development Bank (IDB), the World Bank or the French Development Agency (AFD)—laid strong emphasis on culture and heritage.

Innovative culture-based urban practices are observed throughout the world.

The conservation of urban heritage is promoted as a key strategy for cities. As the global number of World Heritage cities increases, innovative practices in heritage conservation and management are developed and experimented with in many historic areas, such as pro-poor housing frameworks, micro-credit-based support for economic activities or community maintenance of vernacular heritage. High-level skills and sustainable jobs are developed through capacity-building frameworks. Tourism-based heritage tax systems generate local resources and support municipal finance. Pilot projects are initiated to develop energy-efficient vernacular heritage modules for housing or public buildings, fit-to-size urban infrastructure for drainage and access to water, or soft transportation systems in dense historic areas. Those examples demonstrate that urban heritage can be respected while ensuring access to urban services. Multifunction adaptive reuse rehabilitation programmes multiply in former industrial areas to meet increasing demands for housing while valorising industrial heritage. Specific legal frameworks for architecture and urban control developed in protected areas provide interesting examples of tailor-made urban legislation, based on local realities and designed with participatory approaches.

² See the Culture 21 website at <http://www.agenda21culture.net/>.



Innovative experiences of culture-based urban regeneration projects are observed across the world, notably in slum or deprived areas. Cultural practices and local know-how are harnessed to improve the living environment, strengthen the sense of belonging and facilitate transmission of knowledge. Vocational training programmes for artists and cultural practitioners are developed for vulnerable populations, particularly women and youth working in the cultural and creative industries, to upgrade traditional skills and facilitate access to world markets. Cultural hubs expand in many urban areas and harvest the economic potential of cultural industries for urban regeneration.

As the quality of public spaces becomes a key item in the urban agenda, municipalities and civil society increasingly promote them as venues for cultural events, encounter and participation. The quality of urban design is receiving new attention: local authorities invite urban professionals or artists to reshape urban environments and reinvent urban identity. Good examples of the harmonious incorporation of contemporary architecture in historic urban fabric are also promoted.

Professional practices and conceptual tools have evolved to encompass new challenges.

New concepts and professional practices have emerged over the last decades to integrate heritage preservation and management with territorial planning and development strategies and instruments. Urban conservation is now considered a dynamic process within an urban system aimed at enhancing cultural values and managing change. Cultural professionals also play an increasing role in participative processes relating to urban regeneration, especially in Africa or Latin America.

International normative tools address these challenges and propose refined concepts and practical tools. The UNESCO 1972 Convention concerning the Protection of the World Cultural and Natural Heritage and 2011 Recommendation on the Historic Urban Landscape focus on the dynamic role and function of heritage in contemporary societies and its inclusion in planning policies, which integrates social, economic and spatial components of cities to build a holistic approach for urban territories where cultural and environmental values serve as founding principles.³ The 2003 Intangible Heritage Convention and 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions provide additional instruments to include community-based traditional cultural expressions and cultural industries into urban development.⁴

A new culture-based urban model calls for a renewed governance system.

National and local legal frameworks must be adapted to facilitate the inclusion of culture in urban planning tools. The knowledge gap on culture and heritage at the urban level must be addressed, notably through partnerships with universities to identify assets and develop indicators, monitoring tools and financial instruments. Innovative public-private partnerships at the national and local levels should be explored. Bilateral and multilateral agencies should include a culture-based approach more systematically in their development strategies and project design. Training programmes of urban professionals should be adapted to include cultural issues in overall urban studies and policies.

Key Drivers for Action

- Fostering a territorial approach of urban development through culture-based strategic planning
- Learning from innovative practices in historic areas to plan more compact cities based on mixed urban development
- Stimulating urban regeneration through cultural and creative industries, events and institutions
- Improving the quality of and access to public spaces through culture
- Increasing culture-led competitiveness of cities through investments in cultural infrastructure and industries, capacity-building programmes and new technologies
- Fostering sustainable cultural tourism to the benefit of local communities and individuals to encourage the renewal and revival of cultural heritage
- Building on culture as a factor of identity and dialogue among communities for education and social cohesion and in the fight against inequalities
- Ensuring cultural rights for all and respect for cultural diversity to promote inclusive cities
- Putting culture at the core of urban resilience strategies
- Developing follow-up tools and indicators to assess and quantify the contribution of culture to urban development

³ Convention Concerning the Protection of the World Cultural and Natural Heritage, available from <http://whc.unesco.org/en/conventiontext/>; 2011 Recommendation on the Historic Urban Landscape <http://whc.unesco.org/en/activities/638>.

⁴ Convention for the Safeguarding of the Intangible Cultural Heritage, available from <http://www.unesco.org/culture/ich/en/convention>; Convention on the Protection and Promotion of the Diversity of Cultural Expressions, Paris, 20 October 2005, available from http://portal.unesco.org/en/ev.php?URL_ID=31038&URL_D0=D0_TOPIC&URL_SECTION=201.html.

Platforms and Projects

- As part of the implementation of the Convention concerning the Protection of the World Cultural and Natural Heritage (1972), a thematic programme on World Heritage Cities was launched in 2001 to facilitate experience sharing and pilot activities on urban conservation issues, local governance and strategic planning. UNESCO's Recommendation on the Historic Urban Landscape provides an additional normative tool for the conservation of urban heritage sites and the management of change in urban areas and cities. Dissemination and capacity-buildings activities are being organized in different regions to facilitate its implementation.
- In synergy with the Convention on the Protection and Promotion of the Diversity of Culture Expressions (2005), UNESCO initiated the Creative Cities network to develop international cooperation among cities that have identified creativity as a strategic factor for sustainable development and are recognized as creative hubs or socio-cultural clusters.
- The Convention on the Safeguarding of Intangible Cultural Heritage (2003) provides conceptual instruments and practical tools to identify and safeguard intangible heritage through community-based approaches. The convention provides orientations on actions to be undertaken to strengthen the role of intangible heritage as a guarantee of inclusive social development, environmental sustainability, inclusive economic development, and peace and security.
- The United Cities and Local Governments (UCLG) has developed, with the document Culture 21: Actions adopted in March 2015, an international guide to promote a culturally sensitive approach to sustainable development, and strengthen a global network of innovative cities.⁵ Collaborative and comparative work between the cities and with civil society and private partners is planned to develop over the coming years.

⁵ Culture 21: Actions is available from <http://agenda21culture.net/documents/culture-21-actions>



ISSUE PAPER

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Ho Chi Minh City Hall at twilight in Ho Chi Minh City, Vietnam. © Shutterstock

URBAN RULES AND LEGISLATION

Co-Lead organization: UN-Habitat

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+ KEY WORDS

Urban Law, Legislation, Rules, Informality, Equity, Accountability, Quality, Effectiveness, Rights, Policy Implementation

Main Concepts

Urban Law

Urban law is the collection of policies, laws, decisions and practices that govern the management and development of the urban environment. It is a broad and diverse field that can be considered collectively because of the interaction of its various elements within the single, inclusive and diverse space that is the urban environment. Urban law has several important characteristics:

- It governs the key functions of towns and cities and reflects the rights and responsibilities of the residents and users of these urban areas. The functions are diverse, including urban planning, municipal finance, urban land administration and management, infrastructure provision, mobility and local economic development, among others.
- It exists at various levels from internationally recognized rights, such as the right to housing, and national legislation to municipal rules or bylaws governing local issues such as service provision or the management of public space.
- Terminology varies from country to country but law may be expressed through a variety of instruments that fall primarily within three categories: (1) primary legislation; (2) subsidiary or delegated regulations (law made by powers conferred in primary legislation and usually including many forms of rules, codes, orders etc.); and (3) “softer” instruments such as policies and administrative instructions of governments at all levels.
- It can encompass both apparently neutral technical issues and complex social aspects including the potential for differential impact on different groups within the urban environment. Impacts on vulnerable groups, such as the poor and the socially marginalized, are of particular concern.
- It must be considered in the context of the institutions and processes that are established by it or that are expected to implement it.

Informality

Informality characterizes many individuals' and communities' relationship with the law—informal being in some way not in compliance with recognized law. Informality is frequently the result of inadequate, inappropriate or ineffective policies or legal frameworks that regulate activities based on assumptions about the socioeconomic environment that do not reflect reality. Because of informality in many cities, the laws, institutions, and policies governing economic, social, and political affairs deny a large part of society the chance to

participate on equal terms. Informality does not mean that there is no system, merely that what exists is not formally recognized. Informal local norms and institutions, including those of a traditional or customary nature, govern lives and livelihoods.

Good-quality law

All lawmakers, regardless of their origin, aim to produce legislation and rules that lead to the desired regulatory results. Government policymakers dictate these regulatory results. Such universality can be useful to define quality of legislation across legal traditions. Quality of law signifies the ability to produce the regulatory reforms required by policymakers. To work, laws have to be effective: quality is effectiveness.¹

In summary, good-quality law requires three foundational elements:

- clear and locally relevant policy
- well-constructed legal instruments that are effective in translating policy into practice, integrated with national standards and reflective of international commitments
- clear processes for assessing and, as needed, reviewing rules and legislation, particularly to avoid disproportionate impact on vulnerable groups.

Essential law

A major challenge in urban law frameworks is complexity, where both the volume of rules and their technical nature don't reflect the capacity and resources that are locally available. In many cases, complex urban law frameworks also fail to reflect policy priorities. For all urban areas, but particularly those facing immediate growth and development challenges with only limited institutional capacity and financial resources, it is beneficial to focus on the minimum set of legal instruments and tools that are:

- necessary to deliver the most important elements of urban development policy; and
- adaptable to reasonable expectations of available resources and capacity for implementation.

Once an urban area has a functioning system based on a core set of tools, it can then consider the need for expansion into more detailed or demanding approaches.

¹ Helen. Xanthaki, "Quality of legislation: An achievable universal concept or an utopian pursuit?" in Quality of Legislation: Principles and Instruments. Proceedings of the Ninth Congress of the International Association of Legislation (IAL) in Lisbon, June 24–25, 2010, edited by Mader and Tavares de Almeida (Baden-Baden: Nomos, 2011).

Rule of law

The Universal Declaration of Human Rights, the historic international recognition that all human beings have fundamental rights and freedoms, recognizes that “it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law.”²

Interpretations of the “rule of law” vary significantly in academic literature but the United Nations consistently applies a definition that includes the formal procedural elements of equal treatment and the recognition of human rights as a necessary outcome:

For the United Nations, the rule of law refers to a principle of governance in which all persons, institutions and entities, public and private, including the State itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards. It requires, as well, measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency.³

Figures and Key Facts

- The fastest-growing urban agglomerations are small and medium-sized cities (that is, cities with less than 1 million and 1 to 5 million inhabitants respectively) located in Asia and Africa that are expected to grow by up to 40 per cent by 2030. Some 80 per cent of the world's urban dwellers currently reside in these settlements.⁴
- Urban development unfolds over decades and frequently outlives its architects. Good-quality urban law provides predictability and order in urban development, including spatial, societal, economic and environmental, and contributes to investment, strong economic performance and wealth creation.
- Legal systems govern the relationships among people and describe their collective objectives. Urban law is particularly significant in a world where 60 per cent of the population is expected to be urban by 2030.
- Good-quality law has the power to promote the inclusion of vulnerable groups in the benefits of urbanization, thereby increasing the value of these benefits for all, contributing to poverty alleviation and promoting social cohesion.

- Most poor people do not live under the shelter of the law and the opportunities it affords. Because the poor lack recognized rights, they are vulnerable to abuse. More than 4 billion people around the world are estimated to be excluded from the rule of law,⁵ many because their homes and livelihoods are informal.
- Law, understood as including the institutional and financial structures it creates, is the principal means for policy implementation.
- Law, in the context of the rule of law, is the means by which rights are entrenched. It is also the framework by which institutions adopt the standards they will be governed by and held accountable to.

Issue Summary

The “Strategies for Implementation” of the Habitat Agenda included commitments to:

- review restrictive, exclusionary and costly legal and regulatory processes, planning systems, standards and development regulations;
- adopt an enabling legal and regulatory framework based on enhanced knowledge, understanding and acceptance of existing practices and land delivery mechanisms to stimulate partnerships with the private business and community sectors; and
- put into effect institutional and legal frameworks that facilitate and enable the broad-based participation of all people and their community organizations in making decisions about human settlement strategies, policies and programmes.

Policy

The dominant models for the principal elements of urban law remain substantially the same as they were twenty, and even forty, years ago.

1. The number of innovative, locally relevant urban law frameworks in fields such as physical planning and development control remains remarkably low, particularly in the context of human settlements with limited institutional structures and financial resources.
2. Urban law remains a highly segmented and complex field where technical objectives are considered in isolation from each other as well as from the institutional, financial and social factors that will determine effectiveness.

² United Nations, “Universal Declaration of Human Rights,” preamble paragraph 3. Available from <http://www.un.org/en/universal-declaration-human-rights/>.

³ UN Secretary-General, *The Rule of Law and Transitional Justice in Conflict and Post-Conflict Societies*: Report of the Secretary-General, UNDoc. S/2004/616 (23 August 2004), paragraph 6.

⁴ United Nations, World Urbanization Prospects: The 2014 Revision (New York: UN Department of Economic and Social Affairs, 2015).

⁵ CLEP and UNDP, *Making the Law Work for Everyone: Volume 1*: Report of the Commission on Legal Empowerment of the Poor (CLEP). Available from <https://www.un.org/ruleoflaw/blog/document/making-the-law-work-for-everyone-vol-1-report-of-the-commission-on-legal-empowerment-of-the-poor/>

3. In part because of the dominance of “universal” technical considerations, the international transfer of “best practices,” including the direct copying of legal instruments, remains the prevalent approach in developing urban law, often failing to reflect local practice and culture and providing limited or no opportunities for effective review and adjustment.
4. Successful interventions in urban law are often built from incremental adjustments to, or redirections of, existing practices on the ground rather than from complete transformational change.
5. The development of urban law continues to be underresourced, particularly in terms of time. Laws with significant impact on people’s lives and on the long-term fabric of urban areas should not be written and approved in days.
6. When the Habitat Agenda was adopted in 1996, the role of law in development was considered a formalistic tool to bring about development and development meant economic growth as the principal tool to fight poverty. There was a strong emphasis on deregulation and subordination of equity and social development issues to the overarching goal of rapid economic growth. Opinions on law and development have evolved but this is not generally reflected in the law.
7. Physical planning, development control and infrastructure investment are all closely linked to law and policy on property rights and the extent to which rights may be exercised independently and regulated in the public interest.

Knowledge and Operations

1. Law that is locally relevant and enforceable in its context has the potential to harness the transformative potential of urbanization. Urban legal frameworks are dominated by aspirational technical considerations and must be more informed by local needs and capacity.
 2. Physical planning can deliver a long-term framework for development by focusing on a limited number of binding elements, including: locally appropriate systems for land management; the regulation of public space; a clear system for the identification of blocks and plots; a simple building code; and ideally, some means for public sharing in the profits of physical development to offset infrastructure costs. Other mechanisms, such as zoning rules, can be introduced at a later stage as the necessary capacity and resources become available.
 3. Urban law should emphasize institutional processes and reflect how public administration is the channel through which municipal and local governments interpret and pursue the objectives of sustainable development.
 4. The legal relations in the civil service should be appropriately regulated for effective execution of official duties in connection with the provision of public services, including:
 - with external parties (citizens, public authorities, institutions and organizations); and
 - the employment relations of civil servants, defining their legal status (official rights and duties, service conditions, contractual arrangements, etc.).
- In this connection, codes of ethics/conduct can promote professionalism and ethical behaviour in municipal governments.
5. In many urban areas, significant proportions (often a majority) of the population are affected by informality in their employment, housing or tenure status. These informal sectors are characterized by an absence of legal licenses, titles, and regulatory supervision. Residents in informal housing may have no recognized rights, making eviction an ever-present threat. Informal businesses operate without licenses and do not pay taxes.
 6. There is increasing recognition of the plural nature of urban legal frameworks and the role of these pluralistic systems in promoting inclusion and opportunity for the most vulnerable. Legal and regulatory frameworks are designed for the formal economy. Too often, they fail to protect, support and recognize the contributions of informal workers, excluding them instead of including them within frameworks of rights and responsibilities.
 7. Legal instruments have largely failed to maintain and ensure access to adequate public space, leading to its proportional reduction and to increasing limits on access through privatization.
 8. The supply mechanisms for urbanized land have not been able to keep pace with urban growth. Regulatory constraints on land supply, such as poor land-allocation practices and arbitrary or discretionary normative regulations (densities, floor-area ratios, plots sizes) have limited urban productivity and the supply of affordable housing.
 9. Urban law often focuses on property rights and owners, leaving tenants and informal occupants invisible to many areas of policy and service provision and creating structures that do not reflect the actual social balance that people experience.
 10. Mechanisms to encourage private development and investment and lower direct dependence on public financing are vital to accelerate sustainable urban development but they must be designed to ensure that the urban poor share in the benefits of development and are not excluded by it.

11. Fairness, equity and inclusion can be promoted by effective financial tools that capture some of the value increase brought about by land-use decisions for the benefit of the poor, and for society in general.

Engagement

The broad-based participation of all people and their community organizations in decision-making about human settlement strategies, policies and programmes remains a challenge.

1. Participation is increasingly recognized as an important element in the formulation, reform and review of law—both as a right and to enhance any result's effectiveness.
2. Accountability, and the rule of law more generally, is fundamental to meaningful participation in decision-making.
3. Locally relevant mechanisms for alternative dispute resolution, for example, an ombudsman, should be introduced to improve access to justice and enhance accountability in the most efficient and just manner possible.
4. There is a continuing need for legal frameworks to recognize the need for access by different audiences, including the judiciary, legislature and the public who might reasonably be affected (both specialists and non-specialists).

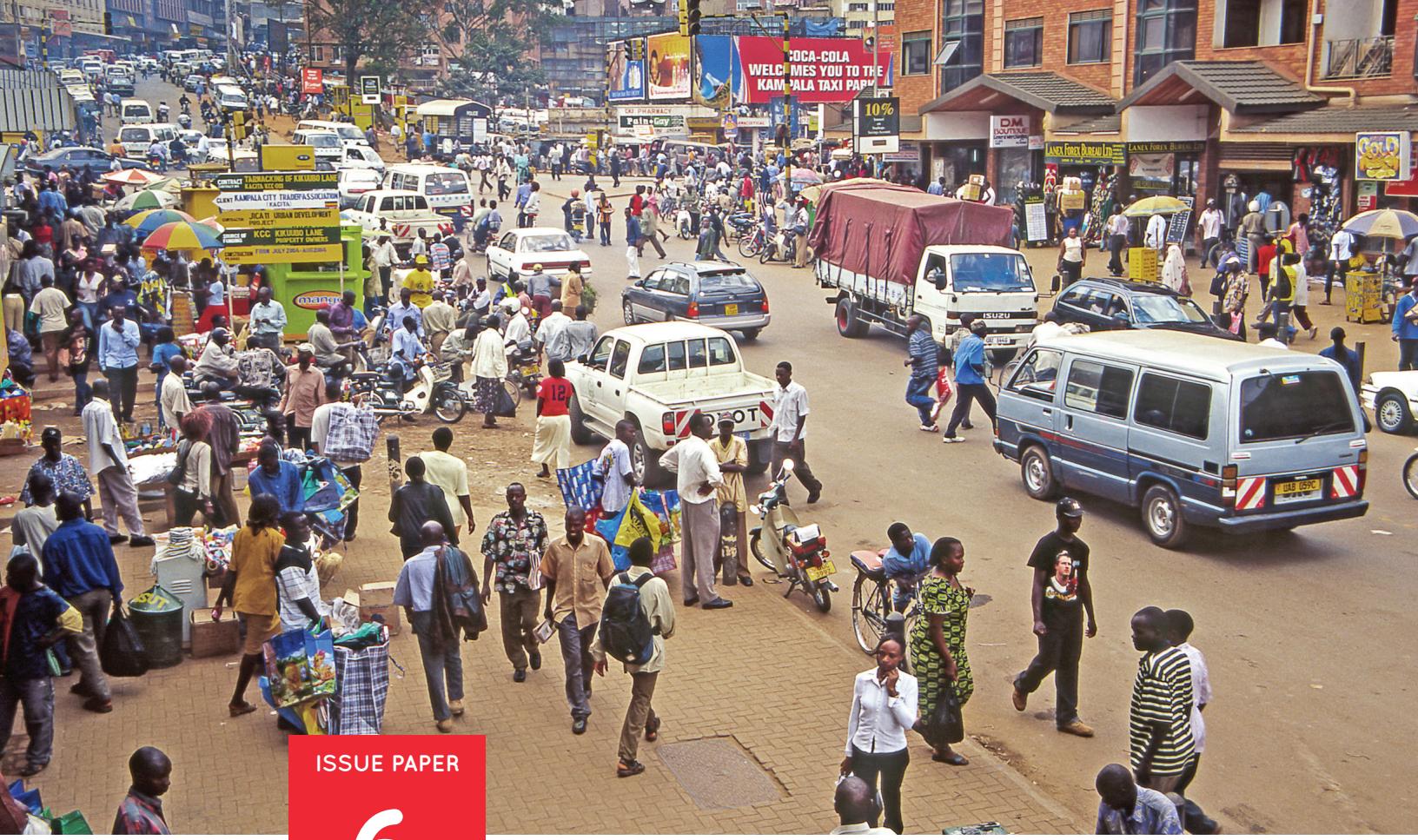
- The effectiveness of urban law depends upon clear and coherent policy and legislative instructions, the appropriateness of the legal instrument selected (with primary legislation being a last resort), the efficiency of the mechanisms proposed and the quality of the text of the instrument. Local relevance and practicality are crucial.
- Institutional and procedural structures are central to the delivery of technical standards and are mostly determined by law. When adequately considered and tested at the design stage, the effectiveness of institutional and procedural structures can be significantly enhanced.
- A focus on essential law will provide the most effective support to sustainable urban development. Governments should identify the minimum set of instruments and tools to deliver the most important elements of a legal framework with an emphasis on the needs of small to medium settlements with limited institutional structures and financial resources. For these resource-poor small to medium settlements, priority must be placed on the principal urban design elements that can reasonably be achieved and that will have the maximum impact on social outcomes and livelihoods. Rights and the protection of vulnerable groups must be central to assessments of impact.
- Local and regional law making and legislative interpretation powers significantly influence the implementation of policy. Because these are often highly discretionary and exist within relatively weak governance frameworks appropriate balances between accountability and discretion must be achieved.
- National and international standards, particularly for the rule of law and human rights, should be integrated into instruments and administrative practice and this integration should be regularly reviewed for effectiveness.
- Municipal finance is considered in Issue Paper 7, but the need to explicitly recognize a range of locally empowering municipal finance tools in law and to link these with institutional structures and policy objectives is vital.

Key Drivers for Action

- Good-quality law makes all levels of government more efficient. Making realistic implementation pathways inherent in legal instruments has the potential to significantly enhance the urban law's effectiveness.

Platforms and Projects

- UN-Habitat Urban Legislation theme. Urban legislation is one of the priority areas in UN-Habitat's strategic plan. See <http://unhabitat.org/urban-themes/urban-legislation/>.
- Urban Legal Network. A UN-Habitat-led initiative in partnership with the Global Land Tool Network to provide secondary information on urban law and connect those working in the field. See <http://www.uln.glttn.net/>.
- The United Nations Public Administration Network. The Division for Public Administration and Development Management of the Department of Economic and Social Affairs of the United Nations was mandated by the General Assembly to establish UNPAN in 1999. UNPAN is an Internet-based network that links regional and national institutions devoted to public administration, thereby facilitating information exchange, experience sharing, and training in the area of public sector policy and management. See <http://www.unpan.org/>.
- The United Nations Rule of Law Coordination and Resource Group. RoLCRG is facilitated by the Rule of Law unit in the office of the Secretary General and is responsible for the overall coordination and coherence of rule of law within the United Nations system. See <https://www.un.org/ruleoflaw/blog/2014/08/rule-of-law-coordination-and-resource-group-newsletter-august-2014/>
- The Global Forum on Law, Justice and Development. Facilitated by the World Bank, the forum provides an innovative and dynamic knowledge exchange. See <http://www.globalforumljd.org/>.
- The special procedures of the Human Rights Council are independent human rights experts with mandates to report and advise on human rights. See <http://www.ohchr.org/EN/HRBodies/SP/Pages/Welcomepage.aspx>
- The human rights treaty bodies are committees of independent experts that monitor implementation of the core international human rights treaties. See <http://www.ohchr.org/EN/HRBodies/Pages/TreatyBodies.aspx>



ISSUE PAPER

6

Busy city center in Kampala, Uganda © Shutterstock

URBAN GOVERNANCE

Co-Lead organizations: UNDP, UN-Habitat

Contributors: CBD, UN DESA, UNFPA, UN-Women

+ KEY WORDS

Dialogue between national and local governments, metropolitan governance, transparent and efficient public management, innovation, local government, citizen/inhabitants' participation, inclusion, subsidiarity, accountability, local capacity

Main Concepts

Urban governance is the “software” that enables the urban “hardware” to function—the enabling environment requiring the adequate legal frameworks; efficient political, managerial and administrative processes; as well as strong and capable local institutions able to respond to citizens’ needs.

Decentralization is a process of reorganizing the state. It involves a gradual transfer of responsibilities originally concentrated in central government toward other spheres of government (federal, regional, provincial or municipal). To be effective, it needs to provide adequate powers and resources to fulfill such responsibilities. Decentralization involves the fair distribution of resources and responsibilities among different government spheres. The principle behind this process is the belief that decision-making and implementation are more efficient if they are as close to citizens as possible (i.e., the subsidiarity principle).

Local self-government refers to the capacity of local governments to manage public affairs in the interests of the local population, and within the limits of the law recognized by national legislation. These rights and responsibilities may be political (e.g., capacity to elect their own government bodies, make policies, make decisions and exercise their function independently from other government spheres on matters related to their competencies), financial (capacity to access adequate resources to carry out their responsibilities and use them freely) or administrative (capacity for self-organization).

Multilevel governance is a decision-making system to define and implement public policies produced by a collaborative relation that is either vertical (between different levels of government, including national, federal, regional or local) or horizontal (within the same level, for example, between ministries or between local governments) or both. It also includes partnership with actors from civil society and the private sector to achieve common goals. To be effective, multilevel governance should be rooted in the principle of subsidiarity and respect for local autonomy. It also has to establish mechanisms of trust and structured dialogue.

Localizing the New Urban Agenda. The New Urban Agenda will need to be implemented in towns, cities and metropolitan areas—at the local level.¹ The word *localization* takes into account territorial contexts, governments and local stakeholders, from the definition of the New Urban Agenda priorities, to its implementation and the definition of indicators to monitor progress.

Figures and Key Facts

In the words of the UN Secretary-General “our struggle for global sustainability will be won or lost in cities.”² Managing urban growth is a shared responsibility of local, regional and national governments.

There are more than 500,000 local and regional governments in the world today, from very small towns to big megalopolis. They have emerged as key institutional drivers for development and change in the promotion of inclusive growth. Cities are places for innovation where between 70 and 80 per cent of the world’s gross domestic product (GDP) and new job creation happens. Cities are therefore necessary partners for the definition, implementation and monitoring of the New Urban Agenda.

In the last decade, decentralization policies have provided increased authority and resources to local governments.³ Their share of national expenditure rose from a world average of 13 per cent in the 1980s to between 19 and 20 per cent at the end of the 2000s. In Latin America, local governments represent 12 per cent of general government revenues and 19 per cent of expenditure while in Sub-Saharan Africa it is only around 3 per cent of revenues and 8 per cent of expenditure.

Most megacities and large cities are located in the global South and more are expected to emerge in Africa, Latin America and Asia by 2030.⁴ The metropolitan dimension has become increasingly relevant as cities are more interdependent with their surrounding settlements and hinterlands, a de-facto continuum in terms of urbanization, economic growth, employment, environmental impact, transportation and cultural belonging.

Over the next 25 years most of cities’ growth (at least 90 per cent) will take place in low-income countries, some of which are fragile states plagued with recurrent conflicts.⁴ More than 1.5 billion people live in countries affected by state fragility and violent conflict.⁶ Fragile states often have the highest rates of urbanization, partly as a result of the massive population movements from rural to urban centres—movement in response to conflicts. This projection calls for transparent and accountable management of public finances, particularly in infrastructure projects, to minimize opportunities for corruption and prevent cycles of violence.

¹ The New Urban Agenda is the outcome document agreed upon at the Habitat III Conference in Quito, Ecuador, in October 2016.

² Ban-Ki-Moon, Secretary-General of the United Nations, “Remarks to High Level Delegation of Mayors and Regional Authorities,” UN Headquarters, 23 April 2012.

³ UN-Habitat, *International guidelines on decentralization and strengthening of local authorities* approved by the 2008 Governing Council in Resolution 21/3.

⁴ United Nations Department of Economic and Social Affairs/Population Division, *World Urbanization Prospects: The 2014 Revision* (New York: UN, 2015), Available from <https://esa.un.org/unpd/wup/Publications/Files/WUP2014-Report.pdf>.

⁵ UN-Habitat, “Urbanization and sustainable development: Towards a new United Nations urban agenda,” policy paper, 10 October 2014, available from <http://habnet.unhabitat.org/sites/default/files/co/urbanization-and-sustainable-development.pdf>.

⁶ OECD, “Environmental outlook to 2050: The consequences of inaction,” Available from http://www.keepeek.com/Digital-Asset-Management/oecd/environment/oecd-environmental-outlook-to-2050_9789264122246-en#.WQs57cm1to4 (May 2015).



Five key facts from the last 20 years

- The Habitat Agenda (1996) calls for an “enabling environment” characterized by decentralization of responsibilities and resources; civil society participation; the use of partnerships; and the capacity-building of those involved in decision-making and urban development policy. In paragraph 45, Member States commit to the objective of “enabling local leadership, promoting democratic rule, exercising public authority and using public resources in all public institutions at all levels in a manner that is conducive to ensuring transparent, responsible, accountable, just, effective and efficient governance of towns, cities and metropolitan areas.” Nearly 20 years have elapsed since this call but in many contexts the lack of adequate legal frameworks and institutional and financial capacity continues to prevent effective urban governance.
- The importance of effective governance has been in the forefront of global debates, particularly the Rio+20 Declaration. “The Future We Want” document recognizes in article 76 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” underscoring “the importance of inter-linkages among key issues and challenges and the need for a systematic approach to them at all relevant levels.”⁷
- Cities provide many opportunities to foster sustainable development but they also face a number of challenges for equality with different levels of access to political representation and power, economic opportunities, basic services or security.⁸ These situations often degenerate into conflict as the rule of law and management systems are unable to cope with the increasing inequality gap. Competition for control of cities and their resources marks the landscape of many fragile states that are unable to provide institutionalized mechanisms for political settlement. They also experience large-scale social exclusion, conflict and instability, which can often degenerate into radicalization.
- Because of the accelerated pace of urbanization, cities need new governance frameworks to face new urban forms (megacities, urban corridors, metropolis), improve cities’ management (particularly in developing countries), and enhance urban-rural collaboration. The new transformative urban agenda requires that all relevant stakeholders, including women and their organizations, find new understanding and work together in a more efficient way. Citizens need rapid and flexible responses to face urban challenges and solve daily needs. Governing without the citizen has become nearly impossible and many local governments are already experimenting with innovations like participatory budgeting, neighbourhood committees, youth councils, e-governance solutions, etc.

- As urban settings and interactions are becoming more complex and interdependent, effective governance requires strong and capable leadership from the public sector, which needs to be responsible to ensure access for everyone to better living conditions, and to regulate and defend the common good. In many parts of the world, the informal provision of basic services and the tax evasion resulting from the informal economy remain major threats to good governance. Municipal finances need to recognize the importance of local revenue and the quality and accessibility of basic services need to be a public responsibility. Local corruption constitutes a major scourge of the urbanizing world: rerouting resources from the public domain erases the belief in the benefits of living together. Allowing for access to information and preventing conflict of interest are essential to maintain public trust and engaged citizenship. It is equally important to ensure transparency and accountability within the private sector, particularly among those doing business with the public sector. Accountability and transparency are more than ever at the core of urban governance to ensure confidence in the public’s capacity to protect the common good and generate improved management of public finances and property.

Issue Summary

Knowledge

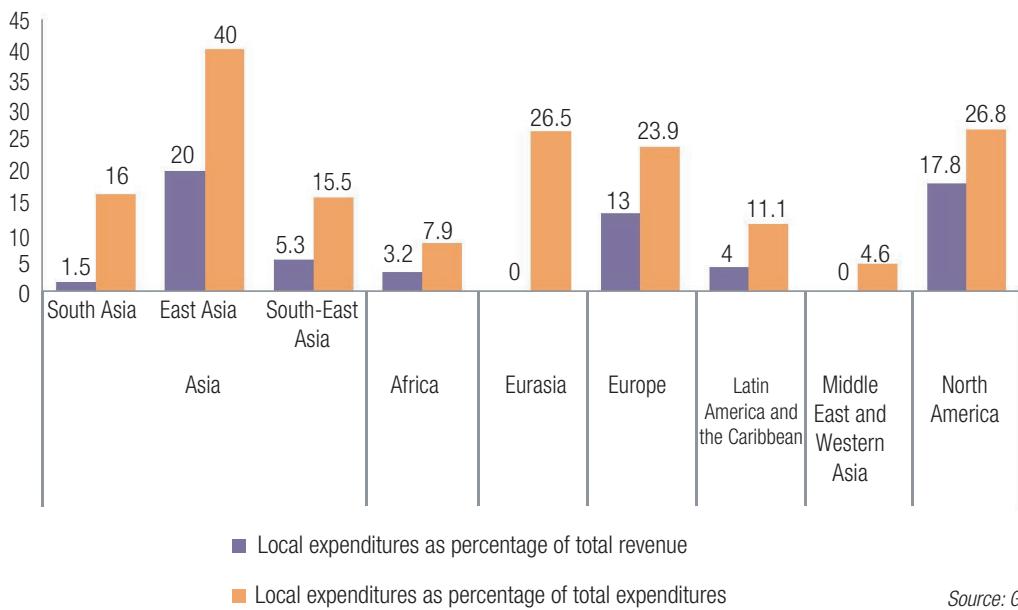
Cities need to include more voices to respond to the challenges of urban governance. Effective urban governance requires sophisticated relationships that have clearly assigned responsibilities, a stronger collaboration between different levels of government (multilevel governance), and regular and more creative means of interaction with civil society.

Interdependence among all spheres of governments is today stronger than ever. We need effective decentralization and stronger local governments with the appropriate resources, transparent mechanisms, and legal power to respond to citizens’ needs. Many countries experience a growing gap between the responsibilities and the resources allocated to local governments. To enhance local resources mobilization, local governments need to strengthen their capacities to generate local revenue while accessing an adequate share of national resources through predictable transfers and equalization mechanisms.

⁷ “The Future We Want—Outcome Document,” article 76, A/RES/66/288. Available from <https://sustainabledevelopment.un.org/futurewewant.html>

⁸ UN-Habitat estimates that more than two thirds of the world’s population lives in countries where income inequality increased since 1980s. “A new form of radical centrist politics is needed to tackle inequality without hurting economic Growth,” The Economist, 13 October 2012. Available from <http://www.economist.com/node/21564556>.

Figure 1. Local expenditure proportion, by region



Source: GOLD Report II, UCLG, 2010.

Note: While local expenditures as a proportion of public expenditures may be elevated in East Asia, Eurasia and South Asia, this does not necessarily correlate with the existing level of decentralization.

Policy

Capacity-building programs are still needed to strengthen all local stakeholders' capacities in organizational structures, budget and assets management, enhanced mobilization of endogenous resources, integrated urban planning, inclusive service delivery, enforcement of legal frameworks, promotion of economic and social development as well as gender-responsive planning and budgeting.

This is particularly relevant for metropolitan areas where fragmentation causes service provision inefficiencies; spillovers across jurisdictional boundaries; and regional income and service level inequalities. Fostering a culture of cooperation should help overcome fragmented governance on a metropolitan scale and promote greater inclusion, efficiency and competitiveness. Coordination mechanisms are emerging: intermunicipal cooperation; legal incentives for cooperation, planning and development agencies; cost-sharing arrangements for metro-wide service delivery, metropolitan development funds, coordinated tax agreements and pool financing; and improved linkages between national and local governments' programs and policies to ensure efficiency and reduce imbalance.

Performance monitoring, transparent budgets, adequate public asset management, public reporting and access to information for citizens are as vital to responsible leadership as accepting public responsibility for mistakes. Enhanced accountability mechanisms are becoming central to sound municipal and metropolitan governance. Local and regional governments are in a strong position to empower all inhabitants to fully participate in local political, social, economic and cultural life, which will help to better address inequalities for marginalized groups and vulnerable people. Guaranteeing access to information is essential to citizen engagement. To strengthen public trust in government institutions, authorities should put in place anti-corruption mechanisms in line with applicable international standards.

Enhanced governing capacities also rely on improved data gathering. To process and disseminate data and indicators disaggregated by sex and age governments need to include territorial-based (disaggregation) to be readily available to support local planning and monitoring of urban development.

Urban governance must ensure that facilitating security and development are part of the planning process. It will require deliberate efforts at forging developmental political settlements (just as at national political level), empowering citizen engagement—especially in informal areas—and linking citizens to city institutions to facilitate social cohesion and create opportunities for social and economic mobility.

Fragility in cities is not merely for those in conflict—the rising levels of armed violence and crime should also be considered. The explosion of uncontrolled urbanization in conjunction with weak governance structures in many cities in fragile countries severely risks their resilience, and that of the states they belong to. The local governments' role in post-recovery and post-conflict situations is now emphasized as the primary level to restore trust and confidence.

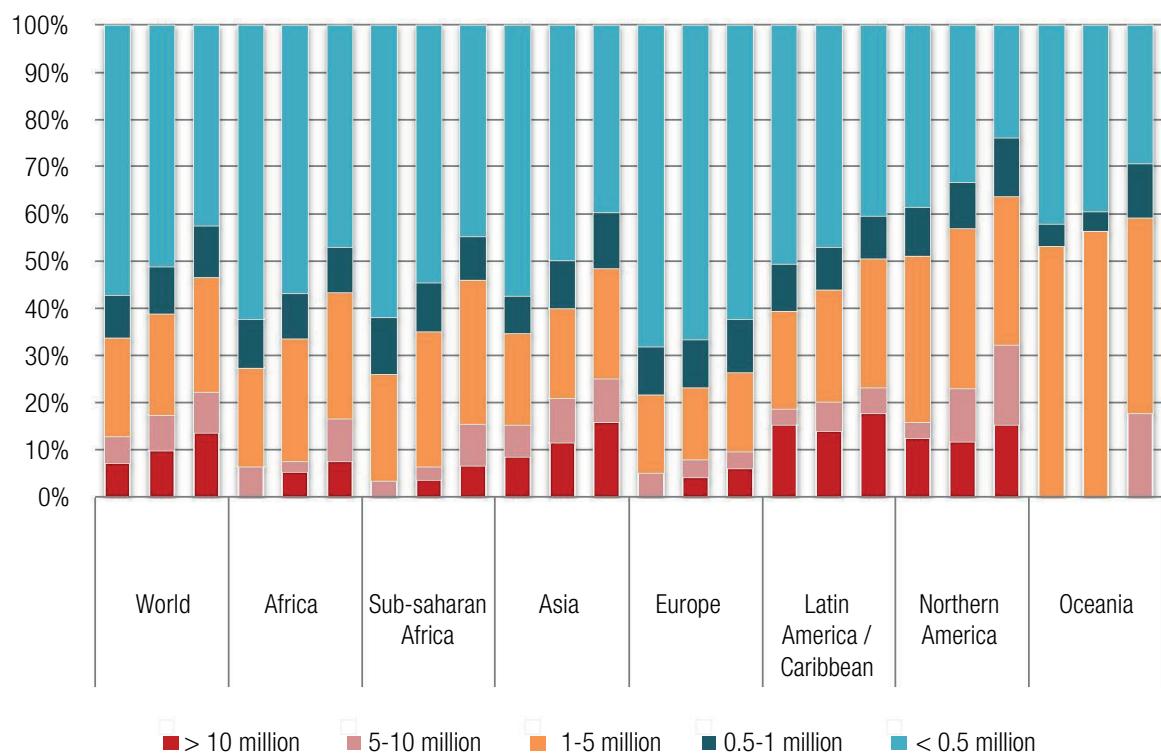
Sound urban governance is also needed to ensure environmental sustainability and resilience, combat climate change, preserve ecosystems and biodiversity, and build more local communities that are resilient to natural and human threats. New governance processes adjusted and rescaled to the ecosystem scale should be promoted¹⁰ as well as consideration of green infrastructure and ecosystem services as opportunities for cities' development.¹¹ Without sound urban governance, the short-term gain of economic development will continue to trump the goals of environmental sustainability that economic and social sustainability ultimately depend on.

Engagement

In the context of low-income countries with large-scale informal systems of service provision, appropriate support is needed to improve universal access to basic services and reduce poverty and exclusion from civil society, particularly in marginalized neighborhoods and slums in developing countries. The large informal character of urban growth means that residents are excluded from public service delivery, formal labour markets, and the protection of state security. Informal provision of basic services, like water or electricity, holds risks for health and quality control and is sometimes more expensive than formal municipal provision.

More profoundly, marginalization and injustice erodes the public legitimacy to provide for equal access to services for all urban residents. It jeopardizes the municipal finance sustainability because tax collection is not ensured. The degree of informality in urban areas (in terms of local economies generated, employment, and space) and its intricacy can no longer be ignored. There are ways to improve collaboration between informal and formal sectors, relying on

Figure 2. Percentage of population living in cities by city size and by region 1995, 2010, 2025 (estimated)



Source: UN urban prospectus, 2011.

¹⁰ Alice Cohen and James McCarthy, "Reviewing Rescaling: Strengthening the Case for Environmental Considerations," *Progress in Human Geography*, vol. 39, no. 1 (2015): 3–25.

¹¹ Thomas Elmqvist, et al. eds., *Urbanization, Biodiversity and Ecosystem Services: Challenges and Opportunities* (New York: Springer, 2013).

cooperatives and organized civil society by implementing inclusive local policies (street vendors, waste pickers, etc.). Local governments should integrate the informal sector in the urban fabric through regulation—overseeing and targeting support, including the co-production of public services.

In an increasingly urbanized world, local governments are taking on greater responsibilities for urban management and service delivery. But they cannot act alone. There is an increased need for partnership and collaboration with communities, the private sector, civil society and women's organizations, as with central and other levels of government. Local governments should be empowered but also responsible to ensure universal access to services and to preserve public goods.

Because of their compact size and contiguity, cities offer the greatest potential for the development of inclusive institutions for managing political conflict, creating critical spaces for institutionalized forms of political debate and participation, and facilitating new forms of political representation through civil-society actors operating within participatory governance mechanisms.

Access to information, public participation and transparency are incentives for the different stakeholders involved in city making. A bottom-up approach and the participation of grassroots communities in city management and policymaking are important because grassroots representatives work and live in the locality and thus are well placed to contribute to local projects.

Sound urban governance is gender responsive and requires the empowerment of women in local leadership and public affairs. Globally, women are grossly

underrepresented in mayoral positions and local governance institutions. In every region, under 15 per cent of mayors are women.¹⁴ While data are still inadequate, the existing evidence tells us that when women are represented in decision-making positions, the priorities of families, women, and ethnic and racial minorities are scaled up.

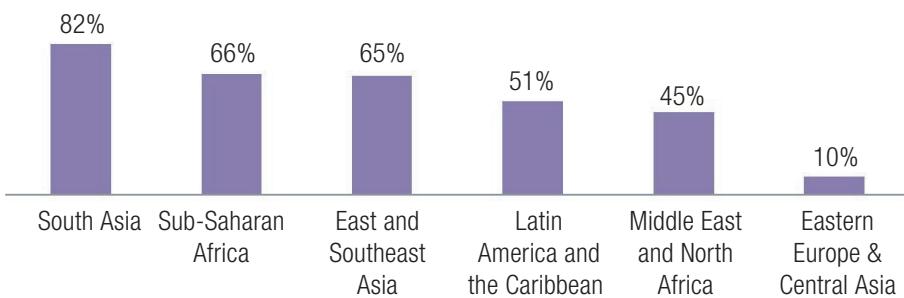
Sound urban governance also facilitates the inclusion and participation of youth minorities. Use of social media and urban youth activism in the context of popular reforms has often taken root in urban areas and subnational enclaves. It improves social policies, citizen participation and accountability in deprived neighborhoods where even formal mechanisms (elections, institutional checks and balances) have failed.¹⁵

Because the private sector is now an essential actor in urban governance, balanced partnerships have to be implemented to ensure that the public sector still drives local policies. Public-Private-Popular-Partnerships (PPPPs) are emerging to manage the power dynamics within such collaborations.

Public administrations have to take into account the emerging and steady proliferation of social media and smart urban management technologies that can promote democratic public choice making.

Local government associations are key partners in promoting dialogue between local and national governments. They can strengthen a multilevel governance approach, identify and communicate successful strategies applied at the local level and establish horizontal cooperation between local and regional governments at national and international levels.

Figure 3. Informal employment as percent of total non-agricultural employment 2004–2010



Source: *Women and Men in the Informal Economy: A Statistical Picture (2nd ed.)* (Geneva: International Labour Office, 2013).

¹⁴ UN Economic and Social Affairs, *The World's Women 2010: Trends and Statistics* (New York: United Nations, 2010). Available from https://unstats.un.org/unsd/publication/SeriesK/SeriesK_19e.pdf.

¹⁵ Karen Coelho, Lalitha Kamath and M. Vijaybaskar, "Infrastructures of consent interrogating citizen participation mandates in Indian urban governance," working paper no. 362, Institute of Development Studies (2011). Available from <https://www.ids.ac.uk/files/dmfile/Wp362.pdf>.



Key Drivers for Action

- Strong, capable, enabled and accountable local governments will strengthen urban governance. They need adequate organizational and institutional structures; effective financing systems; and procedures to enhance domestic public resource mobilization, promote strategic participatory urban planning and manage sustainable urban development.
- An effective decentralized framework can unlock urban and regional governance. A clear distribution of powers, responsibilities and resources allows for stronger multilevel governance and collaborative relations between different levels of government, based on the principle of subsidiarity
- Improved metropolitan and megacity governance is crucial—with effective metropolitan coordination institutions, instruments and financing mechanisms, based on political consensus between local governments, to reduce metropolitan fragmentation, support metropolitan development, planning and resilient services and infrastructure delivery throughout the overall territorial extension, as well as articulation with national governments' programmes and policies.
- Cities need to strengthen intermediary governance, foster regional development and urban–rural linkages. Innovative governance arrangements can target policies to strengthen the role of middle-sized cities as regional hubs, develop integrated regional strategies and plans, and improve complementarities between cities and towns at the subnational level through coordination and collaborative mechanisms between local and regional governments.
- Enhanced policies support broader partnerships in local governance, including co-production of services and public goods. Policies need to involve the private sector and local communities, integrate the informal sector in the urban fabric and collectively bridge institutional and resource gaps.
- Cities should consider a territorial approach—governance arrangements for macro-regional and regional territories via support to middle-sized cities and urban–rural collaboration. Such an approach can aid in developing strategies and plans and coordinating mechanisms between local governments.
- Use of SMART technologies can be helpful to innovate public management, participation and accountability to reduce urban environmental impacts, improve data disaggregated at the local level to support local planning and monitor urban development and encourage citizen participation and accountability.
- Women's leadership plays a crucial role in gender-responsive local governance. Mindful of the specific needs of women and men, it fosters equal participation in local decision-making and policy-making for more inclusive, balanced and dynamic governance.
- Participatory city decision-making and active citizenship via platforms engaging youth, women, minorities, communities and all citizens, in continuous and structured dialogue, meaningful consultations, and other forms of constructive commitments between local institutions and nonstate actors can guarantee long-term empowerment of all inhabitants in the city's decision-making processes.
- Cities can serve as models for improved state-society relations in fragile states—especially their efforts to foster constructive state-society relations, safe and just communities, inclusive markets, basic service provision, and sustainable revenue generation.
- City-to-city cooperation can be thought of a collaborative and peer-to-peer exchange modality between cities, administrative staff and elected leaders for capacity development based on north-south and south-south cooperation and the support of local governments associations.

The New Urban Agenda won't work unless "all relevant stakeholders, under a strong leadership of the local government, will join their forces and establish permanent structures of dialogue to make sure cities are places of opportunity for all."



ISSUE PAPER

7

A terminal for shipping containers © Shutterstock

MUNICIPAL FINANCE

Co-Lead organizations: UN-Habitat, World Bank

Contributors: CBD

KEY WORDS

Revenue enhancement, financial management, transfers, decentralization, taxes, land value sharing, basic infrastructure, services, local assets, transparency, accountability

Figures and Key Facts

- Globalization continues at a fast pace, but localization—the process whereby local governments have greater responsibility to provide infrastructure and services—is also increasing. While globalization has been rapid, urbanization has been growing even faster and today there are more than 4,000 cities with populations over 150,000. Approximately 500 have over one million inhabitants each.¹ Globally, cities generate over 80 per cent of the world's GDP, including in developing economies.²
- Despite their economic importance, cities are starved of development resources. In many countries local taxes and other revenue sources could be a major source of development finance but territorial governments are not allowed to expand their revenue base. In developing countries, local taxes account for 2.3 per cent of GDP, compared to 6.4 per cent in industrialized countries.³
- Local governments are under pressure to do more with less. In many cases, municipal functions are becoming increasingly complex, encompassing issues of employment generation, social inclusion, and climate change. Cities have to be creative about finding sources of revenues and judicious in rationalizing their expenditures. Most cities in the developing world still rely heavily on transfers and grants. They are making significant efforts to reduce this dependency on central government. Property tax is potentially a good source of local revenues but in most developing cities, property tax represents less than 3 or 4 per cent of local revenues, compared to between 40 and 50 per cent in cities in Australia, Canada, France, the UK and the US.⁴
- Local governments are learning to deliver services more effectively with better public financial management when they are given more responsibility and autonomy. A World Bank study covering 190 projects involving 3,000 municipal development projects concluded that increased autonomy and responsibility resulted in better access to services, for example, water and clinics, and increases in the scope of services.⁵

There are important opportunities for local governments to leverage their own resources with the support of national governments and the international community. Local governments in developing countries rarely use alternative sources of funding such as those available from the private sector, whether in the form of loans from commercial banks or public/private partnerships. Just 4 per cent of the 500 largest cities in low-income countries have access to international markets.⁶

This lack of international access may have benefits. International loans can expose local governments to exchange rate risk which can be crippling. A number of countries prohibit this practice by law. Many local governments are a long way from credit worthiness and need to go through the unglamorous steps of keeping their books in order before entering the world of lending.

Issue Summary

Drivers of Global Municipal Finance

Many central and local governments recognize the importance of cities to their national economies. They also recognize that cities need a sustainable flow of resources and the necessary conditions to unlock endogenous financial resources to achieve sustainable urbanization. However, they have not yet acted on that recognition. Effective financing mechanisms operating within a strong legal and institutional framework are needed for urban expansion and to provide better services in existing urban areas. Many city financing systems are still structured for their role in the economy of a bygone era, rather than in line with global best practices.

Some governments are clearly defining authorities' responsibilities for the delivery of urban infrastructure and services, better structuring transfers and mandates for local revenue generation to encourage efficiency in service provision, and in the management of resources for operations and capital investment. This process needs to be extended and systematized.

Improving outdated governance systems

Governance systems not only provide the political and organizational context for the process of resource mobilization but, more importantly, urban governance systems also determine the potential revenue mobilized. There are three key shortfalls in global urban governance:

- Incoherence of urban institutions.* Urban institutions, such as local governments, very often do not oversee the total the urban area, and planning coordination institutions do not effectively encompass sectoral silos—they are geographically and sectorally incoherent. In effect, this means that local governments are often too small to have a coherent long-term vision (particularly a long-term economic vision), to have sufficient financial leverage to achieve their visions, or to avoid political pressure from unrepresentative pressure groups resisting development.

¹ UN DESA, *Population Distribution, Urbanization, Internal Migration and Development* (New York: UN Department of Economic and Social Affairs, 2011). Available from <http://www.un.org/esa/population/publications/PopDistribUrbanization/PopulationDistributionUrbanization.pdf>.

² World Bank, "Urban development overview," from <http://www.worldbank.org/en/topic/urbandevlopment/overview>.

³ Richard, Bird and Roy Bahl, "Subnational taxes in developing countries: The way forward," Working Paper Series IIB paper No. 16 (Toronto: Institute for International Business, 2008).

⁴ Catherine Farvague-Vitkovic and Mihaly Kopanyi, *Municipal Finances: A Handbook for Local Governments* (Washington DC: World Bank, 2014).

⁵ World Bank, *Improving Municipal Management for Cities to Succeed: An IEG Special Study* (Washington, DC: World Bank, 2009). Available from http://siteresources.worldbank.org/EXTMMNGT/Resources/Municipal_eval.pdf.

⁶ Shynar Jetpissova, "Planning and financing low-carbon, livable cities," 26 September 2013, World Bank, available from <http://www.worldbank.org/en/news/feature/2013/09/25/planning-financing-low-carbon-cities>.

A good example of geographically coherent structures comes from Germany, where a regional authority was created for Greater Stuttgart to coordinate regional economic development initiatives and transport. In terms of achieving sectoral integration, some developing countries have raised their major cities to the provincial level as in BMA (Bangkok Metropolitan Administration) for Bangkok and DKI Jakarta, although these structures do not encompass the full urban areas of these megacities. Perhaps the best example in the developing world comes from South Africa, which has created well-empowered, territorially integrated “category A” municipalities for their large metro areas. This has resolved many of the vertical and horizontal coordination problems of the previous system. By and large, international experience indicates that it is very difficult to introduce effective vertical and horizontal coordination mechanisms between different local governments within the same large city area in low-capacity environments. Institutional coordination tends to be the more effective path, wherever possible.

2. *Inadequate structures for integrated urban planning and intergovernmental fiscal relations.* While not immediately obvious, planning is strongly linked to financing because very significant real or potential revenue from taxes and fees comes from urban development, and the scale and efficiency of this development is, in turn, largely controlled by the planning process. Aside from the level of transfers, which local governments always consider too low, the structure of many transfer systems provides perverse incentives for a variety of behaviours that reduce local governments’ efficiency. Basing transfers on only population, for example, provides no incentive for improved performance. In many developing countries, the relationship between planning and development does not hold because of a lack of enforcement for development controls. Aside from adverse environmental and social outcomes, the increased risk for investors from an uncertain regulatory context is passed on as increases in expected returns and in financing cost, in turn increasing the cost of infrastructure and other urban development.

Nevertheless, good examples of planning, development, value capture and financing exist. The Hong Kong Metro, one of the few transit systems that actually covers capital and operating costs, is perhaps one of the most effective examples. Incentives for effective use of grants (and assets) also exist. The Philippines Department of the Interior and Local Government has a “challenge fund” to provide an incentive to local governments to invest in environmental infrastructure. In Bangladesh, the Urban Governance Improvement Project rewards good performance by local governments with access to additional resources.

3. *Inadequate support for building an effective and financially viable process of urban development.* Many countries have local government initiatives that aim to strengthen the financial performance of local government. However, the programmes offered tend to be very focused on building individual skills, which are essential, but not sufficient. That said, examples of more structural approaches to building broad-based capacity exist. For example, in Indonesia the Capacity Building for Urban Infrastructure Management Project was formulated to support national and local institutions implementing the Integrated Urban Infrastructure Development Programme. Each participating city had to produce a revenue-improvement action plan to demonstrate their capacity to maintain the infrastructure being built under the programme. The World Bank also has a large portfolio of lending projects focusing on municipal contracts that provide an opportunity for local governments to work both on the strengthening of their daily functions (including financial management and revenue mobilization) and on investments. Benin, Côte d’Ivoire, Guinea, Madagascar, Mali, Mauritania, Rwanda, Senegal and others have been engaged in this process for many years.

Bridging shortfalls in endogenous resources

While the national transfers discussed here are important, the sustainability of developing cities in the medium to long term will be affected by their ability to raise financial resources from their own assets. There are several issues related to this major driver.

The first is whether or not cities are levying all the taxes and user charges they are entitled to levy (and which are net revenue earners—there is no point in collecting a tax that costs more to collect than it raises); whether they are actually collecting the taxes and user charges they, in theory, levy; and if they are levying them at the correct (maximum or cost recovery) level. The key question is: are there incentives in place to ensure that local governments actually collect all the taxes they are supposed to collect? In theory, central funds were linked to a reform agenda but, in practice, not much reform (especially in “own-source” revenue collection) has been realized. There is a need to discuss the “infrastructure” needed to properly manage local taxation.⁷ In particular, when it comes to land-based taxation such as land registration, there is a need to look at the functioning of judicial systems. In many developing cities, which are growing fast and informally, where property rights are difficult to ascertain, and where registration systems are not working properly, property valuation and fiscal cadasters may not be the most cost-effective options.

⁷ The property valuation exercise may not be the most effective, since it will run the risk of (1) covering only a small part of the city; (2) having to be updated very quickly; (3) running its course after the international consultant leaves; and (4) not yielding the expected revenue increase in the expected time frame. A better alternative is to explore the possibility of working directly with the municipality on street addressing which is much better suited for this type of environment and can be directly connected to many municipal applications. In municipalities where street addressing has been implemented, a 25 to 30 per cent increase in local revenues has been achieved across the board, just by reconciling the street index with the fiscal registers.

The second issue is the design of local tax systems as determined by national, state or provincial governments. Again, these designs were a response to circumstances applicable in years gone by and no longer reflect current circumstances, capabilities or best practice. For example, are property taxes based on highest best use of land and not on the value of the property on the land?

The third issue is the need to increase local governments' resources in the context of insufficient resources for urban development—even given well-designed, well-implemented resource mobilization systems—through additional taxes or the extension of existing ones. Such measures may take the form of amortizing a certain amount of, or creating surcharges on, national and local sales, income and corporate taxes, or levying property tax surcharges for specific purposes, for example, tax increment financing in the USA or betterment levies in Colombia.⁸ Good examples of tax surcharges for local government are found in the US where local governments can, for example, levy a surcharge on income taxes. Hong Kong has excellent systems of capturing land value increase to finance infrastructure investments and the US PACE system of paying for environmental improvements is an excellent example of investment financed by property tax surcharges.

National governments must give due attention to such issues, move to implement them, and build capacity in the area of resource mobilization. This process will involve coordination across a number of national and local ministries or departments. The focal point for coordination needs to be given a clear mandate to undertake the process.

Building better local financial and asset management systems

From both a theoretical viewpoint (OECD), and from some available evidence (US national transfers), funding local projects from local sources is considered efficient. However, implementation is a persistent challenge. Once revenue is mobilized, it is essential that the proceeds be used as efficiently as possible.

Subnational governments should improve transparency, providing easily accessible public data on provision of infrastructure and services, and link those expenditures to increased taxes/fees collection. Efficient use of public funds is a key concern. It is essential that local governments are able to report their financial situation in a transparent and accountable manner to their: (a) ministries of finance, (b) citizens, and (c) financial partners. The World Bank has been working on a Municipal Finance Self-Assessment tool (MFSA) to determine priority actions to improve transparency and effectiveness in the use of public funds.

Budgeting should be a means to implement an agreed plan. Expenditure—whether capital or recurrent—should be prioritized on the most cost-effective way of providing the planned and mandated services to the city. Few cities have the capacity to prepare an investment plan. Plans that balance investment, operation and maintenance expenditure pose greater challenges. There are both regional support facilities (for example, the Cities Development Initiative for Asia) and national systems to develop prioritized investment plans but they are not automatically integrated with citywide financial and asset management. Once investments are decided and funded, the city agency responsible has the duty of ensuring value for money when it procures the investment. Procurement systems are thus critical components of city financial systems. They must be both flexible and rigorous in respect of probity—a difficult mix requiring considerable skills.

There are some structured systems capable of leveraging local and transfer revenues with community or private sector resources. The city of Chicago has the Chicago Infrastructure Trust, which has been effective in leveraging the city's resources for a number of projects, including retrofitting to improve the energy efficiency of government buildings.

Effective use of the city's assets is a significant component of a good financial and asset management system. The question is: does the government needs to own assets to retain or recycle? Sale of government assets is controversial, but effective programmes exist, linking sales to new assets and services, such as the government of New South Wales' Asset Recycling Programme in Australia. Ministries of finance tend to dislike such hypothecation of revenue, but citizens can see direct benefits from them and may support them. More flexible use of government assets is also possible, but agencies tend to fiercely defend their stocks. Again, such decisions are best made by a cross-jurisdictional, cross-sectoral agency.

While many cities are required by law to prepare and implement a capital investment plan, many lack the capacity to do so. The World Bank has, in parallel to the Municipal Finance Self-Assessment, developed the Urban Audit, which helps local governments to: (1) assess their needs in terms of services and infrastructure and (2) prioritize their investment programmes in a way that is consistent with their financial capacity. This tool does not pretend to substitute or replace the mandatory local planning and programming documents but it provides a jumpstart to the investment prioritization process and a platform for greater coordination among the various municipal departments in charge of finances, city planning, public infrastructure and public utilities.

⁸ World Bank, *Planning, Connecting and Financing Cities Now: Priorities for City Leaders* (Washington DC: World Bank, 2013).

Better systems for infrastructure finance

Infrastructure is a special case because it is a “lumpy” asset, meaning it has a high construction cost relative to the recurrent income of most jurisdictions; it is often cross-jurisdictional, meaning its provision needs to be coordinated over two or more political jurisdictions if it is to be financially viable; and it is a long-lived asset giving rise to intergenerational issues in funding. It is also an asset prone to mismanagement in terms of under-funding or inflating of operation and maintenance or capital costs.

Prioritizing infrastructure investments and the financing of those investments thus needs to take place in the context of a rational plan for city development. However, the financing of trunk infrastructure in a large urban area is typically beyond the capacity of one local government. Paradoxically, even if a project is implemented by a cross-jurisdictional, cross-sectoral entity,⁹ the success of the project and of the financing often needs the cooperation of all concerned local governments. Cross-jurisdictional, cross-sectoral implementation has proven to be difficult in low-capacity environments.

Transit-oriented development projects, such as the one in Atlanta, USA, often provide good examples of cross-sectoral development along corridors. Such projects constitute good interventions on the demand side of infrastructure provision, providing the long-term planning and revenue base on which to build a viable financing package. On the infrastructure finance supply side, there are different solutions depending on the sophistication of the capital markets and of the borrowers—from project-bond-based financing subscribed to by institutions (mainly pension funds) in Canada, to the Tamil Nadu Urban Development Fund’s pooled financing mechanisms used for financing infrastructure in small local governments in India.

Implementing such mechanisms requires innovations in governance, fiscal incentives, and incentives for improved financial and asset management, supported by reforms in the capital markets and by international development assistance agencies and the private sector. There is also a need for a dedicated agency for this, which can be the ministry of finance. Among the mechanisms in particular:

- Land-based financing is becoming a major potential source of funding for infrastructure and other services, but it needs appropriate institutional arrangements to be effective. Central and territorial governments need to work together on enhancing the potential sources of finance through such mechanisms as municipal development banks or municipal development corporations, as appropriate to cities’ financing needs for their infrastructure.

- The technical capacity for planning, accessing and administering the range of financing instruments is a major challenge for smaller municipalities. Capacity-building programmes that provide the basis for effective financial management can make a big difference and produce rapid results. For smaller local governments, more structured programmes encouraging the more efficient management of local revenues and expenses, and supplying tailored finance for infrastructure, may be more effective.
- Larger cities need to diversify sources of finance, to tap the capital markets, and to involve the private sector through mechanisms like bond issuance (requiring credit ratings), credit from commercial banks and Public Private Partnerships.

Developing Systems for Effective Use of Exogenous Sources of Finance

Improving municipal finance is an incremental process and its mechanisms evolve over time as the circumstances of the city and the national capital markets change. It is crucial that local governments focus first on getting the basic conditions right by maximizing the potential of their endogenous resources and strengthening and improving their financial capabilities. Once their “house is in order,” local government can maximize their leverage of endogenous resources and tap wider sources of finance as available in the country concerned. For example, where the national policy context provides for it and where capital markets are capable of providing long-term subsovereign debt, cities should aim to attain credit ratings needed to access bond markets and potentially in international markets. Where such conditions do not apply,¹⁰ a sound financial base will enable them to access more conventional forms of finance such as municipal development funds and pooled financing mechanisms, on the best possible terms. Local governments have been able to successfully issue bonds, although results are mixed. Outside of South Africa, no cities in Africa are issuing bonds. The recent case of Dakar (whose bond issuance was suspended by the minister of finance) shows that cities are not there yet in many parts of the world. In India, barring a few cases such as Ahmedabad, there is no track record.

National policy needs to squarely address the issue of city financing and the need for national systems to evolve. But national institutions must ensure that fundamental prudential mechanisms, such as rigorous assessment of debt service capacity, are maintained as the system evolves.

There is much to be said about the links between serious commitment to decentralization and city finances. In many developing countries, the political commitment to decentralization remains weak if such efforts exist, especially in the case of municipal development funds. The case of Findeter (Financiera

⁹ For example, water and sewerage infrastructure needs to be augmented if densities are being increased in a transit-oriented development project.

¹⁰ Conditions among countries differ greatly and different approaches are required to strengthen the enabling framework for financing local governments from the capital market. See, for example, Priyanka Sood, Marshall M. Mays and Michael R. Lindfield, “*Subnational Finance for Infrastructure*,” ADB Sustainable Development Working Paper 20 (Manila, Philippines: Asian Development Bank, April 2012).

¹¹ The World Bank has introduced a creditworthiness activity that includes some face-to-face workshops.



de Desarrollo Territorial) in Colombia is instructive. It moved from its roots as a municipal fund to become a sophisticated bank for subsovereign infrastructure finance. In developed countries, municipal finance systems have developed mechanisms such as bond banks (Finland, Spain, Sweden and cities in the United States) that act as intermediaries offering guarantees and pooling resources from local and international investors.

National governments have also encouraged cities to improve their credit rating as a pathway to improved municipal finances and expanded resources,¹¹ and some cities are aiming for investment grade ratings that can even allow them to access international markets. Mexico is a good example of using city credit ratings as part of its local financing systems for infrastructure.

Key Drivers for Action

The Way Forward

There needs to be a coherent and internationally supported national process of developing financially sustainable urban systems. These processes need to target the key drivers of urban development. In the context of well-thought-out economic development plans, actions need to focus on the following areas:

- Reforming governance: a national process to clarify responsibilities for, and build institutions to deliver and finance urban infrastructure and other services across different levels of government in an efficient, transparent and accountable manner.
- Expanding endogenous resources: national and local reform processes to provide opportunities and incentives for increasing the local resource base and efficiency in the use of these resources and of government assets, including enabling local government to access the capital markets and to leverage its funds with private-sector resources.
- Strengthening financial and asset management: strengthening national and local institutions to encourage territorial governments' more effective management of local revenues and expenditures, and of their assets.
- Improving urban infrastructure finance systems: a nationally facilitated process to expand sources of, and instruments for, financing for capital investments and the recovery of costs from the beneficiaries of such investments.
- Developing systems for effective use of exogenous sources of finance: national governments providing the opportunities and incentives for effective use of exogenous resources on the one hand and the conditions for the prudent supply of such resources on the other.

Summary

To strengthen global urban financing processes there is a pressing need for:

1. Clear acknowledgement of, and systems to support, the economic primacy of cities at the national level and commitment to appropriately finance urban development to achieve sustainable development of the urban economy.
2. Coordinated action to: build effective institutions for service delivery; support institutional capacity for planning and finance; and to maximize the integration and efficiency of planning and finance; as well as actions to provide incentives for the best use of both own-source revenue and transfers, and leveraging of private sector in funding and efficient use of assets.
3. Support from the international community to build a global city network fostering best practices in these areas to maximize the contribution of urban economies to sustainable national and global growth.

Platforms

- World Bank's Municipal Finances: A Learning Program for Local Governments.
- UN-Habitat: Through the Achieving Sustainable Urban Development (ASUD) initiative, follows a three-pronged approach to sustainable urban development, integrating planning, legislation and finance for planned city extensions and infills. Within the context of finance, the organization focuses on endogenous sources of finance such as property taxes, land value capture, public assess, and other sources of finance, and coordinates with local governments.
- UNCDF: United Nations Capital Development Fund. Works in least-developed countries promoting inclusive finance for citizens and local development finance.



ISSUE PAPER

8

The Plaza de Armas in the center of Cusco, Peru © Shutterstock

URBAN AND SPATIAL PLANNING AND DESIGN

Co-Lead organization: UN-Habitat

Contributors: CBD, UNESCO, UNISDR, UNOPS

+ KEY WORDS

Compactness, connectivity, inclusivity, mixed-use, social mix, urban resilience, context, urban form, urban sprawl, systems of cities, participation, partnership, cultural heritage, green infrastructure, land value sharing, productivity, economies of agglomeration



Main Concepts

1. *Urban and territorial planning* can be defined as a decision-making process aimed at realizing economic, social, cultural and environmental goals through the development of spatial visions, strategies and plans and the application of a set of policy principles, tools, institutional and participatory mechanisms and regulatory procedures.¹
2. *Spatial planning* covers a large spectrum of scales ranging from the neighbourhood, city/municipality, and city-region/metropolis to national and supranational/transboundaries. It aims at facilitating and articulating political decisions and actions that will transform the physical and social space and affect the distribution and flows of people, goods and activities.
3. *Urban design* is the multidisciplinary process of shaping the physical setting for life in cities, towns and villages. It involves the design of spaces, landscapes, buildings and group of buildings and the establishment of frameworks and processes that facilitate successful development.²
4. *Urban sprawl* is the physical expansion of the city's built environment, which usually uses up surrounding rural areas. It is generally characterized by low-density settlements that are car dependent and often lack access to public infrastructure and services.³
5. *Compactness* is the characteristic of urban form (shape, density and land use) that reduces the overexploitation of natural resources and increases economies of agglomeration, with benefits for residents in terms of proximity. It is measured in terms of the density of built areas and population, and the concentration of urban functions.⁴
6. *Connectivity* strengthens the physical, social and virtual relationship between people, places and goods. At regional and national levels, connectivity links centres of production and consumption. At the city level, connectivity is closely related to mobility and the permeability of an area. Street connectivity refers to the density of connections and nodes in a street network.⁵
7. *Inclusivity* in planning recognizes that every person has the right to participate in shaping the built environment and to benefit from urban development. In terms of process, it promotes participation in planning and diversity in representation. In terms of outcome, it promotes everyone's access to services, jobs and opportunities and to the city's civic and political life.
8. *Mixed-use development* promotes a variety of compatible land uses and functions and provides a cross section of residential, commercial and community infrastructure in neighbourhoods while reducing the demand for commuter travel.
9. *Social mix* is defined by the presence of residents from different backgrounds and income levels in the same neighbourhood and is dependent on the availability of different housing options in terms of price ranges and tenure type, and on the availability of a diversity of jobs.

Figures and Key Facts

- Cities currently generate 80 per cent of global GDP while accommodating over 50 per cent of the world's population on 3 per cent of its surface area, with the wealthiest 100 cities generating 35 per cent of global GDP.⁶ However, deficient planning and infrastructure can reduce business productivity by as much as 40 per cent.⁷
- In developing countries an average of six out of seven cities experienced a decline in density, while in higher-income cities, a doubling of income per capita equated to a 40 per cent decline in average density.⁸ Urban sprawl in the United States alone is estimated to cost US\$ 400 billion per year, mostly resulting from higher infrastructure, public services and transport costs.⁹
- Urban compactness and Greenhouse Gas Emissions have an inverse correlation. For each 1 per cent of growth that occurs in the city core instead of in the suburbs, approximately 5 million Mt of CO₂ per capita are avoided.¹⁰

¹ UN-Habitat, "Towards the development of international guidelines on urban and territorial planning," available from <https://unhabitat.org/wp-content/uploads/2014/11/G-UTP-Flyer-English.pdf>.

² Robert Cowan, ed., *The Dictionary of Urbanism* (Tisbury, Wiltshire, UK: Streetwise Press, 2005).

³ Elzette Henshilwood and Matthew Cullinan, *Urban Patterns for a Green Economy: Leveraging Density* (Nairobi: UN-Habitat, 2012). Available from <https://unhabitat.org/wp-content/uploads/2014/06/Leveraging-Density-Urban-Patterns-for-a-Green-Economy.pdf>.

⁴ UN-Habitat, "Urban Planning and Design Focus Area Assessment Framework," 2014.

⁵ UN-Habitat, *Urban Planning for City Leaders* (Nairobi: UN-Habitat, 2013), available from <https://unhabitat.org/books/urban-planning-for-city-leaders/#>.

⁶ UN-Habitat, *Planning and Design for Sustainable Urban Mobility* (Nairobi: UN-Habitat, 2013). Available from <https://unhabitat.org/planning-and-design-for-sustainable-urban-mobility-global-report-on-human-settlements-2013/>.

⁷ UN-Habitat, *Streets as Public Spaces and Drivers of Urban Prosperity* (Nairobi: UN-Habitat, 2013). Available from <https://unhabitat.org/books/streets-as-public-spaces-and-drivers-of-urban-prosperity/>.

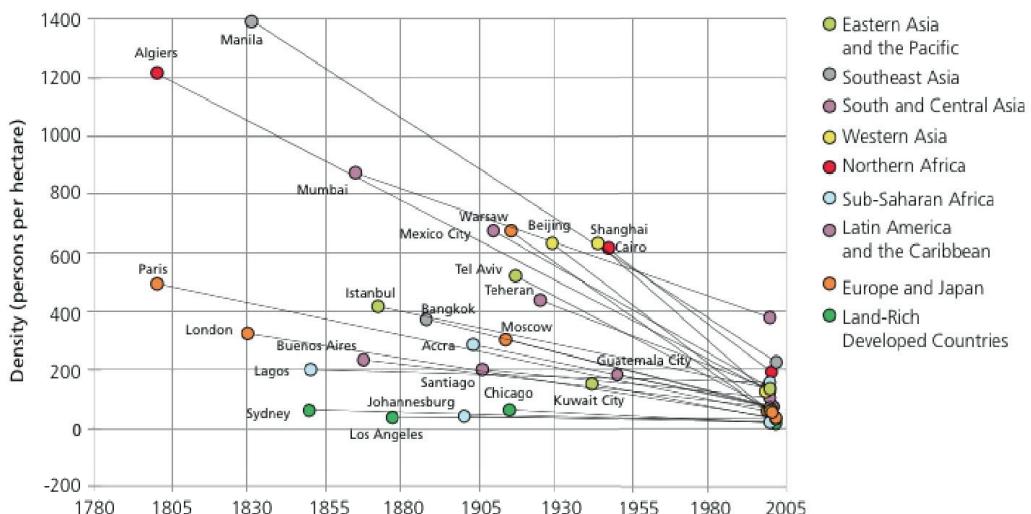
⁸ UN-Habitat, *State of the World's Cities 2012–2013* (Nairobi: UN-Habitat, 2012). Available from <http://mirror.unhabitat.org/pmsis/listItemDetails.aspx?publicationID=3387>.

⁹ Todd Litman, "Analysis of public policies that unintentionally encourage and subsidize sprawl," *The New Climate Economy: The Global Commission on the Economy and Climate*, 2015. Available from <https://files.lsecities.net/files/2015/03/NCE-Sprawl-Subsidy-Report-021.pdf>

¹⁰ Philip Rode, Ricky Burdett and Joana Carla Soares Gonçalves, "Buildings: Investing in energy and resource efficiency," (London School of Economics Research Online, 2011. Available from http://eprints.lse.ac.uk/47895/1/_Libfile_repository_Content_Burgett%2C%20R_Burdett_Buildings_%20investing_energy%20_2011_Rode_Buildings_2011.pdf

- The insufficient provision of an adequate number of well-connected serviceable plots has contributed to the increase of informal urbanization, with over 61 per cent of dwellers in Sub-Saharan Africa, 24 per cent in Latin America and 30 per cent in Asia informally occupying land, often in high-risk areas.¹¹
- The discipline of urban and spatial planning is underrepresented in many developing areas, with 0.97 accredited planners per 100,000 people in some African countries and 0.23 in India. By contrast, the rate is 37.63 in the United Kingdom and 12.77 in the United States.¹²
- In the past decade, urban and spatial planning gained international attention with the endorsement of the principles of New Urban Planning at the third session of the World Urban Forum in Vancouver in 2006 which marked a key milestone.
- In 2015, the “Global Risk Landscape” by the World Economic Forum (WEF) identified urban planning failure as a risk factor creating social, environmental and health challenges.¹³ The significance of this risk is underlined by the fact that in 2012, more than 60 per cent of the area projected to be urban in 2030 was yet to be built.¹⁴
- Since 2009 the Global Assessment Report¹⁴ and the Sendai Framework for Action (2015) highlight urban planning as a driver of resilience. Urban planning is also considered a key factor of urban prosperity by local experts who were consulted in 2012¹⁶ (see figure 2).

Figure 1. The general decline in built-up area densities in 25 representative cities, 1800-2000



Source: Shlomo Angel, et al., *Making Room for a Planet of Cities*¹⁷

¹¹ UN-Habitat, *State of the World's Cities 2012–2013*.

¹² “The state of planning in Africa” (UN-Habitat & African Planning Association (2013), available from <https://unhabitat.org/the-state-of-planning-in-africa/>.

¹³ World Economic Forum (2015), “Global Risks 2015,” available from <http://reports.weforum.org/global-risks-2015/> (May 2015).

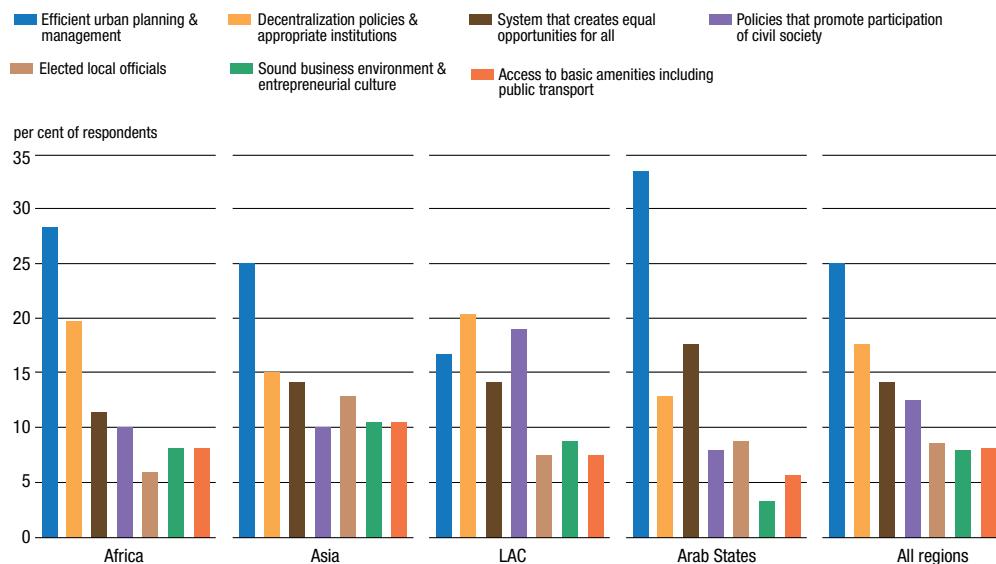
¹⁴ “Cities and biodiversity outlook: Action and policy—A global assessment of the links between urbanization, biodiversity, and ecosystem services,” Secretariat of the Convention on Biological Diversity, 2012, available from <https://www.cbd.int/doc/publications/cbo-booklet-2012-en.pdf>.

¹⁵ “Global assessment report on disaster risk reduction 2009,” UNISDR, 2009, available from <http://www.unisdr.org/we/inform/publications/9413>.

¹⁶ UN-Habitat, *State of the World's Cities 2012–2013*

¹⁷ Shlomo Angel, with Jason Parent, Daniel L. Civco, and Alejandro M. Blei, *Making Room for a Planet of Cities* (Cambridge, MA: Lincoln Land Institute of Land Policy, 2011).

Figure 2. Factors underlying urban prosperity as perceived by local experts



Source: UN-Habitat, State of the World's Cities 2012–2013

Issue Summary

There is growing global consensus that urban planning strategies and policies contribute to economic growth, social development and environmental sustainability and resilience. The recent debate on the Post-2015 Development Agenda emphasized the development of inclusive, safe, resilient and sustainable human settlements. Urban planning was acknowledged as a positive means for shaping a sustainable and equitable future. This marks a significant shift from past perceptions and emphasis on “enabling strategies” that were limiting the public actor’s role, while giving a predominant role to market forces. The Global Report on Human Settlements 2009 on “Planning Sustainable Cities” provided a first global overview of the state of urban planning and identified the need for reinventing planning to adequately address twenty-first century challenges. In 2015 resolution 25/L5 of the UN-Habitat Governing Council approved the International Guidelines on Urban and Territorial Planning.

Urban strategies and policies that promote compactness and connectivity generally have produced more sustainable urban patterns and forms. By contrast, unplanned city extensions or decades of car-centric urban design have created sprawling city regions. The sprawl of city peripheries has also been fuelled by rural–urban migration, unaffordable housing in city centres, and land-administration rigidities. Sprawling areas reinforce unsustainable mobility patterns and congestion because they generally force people and goods to travel further distances.¹⁸ Reduced connectivity further compounds this and reinforces segregation.

Compact and connected urban form, on the other hand, has facilitated accessible, low-carbon, human-centred environments and can influence a community’s health in the long term (e.g., Seattle, USA, and Brussels, Belgium). The importance of connectivity is exemplified by data on the land that is allocated to streets: in a sample of cities in developing countries this averages between 6 and 12 per cent, compared to cities in developed countries, where land allocated to streets averages 29 per cent.¹⁹ The layout and quality of public space is also important, with lively multifunctional streets delivering greater urban benefits than monofunctional ones.

Greater emphasis on spatial aspects in planning and policy-making improves the coherence and integration of political and sectoral decisions. Piecemeal sectoral projects and stand-alone private developments have undermined long-term sustainable development objectives. This is particularly noticeable in secondary cities, where gaps between development plans, infrastructure plans and investment are jeopardizing the delivery of basic services and infrastructure. The harmonization and coordination of sectoral and spatial plans increases efficiency and synergies.

The economic benefits of planning are multiple, and derive from land value increases and improved productivity. Spatial planning contributes to generating increases of value that can be captured and shared as public revenue and for investment. Land value sharing requires close coordination between public and private actors and instruments such valuation, taxation and land readjustment (as has occurred in Germany, Japan, etc.). Planning that promotes mixed uses

¹⁸ Todd Litman, “NCE Cities – Sprawl Subsidy Report,” (2015). Available from <http://static.newclimateconomy.report/wp-content/uploads/2015/03/public--policies--encourage--sprawl--nce--report.pdf>.

¹⁹ UN-Habitat, *Streets as Public Spaces and Drivers of Urban Prosperity*.

and appropriate densities is one of the most cost-effective interventions to support private and public revenue. Implementation acts as a further multiplier of value in a virtuous cycle from which many cities have been able to benefit (e.g., New York and Bogota). Implementation also improves the efficiency of the supply chain, reducing production and transaction costs. Direct and indirect benefits of urban planning on the economy are demonstrated by the productivity/GDP difference across cities with different urban patterns.²⁰ Additionally, planning can provide a predictable framework that is attractive for investments.

Spatial planning and urban design has had a profound impact on shaping more socially integrated cities and regions. In contrast, inadequate spatial planning and design and poor implementation have contributed to social segregation, entrenching inequalities and tensions. Cities' social fabric is being further fragmented by housing-market segregation and the increase in gated communities. Planning focused on improved access across the city to public spaces, revitalized public infrastructure, public transport and local economic opportunities can improve integration and inclusion, while making cities safer (for example, Medellin, Colombia and Lyon, France). These strategies are particularly valuable for reintegrating informal settlers, migrants and refugees into cities (such as Swakopmund, Namibia).

Effective urban planning has also contributed to the upgrading and prevention of informal and speculative developments. The provision of well-located land and a large number of accessible plots (of appropriate size and price) is a strategy for ensuring social inclusion through affordable access to land and housing (e.g., Bahir Dar, Ethiopia; Ouagadougou, Burkina Faso), while mixed use and social mix also support better social integration. The right-to-the-city movement has been influential in promoting these issues on the international agenda.

Integrating plans across planning scales contributes to cities' functional systems that build on territorial complementarities by creating networks in which economic flows and the provision of basic services can be adequately distributed between places, regardless of population size (e.g., Germany and South Korea). Institutional arrangements need to go beyond administrative boundaries to respond to these new dynamics with specific attention given to metropolitan and regional institutions for land-use planning. The efficacy of such institutional setups is demonstrated by the growing number of supranational strategies that strengthen environmental resilience (e.g., the Great Lakes Region of USA–Canada) and the economic growth of targeted areas (e.g., European Union). The degree of integration and coherence that are achievable will depend on the institutional capacity.

Local and context-driven planning models are essential for local relevance and for the preservation of cultural heritage, values and identity of places. Ill-designed urban rehabilitation programmes, executed with insufficient knowledge of cultural values, pose an increasing threat to the conservation

of historic areas and their qualities. This concerns the overall layout and the character of public spaces, the uses and climate responsiveness embedded in urban form, and the local know-how on technologies and materials. By contrast, well-founded interventions can positively influence the built form without detracting from the area's overall urban identity. Existing urban form, as well as local land-use patterns and culture, provide reference for new extensions or urban transformations. The historic urban landscape approach can provide an innovative conceptual tool for a holistic and value-based territorial planning.

Urban and territorial planning has created more resilient cities and regions. Effective planning for resilience relies on understanding local and regional variation in vulnerability to hazard and climate impacts that expose assets and population to damage and destruction. Informal urban areas have been particularly vulnerable because of their poor infrastructure, precarious location and high densities.

By creating urban systems that have a greater capacity to absorb and recover from shocks, risk-informed planning can strengthen a community's social resilience (as it did in Norway). Expanding cities considering risk-reduction criteria (e.g., building away from flood plains) and preserving ecosystem services upstream as protective measures for downstream settlements are two of the most effective planning strategies in this respect (e.g., Chengdu, China). "Planning with nature" also contributes to safer environments (e.g., Holland) (see Issue Paper 15).

Urbanization can deliver environmental benefits such as resource efficiency and green growth as urban patterns and infrastructure choices made today lock in behaviour for the medium to long term. Overall, people's increasing understanding of the city as an ecosystem has fostered important planning innovations. In this context, spatial planning is crucial for the preservation of natural resources through promoting urban forms that are less resource intensive, protecting agricultural land and preserving areas of ecological importance. Green infrastructure incorporated into the early stages of planning has restored the ecosystems in and around cities that provide many natural services that cities depend upon by safeguarding biodiversity hotspots and improving landscape connectivity (e.g., Melbourne, Australia).

Local authorities' capacity is essential for creating and implementing plans that are responsive to a community's needs and the local context. Capacity gaps in human resources, institutions and systems result in inadequate plans that are not locally owned or effectively implemented. Also, local leaders and stakeholders' understanding of the role and value of urban planning for local development is critical to support planning efforts and enforcement. University curricula need to be adapted to reflect recent developments.

Local planning and implementation capacity can be supported by the creation and maintenance of land records and base maps (as in Santa Fe, Brazil, and Lichinga, Mozambique) and levying taxes on land value increases.

²⁰ UN-Habitat, *Finance for City Leaders Handbook* (Nairobi: UN-Habitat, 2016). Available from <https://unhabitat.org/books/finance-for-city-leaders-handbook/>.

Urban planning must also be linked to central governments' budgeting and resource-allocation processes. Adjusting the requirements of the planning system to match delivery capacity can also address capacity gaps effectively (as it did in Cape Town, South Africa). In many countries, the decentralization of planning functions still needs to progress. The institutional location and level of independence of planning agencies influences continuity and effectiveness (i.e., Curitiba, Brazil, or France).

Public participation has contributed to improved planning outcomes by addressing the distinct needs of various groups such as women, youth and Indigenous communities. Planning can also provide a level playing field for stakeholders and strengthens transparency and accountability. How cities communicate about planning content and processes is critical to support such engagement and participation. In recent years, particularly in Europe, the concept of "right to the plan" has been discussed, recognizing its importance for individuals to be able to fully engage with the development process in a city.

The formation of partnerships between public, private, and civil society can support the urban-development process. Collaborative engagement among actors and the longer-term commitment this generates is important to sustain policies and decisions over policy cycles. Also, planning mechanisms that have engaged the private sector and other stakeholders within clear regulatory frameworks and responsibilities have delivered a stronger link between planning and implementation.

Urban and spatial plans need to be fit for purpose. In view of all these issues, effective and implementable urban plans are anchored in design choices, regulations and financial mechanisms that leverage economies of agglomeration. City development strategies supported by such elements translate vision into action. They can also achieve a balance between public and private interests while ensuring broader participation in urban development. Legislative frameworks need to be sufficiently simple, leverage informal and formal development dynamics, and provide flexibility for developers within set responsibilities (South Africa).

Although many countries are establishing or reviewing their planning legislation and regulations, obsolete and inadequate planning legislation is still in place in many contexts and complex planning systems and unclear responsibilities are a major cause of inadequate plans and low implementation. Many cities still need to secure land tenure and do not have mechanisms to control buildability rights to manage urban development. Countries with deliberate policies at the national level and adequate governance mechanisms in place have generally had the most successfully planned and managed cities (e.g., Singapore and Germany).

Emerging, complex urban dynamics require advanced knowledge and simplified planning tools. Information and communications technology (ICT) and satellite imagery are relatively easy and affordable means of accessing spatial data

that have enabled broader participation in knowledge creation and information exchange. Still, knowledge gaps exist when it comes to metropolization and secondary cities. In many contexts, planning instruments have benefitted from simplification and increased transparency, and have been improved by, for instance, prioritizing guiding rather than prescriptive regulations (e.g., London). Extension, transformation and regulation approaches are required. For instance, planned city extensions implemented in advance of population growth, at an adequate scale, in phases and in contiguity with existing urban fabric have beneficial impacts on affordability and slum prevention.

In existing areas, the regulation of development is needed, while urban renewal and redevelopment projects also offer opportunities to improve urban public space, connectivity, density and mix. Guidelines and frameworks (such as the International Guidelines on Urban and Territorial Planning) are a useful resource that can act as a compass for improving global policies, plans and designs. Moving away from a prescriptive, legislative approach to being a source of inspiration, they can be readily adapted to local contexts.

Key Drivers for Action

The dissemination and implementation of the International Guidelines on Urban and Territorial Planning can provide global reference for local and national initiatives to improve planning and design.

City systems are dynamic networks whose influence extends beyond cities' individual administrative boundaries. These networks can benefit if they:

- formulate and implement a national urban and territorial policy framework that reasserts the spatial dimension in policy-making;
- define, implement and monitor decentralization policies and strengthen the role, responsibilities, planning capacities and resources of local authorities;
- promote city systems and urban corridors by clustering industries, services and institutions;
- promote intermunicipal cooperation and multilevel governance systems, supported by appropriate regulatory framework and financial incentives, particularly for metropolitan and regional planning; and
- consider ecosystem and ecological dynamics as important spatial elements and integrate this perspective in planning at different scales.

Spatial planning is most effective as a participatory, flexible and continuous process rather than a rigid blueprint. Planning should:

- engage in dynamic partnerships, including with the private sector, to ensure that urban and territorial planning coordinates the spatial location and distribution of activities and services;
- promote strategic and iterative planning processes that foster stakeholder engagement to improve implementation;
- create accessible, user-friendly and comprehensible urban and territorial plans and policies that support planning as a pre-eminently public function;
- address urban growth proactively by supporting secondary cities and developing planned city extensions at scale, connected to the city fabric and with adequate public space;
- communicate clearly and share information on plans as part of basic right to information; and
- address urban transformation and inadequate urban patterns proactively and develop planned city infills to retrofit existing urban areas.

The process of urban planning should be inclusive and equitable with benefits shared by all:

- Engage diverse segments of the population, particularly the poor, women, youth and marginalized groups, in urban and territorial planning.
- Develop and implement policies and regulations that encourage social integration and mixed land use.
- Facilitate land-tenure security and access to land and property rights, as well as access to finance for low-income households.
- Upgrade informal settlement and integrate them in the city through connectivity, location of services and facilities and by provision of opportunities.

Effective urban planning integrates a variety of dimensions, including spatial, institutional and financial dimensions:

- Ensure that land-use plans, the development of basic services and infrastructure planning are geographically connected and implementation is coordinated.
- Identify, safeguard and develop areas of cultural and natural heritage in urban and territorial planning processes.
- Combine planning and design with financial mechanisms that are supported by appropriate rules and regulations.
- Plan for disaster and climate resilience in existing cities, in city extensions and in urban transformations from the outset, in line with the Sendai Framework for Disaster Reduction.

Good urban design contributes to the liveability, sustainability, and economic potential of a city:

- Plan in advance of urban population growth through the layout of adequate extension areas to guide urban growth, particularly in countries with rapid ongoing urbanization processes to ensure the supply of serviceable plots commensurate to the scale of demand (i.e., Planned City Extensions).
- Promote compact cities and control urban sprawl by developing progressive and integrated densification strategies and, where appropriate, limit the footprint of urban areas to mitigate climate change and enable the affordable provision of basic services (i.e., Planned City Infills).
- Provide for a sufficient amount of public space with efficient street networks as the driver for a vibrant community and to encourage nonmotorized and public transport, creating safe, comfortable and efficient public space.
- Ensure that areas have mixed use of functions and social mix and limit zoning.



Platforms and Projects

- Development of International Guidelines on Urban and Territorial planning (IG-UTP) — <https://unhabitat.org/development-of-international-guidelines-on-urban-and-territorial-planning/>
- National Urban Policy Platform — <https://unhabitat.org/books/the-evolution-of-national-urban-policies/>
- Urban Planning and Design Lab (UPD Lab), UN-Habitat. <https://unhabitat.org/urban-initiatives/initiatives-programmes/urban-planning-and-design-lab/>
- Achieving Sustainable Urban Development Programme (ASUD) — <http://unhabitat.org/tag/asud>
- City Prosperity Initiative (CPI) — <http://unhabitat.org/city-prosperity-initiative/>
- City Alliance: Cities without Slums — www.citiesalliance.org
- World Bank Institute Urban Program — <http://www.worldbank.org/en/topic/urbandevelopment>
- World Disaster Reduction Campaign on “Making cities resilient: My city is getting ready” — <http://www.unisdr.org/campaign/resilientcities/>
- UNESCO Convention concerning the Protection of the World Cultural and Natural Heritage (1972) — <http://whc.unesco.org/en/convention/>



ISSUE PAPER

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Construction in Dubai, the United Arab Emirates © Shutterstock

URBAN LAND

Co-Lead organizations: OHCHR, UN-Habitat

Contributors: CBD, IFAD, FAO, UN Environment, UN-Women

+ KEY WORDS

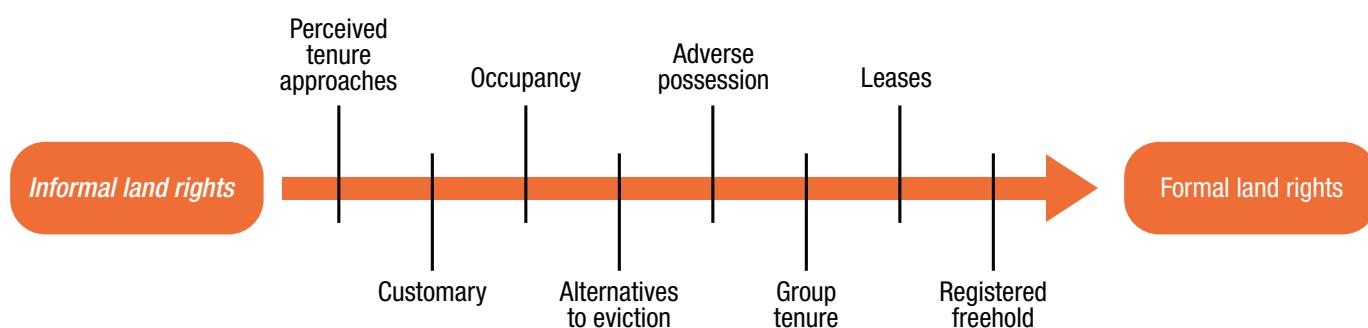
Land governance, tenure security, sustainable urban expansion, plurality of tenure, slums, inclusive cities, food security, gender, urban-rural linkages, housing, informal settlements, land administration, land rights, land financing, global population growth, loss of land base, displacement, land grabbing, public space



Main Concepts

- Land governance concerns the rules, processes and structures through which decisions are made about the use, access to and control over land, the manner in which decisions are implemented and enforced, and how competing interests in land are managed. It encompasses statutory, customary and religious institutions. It includes state structures such as land agencies, courts and ministries responsible for land, as well as nonstatutory actors such as traditional bodies and informal agents. It covers both the legal and policy framework for land as well as traditional and informal practices that enjoy social legitimacy.¹
- A continuum-of-land-rights approach recognizes the validity of a variety of land rights lying on a continuum between formal and informal (see Figure 1). A wide range of rights can exist between the extremes of informal and formal. In reality, rights do not lie on a single line and may overlap with one another.²
- Land value sharing are public actions, either through public investments or simply decisions made by government, that often result in increased private wealth as the value of privately held land increases in response to public action. “Unearned” increments in private wealth generated by increasing land values should accrue to the public to help defray the cost of much-needed infrastructure investments and improved services.³
- Security of tenure refers to the right of all individuals and groups to the effective protection by the state against evictions—the permanent or temporary removal against their will of individuals, families and communities from the home and the land they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Security of tenure can be defined as an agreement or understanding between an individual or group to land and residential property, which is governed and regulated by a legal and administrative framework. There are three components to security of tenure:
- Perceived tenure security refers to an individual's or group's experience of their tenure situation or their estimated probability that their land rights will not be lost as a result of eviction by the state, land owner or other authority, or because of other factors that may cause involuntary relocation or curtail their use of the land, such as threats of land conflicts.
- Legal tenure security refers to the legal status of tenure and its protection backed up by state authority.
- De facto tenure security is based on the actual control of land and residential property, regardless of the legal status in which it is held. It can best be defined by the elements that compose it or contribute to it, such as the length of time of occupation, its socially accepted legitimacy and the level and cohesion of community organization.⁴

Figure 1



¹ FAO and UN-Habitat “Towards improved land governance,” Land Tenure Working Paper 11 (Rome and Nairobi, 2009).

² UN-Habitat, *Handling Land, Innovative Tools for Land Governance and Secure Tenure* (Nairobi, 2012).

³ L. Walters et al., *Medellin Report on Land Value Sharing* (2014).

⁴ These working definitions are based on General Comments 4 and 7 of the Centre for Social and Economic Rights, the work of the Special Rapporteur on Adequate Housing and the “Global Land Indicators initiative: Concepts and definitions,” Final Working Paper (2015).

Figures and Key Facts

Land has been a central focus of human settlements and the UN-Habitat work, starting with Vancouver, Canada in 1976, where land was a key issue in the Vancouver Action Plan (agenda item 10(d) on land). Article 75 of the Habitat Agenda clearly spells out the link between poverty and land. It states that legal access to land is a strategic prerequisite “for the provision of adequate shelter for all and for the development of sustainable human settlement affecting both urban and rural areas.”⁵ The failure to adopt, at all levels, appropriate rural and urban land policies and land management practices remains a primary cause of inequity and poverty.

Some research estimates that land documentation systems cover 30 per cent of land in most developing countries while 70 per cent of land in developing countries is covered under social tenures — group, informal and overlapping rights. This has caused enormous problems, for example, in cities, where over one billion people live in slums without proper water, sanitation, community facilities, security of tenure or quality of life. Social tenures have also caused problems for countries with regard to food security and rural land management issues.⁶

Ensuring that women have secure rights to their land and property, including inheritance, is essential to addressing poverty and hunger. While women produce as much as 60 to 80 per cent of food in the developing world, they often do not have sufficient secure rights to the land they farm.⁷

It is estimated that there are around 6 billion land parcels or ownership units worldwide, but currently only 1.5 billion parcels are formally registered and have security of tenure.⁸ Within many of the 4.5 billion unregistered parcels, 1.1 billion people live in the squalor of slums.⁹

Conflicts and natural disasters, including those exacerbated by climate change, also trigger displacement and can undermine people's security of tenure. Over 38 million people were internally displaced at the end of 2014 because of armed conflicts, violence or human rights violations, while nearly 22 million were displaced as a result of natural hazards in 2013. In 2014, internally displaced persons (IDPs) were living predominantly in urban settings in 16 of the 60 countries monitored by the Internal Displacement Monitoring Centre

(IDMC).¹⁰ Displacement has clear implications on housing, land and property rights.

In the 12 years from 1999 to 2011, the global population increased by 1 billion, reaching 7 billion in 2011, leading to demands for land for food and bio-fuel production. This growth also resulted in the displacement of the poor and vulnerable.¹¹ There are three main urbanization drivers: rural to urban migration (25%); natural population increase (50%); and reclassification of land into urban land (25%).¹²

In the 20 years between 1995 and 2015, the urban population increased by 1.4 billion from 2.5 billion to 3.9 billion.¹³ In 2000, estimates suggested that urban terrestrial land covers between 0.2 per cent and 2.4 per cent of the planet's terrestrial surface. Five million people per month become new urban residents in the developing world and 93 per cent of all urbanization takes place in developing countries. This growth in urban footprints has massive land-delivery and management implications.

Urban expansion is happening faster than proper planning and infrastructure installation can keep up, resulting in unplanned settlements, diminished public spaces, and housing markets that are overburdened. The annual growth rate of urban land cover was estimated to be twice that of the urban population's growth rate between 1990 and 2000. At present rates of density growth, the world's urban population is expected to double in 43 years, while urban land cover will double in only 19 years. The urban population of developing countries is expected to double between 2000 and 2030 while the built-up area of their cities can be expected to triple.¹⁴

Issue Summary

Land tenure takes a variety of forms. A particular form such as registered freehold should not be seen as the preferred or ultimate form of land rights, but as one of a number of appropriate and legitimate rights. Depending on context, other land tenures can be stronger, easier to administer and more appropriate. A person or household can be said to have secure tenure when they are effectively protected from involuntary removal from their land or residence, except in exceptional circumstances and in the public interest,

⁵ "The Habitat Agenda," chapter 4.B. "Adequate shelter for all," 14 June 1996. Available from <http://www.un-documents.net/ha-4b.htm>

⁶ International Federation of Surveyors (FIG), UN-Habitat, and Global Land Tool Network (GLTN), *The Social Tenure Domain Model — A Pro-Poor Land Tool*, FIG Publication 52 (Copenhagen, March 2010).

⁷ Landesa Center for Women's Land Rights, "Fact sheet 2011," available from: <https://www.landesa.org/what-we-do/womens-land-rights/>

⁸ Zimmerman 2011.

⁹ Royal Institution of Chartered Surveyors (RICS), *Crowd Sourcing Support of Land Administration* (London: RICS Research, November 2011).

¹⁰ Internal Displacement Monitoring Centre (IDMC), *Global Overview 2015: People Internally Displaced by Conflict and Violence* (Geneva: IDMC, 2015). Available from <http://www.internal-displacement.org/assets/library/Media/201505-Global-Overview-2015/20150506-global-overview-2015-en.pdf>.

¹¹ UNFPA, *The State of World Population 2011* (New York, 2011).

¹² UN-Habitat, *State of the World's Cities Report 2007* (Nairobi, 2007).

¹³ United Nations, Department of Economic and Social Affairs, Population Division, *World Urbanization Prospects: The 2014 Revision* (New York: United Nations ST/ESA/SER.A/352, 2014).

¹⁴ Shlomo Angel, with Jason Parent, Daniel L. Civco, and Alejandro M. Blei, *Making Room for a Planet of Cities* (Cambridge, MA: Lincoln Institute of Land Policy, 2011).

¹⁵ Committee on Economic, Social and Cultural Rights (CESCR), *General Comments 4 (1991) and 7 (1997): The right to adequate housing (art. 11 (1) of the Covenant)* (New York: Office of the High Commissioner for Human Rights, 1991 and 1997).

and then only by means of a known and agreed legal procedure, which must itself be objective, equally applicable, contestable and independent.¹⁵ Secure tenure is foundational to the realization of a broad range of human rights and to economic development, poverty reduction, women's empowerment, youth engagement, children's rights, health, investment, peace, stability, and improving housing services and living conditions for marginalized groups.

In some developing countries, rapid urbanization is associated with an increase in tenure insecurity, particularly for people living in slums and peri-urban areas. Urban land management and administration institutions face the additional challenge of large numbers of people who live and work informally in urban and peri-urban areas. Most countries lack reliable information about land—a lack that negatively affects urban planning and design, infrastructure and socio-economic development. When properly functioning, fit-for-purpose land-administration systems support tenure-security improvement, urban planning, service delivery, agricultural development, environmental management, city management, land taxation and land management.

Effective land-management and administration initiatives are frequently hampered by complex and nontransparent legal and institutional frameworks, and inadequate capacity, including human and financial resources. Faced with such challenges, cities focus their priorities on only immediate survival requirements. Improving land governance is an urgent issue because pressures on and competing interests for land is intensifying because of rapid urbanization, growing populations, economic development, food insecurity, water and energy shortage, and the effects of conflicts and disasters. Some local governments do not take the opportunity to assess their functional needs from land and therefore are failing to adopt balanced and locally relevant approaches to land management.

In some regions, urban sprawl on cheap land results from a lack of integrated, proactive and inclusive urban planning and implementation. Sustainable urban expansion is therefore an important process to mitigate urban sprawl, unsustainable land use and land tenure insecurity.

Climate change and different land-use patterns affect urban and rural areas, including human settlements, farmland, drylands, wetlands and forests. Cities all over the world need to adapt to pro-poor land administration in urban expansion using participatory and inclusive approaches. There is an urgent need to prepare for urban growth and related land needs, which require a realistic projection of urban land needs based on current land information and population growth to develop innovative responses. Failure to do so will only worsen slum development and poverty in cities. However, there are also immense opportunities for tapping the positive transformation of cities, including the potential of economies of scale, good governance, and land and property tax systems to self-finance cities.

As the pace of urbanization accelerates and more investment flows into cities through land markets, it is important to consider the implications for urban-rural linkages and the level of investments flowing into rural areas. Problems and inequalities will only increase if there is no balance in investments into cities and their surrounding areas. As a result of urban-rural migration in addition to the ongoing population growth in most cities in developing countries, changes of land use and land users occur much more often and at a faster rate, sometimes overnight, than in rural areas. The expansion of urban areas has implications for agricultural producers and smallholder farmers, especially with regard to their livelihoods. The land rights of rural people and smallholders living around urban centres need to be recognized and respected and impartial, effective conflict-resolution mechanisms should be put in place.

Rising sea levels and extreme weather events are projected to intensify with climate change. Coastal cities should factor in these trends in land-development strategies, planning and activities, which requires access to expert knowledge. Land loss to rising sea levels means that alternative locations will be needed. In the case of larger acute stresses and shocks, competition for land may escalate to conflict.

Effective land value sharing has the potential for generating wealth for the cities but needs to be balanced with equitable policies and approaches that will benefit all residents, especially the poor and vulnerable. Land value sharing may also strengthen supply chains and increase productivity.

The demand for serviced and productive land is constantly increasing in many cities in developing countries, not just because of the increasing number of urban inhabitants but also because of the demand from international investors. This leads to a shortage of land and high increases in land value, which both discriminate against the poor whose access to land — be it for housing, food production and processing or trading — becomes increasingly difficult. Well-planned land-based financing policies can incentivize compact and connected development while keeping rents down by minimizing speculation and encouraging an adequate supply of built space. Planned extension of serviced buildable plots and planned infill can prevent informal development and sprawl along with its consequences for agricultural land, mobility, health, and the environment.

Public spaces, public land and land held in common, including natural resources — which the poor disproportionately depend on — become the first to be grabbed. For many of the urban poor, the formal land market, like the entire formal economy, is neither accessible nor affordable. Land grabs often result in displacement and gentrification.

Some local authorities misinterpret public interest and the “cities without slums” slogan to perpetuate inhumane evictions. Incidences of evictions have been countered by increasing advocacy and communities’ awareness of their rights and obligations, as well as successful litigation where the evictions were in violation of national or international law. Informal settlement upgrading and other alternative development initiatives have used participatory and inclusive approaches where the communities contribute to the solutions.

Power imbalances in urban and peri-urban areas are prevalent. Urban and peri-urban areas host poor populations who are often without any formal education or knowledge about their rights. Poor residents live next to the most educated and best-informed individuals who sometimes misuse their positions for their own private individual benefit. In such an environment, it is difficult for the vulnerable and marginalized to realize and defend their rights.

Key Drivers for Action

- Secure the tenure rights of people and communities to achieve sustainable urban development. Doing so will necessitate a broad approach to urban land development and solutions that consider partnership-based collaborative community-driven approaches; protection of public land; development of affordable planning standards; capacity development of state and nonstate institutions around land policy, management and governance; and other comprehensive interventions.
- Encourage equity in urban land use and planned urbanization to avoid urban sprawl and reduce the unsustainable consumption of land and land-related conflicts.
- Ensure transparency and accountability in land transactions, combat corruption and land grabs by adopting and implementing sound land-governance approaches and create an institutional framework for judicious implementation of the rule of law.
- Enact and implement urban policies that support a plurality of tenure and a continuum of land rights to enhance tenure security for the urban poor and human dignity for all.
- In case of situations where evictions are unavoidable, develop viable alternatives to forced eviction, including participatory and inclusive land readjustment and slum upgrading. Ensure that relocation takes place in accordance with national and international law by applying the free prior and informed consent (FPIC) approach.
- Encourage land tools and land-administration solutions that are fit for the purpose and provide incremental improvement of land tenure security for the urban poor.
- Implement equitable land-based financing through land and property taxation where land-poor people can benefit through the cost-effective release of land for human settlement.
- Implement land value sharing policies that encourage compact and connected development, discourage speculation, raise revenues for critical infrastructure and services, and find innovative ways to finance the expansion and infill of serviced buildable plots to accommodate urban growth in a sustainable way.
- Integrate conservation or restoration of ecosystems as a component in urban land considerations, including in the upgrading of slums, to support the provision of ecosystem services to all urban communities.
- Promote gender-responsive and age-sensitive policies that respect, protect and promote everyone’s rights, particularly smallholders and rural producers based in areas directly connected to urban centres and their hinterlands in the development and implementation of urban land-use strategies.
- Encourage the establishment of functioning multistakeholder forums that will mediate on issues related to urban and rural land so that smallholders and small-scale food producers are not excluded. Municipal and local government authorities need to coordinate in rural and peri-urban areas regarding land-use planning and management to avoid conflicts of interest and mediate disputes over land between urban dwellers and smallholders. Setting up independent, efficient and accessible grievance mechanisms can address land disputes and access to justice.



Platforms and Projects

- The Global Land Tool Network (GLTN) is an alliance of more than 67 global, regional and national partners contributing to poverty alleviation through land reform, improved land management and security of tenure, particularly through the development and dissemination of pro-poor and gender-sensitive land tools. Key UN Agencies involved in GLTN are: UN-Habitat, UNECA, UN-ESCAP, UN-Women, FAO, IFAD, and the World Bank. See <http://www.glttn.net>
- The Global Land Indicators Initiative (GLII) is a collaborative and inclusive process for the development of the Global Land Indicators started by the Millennium Challenge Corporation (MCC), UN-Habitat and the World Bank. Key United Nations Agencies involved in GLII are: FAO, IFAD, UN-Habitat and the World Bank. See <http://mirror.glttn.net/index.php/land-tools/glttn-land-tools/global-land-indicators-initiative-gli>
- The Committee on World Food Security (CFS) was set up in 1974 as an intergovernmental body to serve as a forum for review and follow-up of food security policies. One of the landmark laws that the CFS passed is the Voluntary Guidelines on the Responsible Governance of Tenure, Land, Fisheries and Forests (VGGTs). The VGGTs are an unprecedented international soft law instrument in the area of tenure. Coordinated by FAO, the VGs are supported by a number of United Nations agencies, including UN-Habitat. See the CFS website <http://www.fao.org/cfs/cfs-home/en/>. For details on the voluntary guidelines see <http://www.fao.org/nr/tenure/voluntary-guidelines/en/>
- The Global Donor Platform Working Group on Land aims to improve exchange of information and coordination and set joint actions on land governance. See <http://www.donorplatform.org/land-governance.html>
- United Nations and the Rule of Law Platform: Key United Nations entities engaged in issues relating to land and property include UN Environment, UN-Habitat, UNDP, DPKO, FAO and UNCITRAL. See <http://www.dev.un.org/ruleoflaw/thematic-areas/land-property-environment/land-and-property>
- The World Bank Conference on Land and Poverty is an important global event where representatives from governments, civil society, academia, the development community and the private sector come together annually to discuss new developments and progress on land policy and implementation. The conference aims to foster dialogue and share best practices on the diversity of reforms, approaches and experiences that are being implemented in land sectors around the world. For details see, for example, the 2015 conference web page at <http://www.worldbank.org/en/events/2014/08/06/landconference2015>
- The Special Rapporteur on the Right to Adequate Housing has Guiding Principles on Security of Tenure for the Urban Poor (A/68/289), that are available from <http://www.ohchr.org/EN/Issues/Housing/Pages/AnnualReports.aspx>
- Regional Platforms
 - The Land Policy Initiative-Africa is a joint programme of the tripartite consortium consisting of the African Union Commission (AUC), the African Development Bank (AfDB) and United Nations Economic Commission for Africa (ECA). It enables the use of land to lend impetus to the process of African development. It is coordinated by UNECA supported by other United Nations agencies including UN-Habitat. See <http://www.uneca.org/lpi>
 - The Land Tenure Initiative for Asia-Pacific is a joint programme consisting of FAO, UN-ESCAP and UN-Habitat and other institutions in the Asia-Pacific region.



ISSUE PAPER

10

Farmers harvesting corn silage © Shutterstock

URBAN-RURAL LINKAGES

Co-Lead organization: UN-Habitat

Contributors: CBD, FAO, IFAD, UN Environment, UNFPA

KEY WORDS

Poverty and inequality reduction, jobs and livelihoods, peri-urban, urban sprawl, market towns, spatial development, urban/regional and territorial planning, land, rural urbanization, human settlements continuum, transport, infrastructure and services, mobility, climate change, migration and refugees, inclusive cities, city region food systems, changing diet, partnership, ecosystem services, ecosystem connectivity, national urban and rural policies, green infrastructure



Main Concepts

- Urban-rural linkages are complementary and synergetic functions and flows of people, natural resources, capital, goods, employment, ecosystem services, information and technology between rural, peri-urban and urban areas.
- City region food systems encompass the complex network of actors, processes and relationships of food production, processing, marketing, and consumption that exist in a given geographical region. The regional landscape is made up of an urban centre and its surrounding peri-urban and rural hinterland across which flows of people, goods and ecosystem services are managed.¹
- An urban-rural partnership is the mechanism of co-operation that manages linkages to reach common goals and enhance urban-rural relationships. Depending on the purposes of the partnership, the actors involved can vary from public sector, civil-society organizations, private sector and other stakeholders.²
- Migration recognizes the cyclical movement of people and their families between rural and urban areas. Reasons for migration can involve either "push" or "pull" factors. "Push" factors are the reasons that force people to leave urban or rural areas, such as famine, war or unrest, poverty, and climate-related challenges such as drought or flooding. "Pull" factors are those drawing people to urban or rural areas, such as access to employment and improved access to health, education, and basic services.
- Peri-urbanization refers to the urbanization of former rural areas on the fringe, both in a qualitative (e.g., diffusion of urban lifestyle) and in a quantitative sense (e.g., new residential zones).³

Figures and Key Facts

The Habitat Agenda, adopted at Habitat II in 1996, firmly established the precepts of urban-rural linkages. The agenda states that, "policies and programmes for the sustainable development of rural areas that integrate rural regions into the national economy require strong local and national institutions for the planning

and management of human settlements that place emphasis on rural-urban linkages and treat villages and cities as two ends of a human settlements continuum."⁴ A number of resolutions have advanced the Habitat Agenda including HSP/GC/17/10, which requested "urban-rural interdependence,"⁵ HSP/GC/19/10 requesting "dissemination of good practices and policies on mutually beneficial urban-rural development relationships"⁶ and most recently resolution HSP/GC/25/L.9 calling for "strengthening the capacity of rural service centres, and small, intermediate and secondary towns to attract populations, increase investments, create jobs and reduce reliance on primate cities, as a strategy to promote decentralized growth."⁷ Intergovernmental discussions within the UN Open Working Group (OWG) on the Sustainable Development Goals towards the Post-2015 Agenda and towards Habitat III have further reinvigorated the international community's will to address urban and rural development in a complementary and mutually reinforcing manner.

While the urban population almost trebled during the industrialization of the twentieth century,⁸ small and intermediate cities suffered numerous developmental challenges as opportunities and provision of services favoured large agglomerations. Today, more than 50 per cent of the world's population lives in urban areas and this figure is projected to rise to 66 per cent by 2050.⁹ It is estimated that in emerging economies, secondary cities of over 150,000 inhabitants will deliver nearly 40 per cent of global growth by 2025, more than the entire developed world and emerging market megacities combined.¹⁰

At Habitat I in 1976, the world urban population was 37.9 per cent, compared to 41.5 per cent in 1996. It is projected that in 2016, the world's urban population will be about 54.5 per cent.

Urban areas accommodate more than 50 per cent of the world's population occupying only 3 per cent of the earth's surface while generating 80 per cent of global wealth. By some estimates, urban areas consume up to 76 per cent of the earth's natural resources and produce 60 per cent of its greenhouse gas emissions and 50 per cent of its waste.

Cities will accommodate up to three billion more people in the next 35 years. In 2007, the rural population made up 51 per cent of the global population and contributed only 20 per cent of the global Gross Domestic Product.¹¹

¹ See the City Region Food Systems (CRFS) approach, available from <http://cityregionfoodsystems.org/>.

² OECD, *Rural-Urban Partnerships: An Integrated Approach to Economic Development* (Paris, 2013). Available from <http://dx.doi.org/10.1787/9789264204812-en>.

³ UN-Habitat, *Urban Patterns for a Green Economy, four series* (Nairobi, 2012).

⁴ Section 10, 163. Available from <http://www.un-documents.net/ha-4c.htm>.

⁵ Resolution HSP/GC/17/10, 14 May 1999, available from http://mirror.unhabitat.org/downloads/docs/9688_1_593495.pdf.

⁶ Resolution HSP/GC/19/10, 9 May 2003, available from http://mirror.unhabitat.org/downloads/docs/9658_1_593465.pdf.

⁷ Resolution HSP/GC/25/L.9, available from https://unhabitat.org/wp-content/uploads/2015/01/Contribution-of-the-United-Nations-Human-Settlements-Programme-to-the-post_2015-development-agenda_English.pdf

⁸ UN-Habitat, *Habitat II—Dialogue 6: Land and Rural/Urban Linkages in the Twenty-First Century* (Nairobi: UNCHS, 1996).

⁹ United Nations, Department of Economic and Social Affairs, Population Division, *World Urbanization Prospects: The 2014 Revision* (New York: United Nations ST/ESA/SER.A/352, 2014).

¹⁰ McKinsey Global Institute, *Urban World: Mapping the Economic Power of Cities* (Washington DC, March 2011).

¹¹ Ibid.

Cities and towns with over 100,000 inhabitants are anticipated to expand outwards by 170 per cent by 2030,¹² drastically affecting their rural and peri-urban areas. The geographic expansion of cities into rural areas often results in the reclassification of rural villages and small towns to urban annexes. This expansion may appropriate prime agricultural land as a result of low-density expansion. It also blocks green and blue corridors that maintain ecosystem health and connectivity, disrupts rural livelihoods, affects food supplies and threatens the environment through increased carbon emissions, pollution and energy use.

With increasing urbanization, greater mobility and connectivity, the linkages between urban, peri-urban and rural areas intensify and differences are disappearing. This is precipitated by the increased flow of knowledge, economic activities and information between urban and rural areas. In this respect, rural populations are becoming increasingly urbanized,¹³ with virtual connections playing a defining role in influencing political, social, religious and cultural views. At the same time, urban populations are taking up activities that are considered rural, like agriculture and keeping livestock.

Non-communicable diseases or diet-related illnesses, such as diabetes and obesity, are more prevalent in urban areas. The transition from hunger to obesity can occur in just one generation in many fast-growing, rapidly urbanizing countries.

Smallholder farmers provide an estimated 80 per cent of the food consumed in developing countries. Smallholder farmers also manage over 80 per cent of the world's estimated 500 million small farms.¹⁴ They contribute significantly to boosting food security in rural and urban regions and reducing poverty. Nonetheless, the effects of climate change, land-use change, land degradation, unsustainable land management, marginalization of rural areas and adoption of nonfarm activities among other challenges threaten this source of livelihood and food production, particularly for smallholders.

Globally, an estimated one third of total food produced for human consumption is lost or wasted across the supply chains each year.¹⁵ Retail and consumer waste accounts for 34 per cent of these losses. Food lost is an increasing issue in peri-urban and urban areas with an estimated one third of food produced for human consumption lost or wasted globally each year. This places unnecessary

pressure on natural resources and city region food systems. In 2011 the Food and Agriculture Organization (FAO) estimated the yearly global quantitative food loss and waste to involve roughly 30 per cent cereals, 40 to 50 per cent root crops, fruits and vegetables, 20 per cent oilseeds, meat and dairy products, and 30 per cent for fish.¹⁶ Strengthening infrastructure and connectivity between urban and rural areas, access to market, storage and food literacy could reduce such waste.

While the urban poor experience much higher costs of living, especially for low-income groups living in informal settlements, the opportunities and capabilities available to them are higher than in rural areas. In contrast, of the 1.4 billion poor people who live on less than US\$1.25 a day, 78 per cent live in rural areas, and nearly two thirds of the extremely poor are engaged in agriculture.¹⁷ The urban-rural gap can also be seen in health statistics, sometimes persisting from generation to generation. Forty per cent of all violent conflicts in the last 60 years have been linked to natural resources.¹⁸

Urban and rural areas depend on each other. Urban centres depend on rural areas and the rural sector for a range of goods and services, notably food, clean water, environmental services, and raw materials. For example, wood fuel represents more than 80 per cent of domestic energy consumption in Africa and is expected to continue to be the main source of energy for the next decades. Rural areas in turn typically depend on urban areas for access to services, employment opportunities, and markets.

The focus on the growth of larger urban areas has made attracting investment, creating jobs, meeting the housing demand, and providing access to key infrastructure and basic services an increasing challenge in intermediate towns and rural areas. In some instances, rural areas are becoming depopulated, often leading to the degradation of previously productive landscapes. The role of small and medium-sized towns is integral because they frequently provide a bridge between rural dwellers and urban centres, strengthening the economic opportunities, providing a market and access to basic services. Urban and rural areas vary depending on the geographical context. For instance, in countries with a large land mass, small island states, and countries with strong networks of intermediate cities there are different opportunities and challenges regarding urban-rural linkages.

¹² Shlomo Angel, Jason Parent, Daniel Civco, Alexander Blei, and David Potere, *A Planet of Cities: Urban Land Cover Estimates and Projections for All Countries, 2000–2050* (Cambridge, MA: Lincoln Institute of Land Policy, 2010). Available from http://www.lincolninst.edu/sites/default/files/pubfiles/1861_1171_angel_iii_final.pdf.

¹³ Asia Development Dialogue, *The New Urban: Towards Progressive Secondary Cities*, pp. 41-44 (Bangkok: Oxfam, 2014)

¹⁴ IFAD and UN Environment, "Smallholders, food security, and the environment," (Rome: International Fund for Agricultural Development—IFAD, 2013). Available from http://www.ifad.org/climate/resources/smallholders_report.pdf.

¹⁵ FAO, "Global food losses and waste – Extent, causes and prevention" available from <http://www.fao.org/docrep/014/mb060e/mb060e.pdf>.

¹⁶ Ibid.

¹⁷ Pedro Olinto, Kathleen Beegle, Carlos Sobrado, and Hiroki Uematsu, "The state of the poor: Where are the poor, where is extreme poverty harder to end, and what is the current profile of the world's poor?" in *Economic Premise Number 125*, available from <http://siteresources.worldbank.org/EXTPREMN/Resources/EP125.pdf>. IFAD and UN Environment, "Smallholders, food security, and the environment."

¹⁸ UN Environment, "Environmental dimensions of resilient and peaceful societies", UN Environment Post 2015 Note #5, Available from http://ozone.unep.org/Publications/UNEP_Post_2015_Note5.pdf (Nairobi, 2014).



Issue Summary

Urbanization is a process that profoundly reshapes peri-urban and rural areas and has the ability to both positively and negatively affect their economies, inclusiveness and sustainable development. For urban and rural areas to be sustainable, the current discourse of a political, social and geographical dichotomy must evolve to that of collaborative development and function linkages throughout the territory. Considering ongoing urbanization, inequality and poverty, there is a renewed interest in delivering complementary and mutually reinforcing rural, peri-urban and urban areas as an integral part of both the post-2015 development agenda and the New Urban Agenda.

The interdependencies between urban and rural areas, their flows and functions can be seen in the local and national economic dynamics, social-cultural links and environmental synergies that occur across human settlements. These include financial remittances, access to food, migration, prevention and reduction of food loss and food waste, ecosystem services, goods, social services, transport, employment, energy and markets. While the specific context and priorities of these flows, interdependencies and synergies may differ, they are an undeniable reality in both developing and developed countries. For example, changing diets shape demand for certain foods and can affect urban and rural development and the food value chain.

Disparities in spatial development form the crux of why strong urban-rural linkages are essential in distributing equal opportunities and benefits in the urbanization process. Given the global trend of economic growth in cities and towns, urban areas tend to draw the majority of domestic and international resources (public and private). This can have adverse effects on universal access to resources, services and opportunities, and warp the equitable distribution of economic and other benefits observed in the urbanization process. Balanced outcomes across urban and rural areas are a vital objective of sustainable development that leaves no one behind and should include investment in smallholders in rural areas. Rather than telling a story of competing for scarce resources, the discourse needs to evolve towards understanding the synergies that can be obtained from sustainable, balanced investments and managing trade-offs to achieve a shared destiny. Setting priorities and identifying the drivers of imbalance could help reduce disparity throughout the territory.

The expansion of urban areas into peri-urban land consumes the most valuable agricultural land and related ecological resources, such as waterways, fisheries and forests. This growing threat underscores the need for territorial planning and validates the adoption of the International Guidelines on Urban and Territorial Planning (see HSP/GC/25/L.5)¹⁹ and the Voluntary Guidelines on the Responsible Governance of Land, Fisheries and Forests. These guidelines

serve as a reference to support sustainable territorial development, a source of inspiration and a compass for decision makers that will inform the New Urban Agenda and the implementation of the Sustainable Development Goals. Developing and implementing guiding principles, frameworks and indicators can facilitate effective and inclusive links by assessing trends and addressing issues such as sustainable management of natural resources, adequate infrastructure and service provision, equality and social inclusion, environmental pressures and the flow of capital, goods and people to form productive and resilient urban and rural places.

Urban-rural linkages have the potential to transform sustainable human development for everyone's benefit. Knowledge generation and management are integral, as is capacity development, which can provide an enhanced understanding of how functions and flows operate. It is critical to understand what exacerbates the dichotomy between urban and rural areas and what promotes linkages. Globally, there is insufficient knowledge on the dynamics of small and intermediate cities where half of the world's urban people live, making them a missing link in understanding the dynamic of urban-rural interactions.²⁰ Knowledge of ecosystems and environmental geography has improved our understanding of water cycles and climate phenomena. Land mosaic approaches have developed practical tools to manage complex landscapes.

There is an urgent need to bridge knowledge and capacity gaps in relation to crucial urban and territorial challenges such as climate change, safety and security, disaster resilience, ecosystem connectivity, green infrastructure, food security, health, diet and nutrition. Green infrastructure can provide the backbone of these linkages by taking a natural approach, where interdependent elements support each other to ensure long-term sustainability. Documenting and disseminating inspiring experiences, tools, practices and strategies in urban-rural linkages in collaboration with research institutions, academia, civil society and policy-makers can assist in developing capacity, addressing development challenges and strengthening linkages between areas.

Policy interventions characterized by an integrated and complementary approach should be adopted to avoid exacerbating the dichotomy between urban and rural issues. Correspondingly, government agencies with specific mandates should engage and collaborate to strengthen and identify linkages. Cross-cutting synergies that are operationalized can encourage cooperation among actors involved in various thematic issues relating to urban-rural linkages and in turn, facilitate integrated development outcomes. More effort is needed to develop legislative frameworks to strengthen urban-rural connections and to ensure they serve an agenda of balanced sustainable and inclusive development.

¹⁹ Resolution HSP/GC/25/L.5, 23 April 2015, available from <https://unhabitat.org/wp-content/uploads/2015/01/Submission-by-France-Japan-South-Africa-and-Uganda-Draft-resolution-25-6-International-guidelines-on-urban-and-territorial-planning-E.pdf>.

²⁰ Brian Roberts, Rene Peter Hohmann, "The systems of secondary cities: The neglected drivers of urbanising economies," CIVIS No. 7 Brief, available from <http://documents.worldbank.org/curated/en/400881468181444474/The-systems-of-secondary-cities-the-neglected-drivers-of-urbanising-economies>.

It is imperative to establish multi-actor partnerships and engagement at global, national, regional, metropolitan and local scales as urban-rural linkages encompass a broad range of themes, actors and contexts. Support from all partners involved can mean shared expertise, efforts and interventions that complement one another on urban-rural issues and linkages. This extends to effective partnership and networking within and across government at all levels, international agencies, research and academia, civil society and the private sector. Mapping actors, their assets, knowledge, available tools, policies and other means of implementation will strengthen actors' capacity and address the gaps between urban and rural areas.

Key Drivers of Action

- Focusing on territorial and spatial planning for balanced and inclusive urban and rural development. This should include strengthening the capacity of small and intermediate cities to attract and manage population sustainability, increase investments, create jobs as a strategy to reduce reliance on primate or "alpha" cities, foster innovation, reduce their environmental impact and act as a suitable host for people affected by disasters, insecurity and conflicts.
- Developing policies, tools and approaches to enhance and support urban-rural partnerships such as National Urban Policies, City Development Strategies, the International Guidelines on Urban and Territorial Planning and effective decentralization processes focusing on community-driven development.²¹
- Because improving governance mechanisms can reduce poverty and increase economic growth,²² developing and adopting principles and legislation can assist in strengthening government institutions and processes. Adopting principles that are applicable in both an urban and peri-urban context, such as the Voluntary Guidelines for the Responsible Governance of Land, Fisheries and Forests, can help promote urban rural networks, enhancing access and use of common property natural resources and improve inclusive access to opportunities for rural and urban women and men living in poverty.
- Implementing vertical and horizontal evidence-based interventions by public, private and civil-society actors, which tackle food waste and loss. This should include multistakeholder dialogue to enable food recovery, redistribution and knowledge transfer; prioritization and coordination of interventions by governments, the private sector and civil society; resource mobilization and infrastructure provisions through public-private partnerships; implementation capacity to address an increasing social demand; tools for monitoring and evaluation that provide guidance on food safety and quality (including human nutrition) and that capture further data on the four dimensions (availability, access, utilization and stability) of food and nutrition security.
- Addressing urban and rural marginalization through good governance, with specific attention to social inclusion, redressing inequalities and including vulnerable groups such as women, youth, indigenous people and ethnic minorities. Raising awareness in both rural and urban areas on their respective value and relationships. Tools such as ecological footprints, happiness indices, and other social tools can help behavioural change towards sustainability. Engaging youth groups, farmer guilds, slum dwellers, women's groups, proponents of public spaces, and similar groups will help to bring alternative voices to the discourse.
- Promoting the urban patterns for green economy, particularly working with nature, leveraging on density, clustering of competitiveness and optimizing infrastructure.²³ For instance, investing in Green Infrastructure (GI) can provide the unifying framework to create a continuum between the green elements of rural and urban landscapes. Ensuring a sustainable future for cities requires urban forestry, urban agriculture, horticulture, biodiverse gardens and parks, public space, bioengineering, bio filters, phytoremediation, and other disciplines to be strategically integrated. Modelling territorial and scenario analysis may help to understand how to work and live with nature.
- Promoting inclusive investment, finance instruments and systems to support both urban and rural areas and reduce disparity in the provision of sustainable infrastructure and services between urban and rural areas, particularly in energy, transport, health, education, water, green spaces and sanitation.
- Empowering inclusive value chains using methods such as impact pathways as a key bridge between rural and urban areas is critical for creating improved urban rural synergies and providing urban and rural areas with increased opportunities for growth. Functional agricultural supply chains can boost rural-urban connectivity and offer opportunities for small-scale producers, while protecting high-value ecosystems.
- Developing control measures to safeguard agricultural land from urban sprawl while encouraging sustainable urban agriculture where appropriate. Measures that protect, or compensate for damage to, the livelihoods of rural households and communities living in proximate and hinterland agricultural areas that may result from urban sprawl should accompany this. The environmental impact of agriculture on human settlements and vice versa must be considered, particularly for market towns.

²¹ IFAD, "Leveraging the rural-urban nexus for development," IFAD Post-2015 policy brief 1 (Rome, 2014); UN-Habitat and Cities Alliance, *The Evolution of National Urban Policies—A Global Overview* (Nairobi: UN-Habitat, 2014).

²² Piero Conforti, ed., *Looking Ahead in World Food and Agriculture — Perspectives to 2050* (Rome: FAO, 2011), available from <http://www.fao.org/docrep/014/i2280e/i2280e00.htm>.

²³ UN-Habitat, *Urban Patterns for a Green Economy*, four series, (Nairobi, 2012).

- Facilitating connectivity and low-carbon mobility through the improvement of transportation networks and communication between urban and rural areas to allow universal benefit and access to quality public services, which tend to be concentrated in urban areas because of population density and economies of scale.
- Strengthening city-region food systems through by including efficient and accessible markets and distribution systems in urban planning and design. Urban and peri-urban agriculture involving technologies such as hydroponics, vertical farming and low-cost/energy greenhouses can bring food producers closer to consumers. This will improve food security, nutrition and take into consideration the changing diets of urban populations while increasing employment and income-generating activities.
- Protecting high-value ecosystems and promoting spatial flows through territorial planning that establishes connections between urban-rural hinterlands areas while ensuring complementarity. In parallel, it's important to encourage overlapping spatial flows and the breakdown of false dichotomies, in turn strengthening urban-rural linkages and connectivity.
- Reducing environmental impacts, including air and soil pollution, protecting forests, water and water sheds, avoiding land fragmentation and defending ecosystems and biodiversity. Efforts should be made to use planned city extensions and infills, low-carbon and smart cities and other strategies that promote density and compact human settlements. Investing in innovative and sustainable rural infrastructure should also be a priority, such as decentralized power networks based on renewable energy, long-lasting roads, well-organized periodic services such as markets, health clinics, and long-distance education.
- The urban-rural linkages agenda promotes complementarities and networks of places, rather than segregation. It highlights the differences and comparative advantages of places to enhance linkages. This dynamic relationship is reflected in large cities, which have significant economic advantages and opportunities, and smaller towns, which play important functions in the development of their surrounding rural regions and support a more diverse local economic base. Meanwhile, despite rural areas being a source of unprecedented migration, they are also peaceful and harmonious areas to live in, providing "water towers" and cultural relief for citizens, if they are managed sustainably.

Platforms and Projects

- Ten-Year Framework Programme on Global Action Towards Sustainable Consumption and Production. Available from <http://web.unep.org/10yfp>
- Cities Alliance, <http://www.citiesalliance.org>
- City Region Food Systems Collaborative Platform, http://www.fao.org/fileadmin/templates/FCIT/documents/City_Region_Food_Systems_and_Sustainable_Urbanization_an_overview.pdf
- The Global Land Tool Network is an IFAD and UN-Habitat Partnership to improve tenure security of the urban and rural poor. See <https://gltn.net/home/2012/01/02/ifad-un-habitat-partnership-phase-i/>
- "Balancing Rural and Urban Development through Improved Linkages in Indonesia, Laos and Nepal." http://www.fukuoka.unhabitat.org/docs/publications/pdf/accommodating/Chapter_VIII.pdf
- Committee on World Food Security, <http://www.fao.org/cfs/cfs-home/en/>
- ICLEI CITYFOOD network, www.iclei.org/cityfood
- Food for the Cities Initiative, FAO, <http://www.fao.org/fcit-home/en/>
- United Nations University Migration Network, United Nations University, <http://migration.unu.edu/>
- IFAD-World Bank study of international remittance flows to Asia <http://www.ifad.org/pub/post2015/english/1.pdf>
- Global Initiative on Food Loss and Waste Reduction (also called SAVE FOOD), FAO, <http://www.fao.org/save-food/en/>
- National Urban Policy Platform, <http://unhabitat.org/partners-launch-global-exchange-platform-on-national-urban-policies/>
- UNESCO Chair on Intermediate Cities, <http://www.unesco.org/en/university-twinning-and-networking/access-by-region/europe-and-north-america/spain/unesco-chair-in-intermediate-cities-urbanization-and-development-823/>
- United Cities and Local Governments (UCLG), <http://www.uclg.org/>



ISSUE PAPER

11

Zadar's famous sea organs, which won the European Prize for Urban Public Space in 2006 © Shutterstock

PUBLIC SPACE

Co-Lead organization: UN-Habitat

Contributors: CBD, UN-Women

+ KEY WORDS

Socially inclusive, gender inclusive, integrated, productive, connected, environmentally sustainable, resilient, urban safety, value sharing, place-making



Main Concepts

- *Public space* refers to all places publicly owned or of public use. It is accessible and enjoyable by all for free and without profit motive. This includes streets, open spaces and public facilities.
- *Urban commons*. Commons were traditionally defined as elements of the environment—forests, atmosphere, rivers, fisheries or grazing land—that were shared, used and enjoyed by all. Today, the commons also include public goods, such as public space, marketplaces, public education, health and infrastructure that allow society to function.
- *Placemaking* refers to a collaborative process of shaping the public realm to maximize shared value. More than promoting better urban design, placemaking facilitates use, paying particular attention to the physical, cultural, and social identities that define a place.
- *Walkability* measures the extent to which the built environment is friendly to people moving on foot in an area. Factors affecting walkability include, but are not limited to: street connectivity; land-use mix; residential density; presence of trees and vegetation; and the frequency and variety of buildings and entrances along street frontages.
- *Equality* involves systematic (re)distribution of the benefits of growth or development, with legal frameworks ensuring a “level playing field” and institutions protecting the rights of the poor, minorities and vulnerable groups.

Figures and Key Facts

There is growing attention to public space. In 2011, at the 23rd session of the Governing Council of UN-Habitat, member states mandated UN-Habitat to consolidate agency-wide work on public space, to develop and promote public space policy, to coordinate and disseminate knowledge and directly assist cities in public space initiatives.¹ The United Nations’ open working group charged with drafting the 2016–2030 Sustainable Development Goals proposed goal 11 to “build cities and human settlements inclusive, safe, resilient and sustainable.” One of the proposed targets set out is to “provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities.”²

In a global sample of 120 cities, between 30 per cent and almost half of all urban areas were estimated to be not covered by impervious surfaces.³ Out of the 40 cities studied,⁴ only seven allocated more than 20 per cent of land to streets in their city core, and less than 10 per cent in their suburban areas. In Europe and North America the cores of cities have 25 per cent of land allocated to streets, while suburban areas have less than 15 per cent. In most city cores of the developing world, less than 15 per cent of land is allocated to streets and the situation is even worse in the suburbs and informal settlements where less than 10 per cent of land is allocated to street. This is a reflection of the huge inequalities in many cities of the developing world.

From 1980 to 2000, the total recorded crime rates in the world increased by about 30 per cent. Researchers estimate that about 15 per cent of those crimes have a public space design and management component.⁵ This has resulted in the growth of gated communities, sealed off by walls and sophisticated security installations, that have emerged in nearly all Latin American and African cities.⁶

Over the last 30 years, public spaces are becoming highly commercialized and have been replaced by private or semi-public buildings. Commercialization divides society and eventually separates people into different social classes.

Issue Summary

The character of a city is defined by its streets and public spaces. From squares and boulevards to neighbourhood gardens and children’s playgrounds, public space frames our image of a city. The connective matrix of streets and public spaces forms the skeleton of the city upon which all else rests. Public space takes many spatial forms, including parks, streets, sidewalks and footpaths that connect, playgrounds for recreation and marketplaces. Edge space between buildings or roadsides are also often important spaces for the urban poor. In many contexts beaches are public spaces. This does not mean that all public spaces are “open spaces”—a library, a school or other public facilities are also public spaces. Public space forms the setting for a panoply of activities—the ceremonial festivities of the multicultural city, trade in the commercial city, the movement of goods and people, provision of infrastructure, or the setting for community life and livelihoods of the urban poor—for example, street vendors or waste pickers.

¹ UN-Habitat Resolution 23/4 on Sustainable Urban Development through Access to Public Spaces.

² “Indicators and a monitoring framework: Launching a data revolution for the Sustainable Development Goals,” available from <http://indicators.report/targets/11-7/>.

³ Shlomo Angel, *Planet of Cities* (Cambridge, MA: Lincoln Land Institute, 2012), pp. 208–212.

⁴ UN-Habitat, *Streets as Public Spaces and Drivers of Urban Prosperity* (Nairobi, 2013).

⁵ UN-Habitat, *Global Report on Human Settlements 2007: Enhancing Urban Safety and Security* (London, 2007).

⁶ Axel Borsdorf and Rodrigo Hidalgo Dattwyler, “New dimensions of social exclusion in Latin America: From gated communities to gated cities, the case of Santiago de Chile,” *Land Use Policy*, vol. 25, No. 2 (2008): 153–160.

⁷ UN-Habitat, “Placemaking and the future of cities” (Draft) (2012), available from <https://www.unhabitat.org/wp-content/uploads/2012/09/PPS-Placemaking-and-the-Future-of-Cities.pdf>.

Public space generates equality. Where public space is inadequate, poorly designed, or privatized, the city becomes increasingly segregated. Lines are drawn based on religion, ethnicity, gender and economic status because people don't meet or get to know each other. The result can be a polarized city where social tensions are likely to flare up and where social mobility and economic opportunity are stifled.⁷ Adequate planning and designing of public spaces raise issues regarding people's right to freedom of artistic expression, political assembly and civic empowerment, and to enjoy, engage and exchange with each.

Well-designed and maintained streets and public spaces help lower rates of crime and violence⁸ and make space for formal and informal social, cultural and economic activities that contribute to improving mutual trust and safety. But public space can also be the setting for crime that creates urban ghettos and undermines good governance. In many towns and cities some public spaces are not maintained and are left derelict, their vibrancy and potential lost. The challenge to maintain public spaces is the responsibility of municipalities but there is also a role for the citizens, communities and, of course, the private sector.

A city can tackle inequality by providing inclusive, safe and accessible public spaces. Ensuring adequate density is important in supporting social capital formation. Local authorities sometimes ignore the poor's use of public space, although public space is "the poor man's living room" and important for recreation, social, cultural and economic development of vulnerable groups.⁹ Public space as a common good is the basic enabler for fulfilling human rights, empowering women and providing opportunities for youth. Improving access to and participation for the most vulnerable is a powerful way to improve equity, promote inclusion and combat discrimination in public space. Inadequate housing should be compensated by generous provisions of good-quality public space. Investments in streets and public space infrastructure improve urban productivity and livelihoods and allows better access to markets, jobs and public services, especially in developing countries where over half of the urban workforce is informal.

The public service dimension of maintaining the streets and public spaces where local authorities can work together with citizens and the private sector to manage and maintain the urban commons is important, for example, the City Improvement Districts in Johannesburg, South Africa. The private sector generally fails to provide genuinely accessible public space and wider urban connectivity, so the role of local governments in defending and maintaining the commons is critical.

Public space generates substantial economic value. There is evidence that a well-planned, well-managed public space has a positive impact on the price of nearby residential properties. In the Netherlands, a park view raises house prices by 8 per cent, whereas in Berlin, proximity to playgrounds increases land value by up to 16 per cent. Well-managed public space encourages investment confidence. For example, business turnover in a high street location in London increases by between 5 and 15 per cent following investment in a nearby public space.¹⁰ The increase of property value can be captured and shared as it contributes to public revenue and investment. Land value sharing requires specific instruments such as valuation, taxation or land readjustment. Focusing on streets and public spaces as a business case for urban regeneration can help cities as engines of economic and social development. Gentrification, which can improve property values, can hardly be opposed particularly when it infuses resources, regeneration and new services in the city. However, adopting redistributive policies is crucial to redirecting municipal resources generated by gentrification to improving supply, quantity and distribution of public space in less fortunate neighbourhoods.

Streets and public space drive economic development. Good public spaces play a decisive role in attracting investment, uses and activities, thus enhancing safety; increasing property values and generating municipal revenue; providing opportunities for economic interaction and enhancing livelihood opportunities. A good connective matrix of public space has an impact on economic productivity because it improves the supply chain's efficiency, reducing production costs and promoting the mobility of goods and people. Public space provides important benefits to all forms of business, both formal and informal. In particular, public spaces where informal business can be carried out provide poorer urban dwellers with precious livelihood opportunities. Shared public space is important—for example, street vendors often share space with other users in the public space.¹¹ The vibrancy of public space has a direct relationship with urban density, as well as mixed-use and the social mix of different people.

Context matters. There are significant differences in public spaces across climate zones, in different cultural and social settings, and between the developed and developing world, in formal and informal parts of the city, as well as the flexible use of space by different groups of people over time. This creates very different patterns and amounts of public space as shown in the following image.¹²

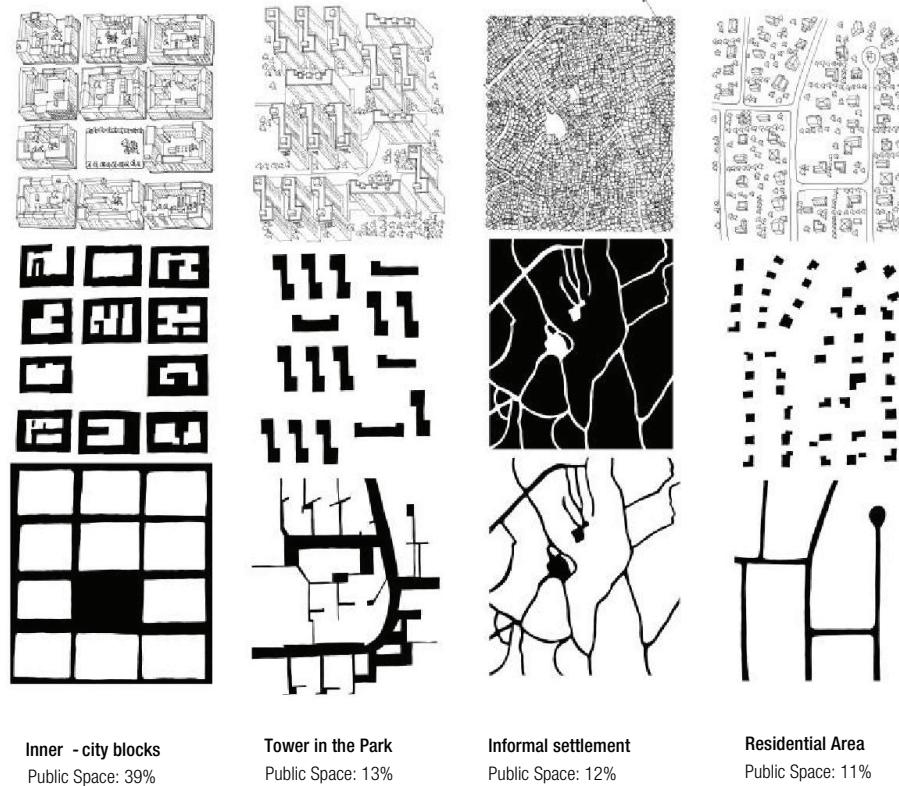
⁸ See Issue Paper 2 on Safer Cities.

⁹ Future of Places Conference Buenos Aires, "Key Messages" (2014). Available from <http://placeleaders.com/wp-content/uploads/2014/08/Key-Messages-FoP-II.pdf>

¹⁰ UN-Habitat, *Global Report on Human Settlements: Planning Sustainable Cities* (London: Earthscan, 2009).

¹¹ Ibid. pp. 148–149.

¹² The images were used at the UN-Habitat City Extension presentation.



Public spaces must be seen as multifunctional areas for social interaction, economic exchange and cultural expression among a wide diversity of people and should be designed and managed to ensure human development, build peaceful and democratic societies and promote cultural diversity.

Public space is critical for environmental sustainability. Adequately planned and designed public spaces play a critical role in strategies to mitigate and adapt to climate change. Green open spaces can minimize carbon emissions by absorbing carbon from the atmosphere. A 10 per cent improvement in a street's walking quality could yield a reduction of 15 kilograms of CO₂ emissions per household per year as car reliance reduces.¹³ Green spaces can act as sustainable drainage systems, solar temperature moderators, sources of cooling corridors, wind shelters and wildlife habitat. Many city governments are using planning and design to catalyze urban regeneration, create socially and culturally inclusive public places and promote the city's greening. Local and national governments are developing policies that promote compact, livable areas with adequate public space that facilitate public transport, encourage walking and cycling and thereby reducing carbon emissions. The compact city is the only environmentally sustainable form for a city, and can pay attention to groups with special needs, such as people with disabilities.

Studies have demonstrated that interaction with nature, through green public space, has been associated with general and mental health.¹⁴ The World Health Organization recommends a minimum of nine square metres of green space per capita and that all residents live within a 15-minute walk to green space. Other studies suggest that urban ecosystem services like air pollution reduction and urban cooling have multiple long-term health benefits.¹⁵

Strengthening legal frameworks protect public space. Weak legal frameworks coupled with poor policy and weak political will have resulted in grabbing of public land, the capture of benefit by private actors and conflict between communities and government over the use of public space. As urbanization proceeds, low proportions of public space are created and secured. The role of legislation, regulation and enforcement is crucial to secure the provision, vitality and utility of public space for the long term. Clear policy that recognizes the capacity to enforce laws and regulations is vital for making public space well managed as well as protecting public space. Ideally, urban planning systems should have the requirement of adequate public space as part of local and municipal plans.

¹³ UN-Habitat, "Policy Statement 25th session of the Governing Council: Urbanization for Prosperity," (2015).https://unhabitat.org/?mbt_book=urbanization-for-prosperity-policy-statement-25th-session-of-the-governing-council

¹⁴ Thomas Elmqvist, Michail Fragkias, Julie Goodness, Burak Güneralp, et al., eds., *Urbanization, Biodiversity and Ecosystem Services: Challenges and Opportunities* (Netherlands: Springer, 2013), p. 199.

¹⁵ Ibid.

Knowledge, tools and approaches need to be strengthened for viable public space at the city level. Attention to the quantity, distribution, accessibility and quality of public space in cities has been piecemeal, especially when it comes to the lack of comparative data. Although some cities measure the percentage of their open space, there are no agreed-upon tools or indicators for assessing either the quantity or quality of public space. There is a key role for academia and research in developing these tools and indicators and bringing them to the fore.

Public space lends itself well to participatory approaches. Access to and participation in public space is a first step toward civic empowerment. Public space creation, protection, management and enjoyment are ideal opportunities for the involvement of all citizens, ensuring that individual and differentiated interests are transformed into collaborative practices.¹⁶ The quest for engagement tools in securing and maintaining public spaces has spurred the placemaking concept that inspires people to collectively reimagine and reinvent public spaces and improve their neighborhoods. Public space enables the population to remain engaged and to stake a claim on the city. This involves respecting and protecting a number of rights and freedoms, such as the right to freedom of expression and assembly, the right to information, consultation and participation in decision-making processes. A good city should foster social cohesion and build social capital, engaging the community in design, management and maintenance of public space. The public space interdisciplinary and participatory approaches are an opportunity for planners, landscape professionals, architects, technicians and designers to express fully their roles.

Competing claims on the availability of mixed-use public space—between, for example, street vendors, pedestrians and cars—can be turned into proactive forces that ensure that the urban landscape reflects our complex societies, histories and cultural diversity. Public space reflects class, gender, age and ethnic differences in how people use streets and public spaces. Some groups, such as women, children, undocumented migrants or the poor, may be excluded from public space by violence or control. Because public space is the place of conviviality and tolerance, but also of difference and conflict in use over time, this sometimes requires mediation and the establishment of conflict-resolution mechanisms to reconcile differences.

City-wide policies and strategies should ensure planning, design and management of public spaces at different scales. Ensuring city-wide distribution of public spaces is a way for governments to reduce inequalities and reallocate benefits. The benefit of preparing a city-wide strategy or policy is the protection

and creation of a network of high-quality public spaces. Without a clear policy, it is difficult for local governments to prioritize, spend and plan resources or to show how much public space is valued, and to mitigate the negative impacts of site-specific interventions (e.g., gentrification). A strong strategic policy framework, supported by urban design, is core. Surprisingly, not all urban plans contain sufficient guidance for the creation, layout and design of public spaces.

A new paradigm is evolving to create or protect public spaces. Components of the New Urban Agenda enable rules and legislation to create and protect access to public spaces, urban planning and design for providing adequate quantity and good-quality public space, and urban finance and economy for sharing values, promoting local economic development, providing employment and attracting investment.¹⁷

Securing public space in planned city extensions, city infills and slum upgrading is part of the urban development agenda. In many cities small proportions of public space are being created and secured. In formally developed areas it is essential to protect and enhance existing public space, to increase security, improve management and planning, and increase access. Planning standards can protect public space from development and support incremental creation of new public spaces, as in Hong Kong where developers who create new pocket parks on a constrained site are permitted increased floor space in return. In informal settlements a participatory slum-upgrading approach can identify spaces where community-led intervention can improve facilities and services without major relocations. For example, the Slum Dwellers International reblocking approach in Cape Town, South Africa, has seen paving footpaths and access routes, improved drainage and play spaces enhancing the quality of life. In planned urban extensions more generous allocations can be achieved by ensuring public space allocations that are culturally and climatically appropriate.

Public space-led urban development is crucial. When planning focuses on providing adequate supply of connected public space with a view to supporting adequate density, it is possible to move forward with infrastructure, land subdivision and development in a more efficient and sustainable way. Public space can lead urban development by ensuring that building will be permitted only if public space has been organized prior to development. This link between public space and urban development needs to be understood in each context and legal framework to prevent the creation of unmanaged and/or public space deficiencies common to many cities. Particularly in recent decades, many cities have put public space at the core of urban development, for example, Bogota in Colombia.

¹⁶ UN-Habitat, *Report of the Seventh Session of the World Urban Forum: Urban Equity in Development—Cities for Life* (New York: UN, 2015). Available from <https://unhabitat.org/books/world-urban-forum-7-report-march-2015-2/>.

¹⁷ UN-Habitat, *Streets as Public Spaces and Drivers of Urban Prosperity* (2013). Available from <https://unhabitat.org/books/streets-as-public-spaces-and-drivers-of-urban-prosperity/>.

UN-Habitat is proposing a set of targets for the amount of land allocated to streets and public space in urban areas to ensure adequate foundation for the city. The proposed goal/target for public space is that 45 per cent of land should be allocated to streets and public space.¹⁸ This can be broken down into 30 per cent for streets and sidewalks and 15 per cent for open spaces, green spaces and public facilities.¹⁹ The target for street connectivity is between 80 and 120 intersections per square kilometre.²⁰ At an optimal level of 100 intersections per square kilometre with each street having an average width of 15 metres,²¹ a city's streets would occupy approximately 28 per cent of the total area. This should also be complemented by a qualitative target assessing accessibility, use and safety among other aspects.

Key Drivers for Action

- At regional and city levels, city-wide strategies need to focus not only on places and spaces but on the form, function and connectivity of the city as a whole.
- Local authorities should be able to design the network of public space as part of their development plans.
- At the neighbourhood level, urban design should work with communities to foster social inclusion, celebrate multiculturalism, and enable urban livelihoods, thus creating rich, vibrant spaces in the urban commons.
- Laws and regulations need to be reviewed to establish enabling systems that create, revitalize, manage, and maintain public space, including participatory processes to define their use and manage access to public spaces.
- Land value sharing and land readjustment tools should be widely adopted and promoted for municipalities to capture private values generated by better public spaces to sustain investment in public space.
- Investing in public space needs to be harnessed as a driver for economic and social development, taking into consideration urban-rural linkages.

- As cities expand, the necessary land for streets and public spaces as well as public infrastructure networks must be secured. Urban projects need to ensure adequate public space in planned city extensions, planned city infills and participatory slum-upgrading projects. Instruments to enable the creation of public space from private owned land are of critical importance.
- Debate is necessary regarding targets, indicators and principles on measuring the distribution, quantity, quality and accessibility of public space.

Platforms and Projects

- The UN-Habitat Global Programme on Public Space works on public space, develops and promotes public space approaches, coordinates partners, disseminates knowledge and directly assists cities in developing city-wide public space strategies. See <https://unhabitat.org/urban-initiatives/initiatives-programmes/global-public-space-programme/>
- The UN-Habitat Global network on Urban Planning and Design Labs offers services to national, regional and local governments on developing an integrated and holistic approach to urban development focusing on knowledge areas: spatial planning, legislation and governance and economy and finance. See <https://unhabitat.org/global-network-of-urban-planning-and-design-labs/>
- The UN-Habitat Global Network on Safer Cities is an international platform for cities and urban stakeholders endeavouring to prevent crime and improve urban safety in cities. Available from <https://unhabitat.org/urban-initiatives/networks/global-network-on-safer-cities/>
- The Future of Places Forum is a collaboration between UN-Habitat, the Ax:son Johnson foundation and the Project for Public Spaces that advocates for the importance of public space and placemaking in city planning. <http://futureofplaces.com/about-the-future-of-places/>

¹⁸ Defined by those achieving a minimum density of 150 inhabitants per hectare, the minimum threshold for a viable public transport system.

¹⁹ Ibid.

²⁰ UN-Habitat, "Working Paper: The Relevance of Street Patterns and Public Spaces in Urban Areas" (2013). Available from <http://mirror.unhabitat.org/downloads/docs/StreetPatterns.pdf>.

²¹ This width is the minimum for one vehicular lane in each direction, street-side parking, planting and sidewalks.



ISSUE PAPER

12

Man working on the construction of a new road in Kumrokhali, West Bengal © Shutterstock

LOCAL ECONOMIC DEVELOPMENT

Co-Lead organizations: ILO, UN-Habitat, World Bank

Contributors: CBD, UN DESA, UNESCO, UNWTO, WFP,

+ KEY WORDS

Local economic development, competitiveness, urbanization, equitable development, diversification, resilience, externalities, business-enabling environment, skills development

The sustainability of cities and towns should be based on endogenous growth, and for this a local economic development (LED) approach is essential. Municipalities need to use their own assets and comparative advantages to the full. This is not always accomplished. This paper aims to raise the awareness about the benefits of an LED strategy for urban areas.

Main Concepts

- *Local Economic Development:* LED is a participatory development process that encourages partnership arrangements with representatives from all sectors. It aims to provide a roadmap between the main private and public stakeholders in a defined territory, enabling the joint design and implementation of a common development strategy. The strategy makes use of local resources and competitive advantages in a global context to create a resilient and sustainable city with decent jobs and stimulating economic activity.
- *Economies of urbanization and localization:* Economies of agglomeration have two forms: economies of urbanization and economies of localization. The first entails benefits accruing from different types of companies locating near each other. The second involves benefits from companies in the same sector located near each other. Higher densities of people and firms allow for ideas to flow, leading to innovation. Density also allows firms to benefit from economies of scale and links to input and product markets.
- *Partnerships and networks:* local economic development requires collaboration among sectors and institutions, individuals and organizations. Success is possible when collaboration is effective, accountable and coordinated.
- *Business-enabling environment:* a positive and predictable context in which to do business, where conditions related to policy, institutions, regulations, infrastructure and culture lay the foundations for markets to work.

Figures and Key Facts

- Cities generate more than 60 per cent of global GDP and house more than 50 per cent of the population. It is estimated that 600 cities will generate nearly 65 per cent of the world's economic growth by 2025.¹

For example, 1.9 per cent of China's population lives in Shanghai and the city produces 13 per cent of GDP.

- Higher productivity results from economies² of urbanization and localization, which attract skilled workers, as well as more productive entrepreneurs and firms.³ Controlling for the labour force's skill level, researchers estimate that elasticity of income per capita with respect to city population is between 3 and 8 per cent. Smaller cities also have a role to play: medium-sized cities are becoming centres of manufacturing at mature stages of urbanization. Smaller cities serve as links between larger urban markets and rural areas.
- A city's competitiveness depends on the strengths of its economic sectors. However, competitiveness also depends on the quality of governance institutions, including their ability to tax, plan, legislate, and enforce laws, support enterprises and human capital development, and elicit public participation in decision-making. A total of 11 out of 20 of the world's most economically competitive cities also rank as having the highest quality institutions in the world.⁴
- Youth make up one of the largest untapped sources of economic potential. Some 262 million youth are economically inactive; most of them reside in cities.⁵ Gender-based occupational segregation persists, as does the gender pay gap. Women, including young women, are more affected by unemployment and underemployment than men.
- LED is important to promote a sustainable and inclusive urban economy and consequently to improve the quality of life in cities, and address inequalities between rich and poor as well as gender inequalities. LED is also important to make cities more resilient and ready to address crises. During crises, connection to regional, national and global economies is particularly difficult to achieve.

Issue Summary

City leaders' decisions today can build long-term success or send their cities down a path of unsustainable development. A high per-capita economic productivity, grounded in the clustering of firms and skilled labour, means cities are regional economic engines. Growing cities could inject up to US\$30 trillion a year into the world economy by 2025.⁶

¹ Richard Dobbs, Jaana Remes, James Manyika, Charles Roxburgh, Sven Smit and Fabian Schaer, "Urban world: Cities and the rise of the consuming class," McKinsey Global Institute, <http://www.mckinsey.com/global-themes/urbanization/urban-world-cities-and-the-rise-of-the-consuming-class>.

² Stuart S. Rosenthal and William C. Strange, "Evidence on the nature and sources of agglomeration economies," in *Handbook of Regional and Urban Economics*, vol. 4, edited by J. Vernon Henderson and Jacques-François Thisse (Amsterdam: North-Holland, 2004).

³ Kristian Behrens, Gilles Duranton and Frédéric Robert-Nicoud, "Productive cities: Sorting, selection and agglomeration," *Journal of Political Economy*, vol. 122, No. 3 (2014): 507–553.

⁴ The Economist Intelligence Unit, "Hot spots 2025: Benchmarking the future competitiveness of cities," *The Economist*, 2013. Available from <http://www.citigroup.com/citi/citforcities/pdfs/hotspots2025.pdf>

⁵ World Bank Database, <http://databank.worldbank.org/>

⁶ Dobbs, et al., "Urban world: Cities and the rise of the consuming class."

Given the productivity of cities, rapid urbanization presents a unique opportunity to lift hundreds of millions out of poverty. However, if left to proceed unchecked, rapid population growth can also adversely affect people's quality of life by reducing their access to good health care and increasing environmental degradation. Rapid growth in population can also lead to a lack of adequate housing and cause increasing inequality. This condition contributes to "diseconomies" (e.g., congestion, pollution, displacement) that, over time, will affect a city's efficiency, productivity and competitiveness in a negative feedback loop. LED is necessary for cities of all sizes to exploit their strengths. In this context, three interrelated issues are highlighted: first, the overall role of an LED strategy; second, how such a strategy should be geared to promote a business enabling environment; and third, local capacity building and institutional development for LED.

LED is a key urban development strategy

Because the urban environment is complex, it requires a strategy with a set of instruments tailored to local challenges. City governments have recognized this reality and many are actively taking more initiative in the management of their cities. The decentralized management of cities is becoming more than a practical solution—it is being formalized through national policies that are devolving powers to local governments. However, this is not always accompanied by the necessary access to resources or the legal ability to implement new funding mechanisms. The new responsibilities for local government decision-makers and administrators also mean that there is an urgent need to develop local skills and capacity. Local economic development strategies can help city leaders lay the foundations for long-term and resilient growth by empowering local actors, building capacity, and providing the tools to better manage cities. Local economic development is a critical tool to manage long-term change and enact short-term fixes.

As a strategy to harness a territory's potentials and to manage and mitigate the negative externalities of urban growth, LED can help build up a city's economic capacity and improve its residents' quality of life. People designing a good LED strategy require high-quality data that can be used to identify challenges and prioritize actions to address them. While specific activities should always respond to the unique needs of the local context, there are core elements that any jurisdiction should consider as part of an LED strategy.⁷

There are important connections between urban and rural areas, related to the workforce, division and exchanges of labour, value chains and capital transfers that affect the economic and social development of both areas. Urban-rural connections and a territorial approach linking them are important. There is a positive relationship between the adequacy of any infrastructure connecting rural and urban areas and ease of mobility, access to decent jobs and livelihood

opportunities, and enhancement of urban food security and incomes. Adequate investments in rural-urban infrastructure, particularly transportation and communications infrastructure, also improve rural productivity and allow better access to markets, jobs and public services in both areas.

Creating business-enabling environments

LED creates a positive and predictable business-enabling environment to support well-functioning markets where existing firms thrive. Such environments also attract new firms and foreign and domestic investment into the area. To create this environment, local governments can think about a portfolio of policy instruments, including strengthening local institutions and regulatory frameworks and providing the needed infrastructure to support innovation, enhance human capital, and promote the fluidity of markets (e.g., land and finance) while maintaining the cultural conditions and strengthening local identity.

By streamlining or redrafting onerous and outdated restrictions and helping smooth the business-permitting process, policy-makers can lower the barriers to growth and entry for established and emerging firms. This can include simplified and streamlined administrative processes, such as business licensing, land rezoning and development approval, and creating "one-stop business centres" to remove unnecessary red tape.

Coordinated land use and infrastructure planning is also essential to create vibrant areas where people can reach their jobs with ease. Flexible land-use and zoning regulations that adapt to a changing environment and take into account the infrastructure available are also important to support economic development (e.g., office space near the regional core, or industrial land near rail or port facilities). Investing in the necessary infrastructure—including schools, housing, training institutions, hospitals, child care facilities, recreation facilities and green space for appropriate servicing of employment lands (e.g., transportation connections, water and wastewater, high-speed Internet)—can further attract new businesses by reducing start-up costs. Regulations that allow financial markets to flourish will also have a bearing on investments.

Additional interventions like providing skills training and supporting incubators can also help foster innovation. Finally, an efficient and reliable legal framework that gives people confidence in contracts as well as the administration of fair and transparent fees and taxation regimes will provide firms with the stability and confidence they need to make long-term investments in a region. By ensuring a portion of that revenue is invested back into local servicing and infrastructure, a local government can demonstrate the value of private-sector investment in an area.

⁷ Guidance on LED can be found in the platforms mentioned at the end of the paper.

Strengthening local capacity and institutional development through LED

In many cases, successfully creating a business-friendly environment requires building local government capacity and broadening municipal self-sufficiency. Cities are increasingly expected to manage more with less as higher-level governments give more responsibilities to local governments. Rarely are these increased responsibilities accompanied by the necessary increase in skills, capacity or funding. Given this challenge, the importance of empowering local governments and local institutions' ability to make major contributions to sustained economic performance cannot be overemphasized. The evidence supports this: 11 out of 20 of the world's most economically competitive cities also rank as having the highest quality institutions in the world.

Capacity building in local government includes leadership and management, efficient and transparent tax collection and revenue spending, local assets management, investment planning, and the ability to coordinate local and regional land use and transportation planning. Local governments empowered with capacity and tools to implement LED programmes can leverage their local assets and advantages, diversify their economies and expand economic opportunities for their population.

Local governments require support to raise their capacity in developing LED strategies. In addition to traditional cooperation involving Overseas Development Assistance (ODA) and international organizations, the use of decentralized cooperation and city-to-city and multilevel partnerships can strongly enhance the value and the sustainability of the strategies developed.

Key Drivers of Action

Based on the analysis here, the following action points are necessary for any LED strategy:

- Ensure reliable data and careful analysis to drive the strategy. Quality data can improve our understanding of the causes and local variation of negative externalities that accompany rapid urbanization and economic growth (e.g., poverty, rising land prices or environmental degradation). Trend analysis and sex disaggregation can help policy-makers identify bottlenecks and opportunities. Data on demographics, employment and sector trends will enable local governments not only to make better-informed decisions about land allocation, infrastructure investments and policy, but also provide businesses with the tools they need to do the same. A global data strategy should be developed, involving local, regional and national governments and their associations to ensure quality, adequacy and accuracy along with their dissemination.

With the Big Data and IT revolution that the world is experiencing today, cities and local authorities have the opportunity to better understand their challenges in real time, and to steer their economies on a growth trajectory that is responsive and inclusive. But the increasing availability of large amounts of data also poses a challenge for their analysis. It is the analysis of the data rather than data per se that is of great value for a good LED strategy. Such analysis should identify the area's strengths, weaknesses, opportunities and threats. Building the internal capacity for analysis should be considered a key component of an LED strategy.

- Identify comparative advantages and priority areas for investment to leverage a region's existing assets.⁸ Priority areas are identified by analyzing the local context's comparative advantage, the competitive sector's opportunities for value-added activities and the available natural assets. By leveraging and expanding local strengths and capabilities to support a city's role as an efficient hub for improving economic competitiveness, LED initiatives can stimulate economic growth throughout the surrounding region and foster urban-rural linkages. Specific activities might fill gaps in supply chains and build on sector-specific value chains to reduce economic leakage out of a region, or improve the access of goods to larger markets. Land-use designations and policy can be appropriately adjusted to enable high-value activities with limited externalities.
- Identify good practices. Global good practices can be adapted and implemented in city- specific contexts through LED. Practices should:
 - strongly reinforce cities' and local and regional governments' capacities to develop inclusive LED strategies such as gender equality and women's economic empowerment;
 - support a holistic implementation of the decent work agenda through LED; and
 - develop and reinforce networks of exchanges between cities, involving cities of similar size, interest and challenges with the support of relevant international organizations.

⁸ Assets can also include intangibles such as history, culture, natural beauty and heritage which can be capitalized to develop and promote the tourism industry. For tourism, see, for example, "The conceptual framework for TSA—Tourism satellite account: Recommended methodological framework," <http://statistics.unwto.org/content/tsarmf-2008>

- Ensure that local values and objectives drive the development of actions that support the local economy. By conducting economic development at the local level, partnerships and networks between local government, the private sector (workers, employers and cooperatives), and nongovernmental organizations (including women, youth and other local actors) can help make good decisions that are coordinated, broadly supported and thus durable over time.
 - Use LED strategies to coordinate land-use, transportation, infrastructure and investment planning. Coordinated actions across these lines can help cities overcome the challenges brought by rapid growth. While financing and investment planning are driving concerns for city leaders, investment alone cannot help economic development thrive. Coordinated decisions about land use, transport and infrastructure are essential. This will help local leaders identify the policies that will allow cities and their surrounding regions to reap the benefits of economies of urbanization and localization, attract and leverage private investments, and connect people to jobs while minimizing risk hazards.
 - Define and strengthen a full portfolio of instruments that enhances economic development while supporting a high quality of life. This will require as a first step: (a) understanding the trade-offs involved in enhancements to productivity and economic growth in terms of costs to liveability and (b) developing a comprehensive set of tools that supports growth and development while minimizing the negative externalities that rapid growth may bring with it (e.g., pollution, congestion, etc.). A comprehensive LED strategy requires a portfolio of instruments that include:
 - tools for planning and land management, development rights, investments in human capital and innovation. Examples include policy and regulatory reform and effective public investment to support a business-enabling environment.
 - support to emerging industries and entrepreneurs through job-training tools to create a skilled labour force, advice and support services for potential entrepreneurs (e.g., incubators and one-stop business service centres), and extension services to help businesses modernize and export.
 - tools to support youth employment creation, linking programs specifically designed to match the needs of local industry and connect students with potential employers.
 - financing—including microfinance and other types of investment—that can be targeted to achieve larger objectives.
- Identifying the best instruments to enhance efficiency while ensuring equity and minimizing costs are key to LED.

Platforms and Projects

- UN-Habitat: Urban Economy Branch/ Local Economic Development toolkit <https://unhabitat.org/series/promoting-local-economic-development-through-strategic-planning/>
- ILO: Local Economic Development LED dedicated portal <http://www.ilo.org/empent/areas/local-economic-development-led/lang--en/index.htm>
- World Bank: Local Economic Development page <http://www.worldbank.org/en/topic/urbandevelopment/brief/local-economic-development>
- UNDP: ART supporting local development http://www.undp.org/content/brussels/en/home/ourwork/democratic-governance-and-peacebuilding/in_depth/UNDP-ART-local-authorities.html



ISSUE PAPER
13

People buying, selling, and transporting fish in Da Nang, Vietnam © Shutterstock

JOBs AND LIVELIHOODS

Co-Lead organizations: ILO, UN-Habitat

Contributors: CBD, UNDP, WFP

+ KEY WORDS

Employment, jobs, livelihoods, decent work, productivity, urban form, infrastructure, inclusive growth

Cities and towns will be unsustainable if their residents do not have productive, decent jobs to support their lives. There are many challenges related to employment creation and the improvement of employment conditions. While such themes are very broad, this paper focuses on key information that will help improve readers' understanding of the status and existing challenges in urban areas and makes some recommendations for local action.

Main Concepts

- *Decent work* refers to people's aspirations in their working lives. It involves opportunities for work that is productive and delivers a fair income; security in the workplace and social protection for families; better prospects for personal development and social integration; freedom for people to express their concerns, organize, and participate in the decisions that affect their lives; and equality of opportunity and treatment for all women and men.
- *Gender pay gap* is the phenomenon whereby men are paid more than women for work of equal value. The gap is the difference between pay that remains after the variables of experience, education, occupational category, economic activity, location and work intensity are removed.
- *Inclusive growth* refers to increasing the pace of growth and enlarging the size of the economy, while levelling the playing field for investment and increasing productive employment opportunities for all people.
- *Livelihoods* are activities that secure people's basic needs, working either individually or as a group using human and material endowments. The concept of sustainable livelihood goes beyond the conventional definitions and approaches to poverty eradication. Employment is a necessary means to secure one's livelihood.

Figures and Key Facts

- Employment and decent work are central to the achievement of inclusive, sustainable development. To generate more and better jobs and to address decent work deficits, governments and businesses need to target urban areas for investments and subsidies.

- Over 60 per cent of GDP in most countries comes from urban-based economic activities, with the share reaching 80 to 90 per cent in developed countries. Some 75 per cent of future GDP growth is expected to come from cities and towns.¹
- Inequality and poverty have a drag effect on economic growth. Developing countries that have promoted decent work have experienced faster economic growth as well as declines in poverty. As the share of wage and salaried workers in the labour force increases, productivity also increases in places with decent work.²
- Youth unemployment, at 13 per cent globally, is three times the adult rate, with young women more affected than young men.³ Even if employed, youth are often challenged with lower salaries, underemployment and barriers that prevent them from progressing to better jobs.
- Informal employment makes up over half of non-agricultural employment in most developing regions, and is often a greater source of jobs for women than men.⁴ Informal employment is typically characterized by poor working conditions and lack of access to social protection (See Issue Paper 14 on Informal Sector).
- Small and medium-size enterprises (SMEs) provide two-thirds of formal-sector jobs in developing countries, and up to 80 per cent in low-income countries.⁵ Urban areas facilitate clustering, which enables SMEs to benefit from economies of scale and increase investment and job creation.

Issue Summary

Employment creation is fundamental to sustainable urban development. Although urbanization is acknowledged as a major driving force, urban policy and investment are often weak or absent from national development strategies and sectoral policies for economic transformation. National economic policies tend to focus on employment in general and do not link jobs to cities and towns. This was particularly true in the national economic stimulus packages of developed and developing countries after the 2008–2009 global economic crisis. Without targeted national urban policies, opportunities to link industrial areas to urban development will remain underexploited.

¹ World Bank, *Reshaping Economic Geography, World Development Report* (Washington, 2009).

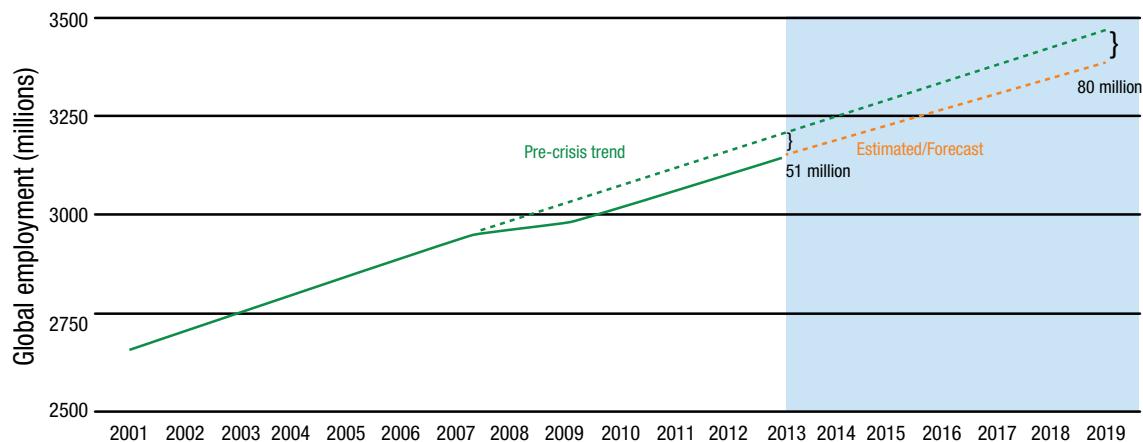
² ILO, *World of Work Report 2014—Developing with Jobs* (Geneva: ILO, 2014).

³ Ibid.

⁴ Joann Vanek, Martha Alter Chen, Françoise Carré, James Heintz and Ralf Hussmanns, "Statistics on the informal economy: Definitions, regional estimates and challenges," WIEGO Working Paper (Statistics) no. 2 (Cambridge, MA: Women in Informal Employment: Globalizing and Organizing (WIEGO), April 2014).

⁵ Jan de Kok, Claudia Deijl, and Christi Veldhuis-Van Essen, "Is small still beautiful? Literature review of recent empirical evidence on the contribution of SMEs to employment creation" (Eschborn, Germany: ILO and GIZ, 16 April 2013). Available from http://www.ilo.org/employment/Whatwedo/Publications/employment-reports/WCMS_216909/lang--en/index.htm

Figure 1. Global job creation, 2014 — 2019



Note: The figure shows the evolution of global employment and its current forecasts until 2019 (solid and orange line) in comparison with employment growth as expected prior to the crisis in 2008 (green dashed line)

Source: ILO, Trends Econometric Models, October 2014

Without good planning, productivity and employment creation are constrained.

Cities are engines of growth, but they could be much more productive and effective in generating employment and livelihood opportunities. Urban areas must overcome the constraints of infrastructure deficiencies, ineffective and costly regulation, weak local governments and the lack of adequate mechanisms for long-term finance. Cities should plan in advance for urban population growth and demographic dividends with a view to fostering job creation and the development of social capital that is inclusive of women and youth.

Poor planning, negative externalities and disconnects between public and private investment result in ineffective economic multipliers, low productivity, weak investment, and slow job creation (see Figure 1). Economic activities in cities such as Kuala Lumpur are slowed down by excessive regulation in the construction sector.

Transport efficiency has major consequences for productivity, investment, supply chains and the creation of decent jobs. Bangkok is mired down in its traffic and loses 4 per cent of GDP because of congestion. If workers have to travel two hours each way to their work in the Gauteng or Cape Town metropolitan areas in South Africa or in metropolitan Atlanta, or Mexican workers in maquiladoras in Ciudad Juarez have to use 29 per cent of their income for urban transport, the transport system represents a significant constraint on workers' welfare and productivity. Poorly planned transport also

impedes families from sending their children to school because they have to travel long distances on expensive buses, as in Dakar. At the same time, the poor are often forced to live in peripheral locations, with high commuting costs putting them at a further disadvantage.

If public investment does not help to create public goods, it will not "crowd in" or mobilize private investment. The active role of public investment in Brazilian cities such as Belo Horizonte and Porto Alegre shows how public spending can create the framework for private investment.

Lack of investment in infrastructure hinders job creation and skills development among workers.

Lagging job creation in the formal economy reflects infrastructure deficiencies at the city level. Research at the firm level in Bangkok, Jakarta, and Lagos, among other cities, shows that public infrastructure deficiencies such as water supply, electricity, sanitation, transport, and solid waste management are met by private investment at the firm level, consuming from 12 to 35 per cent of their gross fixed investment, in effect acting as an additional tax on firms and undermining their profits.⁶ When cities such as Dhaka or New York lose their electricity, their textile factories or their financial institutions cannot work. When San Francisco or Sao Paulo face severe water shortages, their manufacturing processes are much less productive.

⁶ Alex Anas, Kyu Sik Lee and Gi-Taik Oh, "Costs of infrastructure deficiencies for manufacturing in Nigerian, Indonesian and Thai Cities," *Urban Studies* vol. 36 No. 12 (1999): 2135–2149.

Infrastructure investment provides much-needed employment, particularly for youth. It also stimulates private-sector growth and promotes local economic development. US\$ 1 billion spent on large infrastructure projects in advanced economies created about 28,000 jobs, both directly and indirectly, roughly in equal proportions. Infrastructure spending in developing countries has much greater impact on job creation. For example, US\$ 1 billion spent on infrastructure in Latin America can create about 200,000 direct jobs.⁷

Adequate investments in rural-urban infrastructure, particularly transportation and communication infrastructure, also improve rural productivity and allow better access to markets, jobs and public services in both areas. Linkages between urban and rural areas in the form of division and/or exchanges of labour, value chains and capital transfers affect the economic and social development of both areas. There is a positive relationship between adequacy of infrastructure connecting rural and urban areas; ease of mobility; access to jobs and livelihood opportunities and enhancement of urban food security and incomes.

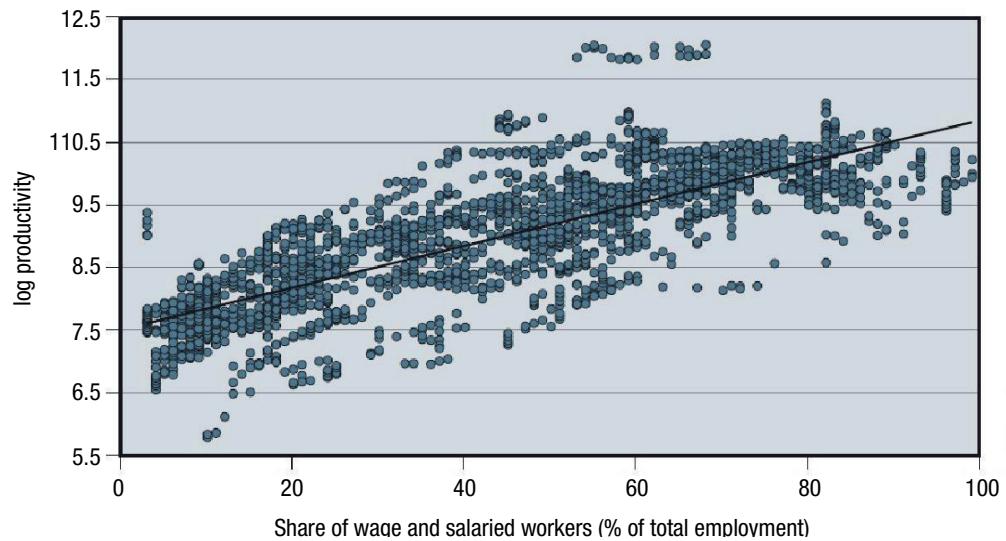
Poor working conditions have a drag effect on economic growth.

Where decent work is promoted, developing countries have experienced faster economic growth and higher productivity as well as declines in poverty (see figures 2 and 3). The urban economy's share of GDP will determine national growth and development performance in all countries.

Urban economies' ability to generate jobs and surpluses and their consequent tax revenues to finance public expenditures will be essential for achieving the ambitious post-2015 sustainable development agenda. Increasing investment to generate employment is a critical priority that must be addressed at all levels. Enhancing the use of public private partnerships can expand the benefits of investment while reducing barriers to business start-ups and existing firms' growth. Strong urban economies generating decent work will be necessary to achieve the proposed sustainable development goal (SDG) number 8 on sustained and inclusive economic growth, full and productive employment and decent work for all; and goal 11 on making human settlements inclusive, safe, resilient and sustainable.

High levels of unemployment, informal employment and other decent work deficits indicate the need to generate not just more jobs, but decent jobs. The working poor are often subject to dirty, difficult and dangerous conditions. They need improved working conditions and social protection but they also need their labour rights respected, freedom of association and social dialogue. Urban public works can provide an integrated approach to promote decent work.

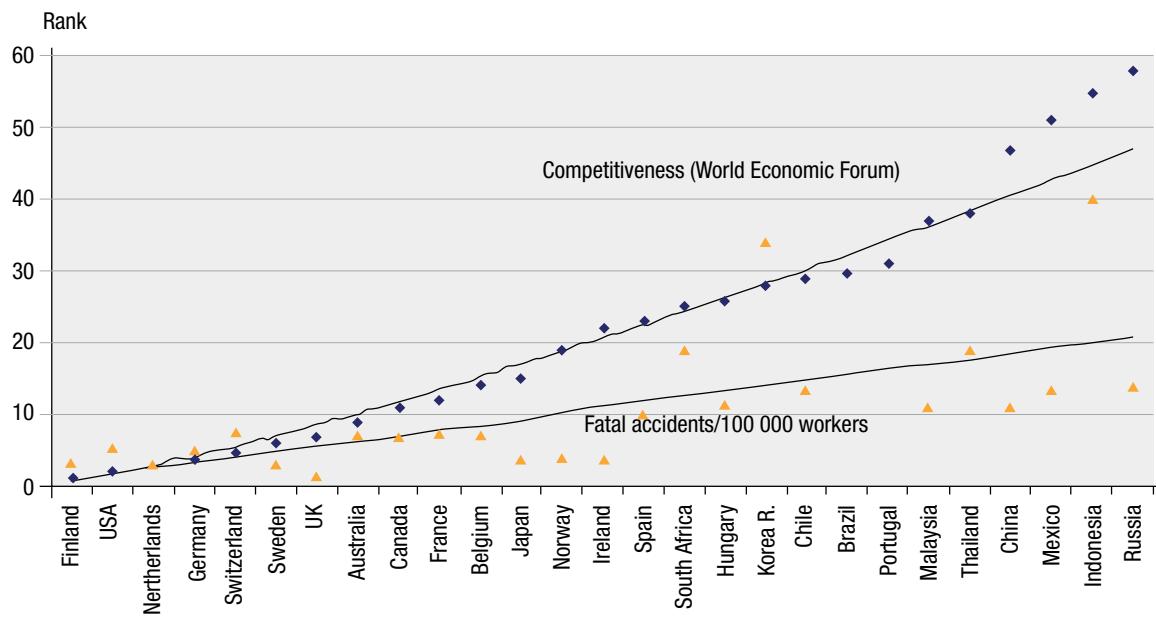
Figure 2



Source: ILO, Trends Econometrics Models, October 2013.

⁷ ILO, "Investments in infrastructure: an effective tool to create decent jobs," Global Jobs Pact Policy Brief No 1. (Geneva, 2010).

Figure 3. Competitiveness and safety



Sources: World Economic Forum; ILO/SafeWork

Lack of opportunities for youth and women continue to hinder the urbanization we want.

Demographic trends in industrialized countries have resulted in predominantly urban societies with low fertility and mortality rates. Many lower-income countries are in transition and have younger populations with high shares of people between the ages of 15 and 29 years old. A young population can be an asset for economic development when the labour force is growing more rapidly than the population depending on it. High levels of youth unemployment and underemployment represent a significant loss in potential contribution to GDP when cities are unable to fully use employment as a basis for wealth creation and an instrument for equitable distribution of wealth.

Urbanization has also created gender-differentiated impacts, including in employment. Women have lower labour force participation rates than men, and are overrepresented in lower paid, informal and vulnerable jobs. Legal and regulatory barriers to female participation in the labour market persist, and discrimination or traditional expectations can add further barriers. Yet relative social mobility within urban areas gives women new opportunities. Promoting gender mainstreaming in policy and programming is an essential part of urban development, and will have a significant impact. If the employment participation and wage gaps between men and women were closed, women would increase their income by up to some 76 per cent, adding up to a global value of US\$17 trillion.⁸

Key Drivers for Action

Employment is at the core of sustainable urbanization and must be integrated into national and local urban policies. This means:

- strengthening data collection to promote evidence-based policy on job creation, including through better collection of social indicators disaggregated by geography, age and sex by local, national and global urban observatories.
- developing new spatial forms for cities to promote decent job creation: urban areas that are higher density and well connected, that integrate work and residence and that reduce transport costs better facilitate job creation.
- creating an enabling environment for urban job creation through investment in education and skills linked to labour market demand; investing in labour-intensive and growth industries including housing and infrastructure; and promoting a business environment that encourages investment, entrepreneurship and innovation.

⁸ ActionAid, "Close the gap! The cost of inequality in women's work," available from https://www.actionaid.org.uk/sites/default/files/publications/womens_rights_on-line_version_2.1.pdf.

- harnessing the urban demographic dividend is critical for increased productivity and prosperity in cities. Youth need access to skills development to enable full and effective participation in the urban economy, as well as an enabling environment promoting economic inclusion and entrepreneurship.
- promoting gender equality and women's empowerment through effective mainstreaming in policy and access to skills development and financial services.

Platforms and Projects

Decent work on urban food markets and city-to-city cooperation Durban-Maputo

- In September 2013, an initiative to promote food security through decent work was successfully concluded. Decent and productive employment in the food system can have positive impacts on food security. The International Labour Organization (ILO), in partnership with United Cities and Local Governments (UCLG), focused on an exchange between Maputo, Mozambique, and Durban, South Africa, with the overall objective of promoting food security by addressing decent work challenges in the food system and improving urban food markets. Activities included technical visits, knowledge exchange, peer-to-peer consultations and technical training to market workers and local government officers.

Project 16/6, Port-au-Prince, Haiti

- Project 16 neighbourhoods/6 camps (Project 16/6) is designed to facilitate the return of internally displaced persons (IDPs) to their places of origin. Currently, an estimated 400,000 people are still living in tents around Port-au-Prince following the devastating 7.0-magnitude earthquake of January 2010. The project offers residents and returnees durable housing solutions. It also helps to improve living conditions through better access to basic services and income-generating activities.

Start and Improve Your Green Construction Business

- The Start and Improve Your Green Construction Business training is a green sectoral business development programme that supports emerging and established entrepreneurs who wish to engage in the green building construction sector.

Generating employment and improving labour conditions in cities hosting mega events.

- Cities throughout the world frequently host mega events—the Olympic Games, world and regional soccer cups, other sports' cups, Commonwealth Games, pan-regional games, etc. Preparation for these games often entails significant urban works in the host cities, with the potential to boost the economic sectors directly and indirectly involved in the tournaments. A large number of the host cities, especially in developing countries, face significant problems related to labour, such as unemployment, underemployment and inappropriate working conditions. Urban poverty is intrinsically related to such problems. The ILO implemented an initiative to promote decent work for the World Football Cup in Brazil in 2014. It led to at least eight cities establishing decent work "pacts." Given the magnitude and visibility of the World Cup, good practices will leave a legacy. Further activities were implemented in preparation for the carnival in Salvador 2015, and the 2016 Olympic Games in Rio. The ILO is also designing a manual that could be applied in other major events worldwide.



ISSUE PAPER

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A shoeshiner cleans his client's shoes at the Mercato in Addis Ababa © Shutterstock

INFORMAL SECTOR

Co-Lead organizations: ILO, UN-Habitat

Contributors: UNDP, UN-Women, WFP

+ KEY WORDS

Informal sector, informal enterprises, informal employment, informal economy, entrepreneurship, formalization, inclusive growth, gender equality

Main Concepts

- *The informal sector* is made up of informal production units or informal sector enterprises, as defined later. The informal sector¹ includes informal agricultural production units but does not include households as employers of domestic workers.²
- *Informal enterprises* are private unincorporated enterprises whose size in terms of employment is below a certain threshold to be determined according to national conditions, and/or that are not registered under specific forms of national legislation, such as factories or commercial acts, tax or social security laws, professional groups' regulatory acts, or similar acts, laws or regulations established by national legislative bodies and/or whose employees are not registered.³
- *Informal employment* is employment that leaves individuals in employment relationships without labour and social protection through their work, or without entitlement to employment benefits, whether or not the economic units they operate or work for are formal enterprises, informal enterprises or households.⁴
- *The informal economy* refers to all units, activities, and workers in informal employment and the output from them.⁵
- *Gender equality* means treating men and women equally, without any discrimination based on gender.

Figures and Key Facts

There are many aspects of informality. Some drivers are transversal (or common) to all situations: inefficient public institutions, inappropriate macroeconomic frameworks, or increased incentives to remain in the informal economy. Many other drivers are specific to particular types of employers; economic units, for example, micro and small enterprises; or groups of workers such as domestic workers, street vendors or informal settlers.

¹ The informal sector plays an important role in the economy of many countries and cities in terms of economic output and jobs. Yet, people engaged in informal employment face serious barriers that prevent them from prospering or entering the mainstream economy. This paper provides some important information on the informal economy. The data and analysis are limited to selected key issues with particular attention to urban areas, with some specific recommendations for local action. However, it is beyond its scope to address in detail all the elements related to the informal economy.

² ILO, Seventeenth International Conference of Labour Statisticians, ICLS 17, Geneva, 24 November to 3 December 2003, Report of the Conference (Geneva: ILO, 2003, doc. ICLS 17/2003/R); ILO, "Resolution concerning statistics of employment in the informal sector" in Fifteenth International Conference of Labour Statisticians, ICLS 15, Geneva, 19–28 January 1993, Report of the Conference (Geneva: ILO, 1993).

³ ILO, "Resolution concerning statistics." The operational definition adopted includes a size criterion for measurement purposes. It is included here for consistency with the ICLS resolution but it is not used in the description of formalization processes because it is not clear that growing over a certain threshold changes the nature of employment relationships in an enterprise or that it has particular bearing on the insertion of the productive unit in the mainstream economy.

⁴ ILO, "Guidelines concerning a statistical definition of informal employment," in Seventeenth International Conference of Labour Statisticians, Geneva 24 November to 3 December 2003.

⁵ ILO, "Guidelines concerning a statistical definition."

⁶ ILO, *Women and Men in the Informal Economy: A Statistical Picture*, 2nd ed. (Geneva: ILO, 2013).

⁷ Ibid.

⁸ Ibid.

⁹ Ceyhun Elgin and Cem Oyvat, "Lurking in the cities: Urbanization and the informal economy," *Structural Change and Economic Dynamics*, vol. 27, issue C (2013): 36–47.

¹⁰ United Nations, Department of Economic and Social Affairs, Population Division, *World Urbanization Prospects: The 2014 Revision* (New York: United Nations ST/ESA/SER.A/352, 2014).

¹¹ Elgin and Oyvat, "Lurking in the Cities."

¹² Javier Herrera, Mathias Kuépié, Christophe J. Nordman, Xavier Oudin, and François Roubaud, *Informal Sector and Informal Employment: Overview of Data for 11 Cities in 10 Developing Countries*, WIEGO working paper No. 9 (Cambridge, MA: Women in Informal Employment: Globalizing and Organizing (WIEGO), January 2012).

- The informal economy makes up a significant proportion of nonagricultural Gross Value Added (GVA). For example, between 8 and 20 per cent in transitional economies, 16 to 34 per cent in Latin America, 17 to 34 per cent in Middle East and North African region, 46 per cent in India, and 46 to 62 per cent of the informal economy in West Africa.⁶
- In many developing countries, informal employment makes up more than half of nonagricultural employment.
- In low-income countries, informal employment makes up between 70 and 95 per cent of total employment (including agriculture) and is found mainly in the informal sector. It is characterized by a high prevalence of own-account workers, for example, 81 per cent in Sub-Saharan Africa.⁷
- In middle-income countries, informal employment makes up 30 to 60 per cent of total employment. For example, its share outside the informal sector is between 10 and 35 per cent in urban Latin America and Asia. Own-account workers represent 50 to 70 per cent of the total informal employment.⁸
- Urbanization in developing countries is accompanied by growth in urban informal economies.⁹ Rural-urban migration is a particular issue in secondary towns, which will be the largest centres of urban population growth over the next 20 years.¹⁰ Among the push and pull factors that drive rural-urban migration are the prospects for better-paying jobs. However, the limited availability of such jobs means the informal economy is the main option for work.¹¹ For example, in Hanoi, Vietnam, over 50 per cent of the urban labour force is informal. In West African cities, the share is even higher—76 per cent in Niamey, Niger, and 83 per cent in Lomé, Togo.¹²

- Women often form a greater share of the nonagricultural informal economy workforce than men (see Figure 2). For example, in South Asia the ratio is 83 per cent of women to 82 per cent of men; in Sub-Saharan Africa, 74 per cent of women to 61 per cent of men; in Latin America and the Caribbean, it is 54 per cent of women to 48 per cent of men; and in urban China it is 36 to 30 per cent. In Abidjan, Côte d'Ivoire, nine out of every ten women in the labour force have an informal job, compared to seven out of ten men.¹³
- Young people are overrepresented in the informal economy. Based on averages across ten countries, as many as eight out of ten young workers are employed informally.¹⁴ In many urban areas, the majority of new jobs available to young people are in the informal economy.
- inadequate social security coverage;
- difficulty exercising fundamental rights (e.g., combating child¹⁵ and forced labour, combating discrimination);
- more women than men work in vulnerable, low-paid, or undervalued jobs;
- lack of representation at work.

Informal sector enterprises, workers and residents face obsolete and costly municipal regulations and bylaws that make it difficult to formalize. Enterprises often suffer from insecure tenure as a result of high land prices and complex procedures that discourage investment in productive expansion. Slum dwellers cannot provide legal addresses needed to obtain a license while street vendors suffer from frequent evictions from their place of work. In situations of removal or relocation, their livelihood strategies are often destroyed.

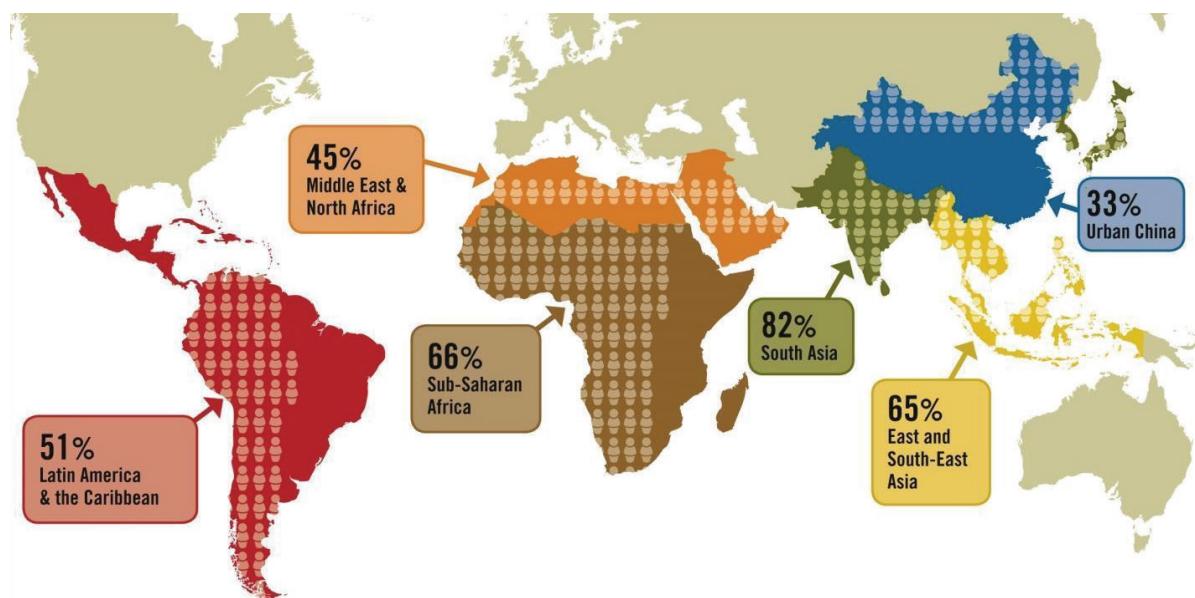
Although they provide much-needed labour to the urban economy and households, a huge proportion of the urban workforce lacks housing provisions and basic services. Moreover, undocumented migrant workers who face restrictive residency and civil registration systems find themselves with no access to social services and benefits.

Issue Summary

Workers in the informal economy face insecure and hazardous working conditions, often in breach of fundamental labour rights, with serious implications for their health and well-being. Challenges include:

- long working hours, low pay, and difficult working conditions;
- low job security, high turnover rates, and low job satisfaction;

Figure 1: Informal Employment: Per cent of Non-Agricultural Employment



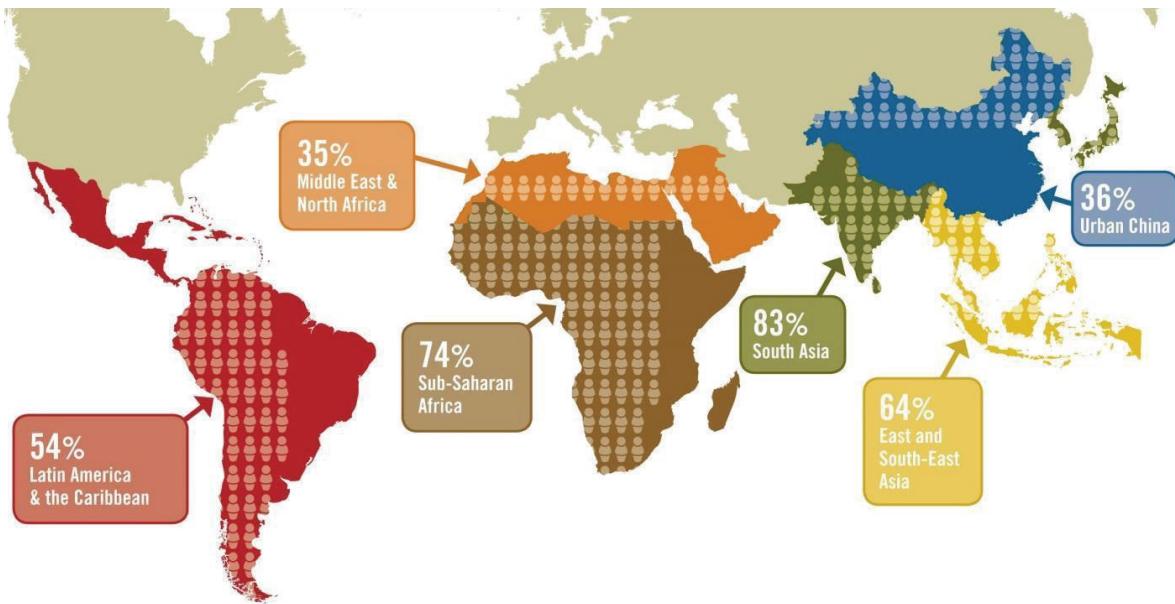
¹³ Vanek Joanne, Martha Chen, Francoise Carre, James Heintz and Ralf Hussmans. Statistics on the Informal Economy: Regional Estimates and Challenges. WIEGO Working Paper (Statistics) No.2. Cambridge, MA, USA: WIEGO. April 2014.

¹⁴ Herrera et al., *Informal Sector and Informal Employment*.

¹⁵ ILO, *Global Employment Trends for Youth 2013: A Generation at Risk* (Geneva, 2013).

¹⁶ ILO, *Marking Progress Against Child Labour: Global Estimates and Trends 2000–2012*, International Programme on the Elimination of Child Labour (IPEC) (Geneva, 2013).

Figure 2: Non-Agricultural Informal Employment: Women's Share



*Vanek Joanne, Martha Chen, Francoise Carre, James Heintz and Ralf Hussmans. Statistics on the Informal Economy: Regional Estimates and Challenges. WIEGO Working Paper (Statistics) No.2. Cambridge, MA, USA: WIEGO. April 2014.

Urban authorities face many challenges in managing urban informal economies. Congestion and overcrowding can cause harmful environmental consequences, for example, through competition for urban space, sewage dumping, and improper disposal of waste.¹⁶ Urban planning systems exclude peripheries and low-income settlements from infrastructure and transportation networks. They also deny huge sections of the urban population, particularly low-income people, from accessing key services and productive opportunities.

Key Drivers for Action

Key elements to address the challenges of informality involve strengthening the representation and voice of informal economy workers and formalization to reduce vulnerabilities and open access to key services, appropriate regulation, labour and environmental monitoring, licensing and taxation. Considering the negative long-run implications of the informal economy for workers, their families, the environment and governance, policy-makers need to explore avenues for its gradual integration into the formal economy. Formalization should be pursued in ways that ensure opportunities for livelihoods are not

destroyed but rather recognized and expanded. The goal of formalization is to bring jobs, workers and enterprises under the coverage of formal arrangements. Formalization processes can take multiple forms including: incorporation and registration of enterprises; extension of the scope of labour and social security regulation; registration of undeclared workers; provision of property rights and the right to land use; extension of basic services; and the minimum provisions under the social protection floor. Formalization happens also when economy-wide transformations lead to shifts into or the creation of more formal jobs. Within the urban context, specific areas of action to promote formalization include:

- developing a good understanding of the informal economy in a given locality through data collection and analysis. A good understanding of what causes the vulnerabilities of informal workers, women workers and enterprises is crucial. There is now a growing body of knowledge that unpacks the scale and scope of the informal economy, drawing from statistical data (e.g., labour force surveys) and other special surveys on informal economic activities.¹⁷

¹⁶ Sarbjit Chaudhuri and Ujjaini Mukhopadhyay, *Revisiting the Informal Sector: A General Equilibrium Approach*. (New York: Springer Science, 2010). Dan Biller and Juan David Quintero, "Policy options to address informal sector contamination in urban Latin America: The case of leather tanneries in Bogota, Colombia" (Washington, DC: World Bank, December 1995). Available from <http://documents.worldbank.org/curated/en/613881468770418936/Policy-options-to-address-informal-sector-contamination-in-urban-Latin-America-the-case-of-leather-tanneries-in-Bogota-Colombia>.

¹⁷ See, for example, Joann Vanek, Martha Chen, and Govindan Raveendran, "A guide to obtaining data on types of informal workers in official statistics," WIEGO Statistical Brief No. 8, (Cambridge, MA: WIEGO, October 2012); Sally Roever, "How to plan a street trader census," WIEGO Technical Brief (Urban Policies) No. 2, (Cambridge, MA: WIEGO, February 2011); and Andrew Charman, Leif Petersen, Laurence Piper, Rory Liedeman, and Teresa Legg, "Small area census approach to measure the township informal economy in South Africa," Journal of mixed methods research, vol. 11, no. 1 (2017): 36–58.

¹⁸ ILO, *Decent Work and the Transition to Formalization: Recent Trends, Policy Debates and Good Practices* (Geneva: ILO, 2008). ILO, Extending Social Security to All: A Guide Through Challenges and Options (Geneva, 2010).

¹⁹ ILO, *World of Work Report 2014: Development with Jobs* (Geneva: ILO, 2014).

- adopting tailored responses. Extending coverage to a heterogeneous set of workers and economic units requires the implementation of several coordinated instruments adapted to the specific characteristics of the different groups, the contingencies to be covered and the national context.¹⁸ The diversity includes: types of income earned (level, regularity, seasonality); status in employment disaggregated by sex and age (workers, employers, own-account workers); sectors; type and size of enterprise; location; and social and employment protection. Informality issues must be viewed further from the angle of other basic securities, such as those provided by property rights, land-use status, and residency status.
- prioritizing key spatial solutions. Urban planning needs to include informal workers and enterprises with the following essentials: (1) access to basic services; (2) transport and mobility clearly articulated in land-use plans, where informal enterprises benefit from the agglomeration effects of dynamic centres, by making networks of roads and infrastructure accessible to low-income settlements; (3) allocation of urban spaces to expand productive opportunities to the poor, such as street spaces for vending and transport networks for small-transport operators, particularly in urban regeneration projects.
- planning for social inclusion. Programmes for specific groups can include economic empowerment of women and youth. Local governments could provide an enabling environment for employers and workers in the informal economy to exercise their right to join organizations, federations and confederations of their own choosing; to exercise their right to organize and to collectively bargain; and to participate in social dialogue in the transition from the informal to the formal economy.
- building partnerships. Actions and policies intended to address the informal economy should be based on partnerships among urban authorities, informal economy workers, enterprises and their representatives, building on management processes that already exist. At the same time, and considering that a number of decisions that affect the urban informal sector are made at supra-municipal levels, local authorities should reach out to provincial and national actors to seek complementarity.
- drawing on good practices. For example, in several cities in India, home-based workers have received basic infrastructure services to improve their homes-cum-workplaces; street vendors have been allocated vending sites by the local municipality; and waste pickers have received contracts from the local municipality to collect, sort, and recycle waste. In February 2014, the Indian Parliament enacted a law to regulate and protect street vendors. In Durban, South Africa, over 6,000 street vendors in a central market area received infrastructure and technical support. Waste pickers in Bogota, Colombia, are being paid by the municipality to collect, sort and recycle waste. The government of Thailand has adopted an act in support of home-based workers. Evidence shows that quality jobs drive development: countries that have focused on improving job quality have experienced higher rates of economic growth.¹⁹

Platforms and Projects

- Resource guide on the informal economy
- Statistical update on employment in the informal economy ILO — Department of Statistics
- Facilitating transitions from the informal to the formal economy



ISSUE PAPER

15

A cable car moves down to Dubrovnik, Croatia © Shutterstock

URBAN RESILIENCE

Co-Lead organizations: UN Environment, UN-Habitat, UNISDR

Contributors: CBD, UN DESA, UNFPA, UNICRI, UNITAR, UNICEF, WMO, UN-Women

+ KEY WORDS

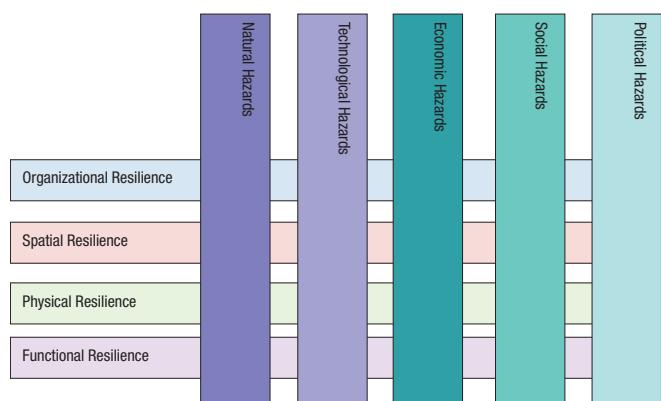
Resilience, hazards, vulnerability, risk, resource efficiency, urban resilience, climate change, ecosystems, natural resources, disaster risk reduction, shocks, stresses, finance, urban planning, governance

Main Concepts

The concept of resilience is both aspirational and operational. In recent years, resilience has emerged as a central theme of urban development. It serves as the basis for a wide range of strategic interventions and investments among the world's leading development institutions and, increasingly, within the humanitarian community. Resilience concentrates on how individuals, communities and business not only cope in the face of multiple shocks and stresses but also realize opportunities for transformational development.

Resilience is a quality of sustainable urban development, as much as a driver of development itself. Resilience at city level recognizes the urban area as a dynamic and complex system that must continually adapt to various challenges in an integrated and holistic manner. The "urban system" can be understood across functional (e.g., municipal revenue generation), organizational (e.g., governance and leadership), physical (e.g., infrastructure), and spatial (e.g., urban plans and designs) scales (see Figure 1).

Figure 1. Urban Systems Model Approach



Source: UN-Habitat

Each part of the system has an inherent reliance on the other. In both developed and developing countries, cities are vulnerable to the disruption or breakdown of individual or multiple parts of the urban system: economic downturns, social upheaval, epidemics, or a failure of governance to prepare for and manage weaknesses in the system. Resilience strategies call for an understanding of this inherent relationship with the view that cities cannot be resilient in isolation.

For example, city-level actions that build resilience to a particular threat such as flooding by moving residential developments to safer areas should use the opportunity to also address other stresses (e.g., inequality). Development strategies that focus on only one sector or challenge, well-intentioned though they may be, could miss opportunities to positively transform a city, and possibly trigger new threats as a result. A residential development that is protected from

floods, but does not provide affordable housing, or leaves people disconnected from livelihoods, may inflame social tensions and contribute to a cycle of poverty and risk generation. During the 2011 Thailand floods, for example, 73 per cent of low-income households in Bangkok were affected compared to only 21 per cent of the total city population.¹

Building Resilience

As more people and assets are concentrated in cities, there is an increasingly complex array of shocks and stresses that can influence resilience (see Figure 2). Broadly speaking, the factors that influence a city's resilience include the range and severity of hazards; the risk to lives and property; the vulnerability and exposure of human, social, and environmental systems and both physical and governance systems' degree of preparedness for any shock or stress.

The concept of resilience has evolved steadily over recent years. The study of ecology and analyses of how shocks and disturbances affect ecosystems have informed the application of resilience thinking in other systems. Likewise, the field of disaster risk reduction effectively expanded focus from preparing for a disaster event to a wider perspective that considers how development decisions can affect exposure and vulnerability to multiple hazards over time and how, importantly, measures can be taken to reduce losses and build resilience.

Renewed attention to resilience, particularly urban resilience, has brought a number of significant advances. It encourages attention to a wider range of shocks and stresses and seeks to understand how these affect urban systems. It also seeks to leverage knowledge of risk, exposure and vulnerability to identify opportunities for transformational development.

Shocks and stresses stemming from environmental conditions affect city resilience through several recognizable pathways. Ecosystem degradation, or loss of ecosystem services in the wider territory, can have direct effects on urban resilience. Consider, for example, the connection between ecosystem degradation in watersheds or wetlands and urban flooding or water quality. Pollution introduces other stresses that undermine the resilience of urban systems, particularly where health is affected.

Resource scarcity presents yet another source of stress. However, with the exception of water, the most direct impacts of resource scarcity may not be felt immediately within the city limits. Unsustainable patterns of production and consumption are also a source of accumulating stress in cities. Many of the possible interventions that relieve environmental stresses and build resilience through ecosystem management, resource efficiency, and related measures are explored in more details in Issue Paper 16 on Urban Ecosystems and Resource Management.

¹ UNISDR, 2013.

² World Development Report, 2014.

Figure 2. Classification of urban hazards (shocks and stresses)

Natural	Technological	Socio-economic-political-cultural Crises
<ul style="list-style-type: none"> • Epidemic and Pandemic • Insect Infestation • Drought • Extreme Temperature • Wildfire • Earthquake • Mass Movement • Volcano • Flood • Storm 	<ul style="list-style-type: none"> • Chemical Spill • Collapse • Explosion • Fire • Gas Leak • Oil Spill • Poisoning • Radiation • Transport Accident • Systems breakdown (e.g., Water, Energy, ICT, Health, Education, etc.) 	<ul style="list-style-type: none"> • Housing Crisis • Energy Crisis • Food Crisis • Water Crisis • Terrorism • Massacre • Social Conflict • Economic Crisis • Business Discontinuity • Excessive Unemployment • War • Political Conflict • Corruption

Source: World Bank, 2014, Adapted from UN-Habitat's City Resilience Profiling Tool (CRPT), which is based on the classification of hazards by EM-DAT and PreventionWeb

Acute shocks combined with endogenous stresses such as joblessness, particularly among youth populations, can both impede and reverse development. The impacts of disasters often exacerbate existing socioeconomic and environmental weaknesses in the urban system. The combination of shocks and recurrent or protracted stresses can push vulnerable populations into poverty and keep them there.²

Building resilience requires not only an understanding of the risk and immediate impacts of a shock on the affected area, but also the cascading consequences that can have deep and long-lasting impacts across communities, financial systems, and geographic borders. Consider, for instance, the far-reaching, long-term impacts of the Great East Japan earthquake and the tsunami of 2011 on global supply chains and the nuclear energy industry.

Resilience in the New Urban Agenda

The three pillars of the New Urban Agenda—urban planning, urban legislation and municipal finance—support an understanding of resilience in an urban context.

Without good urban planning, poor and counterproductive investments may replace otherwise profitable and sustainable ones. Without good governance and legislation, the investment landscape is more uncertain and good plans are harder to see through and enforce. Without finance, even the best-laid plans

will never come to fruition or might ignore the longer-term impacts from climate change on more immediate investment decisions, causing a vicious cycle of risk generation.

When it comes to planning, resilience strategies can support a positive model of urbanization that is compact, connected, integrated and inclusive, by promoting risk-informed decisions that are tested against multiple stresses and have the greatest impact to the majority of the people. In Santa Fe, Argentina, the municipal government used the threat of perennial flooding to create an integrated “resilience action plan” that redirected development to safer zones, and used the opportunity to make other improvements, such as connecting communities to transport networks.

Many cities around the world are employing resilience strategies to redress social, economic and environmental imbalances that are legacies of past conflict, or a result of current conditions. For example, in Johannesburg “apartheid spatial planning … left the city with sprawling low-density areas without viable public transport systems.” The “Corridors of Freedom” project is now using the lines drawn under apartheid to make significant improvements to the city’s urban plan and transport networks. “The transit-orientated developments include the Bus Rapid Transit system, Rea Vaya, which will have fast, safe and affordable mobility along … these Corridors of Freedom[which] will give residents increased freedom of movement as well as economic freedom — liberating them from apartheid spatial legacy characterised by informal settlements, poor schooling and limited recreational spaces.”³

³ “Corridors of Freedom for a people-centred city,” Available from “access to opportunity,” <http://www.corridorsoffreedom.co.za/>

Current urban development patterns and the accumulation of risk in urban areas in fragile states are a particular concern. The pace of urban growth in these areas as a result of rural–urban in-migration and conflict is exacerbating vulnerabilities and bringing more pressure to bear on urban basic services, social cohesion, and the capacity of public institutions to respond to people's needs. Because migrants often settle in slums that are especially vulnerable to natural and human-made shocks, including climate change, there is a threat of further instability and displacement in these areas (See Issue Paper 2 on Migration and refugees in urban areas).

Resilience thinking is also helping urban planners, local governments and businesses think about the interconnected nature of urban planning on social, economic and environmental levels. For example, resilience helps link how urbanization that results in sprawl not only disconnects residential areas from sources of livelihoods, but can also perpetuate a reliance on high-emission, fossil-fuel-generated energy and transport systems. Likewise, poorly planned cities also exacerbate pressure on natural resources and ecosystems that act as climate-change mitigation instruments and physical buffers to climactic events. Poorly planned cities also contribute to land degradation (See Issue Paper 16 on Urban Ecosystems and Resource Management and Issue Paper 17 on Cities and Climate Change and Disaster Risk Management).

Awareness of the interconnected nature of risk and opportunities for transformation helps municipal leaders and investors make more informed and sustainable policy and investment decisions. The opportunity that exists to connect all of these elements for the benefit of the city is particularly compelling given the fact that 60 per cent of the area expected to be urbanized by 2030 remains to be built (See Issue Paper 18 on Urban Infrastructure and Urban Services, including energy).

A resilient approach to development can also improve governance challenges by highlighting the link between the breakdown of regulatory functions in urban areas, particularly across the developing world, and the creation of vulnerabilities to natural and other hazards. Corruption or lack of interest in building-code enforcement and broader compliance strategies can be associated with some of the worst disasters in modern times. Before the 1999 earthquake in Turkey that killed 17,000 people, 65 per cent of apartment blocks in Istanbul and other cities had been built in violation of local housing codes.

By contrast, the 8.2-magnitude earthquake off the coast of Chile in April in 2014, and its subsequent aftershocks, highlighted the benefits of investing in preparedness and risk mitigation associated with seismic hazards. The enforcement of strict building codes is credited with the very low numbers

of deaths there because buildings and infrastructure held. The evacuation of over 900,000 people from the coast following a tsunami warning illustrates the benefits of investing in public awareness and early-warning systems.

Resilience is also playing a more important role in finance decisions that ultimately affect the form and function of the city. For example, where the International Finance Corporation (IFC) of the World Bank previously factored climate change risks into its investment decisions, it is now aiming to look at certain large-scale infrastructure projects through a much broader resilience lens. A separate initiative led by the World Bank and the Medellin Collaboration on Urban Resilience is aiming to understand how this broader approach to resilience not only influences investment decisions, but also drives innovations in urban finance.

Figures and Key Facts

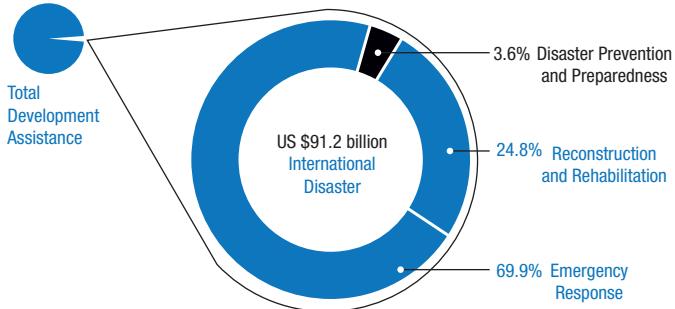
- Poor households tend to be less resilient than wealthier ones. A study of the January 2010 Haiti earthquake found that wealthy households were able to recover more quickly while poor households were more heavily dependent on temporary jobs and were prone to reduced consumption or pulling children out of school.⁴
- A recent risk analysis of 616 major metropolitan areas, made up of 1.7 billion people (or nearly 25 per cent of the world's total population and approximately half of the global GDP) found that flood risk threatens more people than any other natural hazard. River flooding poses a threat to over 379 million urban residents, with earthquake and strong winds potentially affecting 283 million and 157 million respectively.⁵
- Thirteen of the most populated cities in the world are coastal trading hubs that are vital in global supply chains. Many of these are exposed to flooding and storms. The estimated exposure of economic assets is expected to increase between 2005 and 2070 from US\$ 416 billion to US\$ 3,513 billion in Miami, US\$ 8 billion to US\$ 544 billion in Dhaka and US\$ 84 billion to US\$ 3,557 billion in Guangzhou.⁶
- A sizable gap exists between investments in disaster-resilience and conventional crisis-response spending (see Figure 3). According to some estimates, for every US\$100 spent in development aid, just 40 cents have been invested in reducing the impact of disasters. At the same time, disaster losses in developing nations amount to US\$ 862 billion (a considerably underestimate)—equivalent in value to one-third of all international development aid.

⁴ Overseas Development Institute, 2013.

⁵ Hausmann, 2013.

⁶ Global Assessment Report, 2013.

Figure 3. Share of ODA on disaster response vs. resilience (US\$)



Source: GFDRR¹⁰

- By 2020, nearly 1.5 billion people in the developing world will live in slums (UN-Habitat).⁷ Because these slums are often built in highly exposed areas, such as coastal zones and flood plains, and the infrastructure is generally of low quality, the vulnerability of these populations to the effects of climate change is increased by an order of magnitude.⁸
- Some 15 per cent of the world population lives in fragile and conflict-affected countries. This same population includes one-third of people living in extreme poverty.⁹ By 2050, it is expected that more than half (56%) of those living in fragile states will reside in cities.

Issue Summary

Significant progress has been made in knowledge, policy, partner engagement and operations for supporting resilience, with a number of mechanisms in place to facilitate further action.

Understanding the interconnected nature of risk and how it affects urban systems has advanced considerably in recent years and several efforts are underway to harmonize metrics and indicators for urban resilience and ensure that they are both useful to local governments and aligned to national and international processes.

A number of tools and methodologies are already available to help cities evaluate their vulnerability and “test” their resilience to a variety of shocks and stresses. These, together with examples of good practice, are increasingly available online (see section on established platforms). Improving the tools and knowledge base, as well as mechanisms for sharing experience between cities, remains a priority for many partners.

Risk information, including data on vulnerability and exposure to shocks and stressors, is essential for building resilience. Disaster loss data, risk assessments and climate change projections, for instance, are fundamental tools for guiding plans and investments and identifying opportunities for transformative action. Although they are recognized as a global priority, these tools are not yet universally available in all cities.

In this context, knowledge and tools for building resilience to disasters are crucial. Greater investments in understanding the causes and consequences of other shocks and stressors, such as those related to environment and conflict, are urgently needed.

At the global scale, governments continue to actively discuss resilience in the context of international agreements, including the UN Framework Convention on Climate Change, the Sustainable Development Goals and Financing for Development. Dialogues led to new commitments in building resilience to disasters when 185 countries agreed to the Sendai Framework for Disaster Risk Reduction in March 2015. The agreement set out seven global targets aimed at reducing the loss of lives, livelihood and economic assets (among others) and includes targets focused on local action. Critically, the Sendai Framework emphasizes efforts to prevent the creation of disaster risk and introduces four priorities for action that include specific measures for building resilience in urban areas.

Many national policies address resilience to disaster risk and are increasingly integrated with climate-change policies. However, harmonizing these with related policies that consider resilience in the context of other stressors remains a gap. This is the case at the local level as well, though city governments and partners are making efforts to address this need.

Building resilience demands a whole-of-society approach, especially in cities, where the key sectors of local government must be fully engaged and coordinated. Private-sector, the scientific and technical community and community actors (including women, youth and persons living with disabilities) are increasingly involved in building urban resilience. Efforts to pro-actively engage expertise in issues of economics, environment, health and related areas will help to ensure that resilience-building efforts are holistic.

The pillars of the New Urban Agenda provide guidance on how to operationalize a resilience agenda by providing a positive role for urbanization that connects the physical, social, environmental and economic elements of a city.

⁷ UN-Habitat

⁸ World Bank, “Turn down the heat: Climate extremes, regional impacts, and the case for resilience,” June 2013, available from <http://documents.worldbank.org/curated/en/975911468163736818/turn-down-the-heat-climate-extremes-regional-impacts-and-the-case-for-resilience-full-report>

⁹ World Bank inputs to the post- 2015 HFA, 2014.

¹⁰ Global Facility for Disaster Reduction and Recovery (GFDRR), “Managing disaster risks for a resilient future: A strategy for the global facility for disaster reduction and recovery 2013–2015. (A work plan for the global facility for disaster reduction and recovery 2015–2017). July 2014.



Key Drivers for Action

It's important to leverage city-planning instruments to reduce existing risk and prevent new risks while preparing for climate and disaster risk. This involves:

- strengthening technical and scientific capacity to capitalize on and consolidate existing knowledge;
- building the knowledge of government officials at all levels, civil society, communities and volunteers, as well as the private sector, through sharing experiences, lessons learned, good practices and training and education; and
- developing mechanisms to allow for the monitoring, assessment, and reporting on progress towards building urban resilience.

Resilient cities must develop or improve existing policies (including National Urban Policies) that promote compact, socially inclusive, better-integrated and connected cities which foster sustainable urban development through:

- clearly defining roles and responsibilities and mechanisms to improve coordination among all relevant actors, emphasizing the need to empower local authorities and local communities with appropriate resources, incentives and decision-making responsibilities; and
- developing instruments and mechanisms that enable the enforcement of policies and regulatory frameworks.

New mechanisms/instruments can promote coherence across systems, sectors and organizations related to their policies, plans, programs, processes and investments in urban resilience by:

- screening investments plans and programmes for coherence and inclusion of urban resilience criteria;
- encouraging coordination between global and regional financial institutions with a view to assess and anticipate the potential economic and social benefits and impacts of resilient urban design;
- promoting long-term investments in innovation and technology development for resilient urban design;
- promoting cooperation between financial, private-sector, scientific and government entities (at all levels) to develop new products and services that facilitate the implementation of resilient urban designs; and

- reviewing cities' consumption and production patterns and their impact on cities' long-term survival, incorporating knowledge on the city's present and future resource needs in planning.

Platforms and Projects

Many mechanisms are in place and initiatives are underway to support urban resilience. Some examples include:

- The Medellin Collaboration on Urban Resilience (MCUR) — <http://urbanresiliencehub.org/medellin-colaboration/>
- The Cities Alliance — <http://www.citiesalliance.org/>
- UN Environment Global Initiative for Resource Efficient Cities (GIREC) — <http://www.resourceefficientcities.org/>
- Climate and Clean Air Coalition <http://www.ccacoalition.org/en>
- World Humanitarian Summit Urban discussions — https://www.worldhumanitariansummit.org/whs_urban
- World Disaster Reduction Campaign "Making cities resilient: My city is getting ready" — <http://www.unisdr.org/campaign/resilientcities/>
- UNISDR Global Platform for Disaster Risk Reduction — <http://www.unisdr.org/we/coordinate/global-platform>
- Partnership for Environment and Disaster Risk Reduction (PEDRR) — <http://pedrr.org/about-us/>
- Global Facility for Disaster Reduction and Recovery GFDRR — <https://www.gfdrr.org/>
- IFRC 1 Billion Coalition for Resilience — <http://media.ifrc.org/1bc/>
- ICLEI Annual Global Forum on Urban Resilience and Adaptation — <http://resilient-cities.iclei.org/>
- UN Environment/UN-Habitat Greener Cities Partnership — <http://unhabitat.org/unep-and-un-habitat-greener-cities-partnership/>
- City Resilience Profiling Programme — <https://unhabitat.org/urban-initiatives/initiatives-programmes/city-resilience-profiling-programme/>



ISSUE PAPER

16

An aerial view of the famous Strelka Park in Yaroslavl © Shutterstock

URBAN ECOSYSTEMS AND RESOURCE MANAGEMENT

Co-Lead organizations: CBD, UN Environment

Contributors: UN DESA, UNESCO, UN-Habitat, WHO

+ KEY WORDS

Ecosystem, biodiversity, services, resource efficiency

This Issue Paper outlines the importance of ecosystems to cities. The social and economic systems that visibly constitute cities are built upon the ecosystems that they supplant, and are perpetually reliant on the flow of ecosystem services both within and beyond the city.

Main Concepts

- *The urban environment* refers to the intersection and overlay of the natural environment, the built environment and the socioeconomic environment.¹
- *Ecological footprint*. Biocapacity—the planet's biologically productive land areas—can be compared with humanity's demand on nature: our ecological footprint represents the productive area required to provide the renewable resources humanity uses and to absorb its waste. The productive area currently occupied by human infrastructure is also included in this calculation, since built-up land is not available for resource regeneration.²
- *Ecosystem services (ES)* are the benefits people obtain from ecosystems, delineated into four categories: supporting services (e.g., habitat for species and genetic resources), provisioning services (e.g., food and medical resources), regulating services (e.g., regulation of local climate and of extreme events); and cultural services (e.g., recreation and tourism).³
- *Ecosystem-based Adaptation (EbA)* refers to the use of biodiversity and ecosystem services to adapt to the adverse effects of climate change, including the range of opportunities for the sustainable management, conservation, and restoration of ecosystems. Ecosystem-based adaptation is most appropriately integrated into broader adaptation and development strategies.⁴
- *Green infrastructure (GI)* refers to the network of natural and semi-natural areas, features and green spaces in rural and urban, and terrestrial, freshwater, coastal and marine areas, that together enhance ecosystem health and resilience, contribute to biodiversity conservation and benefit human populations by maintaining and enhancing—it is an approach to illustrate the dependency of human well-being on ecosystems'

capacity to provide essential services. GI, by contrast, is a strategy for safeguarding or enhancing the provision of ES.⁵

- A sustainable, *resource-efficient city* can be defined as a city that is significantly decoupled from resource exploitation and ecological impacts and is socioeconomically and ecologically sustainable in the long term.⁶
- *Biodiversity* is the term given to the variety of life on Earth and the natural patterns it forms. The biodiversity we see today is the fruit of billions of years of evolution, shaped by natural processes and, increasingly, by the influence of humans. It forms the web of life of which we are an integral part and upon which we so fully depend.⁷

Figures and Key Facts

Ecosystems provide cities with essential goods and services.

Ecosystems, both within cities and beyond their boundaries, provide ecosystem services to cities. Although there is no clear distinction between the kind of services provided within city boundaries and beyond them, those within typically include local-level benefits such as moderation of the urban microclimate and improvement of air quality, opportunities for recreation, and enhancement of citizens' health. Those surrounding cities may help to moderate extreme climatic events such as flooding and enhance the quality and quantity of water supplied via watersheds. Very distant ecosystems may provide food, medicines and timber. Although they are difficult to quantify, a growing body of research demonstrates our reliance on these services to build resilience in cities,⁸ which is especially important in the face of climate change.⁹

Cities are centres of consumption and production.

Cities attract and create wealth. A consequence is that, with most of the world's population now located in cities, they are by default strongly correlated with consumption and production. "With a [global] population share of just above 50 per cent but occupying less than 2 per cent of the earth's surface, urban areas concentrate 80 per cent of economic output, between 60 and 80 per cent of energy consumption, and approximately 75 per cent of CO₂ emissions."¹⁰

¹ Hari Srinivas, "The ecosystems approach to urban environmental management: Operationalizing the Cities as Sustainable Ecosystems (CASE) initiative" (Osaka: UN Environment-IETC, 2003).

² Mathis Wackernagel and William E. Rees, Our Ecological Footprint: Reducing Human Impact on the Earth (Gabriola Island, Canada: Gabriola Press and New Society, 1996). Available from: www.globalfootprintnetwork.org.

³ Millennium Ecosystem Assessment, available from <http://www.millenniumassessment.org>; and The Economics of Ecosystems and Biodiversity (TEEB) website, available from: <http://www.teebweb.org>.

⁴ Secretariat of the Convention on Biological Diversity (SCBD), Connecting Biodiversity and Climate Change, Report of the Second Ad Hoc Technical Expert Group on Biodiversity and Climate Change (Montreal: CBD, UN Environment, 2009).

⁵ Christian Albert and Christina Von Haaren, "Implications of applying the green infrastructure concept in landscape planning for ecosystem services in peri-urban areas: An expert survey and case study." Planning Practice and Research (11 November 2014).

⁶ UN Environment, Sustainable, Resource Efficient Cities—Making It Happen (Paris, 2012).

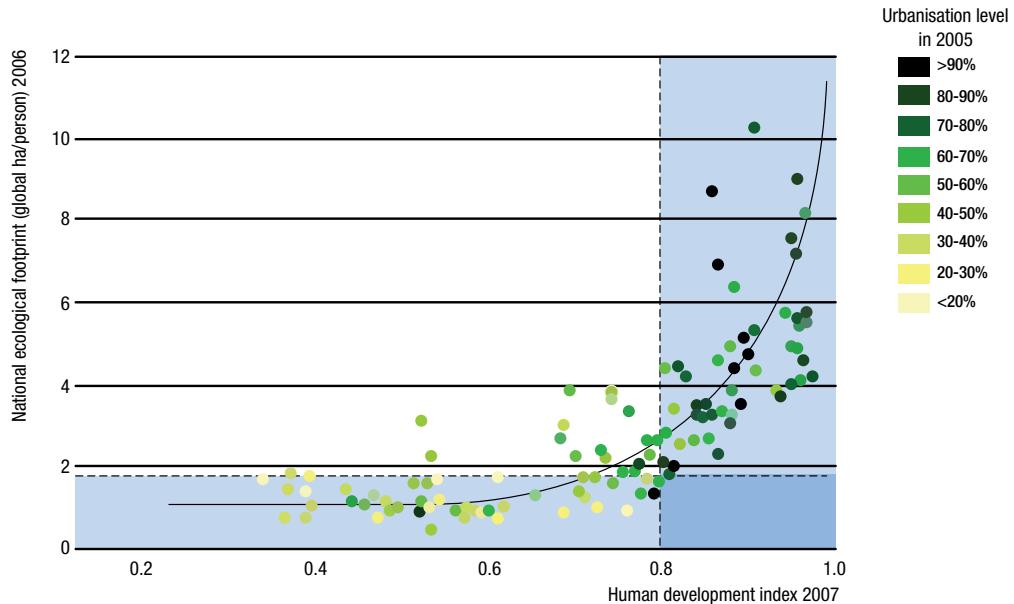
⁷ See www.cbd.int

⁸ Timon McPhearson, Erik Andersson, Thomas Elmqvist, and Niki Frantzeskaki, "Resilience of and through urban ecosystem services," *Ecosystem Services* No.12 (2015): 152–156.

⁹ See Issue Paper 15 on Urban Resilience.

¹⁰ UN Environment, Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication (Nairobi, 2011). Available from <http://www.sinanet.isprambiente.it/gelso/files/green-economy-report-2011.pdf>

Figure 1. Ecological footprint by countries' urbanization levels¹¹



Cities have a direct effect on ecosystems.

Without good planning, urbanization also affects ecosystems more directly. A global study of urban area expansion in 50 cities showed that urban development is strongly negatively correlated with forest, cropland and grassland.¹² This is also true for marine ecosystems. An estimated 90 per cent of all wastewater in developing countries is discharged untreated directly into rivers, lakes or oceans. The resulting de-oxygenated dead zones are now thought to affect more than 245,000 square kilometres of marine ecosystems,¹³ equivalent to the total global area of coral reefs.

Cities also offer some of the best solutions to ecological problems.

The growing global population requires natural resources for its livelihood and well-being, and the density that characterizes cities offers solutions to provide for this population at less cost to our ecosystems. Cities also have agglomeration benefits that provide opportunities for technological and behavioural innovation, and the widespread application of green technologies. When efficiency in the delivery of services, such as piped water, public transport and solid waste collection are less costly to develop, maintain and operate, as in a densely populated urban setting, they contribute to reducing the human impact on local ecosystems and the consequent hazards. Similarly, the physical proximity of many enterprises makes it easier to enforce environmental legislation, and to control ecological damages.¹⁴ Cities are also the stage for deploying old and new mobility solutions that have low greenhouse gas emission and resource consumption, such as walking, biking, and public transport. Cities that include ecological considerations in management and governance pave the way not only for solutions to ecological challenges, but also many social and economic ones.¹⁵

¹¹ Ibid.

¹² Hasi Bagan and Yoshiki Yamagata, "Land cover change analysis in 50 global cities by using a combination of Landsat data and analysis of grid cells," Environmental Research Letters, vol. 9, No. 6 (2014).

¹³ Robert J. Diaz and Rutger Rosenberg, "Spreading dead zones and consequences for marine ecosystems," Science, vol. 321, Issue 5891 (2008): 926–929.

¹⁴ David Dodman, "Blaming cities for climate change? An analysis of GHG emissions inventories," Environment and Urbanization vol. 21, No. 1 (2009): 185–201.

¹⁵ See Issue Paper 11 on Urban Governance.

¹⁶ See GreenFacts Initiative, available from <http://www.greenfacts.org/en/ecosystems/>

Issue Summary

Over the past 50 years ecosystems have been changed more rapidly and extensively than in any comparable period of time in human history and this has put at risk the ecosystems that support human well-being.¹⁶ Unsustainable development patterns have resulted in a substantial and largely irreversible loss in the diversity of life on Earth. Approximately 60 per cent (15 out of 24) of the ecosystem services examined during the Millennium Ecosystem Assessment in 2005 were being degraded or used unsustainably.¹⁷

As it stands, many sensitive natural environments such as wetlands and coastal and estuarine ecosystems located within cities suffer greatly in areas where slums and informality are significant or dominant factors in the urban landscape. In such contexts, these ecosystems are used as primary sources of basic needs (i.e., food and water) at the same time as they serve as sinks for solid and bio waste. They are therefore vulnerable to exploitation and misuse.¹⁸ The loss or degradation of ecosystems such as these is also a lost opportunity for often low-cost opportunities to build resilience to climate change.

However, exploitation and misuse are not limited to such direct use. Ecosystem damage is largely a result of rapidly growing demands for resources, from near and far, and mostly by cities since urban areas are now home to more than half of the human population, and most of the wealthy. Consequently, cities are the front-liners in the challenge to preserve the ecosystems that support humanity. They are tasked with finding ways to establish a harmonious interaction between the natural and built environments.

There is a need for urbanization to be planned and for planning trends to shift towards adopting a more ecosystem-oriented approach. Cities are “systems and components of nested systems” that exist within a wider ecological network.¹⁹

The ecological footprint of cities is many times their physical size.

One can get an idea of the ecological footprint of cities through their water footprint. Overall, urban areas cover only around less than 2 per cent of the Earth’s land surface, but the area upstream of their water sources, their water footprint, covers 41 per cent of the Earth’s surface.²⁰ Globally, cities move 504

billion litres of water a distance of 27,000 kilometres every day. Laid end to end, all those canals and pipes would stretch halfway around the world (and that’s not counting the many small pipes that move water within cities).²¹ The 100 largest cities in the world occupy less than 1 percent of our planet’s land area, while their watersheds cover over 12 per cent.

The resources utilized in cities—from food to clothing to cars—are produced or extracted, and distributed from all over the world. As a result of the relative wealth (and hence purchasing power) of their citizens compared with rural counterparts, cities are globally responsible for a disproportionate share of resource use and the production of waste that accompanies it. The land area required for these needs far exceeds the geographical extent of cities, and they therefore displace original ecosystems, which results in the loss of species and unique genetic material. To satisfy the needs of (mostly) cities, land is needed on an unprecedented scale for agriculture and timber forestry. Extractive activities like fishing and mining, meanwhile, damage ecosystems and/or remove or destroy animals and plants or even entire species. This demand is not unique to cities, but cities are the ultimate destination of most these products.

However, many of the problems that are attributed to “cities” are a consequence of the economic development of a community rather than of urbanization as such (e.g., increased consumption, dietary changes, greater ownership of durable goods). The urban form, when considered independently, can help compensate the negative externalities of development. In developed countries, for instance, cities often present lower per capita greenhouse gas (GHG) emissions than the country average.²² With 2.8 global hectares per capita, the city of London has an ecological footprint almost 10 per cent lower than the European average.²³

Services provided by ecosystems in and around cities

Nature (e.g., trees, green areas, wetlands, lakes and streams) in the urban environment produces services that not only provide a benefit for human well-being but are also necessary to sustain the ecosystems themselves. These natural elements directly contribute to public health and increase the quality of life of urban dwellers, for example, by regulating micro-climates, improving air quality and reducing noise.²⁴ A variety of examples demonstrate the ecosystem services that city-dwellers rely upon, from health and recreation to basic needs

¹⁷ World Resources Institute (WRI), Ecosystems and Human Well-being: Synthesis (Washington, DC: WRI, 2005). Available from <http://www.millenniumassessment.org/documents/document.356.aspx.pdf>

¹⁸ UN Environment, Sustainable, Resource Efficient Cities—Making It Happen.

¹⁹ United Nations University Institute of Advanced Studies (UNU/IAS), “Defining an ecosystem approach to urban management and policy development” (Tokyo, Japan: UNU/IAS, March 2003).

²⁰ Robert McDonald, Katherine Webera, Julie Padowskib, Martina Flörkec, Christof Schneiderc, et al., “Water on an urban planet: Urbanization and the reach of urban water infrastructure,” *Global Environmental Challenge* vol. 27 (2014): 96–105.

²¹ For example, Johannesburg, South Africa, which ultimately gets water from another country (Lesotho), moves it through a tunnel under the mountains, deposits it in the Vaal River, and then eventually extracts it for use in the city. Such large extractions tend to affect to some extent the ecosystem resources of the source. Forty percent of urban watersheds have experienced significant forest loss over the past decade. McDonald et al., “Water on an urban planet.”

²² UN Environment, Towards a Green Economy.

²³ Dodman, “Blaming cities for climate change?”

²⁴ Lydia Chaparro and Jaume Terradas, Ecological Services of Urban Forests in Barcelona (Barcelona: Centre de Recerca Ecològica i Aplicacions Forestals and commissioned for Institut Municipal de Parcs i Jardins Ajuntament de Barcelona Area de Medi Ambient, 2009).

²⁵ Martin de Wit, et al., “Including the economic value of well-functioning urban ecosystems in financial decisions: Evidence from a process in Cape Town,” *Ecosystem Service*, vol. 2 (2012): 38–44.

like water. Conserving them makes social as well as economic sense. In the City of Cape Town a three-year study calculated that the leverage of municipal expenditure on maintaining and enhancing ecosystems is 1.2 to 2 times higher than the leverage of all municipal expenditure on the city economy.²⁵

Disaster risk reduction

Ecosystems' contribution to urban resilience is demonstrated by how they reduce cities' vulnerability to natural disasters and hazards, which are being exacerbated by climate change.²⁶ Examples include slowing the flow of flood waters, stabilizing slopes, and protecting coastlines. Cities depend on the flow of ecosystem services and custodianship of ecosystems, both outside their boundaries as well as those within them to provide these services. For example, in the case of flooding, healthy catchment areas outside cities as well as green open spaces within cities help to slow the flow of water and increase its infiltration. Cities therefore need to partner with "upstream" managers of natural resources.²⁷ In both cases conservation or restoration of ecosystems provides cost-effective options for adapting to climate change and reducing disaster risk.

Every year, an average of four typhoons and many more storms wreak havoc on Vietnam's coastline. A system of sea dykes has been established behind mangroves there. Rehabilitation of the mangroves protects the sea dyke and helps avoid sea dyke maintenance expenses. Generally, the larger the mangroves stand, the more damage costs are avoided. Mangrove stands provide a physical barrier that dissipates wave energy. They also stabilize the sea floor and trap sediment. In financial terms, the planning and protection of 12,000 hectares of mangroves cost Vietnam around US\$1.1 million. The cost of dyke maintenance, however, has been reduced by US\$7.3 million annually. A typhoon (Wukong) in October of 2000 damaged three northern provinces but did not damage the dykes behind regenerated mangroves.²⁸

Health and recreation

Studies are increasingly showing that exposure to natural areas is beneficial to both people's mental and physical health. For example, hospital patients were found to recover more quickly from surgery when they had a green view out of their window.²⁹ Similarly, natural areas in cities provide city dwellers the

opportunity to access nature for recreation. Bukhansan National Park, located within the city of Seoul, Korea, receives more visitors per unit area than any national park in the world.³⁰ Urban ecosystems can also have a profound effect on human health by helping to purify air. A recent study estimated that nearly 100,000 premature deaths related to air pollution could be avoided annually in Brazil, China, the EU, India, Mexico and the United States by 2030 through energy efficiency measures in the transport, buildings and industrial sectors.³¹

Saving on infrastructure development

The city of New York is an example of successful integration of natural and built environments for protecting the ecosystem services of its watershed to provide drinking water to citizens. The project, launched at the end of the 1990s, was not only successful at saving one of the biggest fresh water reservoirs of the country, but it also contributed to major financial savings for the local government. With an average of about US\$170 million per year spent in watershed-protection projects, the city has avoided the cost of approximately US\$6 billion to build a filtration plant plus another US\$250 million per year for maintenance.³²

Citizens need to connect with nature, and benefit from this connection.

Ecosystems within cities play the crucial role of exposing city-dwellers to nature. Some of these people might otherwise have little or no contact with the natural world. Studies have shown that a separation from nature leads to a dysfunctional, unsustainable lifestyle.³³ Therefore, aside from providing services themselves, ecosystems in cities provide this educational function. There is unfortunately a growing disconnect between our societies and our environment so connection to nature needs to be re-established for cities to truly become part of the solution.

Studies show that city-dwellers are losing touch with nature and are therefore less likely to value these ecosystem services. This is especially true in less wealthy areas and communities.³⁴ A reported 10 per cent of children in the UK spend recreation time outdoors—a decrease from 40 per cent prior to 1996.³⁵ For this reason, accessible natural areas within cities—and not only the larger-scale ones beyond their borders—are important. This is why many cities have

²⁶ See Issue Paper 17 on Cities and Climate Change and Disaster Risk Management.

²⁷ See Issue Paper 10 on Urban-Rural Linkages.

²⁸ The Economics of Ecosystems and Biodiversity (TEEB), TEEB Manual for Cities: Ecosystem Services in Urban Management (Bonn, Germany: UN Environment, 2011). (TEEB, 2012).

²⁹ R. Ulrich, "View through a window may influence recovery from surgery," *Science* vol. 224, No. 4647 (1984): 420–421.

³⁰ Korea National Parks Authority, National Parks of Korea, Available from <http://english.knps.or.kr/Knp/Bukhansan/Intro/Introduction.aspx>

³¹ UN Environment, The Emissions Gap Report 2014 (Nairobi, 2014).

³² Alice Kenny, "Ecosystem services in the New York City watershed," *Ecosystem Marketplace*, 10 February 2006. Retrieved from http://www.ecosystemmarketplace.com/pages/dynamic/article.page.php?page_id=4130

³³ Timothy Egan, "Nature-deficit disorder," *The New York Times*, 29 March 2012.

³⁴ Susan Strifeand Liam Downey, "Childhood development and access to nature: A new direction for environmental inequality research," *Organization and Environment*, vol. 22, No. 1 (2009): 99–122.

³⁵ Royal Society for the Protection of Birds, www.rspb.org.

recognized the need to respond to the challenge of “integrating the natural and built form to conserve ecosystem functioning.”³⁶ For the health and well-being of citizens, cities need to provide sufficient public green space—balanced with other types of public space³⁷ and ensure that it is accessible to all sectors of the population.

Key Drivers for Action

- Loss of ecosystems services can significantly increase the costs borne by cities. If cities act now to ensure full functioning urban ecosystems, it will be less expensive than in 10 years’ time. However, raising the awareness and building the capacity of local administrators are required to catalyze and accelerate action.
- An ecosystems approach to city management is an economically sound approach: promoting green infrastructure as ecosystem-based adaptation and mitigation measures.
- Cities can be critical part of the solution to current environmental problems if they are seen “as part of the biosphere and as part of the bioregions in which they aim to achieve ecological balance.”³⁸ One of the most effective ways of doing this is to take nature into account in the city infrastructure (i.e., maximize ecosystem services) as well as consider nature as city infrastructure.
- The International Resource Panel Report on cities³⁹ estimated infrastructure investments from 2005 to 2030 at US\$ 41 Trillion.⁴⁰ More importantly, it highlighted that ignoring the environmental dimension while building or rebuilding city infrastructure will mean another collapse of infrastructure 30 or 40 years from now, with much higher financial costs.⁴¹

Investing in “green infrastructure” (e.g., parks, greening of pedestrian corridors, conscious planting of trees) is one way to embrace an ecosystems approach in city management. Considering green assets is important to cities’ networked grey infrastructures and enables better understanding of the value of the range of ecosystem services those ecological assets generates.

This is especially significant in rapidly expanding cities such as those in Sub-Saharan Africa.⁴² Research has found that green infrastructure provides value in moderating temperatures, reducing pollution, and increasing aesthetic value—all of which eventually translate to economic gains. In Barcelona, Spain, it was calculated that a vegetation coverage of 141 trees per hectare helped to remove a total of 305.6 tonnes of pollutants (166t of PM10, 72.6t of O₃, 54.6t of NO₂, 6.8t of SO₂ and 5.6t of CO), providing a service of an estimated US\$ 1.2 million value to society. In Washington DC, the existing vegetation contributes to removing 540t of air pollutants per year, a service valued at US\$ 1.4 million; it also mitigates summer temperatures and reduces the need for air conditioning, allowing for an overall saving of 25,500Mwhs or US\$ 4 million a year.⁴³

Sustainable resource-efficient cities and preserving ecosystem-based management of cities

Resource efficiency is closely associated with ecosystems management since it is often the primary goal for city officials when exploring an integrated approach. There is a strong link between urban quality of life and how cities draw on and manage the natural resources available to them. Resource-efficient cities combine greater productivity and innovation with lower costs and reduced environmental impact.

Resource efficiency is the sustainable management and use of resources throughout their life cycle, from extraction, transport, transformation, and consumption to the disposal of waste to avoid scarcity and harmful environmental impacts. The ability to maintain a certain standard of living through natural resource use, despite increased pressure on those resources, is a key balance that must be struck to provide for a happy and healthy populace. Under different scenarios, the reduced availability of water and other ecosystem services, compared to a sustainable management scenario, “business as usual” or increasing degradation, will cost industry and economic growth prospects for the city an estimated US\$ 300 to 500 million over 25 years. Therefore, minimizing resource extraction, energy consumption and waste generation at the same time as safeguarding ecosystem services is a key facet to resource efficiency.

³⁶ UN Environment, Integrating the Environment in Urban Planning and Management: Key Principles and Approaches for Cities in the 21st Century (Nairobi, 2013).

³⁷ See Issue Paper 11 on Public Space.

³⁸ Peter Newman and Isabella Jennings, *Cities as Sustainable Ecosystems: Principles and Practices* (Washington DC: Island Press, 2008).

³⁹ UN Environment, City-level decoupling: Urban resource flows and the governance of infrastructure transitions—A Report of the Working Group on Cities of the International Resource Panel (Paris, 2013)

⁴⁰ About US\$ 22.6 trillion would be required for water systems, US\$9 trillion for energy, US\$7.8 trillion for air and sea ports. See Working Group on Cities of the IRP, City Level Decoupling: Urban Resource Flows and the Governance of Infrastructure Transitions (Oslo, Norway: Birkeland Trykkeri AS, 2013)

⁴¹ See Issue Paper 18 on Urban Infrastructure.

⁴² Alexis Schäffler and Mark Swilling, “Valuing green infrastructure in an environment under pressure: The Johannesburg case,” *Ecological Economics*, vol. 86, No. C (2012): 246–257.

⁴³ Chaparro and Terradas, *Ecological Services of Urban Forests in Barcelona*.

Decoupling resource use from environmental impacts and economic growth contributes to sustainable development and poverty eradication. Equally, the economic value of resource efficiency can be exemplified by comparing the service provided by an ecosystem to a man-made alternative. For instance, on the outskirts of Kampala, Uganda, the Nakivubo Swamps provide a natural treatment and filtration service of the biological waste water from much of the city. The proposed draining of the wetland for additional agricultural land was not taken forward when an assessment of this service showed that running a sewage treatment facility with the same capacity as the swamp would cost the city around US\$ 2 million annually.

Thoughtful planning and design, coupled with legislation and political commitment, are also important to resource efficiency. For example, while Atlanta, USA, and Barcelona, Spain have a similar population size, Barcelona's long-standing commitment to planning and designing a compact, mixed-use walkable city has produced a spatial coverage and carbon footprint that is only a fraction of Atlanta's.⁴⁴

Platforms and Projects

- Strategic Plan for Biodiversity 2011–2020 and its 20 Aichi Biodiversity Targets. www.cbd.int
- The Summit for Cities and Subnational Governments was held parallel with meetings of the Parties to the Convention on Biological Diversity. Details available on the CBD website at www.cbd.int.
- *Urbanization, Biodiversity and Ecosystem Services: Challenges and Opportunities: A Global Assessment.* <http://www.springer.com/gp/book/9789400770874>
- The Global Initiative for Resource Efficient Cities (GI-REC) <http://www.resourceefficientcities.org/>
- Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants (CCAC). <http://www.ccacoalition.org/>

⁴⁴ UN-Habitat, *Global Report on Human Settlements 2013: Planning and Design for Sustainable Urban Mobility* (Nairobi, 2013).



ISSUE PAPER

17

Flooding in Chiang Mai, Thailand © Shutterstock

CITIES AND CLIMATE CHANGE AND DISASTER RISK MANAGEMENT

Co-lead organizations: UNDP, UN-Habitat

Contributors: CBD, ITU, UNFPA, UN Environment, UNITAR, UNOPS, WHO, WMO

+ KEY WORDS

Climate change adaptation, climate change mitigation, vulnerability, disaster and climate risks, Greenhouse Gas (GHG) emissions, Short-Lived Climate Pollutants (SLCPs), low-carbon development, disaster risk management, information and communication technologies (ICTs), risk-informed urban development and investment

This Issue Paper focuses on climate change and the disaster-risk dimension in urban contexts, and complements the broader discussion on urban resilience (Issue Paper 15) and resource efficiency (Issue Paper 16). The paper examines how the principles of the New Urban Agenda—compactness, connectedness, inclusiveness and integration—improve disaster risk management, contribute to climate change mitigation and adaptation, as well as unlock opportunities for sustainable development.

Main Concepts

Adaptation is the process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate harm or exploit beneficial opportunities. In natural systems, human intervention may facilitate adjustment to expected climate and its effects.¹

Climate change refers to a change in the state of the climate that can be identified by changes in the mean and/or the variability of its properties, and that persists for an extended period, typically decades or longer. Climate change may be a result of natural internal processes or “external forcings.”² Article 1 of the United Nations Framework Convention on Climate Change defines climate change as “a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.”³ The UNFCCC thus makes a distinction between climate change attributable to human activities altering the atmospheric composition and climate variability attributable to natural causes.⁴

Disaster Risk Management (DRM) refers to “the systematic process of using administrative directives, organizations, and operational skills and capacities to implement strategies, policies and improved coping capacities in order to lessen the adverse impacts of hazards and the possibility of disaster.”⁵ A specific element of DRM, Climate Risk Management (CRM), refers to a mechanism “to assist developing countries, especially those particularly vulnerable [or actors in these countries], in adapting to climate change by reducing climate-related risks and transferring these risks where necessary through financial mechanisms.”⁶

Disaster Risk Reduction (DRR) refers to “the concept and practice of reducing disaster risks through systematic efforts to analyse and manage the causal factors of disasters, including through reduced exposure to hazards, lessened vulnerability of people and property, wise management of land and the environment, and improved preparedness for adverse events.”⁷

Mitigation (of climate change) is a human intervention to reduce the sources or enhance the sinks of greenhouse gases. Mitigation (of disaster risk and disaster) is the lessening of the potential adverse impacts of physical hazards (including those that are human induced) through actions that reduce hazard, exposure, and vulnerability.⁸

Figures and Key Facts

The world is becoming more urban. Demographers estimate that 54 per cent of the world’s population now lives in urban areas. By 2050, the world’s city-dwelling population is projected to rise to 66 per cent.⁹ As a consequence of this urban expansion, urban land area is expected to triple between 2000 and 2030 (from 400,000 km² to 1.2 million km²), an enormous challenge and opportunity from the perspective of climate change mitigation, adaptation and DRM.

Cities emit significant and growing amounts of greenhouse gases (GHGs) that account for 37 to 49 per cent of total global GHG emissions.¹⁰ The International Energy Agency’s projections indicate that urban energy-related GHG emissions will rise from around 67 per cent today to 74 per cent by 2030.¹¹ Another set of emissions, Short-lived Climate Pollutants (SLCPs) contribute to global warming, but also affect public health, food and water.¹² The World Health Organization reports that in 2012 around 7 million people died as a result of exposure to air pollution.¹³

Urban areas are exposed to the impacts of climate change and disaster risks. In coming decades, climate-induced extreme events are expected to increase many times over.¹⁴ The World Bank projects that in cities in developing countries, the number of people exposed to cyclone and earthquake risks will more than double between 2000 and 2050.¹⁵ The frequency and magnitude of disasters

¹ Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)] (Geneva: IPCC, 2014).

² Ibid.

³ United Nations Framework Convention on Climate Change (UNFCCC), FCCC/INFORMAL/84 GE.05-62220 (E) 200705 (New York: UNFCCC, 1992).

⁴ IPCC, *Climate Change 2014*.

⁵ United Nations Office for Disaster Risk Reduction (UNISDR), “Terminology,” Available from <https://www.unisdr.org/we/inform/terminology>

⁶ UNFCCC definition.

⁷ UNISDR, “Terminology.”

⁸ IPCC, *Climate Change 2014*.

⁹ United Nations, Department of Economic and Social Affairs UN DESA, *World Urbanization Prospects: The 2014 Revision* (New York: UN DESA, 2014).

¹⁰ IPCC, *Climate Change 2014*.

¹¹ International Energy Agency, *World Energy Outlook 2008* (Paris: OECD Publishing, 2008).

¹² Climate and Clean Air Coalition (CCAC), *Annual report 2015–2016* (Paris: CCAC, 2015).

¹³ World Health Organization (WHO), *Burden of Disease from the Joint Effects of Household and Ambient Air Pollution for 2012* (Geneva: World Health Organization, 2014).

¹⁴ IPCC, *Climate Change 2014*

¹⁵ Henrike Brecht, Uwe Deichmann and Hyoung Gun Wang, *A Global Urban Risk Index* (Washington, DC: World Bank, 2013).

with large urban impacts is increasing. Past examples include the Thailand floods (loss of US\$45.7 billion)¹⁶ and Hurricane Sandy in New York (economic loss of US\$65 billion), disrupting national and global business processes.

Overall, the costs of disasters as a percentage of GDP have more than tripled in the last 40 years, with major disasters reducing real GDP per capita by about 0.6 per cent on average, rising to about 1 per cent in low-income countries, according to the International Monetary Fund.

Cities have started to take action but more needs to be done. Today, 402 cities have publicly registered 1,036 climate-change commitments in the NAZCA platform (UNFCCC 2015) and the 63 cities in the C40 network reported a total of 8,068 climate actions.¹⁷ However, a 2012 study on 894 major Asian cities revealed that only 29 (3 per cent) had adopted climate change plans.¹⁸ More than 2,500 cities have signed up to the “Making Cities Resilient Campaign,” which addresses issues of local governance and urban risks. However, only about 300 of those cities reported progress on reducing disaster risks.

Issue Summary

As the engines of socioeconomic development, cities inevitably become concentrations of disaster risks and greenhouse gas emissions, in turn fuelling climate change and its impacts. But some cities and people are more vulnerable than others. According to the Intergovernmental Panel on Climate Change, “Much of the health risk and vulnerability to climate change is concentrated in [informal] settlements. Many cities include dangerous sites, such as steep slopes, low lands adjacent to unprotected riverbanks and ocean shorelines, and have structures that do not meet building codes.”¹⁹ Vulnerability to the impacts of climate change goes beyond mere exposure to extreme weather events. Many cities in developing countries “are caught in a ‘perfect storm’ of population growth, escalating adaptation needs and substantial development deficits created by a shortage of human and financial resources, increasing levels of informality, poor governance, environmental degradation, biodiversity loss, poverty and growing inequality.”²⁰

Disasters, many exacerbated by climate change, impede progress towards sustainable development, sometimes reversing years of advances in a single event. Evidence indicates that exposure of persons and assets in all countries has increased faster than vulnerability has decreased, with significant economic, social, health, cultural and environmental impact, especially at the local and community level.²¹

Knowledge

Impacts of climate-related disasters are often high, dramatic, and to some extent unpredictable. Localizing, ground-proofing, and down-scaling projections through simulations, the use of historical as well as new data (co-generating knowledge) to feed directly into urban development decisions, are ongoing tasks. These tasks require collection and analysis of data at various scales, as well as sharing information among various decision makers and stakeholders across levels of government and sectors.

While considerable advancements (through risk assessments, studies, emissions inventories) have been made in raising awareness and knowledge of urban populations’ vulnerability and contributions to the impacts of climate change and disaster risk, a gap remains in translating this knowledge into practice, especially when it comes to informing local, regional and national urban development policies and practices. Whether for adapting to gradual climate change or rapid-onset disasters, better data access, information and service products are required. Application of information and communication technology (ICT) infrastructure can improve urban governance and enhance the resilience of urban services and systems, the built environment and infrastructure.

One has to look beyond climate/risk data for more optimal decision making, for example, the costs and benefits of various solutions, including the so-called co-benefits of alternative actions (e.g., improved health from improved air quality), as well as the costs and benefits of shifts toward renewables and less energy-intensive lifestyles. Data on inequalities in the urban population should inform decision making to help reduce inequities in the wider context of risk/exposure assessment, preparedness and early warning vis-à-vis multiple hazards. Vulnerability to hazards in urban areas is shaped not only by exposure and vulnerability but also by other factors including socioeconomic variables (e.g., security of tenure, access to social safety nets, poverty, access to livelihoods and other urban inequities), availability of ecosystem services and so on. These critical interdependencies remain to be fully explored and understood.

While urbanization creates opportunities it also exacerbates risks, and the speed at which it is happening challenges our capacity to plan and adapt. Inadequate urban planning and ineffective governance can bring significant economic, social and environmental costs that threaten the sustainability of urban development. Figure 1 suggests that these costs are most visible in countries that have low overall levels of urbanization coupled with high urban growth (left upper corner) where institutions, policies, resources and capacities are still adapting to the new urban reality.

¹⁶ UNISDR, *From Shared Risk to Shared Value—The Business Case for Disaster Risk Reduction*. Global Assessment Report on Disaster Risk Reduction (Geneva, 2013).

¹⁷ C40 and Arup, *Climate Action in Megacities 2.0: C40 Cities Baseline and Opportunities* (New York: C40, 2014).

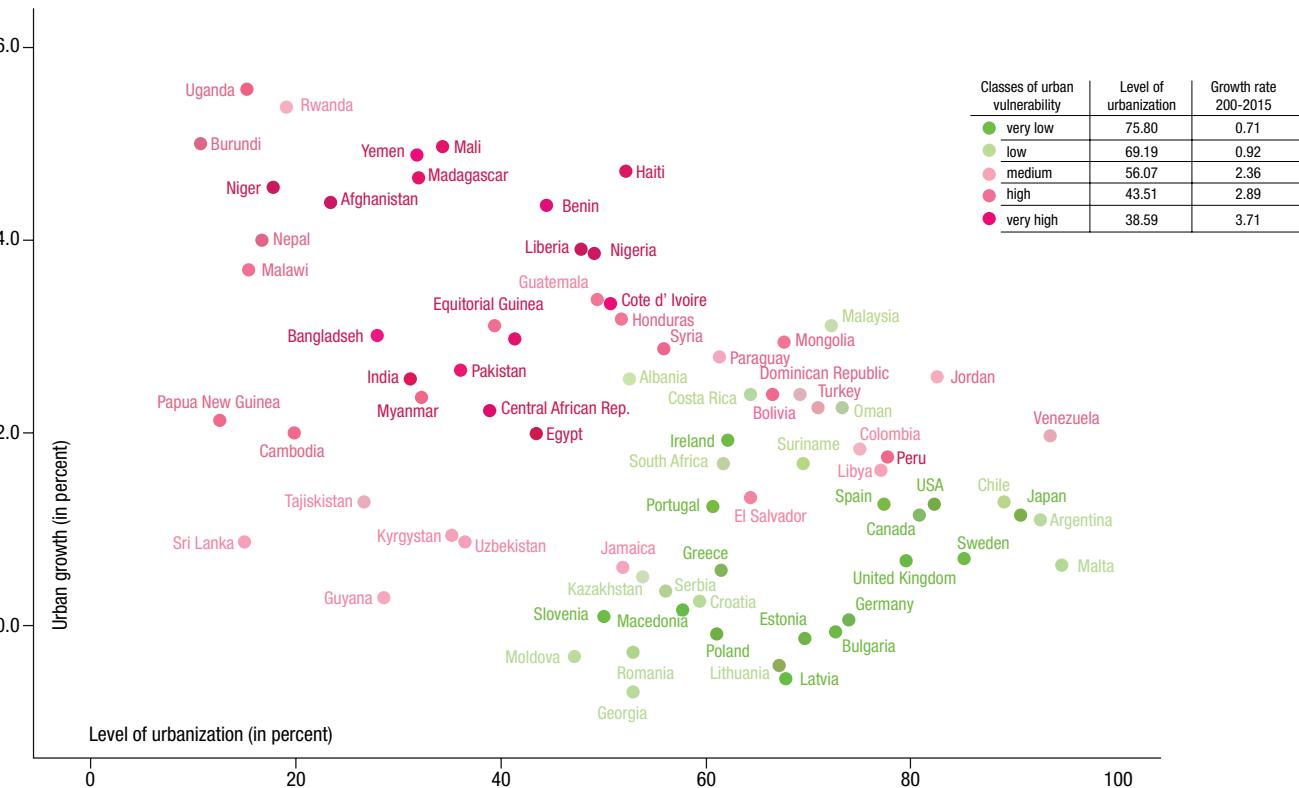
¹⁸ Clean Air Initiative for Asian Cities Center (CAI-Asia) and Cities Development Initiative for Asia (CDIA), *Climate Change Plans and Infrastructure in Asian Cities* (Pasig City, Philippines: CAI-Asia and Cities Development Initiative for Asia, 2012).

²⁰ Ibid.

²¹ UNISDR, *Making Development Sustainable: The Future of Disaster Risk Management*. Global Assessment Report on Disaster Risk Reduction (Geneva, 2015).

Figure 1. Urban vulnerability in different countries

Where rapid growth faces high vulnerability



Source: World Risk Report 2014²²

Engagement

Broad engagement and the participation of all urban stakeholders (private, public, women, the elderly, the marginalized, civil society etc.) are necessary for effective, accountable and transparent decision-making and implementation action. Through global multistakeholder initiatives such as the Compact of Mayors, UNISDR's Making Cities Resilient Campaign, ITU's Initiative on Smart Sustainable Cities, C40 Cities Climate Leadership Group, the UN Environment and UN-Habitat partnership for Greener Cities, local governments are ambitiously, engaging in advocacy and providing leadership in climate action and disaster risk reduction.

Another area is engagement with the academic and private sector. Cities traditionally have served as laboratories of new technology and incubators for innovation. Today this creative environment is the space in which new climate-friendly and resilience-building technologies can be developed, replicated, and scaled up.

Cities and urban areas can also be vulnerable to the impacts of climate-change-related hazards that take place outside of their administrative boundaries, in the region and across the globe. Therefore, an ecosystem-based approach or river-basin-management approach to urban risk reduction is needed that accounts for upstream and downstream risk drivers.

Policy

National governments have recently reinvigorated their commitments to reducing disaster and climate risk in an urban context, as demonstrated by the adoption of the Sendai Framework for Disaster Risk Reduction (see Issue Paper 15), which grants a clear role to local governments for mitigating and adapting to existing and emerging threats facing their cities. Similar discussions are underway under the Framework Convention on Climate Change leading up to the pivotal 21st Conference of Parties and a new global agreement on climate change.

²² Matthias Garschagen, Peter Mücke, Almuth Schäuber, et al., *World Risk Report 2014* (Berlin: Bündnis Entwicklung Hilft and United Nations University—Institute for Environment and Human Security, 2014).

National governments are the lead actors in the global climate response. Experience suggests that urban climate action is most successful when all levels of government have shared goals and mechanisms for vertical and horizontal integration to address disaster risk, sustainable development, environment protection and climate action. Global, national and local policy frameworks should enable and support city action. Such frameworks could follow a three-pronged approach incorporating legal, fiscal and planning components. Policy frameworks should not make local climate action an unfunded mandate. Instead, both international and national climate finance should be accessible for cities to accelerate urban climate action.

Urban institutional, policy, legislative and regulatory frameworks need to be reviewed to address the challenges posed by rapid urbanization, population growth, climate change and disaster risks. Ensuring all relevant stakeholders' engagement is necessary to engender broad-based support for risk resilience and climate action. This should take place within the broader context of sustainable urban development. Ensuring a risk-informed urban development paradigm and managing climatic impacts and disaster risks are critical to achieve resilient socioeconomic development. The health and well-being of populations must remain as a guiding principle in disaster risk-reduction plans and programmes. Coherence and integration of disaster responses, disaster risk-management and climate-change plans, and institutional mechanisms should be continuously monitored and assessed in the context of sustainable development.

Operations

In cities, climate change mitigation and adaptation, and disaster risk management converge and integrate within other urban planning and development actions. In the context of increasing global interdependence, concerted international cooperation, an enabling environment and means of implementation are needed to stimulate and contribute to developing the knowledge, capacities and motivation for disaster risk reduction at all levels, in particular for developing countries. Urban vulnerabilities are affected by the extent to which developers and planners understand risk and reflect it in their decision making. Risk-informed decision making, preparedness for response and recovery planning, and operational readiness in government, business and communities entail assessing risks over different time scales, as well as disseminating that information and incorporating it into development regulations. All of these things help the world's leading cities to reduce disaster risks, including those that are climate-related.

Local governments must plan for low-carbon and resilient urban development to avoid lock-in effects of unsustainable urban models. Such planning processes need to take into account different cities' particular emission and risk contexts, bearing in mind the urgent challenge of ensuring climate and risk-informed development of an expected tripled urban land cover. Local government activity in this arena is a testimony to cities' increased leadership in climate and resilience action. Urban planning and development should support reducing emissions from major urban sectors such as transport, buildings and waste management, while building the resilience of urban systems and the built environment to withstand adverse climate impacts and disaster risks.

Key Drivers for Action

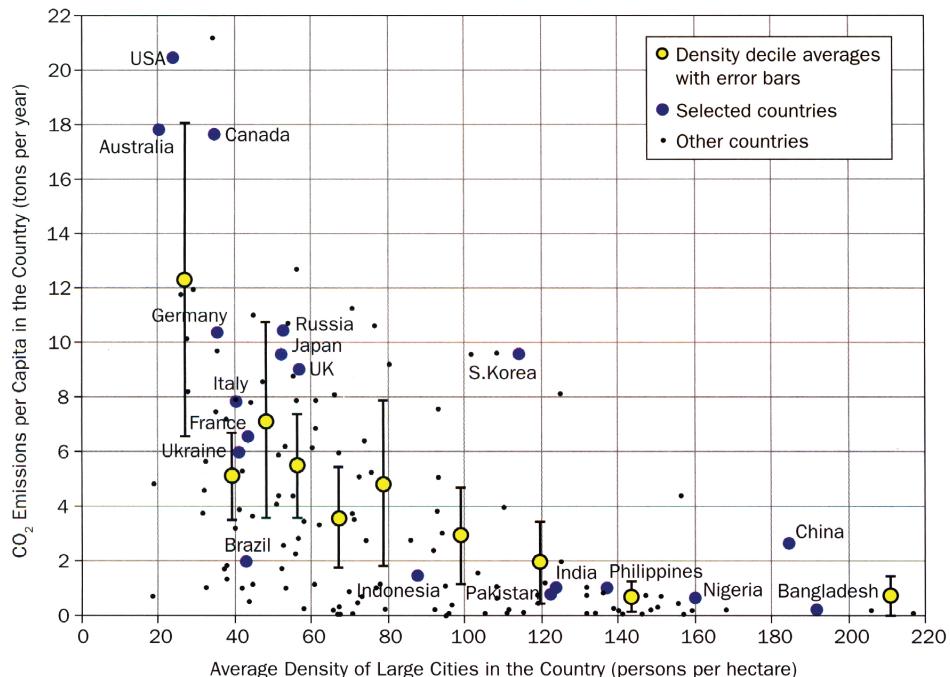
There are five key drivers for action to advance disaster risk management and climate change solutions in an urban context: (1) urban planning and design; (2) governance, (3) urban economy, (4) participation and inclusions, and (5) ICT.

Urban planning and design

Urban planning and design are key drivers for sustainable urbanization. A focus on compact, connected, integrated and inclusive cities promotes efficiency of services, systems, the built environment and resource use. (See Issue Paper 8 on Urban Spatial Planning and Design). This type of urban development model can bring about a transformative change, enabling low-carbon, energy-efficient, risk-informed and resilient urban development pathways. Compactness is considered to be the main driver for climate-friendly development: it can halve land used per housing unit, lower the costs of providing public services by 10 to 30 per cent, decrease motor travel and associated costs by 20 to 50 per cent, and lower congestion, accidents and air pollution. Moreover, compactness locks in energy efficiency, and enables more efficient models of waste management and district heating.²³

²³ The Global Commission on the Economy and Climate, Better Growth, Better Climate: The New Climate Economy Report (Washington, DC: World Resource Institute, 2014).

Figure 2. Average urban densities in large cities and average CO₂ emission per capita



Source: Angel, *Planet of Cities*²⁴

Figure 2 shows the inverted exponential correlation between urban density and per capita CO₂ emissions, underscoring the argument that compact urban form is probably the most decisive factor for urban climate change mitigation and CO₂ reduction.²⁵ The form yields a wide range of positive co-benefits for adaptation, resilience and economic development (see Issue Paper 12 on local economic development). Other readily available options for mitigation are energy-efficiency-targeted solutions in buildings (isolation), services (waste, water and lighting) and electricity generation, with the latter often being outside of city boundaries and control. Urban density can also help reduce emissions from transport through shorter commutes and more effective public transportation.²⁶

Urban ecosystems help to mitigate climate change (e.g., forests store high mounts of carbon);²⁷ reduce climate and disaster-associated risks (e.g., landslide protection of vegetated slopes);²⁸ and adapt to a changing climate (e.g., green infrastructure like urban parks can be designed to reduce urban heat stress).²⁹ (The concept of ecosystem-based adaptation is further explores Issue Paper 16).

Urban Governance

Urban governance plays a crucial role in enhancing resilience, mitigating climate change, improving resource efficiency and thus ensuring sustainability. Institutionalizing an appropriate legislative, policy and regulatory framework can help integrate climate change and DRM into all levels and sectors of government (i.e., all-of-government) decision making. Governance can promote accountability, transparency, participation (all-of-society) and informed decision making that actually implements risk reduction and climate action as a continuous process. This will facilitate an effective interface between government, communities, civil society, the private sector and other stakeholders, ensuring different interest groups' participation in decision making.

²⁴ Shlomo Angel, *Planet of Cities* (Cambridge, MA: Lincoln Institute of Land Policy, 2012).

²⁵ Tong Zhu, Megan Melamed, David Parrish, et al., *WMO/IGAC Impacts of Megacities on Air Pollution and Climate* (Geneva: World Meteorological Organization/Global Atmosphere Watch, 2012).

²⁶ David Dodman, *Blaming Cities for Climate Change? An Analysis of Urban Greenhouse Gas Emissions Inventories* (London: International Institute for Environment and Development, 2009).

²⁷ Kate Trumper, Monika Bertzky, Barney Dickson, et al., "The natural fix? The role of ecosystems in climate mitigation." A UN Environment rapid response assessment (Cambridge, UK, 2009).

²⁸ Marisol Estrella and Nina Saalismaa, "Ecosystem-based disaster risk reduction (Eco-DRR): An overview" in Fabrice Renaud, Karen Sudmeier-Rieux and Marisol Estrella eds., *The Role of Ecosystems in Risk Reduction* (Tokyo: United Nations University Press, 2013).

²⁹ R.D. Brown, J. Vanos, N. Kenny and S. Lenzholzer, "Designing urban parks that ameliorate the effects of climate change," *Landscape and Urban Planning* 138 (2015): 118–131.

Governance systems and mechanisms provide greater opportunities for an integrated development approach. Cities are composed of complex interdependent systems that can be leveraged to support climate mitigation, adaptation, risk management and sustainable development via effective local authorities supported by cooperative multilevel governance. This can enable synergies with infrastructure investment and maintenance, land-use management, livelihood creation, and ecosystem services protection with resilience building as an overarching objective.

Urban Economy, Finance and Investment

Low-carbon and resilience-oriented urban development require public and private investment. Possibly more than US\$1 trillion per year is needed to finance the climate-infrastructure gap in low- and middle-income countries, according to the World Economic Forum. The World Bank estimates that about half of the total cost for "climate-proofing" infrastructure will be for urban-specific infrastructure investments. Public funds for climate finance, including emission-based incentives, can support bridging this investment gap. National governments and international organizations will need to (seed-) finance significantly towards adopting a comprehensive, holistic strategy encompassing governance, capacity development, urban systems, services and resource efficiency. This investment, if targeted well, can ensure that cities develop as engines of "green" socioeconomic development and build resilience and sustainability from climate change and avoid large future costs. Concentrations of people, economic activities, and infrastructures contribute to income growth and poverty reduction, enabling people to be in a better position (i.e., be resilient) to deal with disasters. In cities there is an interconnected economic and resilience/climate benefit from infrastructures (i.e., drainage, sanitation, electricity and transport systems and services) that contribute to adaptation.

Inclusion and Participation

Recognizing that a city is as vibrant as its citizenry will be crucial to the urban sustainability paradigm. The participation and inclusion of all groups and communities in planning and implementing climate change, DRM and broader sustainable development actions raise their quality, viability, impact and longevity.³⁰ Broad-based coalitions empower the sharing of data, information, knowledge and solutions to raise the ambition of local climate actions and to integrate climate change in a wider sustainable urban development framework.

Information, Data and Knowledge Management

Data and information will be central to designing, building, operating and safeguarding efficient and healthy urban environments. This will require a wide range of long-term and continuous observations, advanced use of information and communication technologies (ICT), and the transparent sharing of data in a seamless manner to allow for the advances discussed here. ICTs have the potential to play a leading role in climate-change adaptation in cities and support: (1) development of effective climate and disaster risk management and early warning systems; (2) urban planning, by providing high-quality data and information to help build resilient cities; and (3) facilitation of communication and exchange of information between the relevant stakeholders for informed decision making.³¹ Smart sustainable cities (see Issue Paper 21 on Smart Cities) use ICT infrastructure to reduce GHG emissions and build resilience, especially in the context of increasingly interconnected and interdependent systems. At the same time, ICT based innovations can be utilized to improve disaster preparedness and reduce vulnerability to disasters.

An urban development approach rooted in effective urban governance mechanisms can adopt a holistic and multidimensional perspective to identify key needs and priorities. Building urban resilience and ensuring sustainable development requires a closer interface between and integration of urban governance, climate and risk-sensitive development planning, coherence of systems, services and resources along with a whole-of-government and all-of-society approach emphasizing the linkages between mitigation and adaptation as well as the multiple economic, social, environmental development co-benefits of urban climate action.

³⁰ Alex Aylett, "The Socio-institutional dynamics of urban climate governance: A comparative analysis of innovation and change in Durban (KZN, South Africa) and Portland (OR, USA)," *Urban Studies* (special issue: "Cities, Urbanization, and Climate Change"), vol. 50, No. 7 (2013): 1386–1402.

³¹ The International Telecommunication Union (ITU), "Use of information and communication technology for climate change adaptation in cities," Recommendation ITU-T L.1503, Geneva, 2016.

Platforms and Projects

- One United Nations response to climate change — <http://www.un.org/climatechange/>
- United Nations Secretary General's Climate Summit, with several multistakeholder city initiatives — <http://www.un.org/climatechange/summit/action-areas/#cities>
- Knowledge Centre on Cities and Climate Change —
- UNISDR Global Platform for Disaster Risk Reduction —<http://www.unisdr.org/we/coordinate/global-platform>
- Climate and Clean Air Coalition CCAC — <http://ccacoalition.org/>
- WMO GURME: WMO GAW Urban Research Meteorology and Environment (GURME) project — mce2.org/wmogurme
- UN-Habitat Cities and Climate Change Initiative (CCCI) — <https://unhabitat.org/urban-initiatives/initiatives-programmes/cities-and-climate-change-initiative/>
- ITU Forum on Smart Sustainable Cities; Focus Group on Smart Sustainable Cities; Green Standards Week; Symposium on ICTs, Environment and Climate Change — <http://www.itu.int/en/ITU-T/climatechange/Pages/default.aspx>
- UNDP's Arab Cities Disaster Resilience Programme
- UNDP's Enhancing Capacity, Knowledge and Technology to build urban disaster and climate resilience in Armenia, Macedonia and Moldova
- UN CC:Learn — www.uncclearn.org



ISSUE PAPER

18

People waiting for the tram at its station in Alexandria, Egypt © Shutterstock

URBAN INFRASTRUCTURE AND BASIC SERVICES, INCLUDING ENERGY

Co-Lead organizations: UN-Habitat, UNOPS

Contributors: CBD, UN DESA, UN Environment, UNFPA

KEY WORDS

Urban infrastructure, basic services, access, demand, resources, human rights, investment, policy reform, business models, institutional capacity, sustainable infrastructure provision, resilience, technological innovation, infrastructure systems, networks, green infrastructure

Main Concepts

This paper examines the means by which infrastructure, as the pivotal enabling force and delivery vehicle of a resilient urban environment, can meet both existing and rapidly increasing future challenges presented by urbanization, population growth and climate change, to support equitable, inclusive and sustainable development.

The Habitat II Agenda refers to basic infrastructure and services to include the delivery of safe water, sanitation, waste management, social welfare, transport and communications facilities, energy, health and emergency services, schools, public safety, and the management of open spaces.¹ However, the prevailing understanding of infrastructure has been typically based upon a limited view of infrastructure as discreet sectors that contain physical structures and facilities. Over the last decade, infrastructure has evolved into a system-based understanding of networks of assets, knowledge and institutions.

Assets must not be confused as being only the structures and facilities of infrastructure. Assets are systems of infrastructure that include both the physical structures and the internal linkages between them. These linkages are critical to ensure the function of the overall infrastructure system.²

The *knowledge of infrastructure* involves not only the human resources engaged within the systems of infrastructure (in the planning, design, construction and operation of infrastructure), but also the knowledge within the institutions that provide the enabling environment for infrastructure systems by providing the legal and regulatory frameworks. This includes all the planning, policy, legislation, regulations and codes, as well as the overall strategic development plan for the country or region providing the decision making and prioritizing guidance on what to invest in and when and where.³

Institutions related to infrastructure and services: The quality of services provided by urban infrastructure is directly related to the capacity of the institutional frameworks. Institutional frameworks are key to ensuring the financial viability and effective regulation, planning, management and operation of urban infrastructure.

Infrastructure interdependence

Networks represent the existing interdependencies between the assets (systems) of infrastructure. Interdependencies can be both physical as well as subtle and nonphysical in nature. Network interdependence can most easily be understood as the output from one part of infrastructure becoming the input

to another part of infrastructure, by this means again ensuring overall function and cohesiveness. In terms of the more obvious physical interdependence this could be the health system's reliance on infrastructure requiring water as a vital input to ensure effective function. An example of the nonphysical subtle interdependence is the knowledge required as an input to regulate infrastructure within institutions.

Resilience and link to urban infrastructure

The increasing need for twenty-first century cities to manage and adapt to the effects of climate change and growing urbanization illustrates the concepts explained here. For example, in effective disaster response, we need to move our focus from being reactive to being proactive, developing an understanding of what, when and where infrastructure needs to be put in place and how to address urban infrastructure to prevent or minimize the effects of a natural event. Only by understanding why the cost of disasters is rising can we begin to address the causes. When, for example, the weather interacts with the built environment it may cause damage resulting in financial loss or loss of lives — why did this happen? Was the infrastructure poorly built (i.e., an asset problem)? Was the infrastructure poorly maintained so it could not perform as designed (a capacity problem)? Was the response to the event ineffective (a knowledge and institution problem)? Was the scale of the event bigger than anticipated (a knowledge problem)? Were the building codes not reflective of the changes in the environment or new technologies (knowledge problem)? Or were the codes adequate but not effectively regulated and implemented (an institution problem)?

To design, implement and operate sustainable and resilient infrastructure effectively it is necessary to understand how infrastructure systems and their networks function, as well as to simultaneously integrate risk management into the development and operation of infrastructure across the three key component parts of infrastructure systems (assets, knowledge and institutions).

Figures and Key Facts

- 1.2 billion people gained access to improved sanitation in urban areas between 1990 and 2012, while those without sanitation in urban areas has increased by 542 million.⁴
- Between 1990 and 2012, 1.6 billion people gained access to piped drinking water whereas 720 million urban residents do not have access to a piped water supply.⁵

¹ The Habitat Agenda, "Istanbul Declaration on Human Settlements," 27 February 2006, available from <https://unhabitat.org/wp-content/uploads/2014/07/The-Habitat-Agenda-Istanbul-Declaration-on-Human-Settlements-20061.pdf>.

² University of Bristol, "Integrated infrastructure systems," available from <http://www.bristol.ac.uk/eng-systems-centre/research/researchhighlights/integratedinfrastructuresystems.html> (May 2015)

³ Jim W. Hall, Martino Tran, Adrian J. Hickford and Robert J. Nicholls, *The Future of National Infrastructure: A System-of-Systems Approach* (Cambridge, UK: Cambridge University Press, 2015).

⁴ WHO and UNICEF, "Progress on sanitation and drinking-water 2014," available from https://www.unicef.org/gambia/Progress_on_drinking_water_and_sanitation_2014_update.pdf.

⁵ Ibid.

- Waste-water generation is increasing steadily, but only 2 per cent of the globally collected 165 billion square metres of waste water is recycled. Wetlands could substantially lower the costs of sewage treatment by retaining up to 96 per cent of the nitrogen and 97 per cent of the phosphorous in waste water if preserved.⁶
- Cities generate over 2 billion tons of municipal waste; this is predicted to double over the next 15 years.⁷
- Over 75 per cent of the total energy generated globally is consumed in cities;⁸ 2.5 billion people rely on biomass to meet their energy need which results in deforestation and environmental degradation.⁹
- Around one quarter of the world's urban population continues to live in informal settlements lacking basic services and infrastructure.¹⁰
- The World Bank projects that in cities in developing countries, the number of people exposed to cyclone and earthquake risks will more than double from 2000 to 2050.¹¹
- Some 60 per cent of the area expected to be urbanized by 2030 has yet to be built;¹² US\$57 trillion in global infrastructure investment will be required between 2013 and 2030.¹³
- US\$ 1 trillion USD annually could be saved from a viable 60 per cent improvement in infrastructure productivity.¹⁴

Issue Summary

The challenges facing urban infrastructure over the past 20 years have been shaped by a number of factors. These include: an increase in the scale of urbanization with growing urban informality; a rising demand for services; the increasing unit costs of infrastructure provision associated with the suboptimal expansion of cities; a legacy of underinvestment in asset replacement and infrastructure extensions; poor operational management and maintenance; high and inefficient consumption of services among middle- and high-income consumer classes; slow inclusion of a green infrastructure approach; and

inequitable distribution of services and infrastructure which continues to exacerbate the spatial and socioeconomic segregation in cities. Moreover, the effects of the continuing reliance on outdated and inappropriate policies and business models have been compounded by climate change's effects on services such as water supply, waste water management, hydro-electric power generation, storm-water management and flood protection.

Some of these challenges are not new, but their scope and complexity have been exacerbated by the rapid urbanization of the past 20 years and continuing weaknesses in understanding infrastructure and its associated governance and regulation, resulting in a lack of comprehensive long-term demand-based infrastructure planning. The rising demand for infrastructure services is directly related to increasing population, GDP growth and rising per capita usage of infrastructure services associated with increasing incomes.¹⁵ The gap between demand and supply, and the inaccessibility and unaffordability of services and infrastructure to segments of the population, represent a major weakness in policy, planning approaches and institutional capacity. The sectoral approach to infrastructure planning, investment and management also poses a constraint with increasing problems in achieving effective intersectoral coordination and communication aligned with a weak or nonexistent understanding of the linkages between infrastructure planning and urban planning at the city level.

The rising demand for urban infrastructure has not been matched with a commensurate improvement in the financial and institutional capacity to manage urban infrastructure services. For example, revenue generation for services such as solid waste management, water and electricity typically lag behind the cost of service delivery. Thus, there is a need for more innovative and inclusive business models, especially models that can more effectively mobilize finance for investment and can involve the private sector and community groups in the financing and management of services.

The whole-life costs of infrastructure systems such as water supply, electricity, drainage and sewerage can be correlated to the pattern of urbanization, with compact cities providing the most cost-effective solutions to infrastructure investments. Inefficient consumption practices in urban areas indicate excessive consumption of electricity and water by high-income households while many low-income households either have no access or are faced with intermittent or unaffordable supplies. These trends call for more rigorous approaches to

⁶ K.C. Ewel, "Water quality improvement by wetlands," in *Nature's Services: Societal Dependence on Natural Ecosystems*, edited by Gretchen Daily (Washington DC: Island Press, 1997).

⁷ UN-Habitat, *Solid Waste Management in the Cities: Water and Sanitation in the World's Cities* (London: Earthscan, 2010).

⁸ "UNU-IAS participates in meetings in China to discuss research on climate change and cities," available from <http://urban.ias.unu.edu/index.php/unu-ias-participates-in-meetings-in-china-to-discuss-research-on-climate-change-and-cities/>

⁹ OECD-IEA, "Energy for cooking in developing countries," in *World Energy Outlook 2006* (Paris: OECD and International Energy Agency, 2006, chapter 15), available from <http://www.worldenergyoutlook.org/media/weowebsite/2008-1994/WEO2006.pdf>

¹⁰ UN-Habitat, *Streets as Public Spaces and Drivers of Urban Prosperity* (Nairobi, 2013)

¹¹ See Issue Paper 17.

¹² UN-Habitat, *State of the World's Cities 2012/2013* (Nairobi: UN-Habitat, 2012), available from <https://sustainabledevelopment.un.org/content/documents/745habitat.pdf>.

¹³ Richard Dobbs, Herbert Pohl, Dian-Yi Lin, et al., "Infrastructure productivity: How to save US\$1 trillion a year," McKinsey Global Institute Report, January 2013, available from <http://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/infrastructure-productivity>.

¹⁴ Ibid.

¹⁵ Chengchao Zuo and Mark Birkin "Modelling the long-term economic and demographic impacts of major infrastructure provision: A simultaneous model approach," 1 April 2015, available from http://leeds.gisruk.org/abstracts/GISRUK2015_submission_96.pdf

demand management and the use of policy and economic instruments to discourage waste and promote more balanced investment strategies, including investment at the household, institutional and community level in areas such as renewable energy, water supply, decentralized waste-water treatment and waste management.

Key Drivers for Action

A truly holistic approach to infrastructure requires stepping away from a silo-sector-based approach and understanding that infrastructure is made up of not just physical things or assets. It consists of three major parts: assets, knowledge and institutions. Embracing this concept provides the clarity required to further understand how infrastructure underpins the function of society and acts as the enabling vehicle for desired societal changes and development outcomes. Seeking appropriate, affordable and accessible services and infrastructure systems requires a holistic approach to understanding, designing and planning networks of infrastructure and services, as well as solidly linking infrastructure provision and urban planning. This will allow us to apply a proper risk-management process, taking appropriate mitigation measures to reduce vulnerability and strengthen the resilience of infrastructure systems.¹⁶

The continuing and increasing pressure of population growth makes the efficient consumption of natural resources by infrastructure systems absolutely essential if we want to understand and manage conflict rooted in the issues surrounding equitable access to and use of natural resources. There are also further benefits that can be gained through approaches such as that proposed by Richard Dobbs and colleagues,¹⁷ by understanding and implementing improvements in efficiency and rationalization of existing infrastructure systems.

- *Understanding the linkage between availability, accessibility, affordability and adequacy of basic services for the realization of human rights.* Basic services are central to the realization of a wide range of human rights, including water, sanitation, housing, health and education. It is therefore crucial to ensure that these services:
 - are available and physically accessible to all;
 - are affordable to all;
 - are culturally adapted to various groups of the populations;
 - do not discriminate in their access or delivery; and
 - are safe to use for all, including for women and children.

- Policies and programmes should be developed with and for urban dwellers, should prioritize people who are most in need of them, and be mindful of the gender issues surrounding them.¹⁸
- *Policy reform.* In the face of the challenges posed by rising demand for services, the current inequitable distribution of services and infrastructure, the existing spatial and socioeconomic segregation and failure to implement future demand-based planning, there is a need for a comprehensive reform of urban infrastructure policies to:
 - improve the enabling environment for investment;
 - create more effective incentives for greater efficiencies in supply and consumption, as well as the payment of services;
 - impose more effective methods for infrastructure planning and service delivery by state, regional and municipal governments and public utilities;
 - create stronger model regulatory frameworks;
 - remove institutional rigidities and create space to attract and enable the private sector, NGOs, community groups and households to play a greater role in financing and service provision.

Policy reform further needs to be based on and take guidance from the Sendai Framework for Disaster Risk Reduction 2015–2030 (SFDRR).

- *Building viable and well-managed institutions aligned with infrastructure systems knowledge.* One of the lessons learned in the past 20 years is that the quality of services provided by urban infrastructure is directly related to the capacity of institutional frameworks and knowledge. While some progress has been achieved in the past two decades, much remains to be done to ensure the financial viability and effective management of the institutions responsible for the regulation, planning and management of urban infrastructure. Some sectors have made little progress in addressing the need for institutional reform and financial sustainability. These include urban sanitation, solid waste management in low- and middle-income countries and urban drainage.

¹⁶ Issue Paper 15 on Urban Resilience. United Nations, "Sendai framework for disaster risk reduction 2015–2030," available from http://www.preventionweb.net/files/43291_sendaiframeworkfordrr.pdf

¹⁷ Dobbs et al., "Infrastructure productivity."

¹⁸ Office of the UN High Commissioner for Human Rights (OHCHR), *Realizing the Human Rights to Water and Sanitation: A Handbook*, available from <http://www.ohchr.org/EN/Issues/WaterAndSanitation/SRWater/Pages/Handbook.aspx>

- *Legal and regulatory frameworks within which development takes place.* We need to understand that the provision of services and infrastructure does not solve all issues created by poor urban planning or a lack of, for example, development in unstable or high-risk areas. Thus, where and how the assets are created and who decides which assets to create are as important as the network of assets themselves.
- *Developing effective and integrated infrastructure planning.* Urban infrastructure is capital intensive and facilities need to be continuously improved and expanded through balanced programmes of demand-based planning for the extension of services to meet increasing urban populations' needs. Effective infrastructure planning requires a complete change of mind set. All forms of infrastructure need to be considered and planned beyond the current limitations of a sector-based approach to provide an "enabling vehicle" for societal change and development. New planning approaches and technologies will support progress in the need to reduce the unit costs of infrastructure provision, improving efficiency and quality, ensuring that services are aligned with urban plans and planning for an optimal expansion of infrastructure to support the urbanization process. Infrastructure and services interventions have a strong impact on city form and development and thus need to be tied to overall urban planning and city-development strategies, shaping a sustainable and equitable future that addresses a wider community's rights.¹⁹
- *Enhancing coordinated implementation of urban infrastructure.* Beyond the planning process, there is need to ensure that the infrastructure is developed and implemented informed by an understanding of the assets, knowledge and institutions of infrastructure. Recognizing and understanding the critical interdependence among all spheres of governments are needed. This is particularly relevant for metropolitan areas where fragmentation creates missed opportunities for service-provision efficiencies; spillovers across jurisdictional boundaries; and regional income and service-level inequalities. Emerging coordination mechanisms include: intermunicipal cooperation; legal incentives for cooperation, planning and development agencies' cost sharing arrangements for metro-wide service delivery; metropolitan development funds; coordinated tax agreements; pool financing; improved linkages between national and local governments' programs; and policies to ensure efficiency and reduce imbalance.²⁰
- *Developing new business models and strategic partnerships.* Rapid urbanization has increased the scope and complexity of service provision. New business models are now needed to integrate the strengths and capacities of the public sector, private companies, NGOs, and community-based organizations. New approaches are particularly needed in sectors such as urban drainage, sanitation, solid waste, mobility, clean energy provision and in delivering services to informal settlements. Although governments in developing countries generally provide, own and operate all infrastructure, there are alternative approaches that are effective in providing services and infrastructure. These alternatives address the need for new business models, such as financial returns on land value increase provided by new infrastructure, green infrastructure and investment guarantee schemes. Green infrastructure is a low-cost, and often high-return, investment approach that has been used to great effect in many cities worldwide. The development and provision of investment guarantee schemes to attract private investment and enhance governments' capacity to make the necessary legal and contractual arrangements (aligned with a capacity to regulate and manage private-sector entities that provide the physical services) can lead to benefits and opportunities, particularly with regard to the private sector. These approaches have the added advantage of freeing up government capacity to undertake fully integrated networks and systems of infrastructure planning that further ensure that the vital bottom-up validation of such planning is implemented.
- *Fostering and applying technological innovation.* Technological innovation has become a critical driver for action in the light of emerging challenges,²¹ such as water shortages, the unsustainability of energy systems based on fossil fuels, the need to increase the reuse and recycling of waste and the increasing frequency and intensity of climate-change effects. There is a lot of work being done to develop new technologies that bring together the researchers, policy-makers, decision-makers, and knowledge management agencies to more effectively target research to the problems being encountered and create platforms for pilot testing, applying and disseminating the innovative technologies.

¹⁹ See Issue Paper 8 on Urban and Spatial Planning and Design.

²⁰ See Issue Paper 6 on Urban Governance.

²¹ See Issue Paper 21 on Smart Cities.

- The increasing demand for energy in urban areas, estimated at 8 per cent annually in African cities, could be addressed in part by making use of renewable energy potentials that exist in cities. In fact, transforming municipal waste into energy, dual repurposing such as rain and grey-water recycling, replacing linear water-supply systems with closed-circuit systems, and exploiting the water-waste-energy nexus are key potentials. Green infrastructure — networks of multifunctional green spaces²² — offers a range of ecological, social, and economic benefits that enhance “grey” urban infrastructure, if it’s strategically planned and managed.²³ Green roofs, permeable vegetated surfaces, street trees, public parks, community gardens and urban wetlands can offer “ecosystem service benefits” as diverse as improving residents’ health and well-being, providing food, lowering wind speeds, reducing storm-water run-off, modulating ambient temperatures, reducing energy use and sequestering carbon.²⁴ Green infrastructure thus holds the potential to cushion cities against many expected climate-change impacts.²⁵
- *Adopt inclusive participatory processes, and increased access to information for all residents:* In addition to improving transparency as well as the access and diffusion of information, public participation has contributed to improved planning outcomes in the formulation and implementation of plans by addressing the distinct needs of various groups, especially marginalized populations.

Platforms and Projects

- Infrastructure Transitions Research Consortium; Global Water Operators Partnership (GWOPA) Sustainable Sanitation Alliance (SuSanA)
- The Infrastructure Consortium for Africa (hosted by the African Development Bank) Global Expanded Monitoring Initiative for the Water SDGs (hosted by UN-Water)
- UNESCWA-UNOPS National Agenda for the Future of Syria
- UNOPS-McKinsey Diagnostic — Occupied Palestinian Territories, Costa Rica UNOPS Infrastructure Assessment Methodology
- EU-funded joint programme on support to district development programme (EU-SDDP) in Sri Lanka

²² Tony Matthews, Alex Y. Lo, and Jason A. Byrne, “Reconceptualizing green infrastructure for climate change adaptation: Barriers to adoption and drivers for uptake by spatial planners,” *Landscape and Urban Planning*, No. 138 (2015): 155–163.

²³ Carol Kambites and Stephen Owen, “Renewed prospects for green infrastructure planning in the UK,” *Planning, Practice and Research*, vol. 21, No. 4 (2006): 83–496; Konstantinos Tzoulas, Kalevi Korpela, Stephen Venn, et al., “Promoting Ecosystem and Human Health in Urban Areas Using Green Infrastructure: A Literature Review,” *Landscape and Urban Planning*, vol. 81, No. 3 (2007): 167–178.

²⁴ Ian C. Mell, “Can you tell a green field from a cold steel rail? Examining the ‘green’ of green infrastructure development,” *Local Environment*, vol. 18, No. 2 (2013): 152–166.

²⁵ Robert D. Brown, Jennifer Vanos, Natasha Kenny, and Sandra Lenzholzer, “Designing urban parks that ameliorate the effects of climate change,” *Landscape and Urban Planning*, No. 138 (2015): 118–131.



ISSUE PAPER

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Cyclists on an urban bike path © Shutterstock

TRANSPORT AND MOBILITY

Co-Lead organizations: UN-Habitat, UN Environment

Contributors: UN DESA, World Bank

+ KEY WORDS

Accessibility, land-use planning, transit-oriented development, national urban policy, freight, inter-modal integration

Main Concepts

Sustainable Urban Mobility: The goal of all transportation intends to create universal access to safe, clean and affordable transport for all that in turn may provide access to opportunities, services, goods and amenities. Accessibility and sustainable mobility refer to the quality and efficiency of reaching destinations whose distances are reduced rather than the hardware associated with transport. Accordingly, sustainable urban mobility is determined by the degree to which the city as a whole is accessible to all its residents, including the poor, the elderly, the young, people with disabilities, women and children.

Nonmotorized transport refers to the transportation of passengers through human- or animal- powered means. It includes, bicycles, rickshaws, pedicabs, animal-drawn carts, push-carts and trolleys, and walking.

Public Transport: Formal public transport services are those available to the public for payment. They run on specified routes to timetables with set fares and (for the purposes of this paper) in urban areas. They may be operated by public or private organizations and cover a wide range of modes like bus, light rail (tramways, streetcars), metros, suburban rail, cable-cars and waterborne transport (e.g., ferries and boats).¹

Compact cities or "smart growth" describe urban development that is compact, resource-efficient and less dependent on the use of private cars. The term smart growth is most commonly used in North America, while in Europe and Australia the term compact city is used more often to connote similar concepts. As an antidote to sprawl, these forms of development aim to reduce the municipal fiscal burden of accommodating new growth while promoting walking and cycling, historical preservation, mixed-income housing that helps reduce social and class segregation, and diversity of housing and mobility choices that appeal to a range of lifestyle preferences. Ten accepted principles that define such developments are: (1) mixed-land uses, (2) compact building design, (3) a range of housing opportunities and choices as part of mixed housing, (4) walkable neighbourhoods, (5) distinctive, attractive communities with a strong sense of place, (6) preservation of open space, farmland, natural beauty and critical environmental areas, (7) development directed towards existing communities, (8) a variety of transportation choices, (9) development decisions that are predictable, fair and cost effective and (10) community and stakeholder collaboration in development decisions.²

Transport Demand Management (TDM): Urban planning and design that has a strong relationship with travel demand management can be a cost-effective alternative to increasing capacity. A demand-management approach

to transport through better urban planning has the potential to deliver better environmental outcomes, improved public health, stronger communities, and more prosperous cities. TDM has to be part of the comprehensive strategy and complex set of technological measures and policies for the management of urban transport.

Figures and Key Facts

In 2010, transport was responsible for approximately 23 per cent of total energy-related CO₂ emissions. Greenhouse Gas (GHG) emissions from the transport sector have more than doubled since 1970, increasing at a faster rate than any other energy end use, to reach 7.0 Gt CO₂ eq in 2010. The final energy consumption for transport reached 27.4 per cent of total end-use energy, of which a large share was urban. If cities continue their business as usual, transport emissions could increase at a faster rate than emissions from other energy end-use sectors and reach about 12 Gt CO₂ a year by 2050.³ This trend endangers the goal of limiting the increase in global temperatures to two degrees Celsius above pre-industrial levels. However, increasing mobility and connectivity in cities brings enormous benefits to society and also provides the essential means by which a city can function effectively.

Outdoor air pollution, which is partly caused by transport, was estimated to cause 3.7 million premature deaths worldwide in 2012. The majority of these deaths (88 per cent) were in low- and middle-income countries.⁴ Transport also contributes to soil and water pollution.

Traffic congestion not only increases local air pollution but also causes heavy economic losses as a result of time and fuel wastage and increased emissions. For example, in the United States, time lost in traffic amounted to 0.7 per cent of GDP and in the UK to 1.2 per cent of GDP. Dakar, Senegal lost 3.4 per cent of time in traffic; it was 4 per cent in Manila, Philippines, 3.3 per cent to 5.3 per cent in Beijing, China, between 1 and 6 per cent in Bangkok, Thailand and up to 10 per cent in Lima, Peru where people spend on average around four hours in daily travel.⁵

Annually, 1.24 million people are killed in road traffic accidents that occur predominantly (92 per cent) in low- and middle-income countries. Africa, which has only 2 per cent of the world's vehicles and 12 per cent of the population, has 16 per cent of the fatalities.⁶

¹ UN-Habitat, *Planning and Design for Sustainable Urban Mobility: Global Report on Human Settlements 2013* (Nairobi, 2013).

² Robert Bullard, *Growing Smarter: Achieving Livable Communities, Environmental Justice, and Regional Equity* (Cambridge, MA: MIT Press, 2007); Andres Duany, Elizabeth Plater-Zyberk and Jeff Speck, *Suburban Nation: The Rise of Sprawl and the Decline of the American Dream* (New York: North Point Press, 2000).

³ IPCC, *Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate* (New York: Cambridge University Press, 2014).

⁴ WHO, "Frequently asked questions ambient and household air pollution and health update 2014," available from http://www.who.int/phe/health_topics/outdoorair/databases/faqs_air_pollution.pdf?ua=1.

⁵ IPCC, *Climate Change 2014*.

⁶ WHO, *Global Status Report on Road Safety* (Geneva, 2013).

The growth of motorization is a worldwide phenomenon. In 2010 there were 1 billion motor vehicles worldwide (excluding two-wheelers). Data from 2005 indicate that almost half of all trips in cities were made by private motorized modes. This proportion continues to increase. By 2035, the number of light-duty motor vehicles (cars, sports-utility vehicles, light trucks and minivans) is expected to reach 1.6 billion and by 2050 this number will exceed 2.1 billion. Most of the increase will be in Asian countries, especially China and India. Globally, the number of new cars sold annually increased from 39 million in the 1990s to 63 million in 2012. Some countries, notably in Asia and also in Africa, are seeing a huge increase of motorized two-wheelers on their roads. Trends also indicate that private-vehicle ownership grows slowly in countries with lower per-capita incomes and faster at middle-income levels, reaching saturation at the highest levels of income. For example, vehicle kilometres travelled per capita appear to have stabilized in a number of high-income countries such as USA, Japan, Australia, UK, France and Germany.

Non-motorized transport made up about 37 per cent of urban trips worldwide in 2005. For very short trips, walking is the main mode of transport. In African cities it accounts for 30 to 35 per cent of all trips.⁷ Despite the high proportion of people relying on nonmotorized transport, there's a wide gap between modal use, infrastructure allocation and modal funding in many cities. For example, in Dhaka, Bangladesh, almost 80 per cent of trips are by walking, bus or informal motorized transport, yet 70 per cent of road space is dedicated primarily to private vehicles. Similarly, in some East African cities, walking accounts for more than half of all trips but less than 1 per cent of total costs, while accommodating private vehicles accounts for 50 per cent of the total system costs.

The twenty-first century city has an intense flow of people, material and information. Goods transport accounts for 10 to 15 per cent of vehicle-equivalent kilometres travelled in urban areas and has been linked to congestion and air and noise pollution. Evidence indicates that a high-income city in Europe generates about 300 to 400 truck trips per 1,000 people per day and 30 to 50 tons of goods per person per year. Freight movement is largely driven by diesel-powered cargo vessels, trucks, and trains and while diesel engines are more energy efficient compared with petrol, they contribute significantly to GHGs and other short-lived climate pollutants, particularly black carbon, therefore also affecting public health. Despite the significance of goods transport in the urban environment, it has received relatively less attention from policy-makers and planners.

Issue Summary

While transport enables economic activity and social connectivity, a bias towards planning for individual motorized transport rather than accessibility has led to increasing passenger kilometres travelled per capita. This leads to a vicious cycle: in an effort to address congestion, planners seek to accommodate the

increasing numbers of private motorized vehicles by building more and more roads and infrastructure such as flyovers, which in turn are soon overwhelmed by the rise in the numbers of vehicles. Instead, the objective should be to curb sprawl, create compact, walkable neighbourhoods and reduce the vehicle kilometres travelled per capita.

Urban form is a key determinant of transport systems and in turn is heavily influenced by transport systems. A compact city form enables people, particularly the poor, to access jobs and educational and health services more easily. It also reduces fuel consumption and provides more opportunities for social interaction. Figure 1 illustrates the relationship between urban density and energy consumption.

In many developing countries, formal public transport has deteriorated over the past few decades when governments held down fare levels without increasing subsidies. This led to a decline in the quality of services. In many countries in Africa, informal transport now dominates service provision. The informal sector is characterized by individual entrepreneurs operating minibuses, midi-buses, shared taxis and, in some countries, motorcycle taxis. The "matatu" minibuses and midi-buses in Nairobi are reported to have the highest per capita use of informal transport in the world with 662 trips per inhabitant per year — representing three quarters of all public transport trips and 36 per cent of traffic volume.

Women and men in urban areas have different travel patterns. Women tend to make more trips but over shorter distances. Issues related to sexual harassment, safety and security have arisen with regard to women taking public transport or walking. High costs for public transport can make it prohibitive for women. A study in Kampala, Uganda, shows that women spend as much as 29 per cent of their income on public transport. A number of challenges also confront people with disabilities.

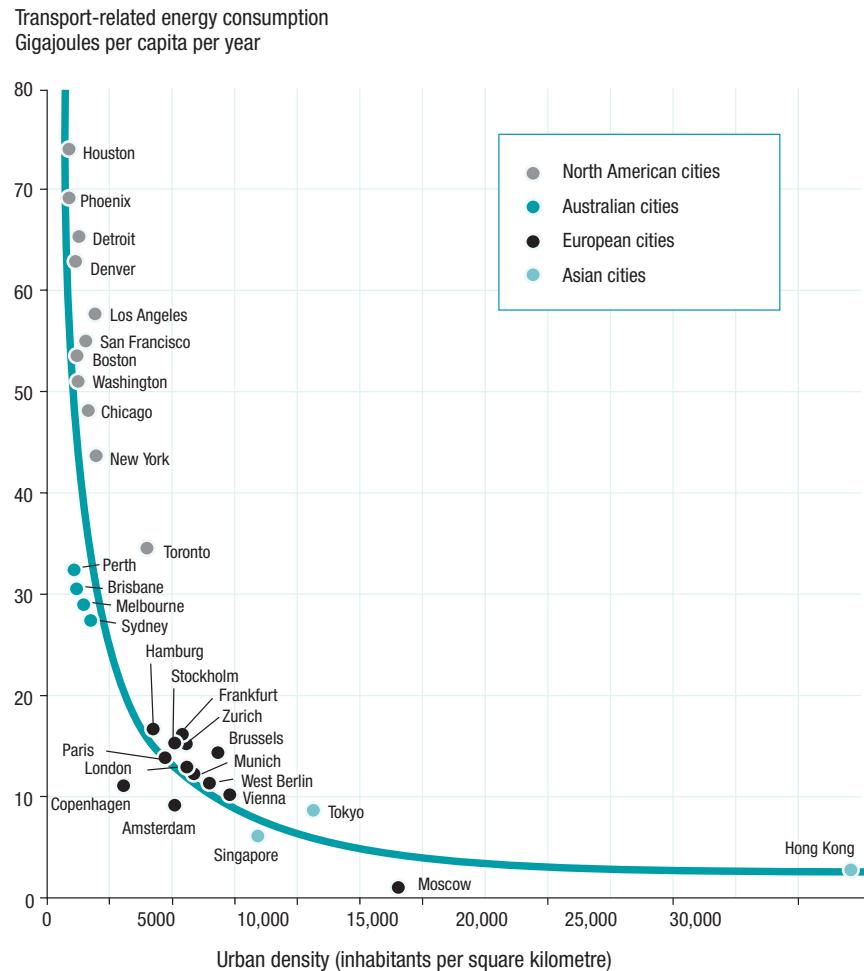
Key Drivers for Action

Focus on Demand

The paradigm that has people rather than vehicles at the centre of planning has to be reversed. This paradigm takes a rights-based approach and considers accessibility as the ultimate objective of all transportation; that is, physical access to places and opportunities, to jobs and services and to goods and amenities. The focus in the new paradigm shifts from managing the "supply" side of mobility to managing the "demand side." By promoting mixed land-use planning and more compact cities, the new paradigm can see trip lengths shortened and transport activity reduced. However, even with the focus on accessibility as the goal, the means of transport remains a vital element.

⁷ UN-Habitat, *Planning and Design for Sustainable Urban Mobility*.

Figure 1: Influence of urban densities on transport related energy consumption in 32 cities (1989)



Source: Newman and Ken worthy 1989 cited in lefevere 2009/ GRHS 2013

The “Avoid-Shift-Improve framework”⁸ promotes a demand-based approach with the objective of reducing emissions and congestion and making cities more livable. “Avoid” stresses better land-use planning and travel-demand management, reducing trip lengths. “Shift” refers to the move to more sustainable means of transport—nonmotorized transport and public transport. “Improve” looks at vehicle and fuel efficiency. A sustainable urban transport system builds on an efficient modal structure consisting of walking, cycling and public transport. Better design of streets and public spaces, and transit-oriented design can not only meet the accessibility needs of people but also contribute to the urban economy.

Enabling Policy Environment and Institutional Coordination

An integrated approach to land use and transport planning is essential. Such integration needs to be promoted at the highest level through national urban policies and national urban transport policies that are developed as statutory instruments to provide a vision for sustainable urban development while also defining the roles, responsibilities and relationships among different sectors, agencies and stakeholders, guiding action across regional, metropolitan and neighbourhood levels. Such policy guidelines can also encourage the development of “sustainable urban mobility plans” as innovative, integrated and inclusive transport and land-use planning processes that are being applied in a number of cities worldwide.

⁸ www.transport2020.org/file/asi-factsheet-eng.pdf



A related dimension is the amalgamation of institutional responsibilities under one agency with jurisdiction over transport, land-use and investment planning, road construction and maintenance, traffic management, licensing, enforcement and operations. This is particularly relevant for large metropolitan cities. Such policies can also support a regional vision for coordinated land use and transport (e.g., service integration of public transport in a metropolitan region). Some good examples indicate the way forward.

To deal with urban growth in Stockholm, Sweden, the Storstockholms Lokaltrafik was created as a single regional transport body to take over the responsibilities that had been earlier shared among different municipalities.⁹ In another example, encouraged by potential investments in transport infrastructure, the five “county governments” that make up the Greater Nairobi Metropolitan Area have agreed on a collaborative framework for transport planning and operations by signing a memorandum of understanding as a precursor to the establishment of the proposed “Nairobi Metropolitan Transport Authority” to oversee transport development in the Greater Nairobi Metropolitan Area.

Intermodal integration and Transit Orientated Development

Modal integration of public transport with nonmotorized transport increases the reach and accessibility of public transport. It is important to consider the complementary roles of freeways and railway systems. For example, in the suburbs of Munich, Germany, motorways and suburban trains are physically integrated to allow for motorists to switch to trains. Similarly, better pedestrian and cycling paths feeding into suburban railway stations, and bike-sharing and rental schemes where such stations function as a node, can improve accessibility in the wider metropolitan regions and should be prioritized in large urban agglomerations.

Curitiba, Brazil, provides a good example of transit-oriented development, where a lower-cost bus rapid transit (BRT) system was introduced in conjunction with a land-use policy that promoted progressively increasing the intensity of land use with proximity to the BRT corridor — a planning- for-people approach.

Good examples of modal integration have emerged in Asian and Latin American Cities as well. In Guangzhou, China, the BRT system, which serves 800,000 passengers daily, is integrated with the city's bicycle lanes and bike-share systems, thereby ensuring access to public transport and extending the reach of public transport. Sao Paolo and Curitiba in Brazil, Bogota in Colombia, and Santiago in Chile have also taken measures towards such integration.

Urban Freight Management

With growing urban congestion crippling many cities and draining the economy, the concept of “green freight” has emerged in recent years. It involves policy-makers, business leaders and civil society working together to improve the energy and environmental efficiency of freight movement. This approach reduces costs and can make businesses more competitive, while also reducing emissions and benefiting public health. Transport strategies in the increasingly contested urban landscape have not received adequate attention. It is essential that the close interactions between urban land use and goods transport are considered in framing policies and strategies that can ensure the economic benefits of efficient goods transport while reducing its environmental, health and social impacts.

Some good practices have emerged on freight distribution in urban areas. These include rationalization of delivery and consideration of “reverse logistics” (i.e., removal of waste and modal adaptation), but much more focused research is required on integrating freight distribution as an integral part of sustainable urban mobility. Challenges of (transfer) terminals and logistics centres might be reduced if they move away from road dependency and towards intermodal terminals with rail access. Freight logistics and intermodal options require more attention from policy- and decision makers, especially regarding decision making for terminal location and integration.

Financing

Policies need to be promoted that make car travel less appealing while facilitating a modal shift towards public transport and nonmotorized transport (NMT). Financial incentives and integrated tariff systems can be provided to ensure convenience, affordability and uptake of these alternative modes. Based on the “polluter pays” principle, policies on parking, congestion charging or tolling can reduce private automobile use and promote the use of public transport and NMT. The additional revenues generated from road/congestion pricing measures can be used as a source for financing investments in public transport improvements. Innovations such as car-sharing can reduce car ownership, but still represent a win-win situation for the car industry and cities, meeting the demand for mobility among city residents, while reducing demands on parking space. Employers can also contribute to reducing congestion by incentivizing car-pooling among employees.

⁹ UN-Habitat, *Planning and Design for Sustainable Urban Mobility*.

The financial sustainability of transportation systems is key to ensure sustainable mobility. With growing urbanization and increasing travel, it is necessary that appropriate levels of financing are available. Solid financing mechanisms for sustainable transport — mobility funds/programs, sustained and higher budgetary allocations according to priorities defined in National Urban Transport Policies and Sustainable Urban Mobility Plans ensuring the realization of identified measures are required. Experience indicates that operating costs for public transport should be linked to fares, but capital costs should be supported by broader sources of revenues. The New York Metropolitan Transportation Authority (MTA) provides an example: a single agency is able to consolidate revenues from different sources for providing a multimodal regional transport system. The agency combines revenues from federal, state and local governments and earmarked transportation taxes as well as from tolls from roads and bridges. This allows for the easy distribution of costs and revenues across different modes.¹⁰

Public-private partnerships and value-sharing models also have great potential in bridging the financing gap for investments in public transport. In Hong Kong, the government makes land around future stations available to the Mass Transit Railway Corporation (MTRC) on long-term lease at pre-transport-development prices. The MRTC then sells the rights to develop these sites — at post development prices — to private developers who create shopping malls and houses. The difference between the prices pays for the capital cost of the transport infrastructure.

Use of Information and Communication technologies (ICTs)

Modern communication and ticketing technology has the potential to greatly facilitate the integration of different modes of transport. Reliable demand-modelling and forecasting data should be the basis of any transport intervention. Good examples based on ICT diffusion are emerging in this area. For instance, the absence of origin-destination data in East African cities made it difficult to plan BRT operations. But by using information on informal transit routes captured on smart phones, it was possible to map the mobility patterns of people using informal public transport. Since BRT services are expected to reflect current informal transit patterns, these data were used for operational plans for the BRT systems.

Such innovative use of technologies and instruments can be strengthened and facilitated to improve accessibility and reduce accidents, pollution and GHG emissions. Application of ICT and Intelligent Transport Systems (ITS) also plays a key role to increase the operational efficiency of urban transport and improve services to the benefit of users of sustainable transport (e.g., public transport acceleration, traffic control centres and adaptive traffic management, E-Ticketing, integrated information, real-time-data, multimodal mobility applications and navigation) — with an enormous potential for innovation.

Knowledge of successfully implemented urban-mobility solutions can be shared among local and national governments to boost the uptake of these strategies. Knowledge also needs to be expanded on how the new paradigm can be implemented in practice. This calls for engagement of cities, civil society, industry and financial institutions in collaborative and operational partnerships in the form of projects and capacity building on operation and maintenance. National urban policies together with national urban transport policies articulated with the new paradigm of accessibility can provide guidance through sample legislation, for example, on compact city planning and incentives for clean transport.

Some of the other key drivers for action for sustainable urban transport may include: (1) formulation of coherent national urban transport policies that consolidate overarching policy goals with action on local levels, including legal frameworks for sustainable transport governance, funding programs and strong cooperation of national, provincial and local authorities; (2) innovative, integrated and inclusive transport- and land-use planning processes; (3) human and institutional capacity building to enable policy-makers and planners to implement policies and successfully realize measures on urban transport; and (4) strengthened international cooperation on sustainable transport to improve access to technologies, experiences and concrete solutions as well as to ensure mutual learning.

¹⁰ Ibid.



Platforms and Projects

- The Urban Electric Mobility Vehicles Initiative (UEMI) (<http://unhabitat.org/action-platform-on-urban-electric-mobility-initiative-uemi/>) launched at the UN Climate Summit on 23 September 2014 with the goal of reducing emissions from transport while simultaneously improving access and mobility through the widespread uptake of electric vehicles (EV), so that EVs make up 30 per cent of total urban travel by 2030. The initiative will be implemented in the overall context of a transition to cleaner sources of energy and better urban planning and calls for complementary actions by “supply” and “demand” side actors such as industry and cities respectively. International organizations, including UN-Habitat, other United Nations agencies, the International Energy Agency, other knowledge and research organizations and the United Nations Global Compact will play a facilitating role through knowledge sharing, capacity building and support through demonstration initiatives.
- The Partnership on Sustainable Low Carbon Transport (SloCaT) (www.slocat.net)
- Bridging the Gap is a multistakeholder partnership to promote sustainable transport in the international climate debate (www.transport2020.org)
- ICLEI's EcoMobility Initiative (<http://www.ecomobility.org/>)
- The HUB, a capacity-building platform by Embarq India/WRI



ISSUE PAPER

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Downtown Reykjavik, Iceland © Shutterstock

HOUSING

Co-Lead organizations: OHCHR, UN-Habitat

Contributors: UNOPS, UN-Women, WHO

+ KEY WORDS

Urbanization, housing needs, slums and informal settlements, commodification, speculation, spatial segregation, vulnerable groups, right to adequate housing, "housing at the centre", housing policy, housing finance, financial inclusion, affordability, subsidies, urban planning, housing and livelihood, incremental housing, rental housing

Main Concepts

Adequate housing was recognized in international instruments—including the 1948 Universal Declaration of Human Rights and in the 1966 International Covenant on Economic, Social and Cultural Rights—as part of the right to an adequate standard of living.¹ Adequate housing must provide more than four walls and a roof. A number of conditions must be met before particular forms of shelter can be considered to constitute “adequate housing.” These elements are:

- security of tenure. Housing is not adequate if its occupants do not have a degree of tenure security that guarantees legal protection against forced evictions, harassment and other threats.²
- availability of services, materials, facilities and infrastructure. Housing is not adequate if its occupants do not have safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or refuse disposal.
- affordability. Housing is not adequate if its cost threatens or compromises the occupants’ enjoyment of other human rights.
- habitability. Housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards.
- accessibility. Housing is not adequate if the specific needs of disadvantaged and marginalized groups are not taken into account.
- location. Housing is not adequate if it is cut off from employment opportunities, health-care services, schools, childcare centres and other social facilities, or if it is located in polluted or dangerous areas.
- cultural adequacy. Housing is not adequate if it does not respect and take into account the expression of cultural identity.

Figures and Key Facts

- Access to adequate housing is a global challenge growing fast with urbanization. Around one quarter of the world’s urban population continues to live in slums and informal settlements.³ An increasing number of urban dwellers, especially the most poor and vulnerable groups (women, migrants, people with disabilities and HIV, older, youth and LGBT) are living in precarious conditions, addressing their housing needs informally, lacking access to basic services and living space, isolated from livelihood opportunities and vulnerable to forced evictions or homelessness. Every day, as people are born in or move to urban centres in search of opportunities, the demand for housing grows. Globally, a billion new houses are needed by 2025 to accommodate 50 million new urban dwellers per year; costs are estimated at between US\$ 9 and 11 trillion by 2025.⁴
- Affordable housing is inadequate and adequate housing is unaffordable. One of the more daunting challenges of urbanization has been the provision of adequate housing that people can afford. In 2011, 2.2 billion people still survived on less than US\$ 2 a day,⁵ a grossly inadequate income to afford living and housing. From slum residents to middle-income households, it is estimated that currently 330 million households are financially stretched by housing costs and this number could grow to 440 million by 2025 (see Figure 1).⁶
- Lending for housing moved away from the most poor. The World Bank, the main lender to support improvement in housing conditions, has evolved to embrace the private sector more fully, but moved away from the poverty orientation that was for many years its core focus. A much smaller share of the bank’s lending has gone to support low-income housing (10 per cent of total shelter lending since the mid-1990s, versus more than 90 per cent from the mid-1970s to the mid-1980s) and a much smaller share has gone to low-income countries (20 per cent, down from about 40 per cent from the mid-1970s to the mid-1980s).⁷

¹ Office for High Commission for Human Rights, “The right to adequate housing. Fact sheet No. 21/Rev.1,” available from http://www.ohchr.org/Documents/Publications/FS21_rev_1_Housing_en.pdf.

² See Issue Paper 9 on Urban Land.

³ See Issue Paper 22 on Informal Settlements.

⁴ Jonathan Woetzel, Sangeeth Ram, Jan Mischke, Nicklas Garemo, and Shirish Sankhe, “A blueprint for addressing the global affordable housing challenge,” McKinsey Global Institute, October 2014, available from https://www.canback.com/files/2014_MK_Affordable_housing_Full%20Report.pdf.

⁵ World Bank, “Poverty overview,” 2 October 2016, available from <http://www.worldbank.org/en/topic/poverty/overview>.

⁶ Woetzel et al., “A blueprint for addressing the global affordable housing challenge.”

⁷ Robert Buckley and Jerry Kalarickal, *Thirty Years of World Bank Shelter Lending What Have We Learned?* (Washington, DC: World Bank, 2006). Available from http://siteresources.worldbank.org/INTHOUSINGLAND/Resources/339552-1153163100518/Thirty_Years_Shelter_Lending.pdf

- Housing issues are a litmus test of urban development and well-planned cities. Housing has not been appropriately integrated into urban policies in spite of residential land use occupying between 65 and 75 per cent of the surface of a city. Clearly, the way in which housing is developed, and especially where it is physically provided, has had important implications for the reproduction of informality, inequalities and exclusion in cities. Deficient urban planning and weak regulations have also left little room for governments to manoeuvre against speculation over land, urban sprawl and the spatial segregation of housing.
- Governments have responded well to enabling housing finance through mortgages but such financing has often been feasible for only the middle- and high-income groups rather than the most needy 60 to 80 per cent of the population. Subsidies on residential mortgages have encouraged people to borrow but they are flowing to the 20 to 40 per cent richest income groups, that is, those who need it least. Mortgages are still much more common in Europe and North America than in Asia, Africa or Latin America and the Caribbean (Figure 2).
- The housing sector accounts for significant energy consumption and affects the sustainability of urban development. Households account for about 19 per cent of total worldwide energy consumption.⁸ The overall building stock, which is composed mainly of residences, is responsible for more than 40 per cent of global energy use⁹ and represents the single largest contributor to greenhouse gas emissions.¹⁰ Environmental degradation stemming from housing construction materials extraction and low-density suburban development further threaten the sustainability of cities. The use of local materials and techniques is still limited in spite of their potential to reduce energy consumption and promote local economic development.
- In spite of increased recognition of the right to adequate housing,¹¹ policies and programmes continue infringing many criteria of housing adequacy, especially the protection from forced evictions. Every year, millions of people around the world are evicted from their homes and land, against their will and without consultation or equitable compensation. Between 1998 and 2008, forced evictions affected at least 18.59 million people,¹² despite the fact that international law explicitly recognizes the right to security of tenure and has repeatedly declared the practice of forced eviction to be a gross and systematic violation of human rights. A growing number of urban migrants and Internally Displaced People (IDPs) also

confront insecure tenure and the resulting threat of further displacement, not only as a result of natural hazards and renewed conflict but also as an increase in forced evictions.¹³

- Inadequate housing has contributed to health inequality and risk exposure. Houses are a major environment of exposure to hazards and health-threatening factors as a result of the lack of habitability, overcrowding, and inadequate services, among other issues. Crowding is among the most serious threats because it enhances the transmission of diseases among household members, especially children, elders and those with a disability since they spend more of their time at home.¹⁴ Many environmental risks are also associated with the poor quality of housing structures and their location.

Issue Summary

Nearly three decades have passed since the “enabling approach” to housing provision was introduced. Significant shifts in policies and approaches were observed in this period and a wide range of practical applications of the enabling principles took place in different countries with mixed results. Overall, the majority of national and local governments are still struggling to meet the housing needs of their respective populations. The poorest and most vulnerable households are the most affected because they have been untouched by the housing market and they have benefitted from housing policies and regulations in only the most limited ways. Efforts to improve access to adequate housing for women, migrants, refugees, people with disabilities, indigenous and minorities have made little progress so far.

Government interference in the housing sector has been minimal and many have almost withdrawn from housing provision, land supply, procurement, servicing and even regulation. There has been a broad shift from conceptualizing housing in terms of its social function towards housing as a commodity across various scales. Housing has had a low priority in the allocation of national resources and almost all public and corporation houses were sold. Subsidies have been reduced and, where they remain, they are usually poorly targeted and unsustainable. To a great extent, the advent of housing policy frameworks are more in line with liberalization and less state intervention has mainly resulted in fewer or no formal housing opportunities for low- and some tiers of middle-income households.

⁸ International Energy Agency (IEA), “Energy Balances of Non-OECD Countries,” 23 July 2015, available from http://www.oecd-ilibrary.org/energy/energy-balances-of-oecd-countries_19962835-en.

⁹ UN Environment, “Buildings and climate change: Summary for policy makers,” European Commission, “Roadmap to a resource-efficient Europe.”

¹⁰ Anntti Ruuska and Tarja Häkkinen, “Material efficiency of building construction,” *Buildings*, vol. 4. (2014): 266–294. Available from <http://www.mdpi.com/2075-5309/4/3/266/pdf>.

¹¹ Including through ratifying the International Covenant on Economic, Social and Cultural Rights.

¹² Centre on Housing Rights and Evictions, *Global survey 11, Forced evictions, violations of human rights: 2007–2008* (Geneva: COHRE, 2009).

¹³ Massachusetts Institute of Technology (MIT), Displacement Research Action Network (DRAN) and the Internal Displacement Monitoring Centre (IDMC), “Home sweet home: Housing practices and tools that support durable solutions for urban IDPs,” March 2015, available from [http://www.internal-displacement.org/assets/publications/2015/20150325-global-home-sweet-home-en-full-report.pdf](http://www.internal-displacement.org/assets/publications/2015/20150325-global-home-sweet-home/20150325-global-home-sweet-home-en-full-report.pdf).

¹⁴ Michael Baker, Michael Keall, Ee Lyn Au and Philippa Howden-Chapman, “Home is where the heart is—Most of the time,” *New Zealand Medical Journal*, vol. 120 (2007): 1264.

Private-sector engagement has been weak and markets have been ineffective in serving lower-end housing. Governments, in their role as facilitators, have faced challenges to induce private entrepreneurs and finance institutions to invest in, construct and lend for poor and community-based initiatives. Developers have focused on high-end housing. Banks are averse to risking loans for people who cannot be classified as conventionally good risks. Housing finance has been essentially promoted through mortgages, restricted to those with formal titles, and access to finance for the poor majority is limited and expensive. Community-based financial institutions such as financial cooperatives, credit unions and micro-finance institutions have not reached scale and may be incapable of doing so.

People continue addressing their housing needs by themselves, incrementally and often informally. Almost all housing is generated through an incremental process over relatively long periods of time. Only a minute segment of any society—that is, the very wealthy—has the resources to lend, purchase outright or construct their dwellings as a one-off event. Incremental housing processes have been one of the most effective means of allowing households to have what they can afford, although it has often resulted in low-quality and inadequate stock because of people's lack of means and capacity.

Access to land and dysfunctional urban land markets remain some of the most pervasive binding constraints on the provision of adequate housing. A new series of challenges related to access to well-located land is emerging with the development of large-scale pro-poor strategies. The most common problem is that new low-income housing areas are located too far away from the local population's means of livelihood with the high cost of transportation being prohibitive for affected families. A number of countries have postponed or abandoned structural reforms to the legal and regulatory environment of the land. Housing markets and policy-makers still neglect the importance of land as a major input into the provision of housing services.

Property rights, and especially land-titling programmes, remain too narrow and have not led to the social and economic outcomes sought. While there is considerable evidence of increased tenure security, investment in housing, access to formal credit and municipal revenue do not seem to have increased with the promotion of titles more than they did under other tenure regimes. To date, there is no clear evidence of poverty levels being reduced owing to access to formal titles either.¹⁵

Most governments have encouraged owner occupation to the detriment of other types of housing tenure, especially rental housing. Tenants have increased at least in line with urban population growth. The "rent generation" is rising because owning a home is out of reach for many more households. Across the world, evidence shows that rental housing contributes to enhance residential

mobility and improve labour-market and livelihood opportunities. It can also accommodate gender, cultural and disability concerns, and strengthen social and economic networks. However, few governments have formulated any kind of policy to help develop or regulate this form of housing.

The emphasis on "enabling the poor to help themselves" has contributed to the acknowledgement of local initiatives and innovations led by organizations formed and run by the urban poor or inadequately housed. Their responses have focused on local needs and problems, taking account of local ideas and based on local understanding, such as incremental approaches to housing, community planning and savings, microfinance and informal property markets. However, the challenge remains in moving from small-scale local experimental operations to whole structural urban and housing-sector changes without losing the focus on the most poor and vulnerable.

Knowledge has improved about how housing, poverty and livelihood interact. A wealth of empirical evidence has contributed to understanding how low-income people mobilize resources and organize themselves to access land and housing, often drawing on the informal sector and networks of social capital. Housing provides increased security, a potential source of income-generating activities and, if well serviced and appropriately located, it allows for inclusion, better living conditions and access to livelihood opportunities.

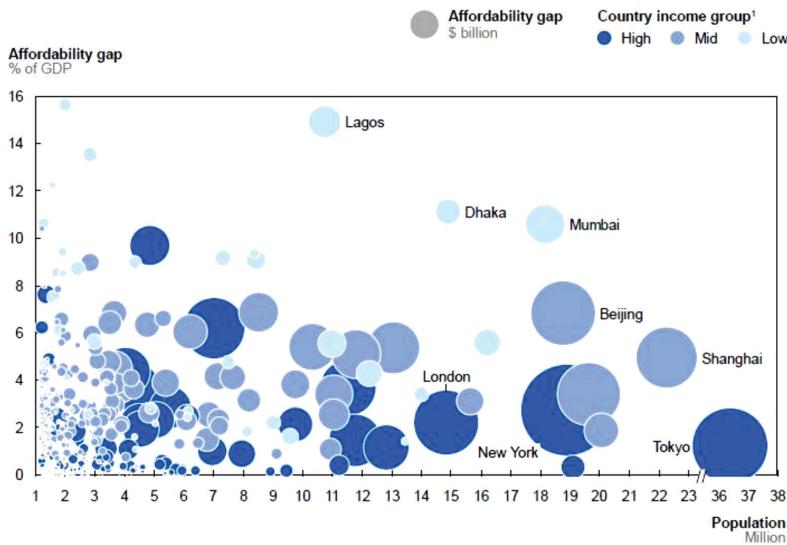
Accurate forecasts on housing needs are lacking and quantifying these estimates has not been straightforward. Information on demographic changes, socioeconomic conditions and cultural preferences is either scant or poorly acknowledged by policies. Further difficulties are related to assessing the inadequate, derelict and obsolete housing stock — the qualitative deficit. The gaps on information are significantly jeopardizing housing policy design and implementation.

Key Drivers for Action

- *Recognition that housing issues are closely related to human rights and targeting the most poor and vulnerable groups are crucial if the situation is not to deteriorate.* Solving housing challenges cannot depart from addressing the root causes that violate the principles of nondiscrimination and equality in access to housing, not only on the basis of gender and geography, but also on the basis of race, culture, religion, age, disability and social and economic status. Technical, legislative and financial efforts shall be focused to progressively realize the right to adequate housing for all and especially the most poor, vulnerable and minority groups, while also addressing aspects of participation, nondiscrimination, security of tenure, transparency and accountability.

¹⁵ Geoffrey Payne and Alain Durand-Lasserve, "Evaluating impacts of urban land titling: Results and implications: preliminary findings," available from <http://siteresources.worldbank.org/RPDLPROGRAM/Resources/459596-1161903702549/S7-Durand.pdf>; Geoffrey Payne and Alain Durand-Lasserve, "Holding on: Security of tenure—Types, policies, practices and challenges," Research paper prepared for the Special Rapporteur on adequate housing, 22–23 October 2012, available from <http://www.ohchr.org/Documents/Issues/Housing/SecurityTenure/Payne-Durand-Lasserve-BackgroundPaper-JAN2013.pdf>.

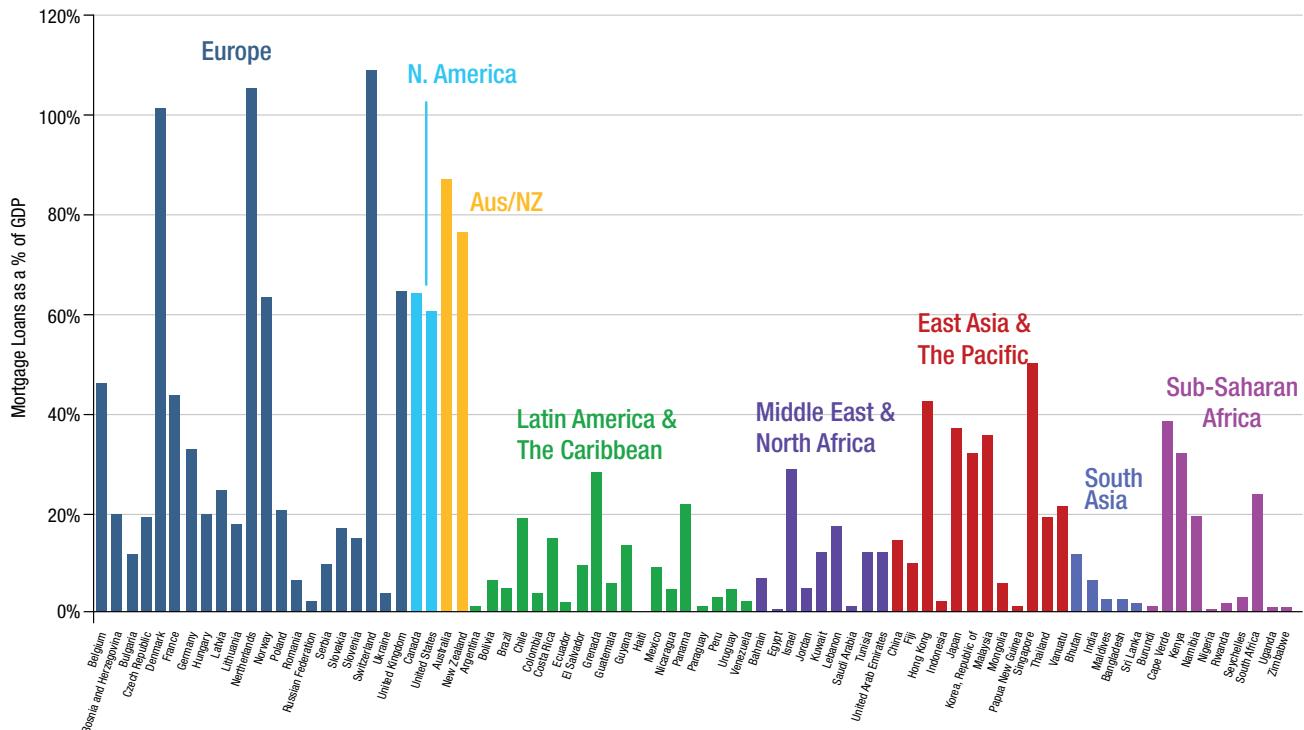
Figure. 1 The housing affordability gap for approximately 2,400 cities



1. As defined by World Bank.

Source: World Bank; UBS Prices and Earnings Report 2012; Numbeo; CEIC; Deposits.org; Global Banking Pool; Royal Bank of Scotland; Zillow; Metroscubicos; Notaires paris île de France; Jones Lang LaSalle; McKinsey Global Institute Cityscope database; US Census Bureau; National statistics offices; McKinsey Global Institute analysis.

Figure. 2 Total outstanding mortgage loans relative to GDP 2013



Source: HOFINET and Central Banks

- *Housing should be positioned at the centre of national development through systemic reforms and long-term policy and finance.*¹⁶ Cities need a simultaneous twin-track approach with curative (slum upgrading) and preventive (new provision) housing policies promoted along with concerted, participatory and coordinated efforts by governments, development finance institutions, the private sector and civil society in the design, finance and implementation of responses. The housing sector accounts for a significant share of wealth and resources and when managed effectively, it can be an important source of economic growth, stability and resiliency, as well as a major component of the social development agenda of a country.
- *Governments' roles need to be strengthened beyond enabling.* They must continue or reassume, as appropriate, a leadership role in responding to the housing needs, especially of the most poor and vulnerable, strengthening policy and regulatory frameworks, encouraging the markets' pro-poor performance, and providing a last resort, including safety nets and subsidies that target the affordability of housing and urban services.
- *Greater care and transparency over subsidy in all its forms needs reforming, increasing and moving government assistance down the income scale to those in most need.* Government expenditures for the poor need to be improved, with instruments for redistribution, value capturing and cross-subsidies between various income categories and different land uses. They must also increase subsidies and incentives on the supply side as well as various forms of possible demand-driven subsidies without shifting the focus from the most poor and vulnerable groups.
- *Encourage innovative and more inclusive housing-finance systems, including through incentives to housing-finance providers who lend to low-income groups and alternative financial institutions for low-cost housing.* The private housing-finance sector needs institutional incentives to stimulate efficient lending without exposing the state to excessive risk. Governments can promote new approaches to tenure, collateralization and guarantee mechanisms and encourage housing microfinance and promote community finance and various incremental loans adapted to gradual building processes.
- *The nexus between housing and urban planning practice needs to be stronger, in particular through improving the linkages between housing, accessibility and livelihood in cities.* A continuous, participatory and inclusive urban planning process should be the starting point and framework for improving access to adequate housing. Mixed land use, planned city extensions or urban in-fills combined with better transport infrastructure should be promoted to improve access to housing in well-located areas and livelihood opportunities for low-income groups to mitigate urban hazards and health risks.
- *Housing tenure types other than freehold ownership should be encouraged, reflecting the various needs and preferences of different groups, including leaseholds, condominiums, cooperatives, shared leaseholds and especially various forms of rental housing.* A continuum of tenure types should be available, each providing adequate security of tenure to guarantee the welfare of households and stimulate incremental housing improvements and expansion.
- *The incremental nature of housing should be translated into policy.* Subdivision regulations and building codes need to be sufficiently flexible and appropriate to local conditions, acknowledging and allowing the incremental nature of housing development. They should preferably be performance based and not prescriptive. Assisted self-construction and sites-and-services are some of the practices that should be promoted as well as innovative sustainable and locally based construction techniques.
- *Cities need more inclusive and context-based building regulations adapted to the reality of housing provision in lower-income countries.* This will encourage sustainable building design. Imports should be substituted by locally produced constructions inputs, maximizing the use of local materials and components while striving for climatic appropriateness, energy-efficiency, lower carbon emissions and environmental friendliness of the production processes of materials.

Platforms and Projects

- UN-Habitat Global Housing Strategy (GHS). See http://www.unesco.org/fileadmin/MULTIMEDIA/HQ/SHS/pdf/Workshop-Social-Inclusion_UN-Habitat.pdf
- UN-Habitat Participatory Slum Upgrading Programme (PSUP) <https://unhabitat.org/urban-initiatives/initiatives-programmes/participatory-slum-upgrading/>
- United Nations Housing Rights Programme <http://mirror.unhabitat.org/content.asp?ID=798&catid=282&typeid=24&subMenuld=0>
- UN Inter-agency Housing and Urban Rehabilitation in Haiti <http://www.un.org/en/peacekeeping/missions/minustah/documents/UN-factsheets-2012-en.pdf>
- World Health Organization Housing and Health platform <http://www.who.int/hia/housing/en/>

¹⁶ In its resolution HSP/GC/25/L.6, the 25th session of the UN-Habitat Governing Council "takes note of the 'housing at the centre approach,' which positions housing at the centre of national urban policies and of cities, and encourages the UN-Habitat and member States to consider the implementation of the Global Housing Strategy, as appropriate, including through the design of tools and mechanisms to promote inclusive housing finance at the national and local levels to bridge the housing gap and to contribute to the progressive realization of the right to adequate housing for all."



ISSUE PAPER

21

An aerial view of the Palace of Fine Arts in Mexico City © Shutterstock

SMART CITIES

Co-lead organizations: ITU, UNDP, UN-Habitat

Contributors: CBD

+ KEY WORDS

“e-”(-government, -services, -waste), green growth, green buildings, “smart_” government, _grids _urbanization, _urban model, resource efficiency, information and communication technologies (ICTs), quality of life, rights, social inclusion, urban resilience



Main Concepts

- **Smart city:** Many definitions of a “smart city” exist, and “smart” approaches have been understood differently by different people and sectors. Some definitions note that smart cities are those with “smart (intelligent) physical, social, institutional and economic infrastructure while ensuring centrality of citizens in a sustainable environment.”¹ They refer to key characteristics defined by distinct factors (e.g., smart economy, smart mobility, smart people, smart environment, smart living, smart governance)² and focus on the strategic use of new technology and innovative approaches to enhance the efficiencies and competitiveness of cities.³ A definition by the International Telecommunication Union (ITU’s) Focus Group on Smart Sustainable Cities (FG-SSC) reads: “A smart sustainable city is an innovative city that uses ICTs and other means to improve the quality of life, efficiency of urban operation and services, and competitiveness, while ensuring that it meets the needs of present and future generations with respect to economic, social and environmental aspects.”⁴

The UK Department of Business, Innovation and Skills considers smart cities a process (rather than a static outcome) through which citizen engagement, hard infrastructure, social capital and digital technologies “make cities more livable and resilient and, hence, able to respond quicker to new challenges.”⁵ Accenture says that a smart city delivers services to citizens and businesses in an integrated and resource-efficient way and enables innovative collaborations to improve inhabitants’ quality of life and support the growth of the local and national economy.⁶

- **Smart City Planning and Design:** An approach leveraging new knowledge and tools to promote urban planning and design that address the evolving needs and challenges of urbanization.
- **“Smart”/“e”-approaches:** Often refer to efforts that are innovative and/or utilize technology, particularly information and communications technologies (ICTs) to enhance the efficiencies of urban systems, increase the quality and effective delivery of services, empower citizens, and address environmental challenges and disaster risks (e.g., smart grids, smart transport, smart energy, e-participation, e-services, e-government, etc.).

Figures and Key Facts

- Urbanization has occurred rapidly since 1996 when Habitat II was convened. More people now live in cities, and the global urban population at 54 per cent in 2014 is projected to rise to 70 per cent by 2050. New cities have also emerged, and hundreds are expected to be built in the coming years. These upward trends are expected to be particularly significant in developing countries where 90 per cent of the additional 2.5 billion urban inhabitants and where much of the growth of secondary and tertiary cities by 2050 are projected.⁷
- Cities are engines of economic growth, accounting for 80 per cent of the global GDP. But they also consume around 75 per cent of global primary energy and are responsible for 70 per cent of the global greenhouse gas (GHG) emissions.⁸ All sectors associated with urbanization (transport, building construction and maintenance, housing, waste management, energy, etc.) are registering trends that raise sustainability issues.
- Rapid and unplanned urbanization has led to the growth of slums, sprawl, housing and infrastructure shortages, social segregation, and exclusion. Accompanied by motorization, it has caused congestion and hazardous air pollution. Cities are where inequalities are most acute (one-third of urban dwellers in the developing world, for example, live in slums), where threats to culture and heritage are rising, and where the heavy concentration of people and assets poses a high level of challenges and disaster risks. See Issue Paper 6 on Urban Governance, Issue Paper 7 on Municipal Finance, Issue Paper 8 on Urban Planning, Issue Paper 9 on Urban Land, and Issue Paper 20 on Housing,
- Urbanization trends pose a need for strategic and innovative approaches to urban design, planning, management and governance. The accompanying trends in ICTs play a significant role in twenty-first century urbanization as ICTs increasingly support business functions, city logistics and grids, transport, delivery of basic services, environmental management systems, government operations, data-driven industries like finance, and people-to-people interactions.⁹

¹ <http://smartcities.gov.in>

² http://www.smart-cities.eu/download/smart_cities_final_report.pdf

³ Please see, for examples, definitions from the European Commission <https://eu-smartcities.eu/> and from the private sector (IBM, “New cognitive approaches to long-standing challenges,” http://www.ibm.com/smarterplanet/us/en/smarter_cities/overview/; http://www.cisco.com/web/strategy/smart_connected_communities.htm).

⁴ Focus Group on Smart Sustainable Cities, <https://www.itu.int/en/ITU-T/focusgroups/ssc/Pages/default.aspx>

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/246019/bis-13-1209-smart-cities-background-paper-digital.pdf

⁶ https://www.accenture.com/_acmmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub_6/Accenture-PoV-How-Smart-are-Smart-Cities-FINAL.pdf

⁷ UN Department of Economic and Social Affairs, “The world urbanization prospect: The 2014 revision,” Available from <https://esa.un.org/unpd/wup/default.aspx>.

⁸ UN-Habitat, *Global Report on Human Settlements: Cities and Climate Change* (Washington, DC: Earthscan, 2011).

⁹ ITU, “ICT facts and figures” *The World in 2014*. Available from <http://www.itu.int/en/ITU-D/Statistics/Documents/facts/ICTFactsFigures2014-e.pdf>

- Today, there are more than 7 billion mobile subscriptions worldwide, up from 738 million in 2000. Globally, 3.2 billion people are using the Internet — two billion of them live in developing countries. Mobile broadband penetration globally is close to 47 per cent in 2015, a value that increased 12-fold since 2007. In 2015, 69 per cent of the global population was covered by 3G mobile broadband, up from 45 per cent in 2011.¹⁰
- Most issues relevant to the New Urban Agenda refer to the role and potential of ICTs to advance goals and address challenges (See all other Issue Papers), presenting new opportunities and smart approaches for the global community to make cities inclusive, safe, resilient, and sustainable.

Issue Summary

- The role of ICTs in networked urbanization and in the dynamism of cities in the twenty-first century century is becoming better understood. ICTs have brought significant and irrevocable changes to the way people live. They've boosted social prosperity and had a significant impact on the growth and competitiveness of economies and cities.¹¹ There is also growing recognition of ICTs' potential to achieve desired outcomes in

urban development: high-quality public spaces, well-connected grids, well-designed density, increased resource efficiency, improved quality of life, growth with reduced carbon emissions, and knowledge creation and management that address emerging needs and risks mark the contours of cities that are smart and sustainable.

Smart Cities: A viable option for the future

- ICTs in twenty-first century urbanization enable digital platforms that support the creation of information and knowledge networks. These networks make aggregation of information and data possible, not only for data analysis but also to enhance our understanding of how cities function (e.g., resource consumption, service delivery, mobility patterns, etc.) and inform policy and decision-making processes.
- The multiple infrastructure systems in cities are in fact a "system of systems," or a network of systems that support interlocking operations or functions. They have become more integrated using ICTs, leading to the "Internet of things" (IoT)¹² and enabling integrated management of operations. Harnessing the potential of these networks for sustainable urbanization is crucial feature of a smart city¹³. There are various viewpoints on what a smart city is. Table 1 gives a summary of the various attributes, themes and infrastructure requirements assigned to the concept:

Table 1. Distinctive aspects of a smart city that is sustainable

Attributes	<ul style="list-style-type: none"> Sustainability: Related to city infrastructure and governance, energy and climate change, pollution, waste, and social, economics and health. Quality of life (QoL): Improving QoL in terms of emotional and financial well-being. Urban aspects: Includes technology and infrastructure, sustainability, governance and economics. Intelligence or smartness: Commonly cited aspects of smartness include smart economy, smart people, smart governance, smart mobility, smart living and smart environment.
Themes	<ul style="list-style-type: none"> Society: The city is for its inhabitants. Economy: The city must be able to thrive: jobs, economic growth and finance, etc. Environment: The city must be sustainable in its functioning for the present as well as future generations. Governance: The city must be robust in its ability for administrating policies.
Infrastructure	<ul style="list-style-type: none"> Physical infrastructure includes buildings, train tracks, roads, electric lines, gas pipelines, water, factories, etc. The ICT infrastructure acts as the "glue" that integrates all the other elements of the smartness of the city acting as a foundational platform. ICT infrastructure functions as the nerve centre, orchestrating all the different interactions between the various core elements.¹⁴

¹⁰ ITU, "ICT facts and figures," *The World in 2015*. Available from <http://www.itu.int/en/ITU-D/Statistics/Documents/facts/ICTFactsFigures2015.pdf>

¹¹ See The Conference Board 2011 Report, *The Linked World: How ICT Is Transforming Societies, Cultures, and Economies and the World Economic Forum*, Global Information Technology Report 2014. Various other reports have noted and projected the positive impact of ICTs on the economy, in society, and in efforts to achieve development goals, and framed the challenges and potential risks they pose. *The Human Development Report 2001*, the first HDR released after the Millennium Development Goals were adopted in 2000, focused on the potential of ICTs for development; the World Bank has released a series focused on the range of issues in this area, as have other UN agencies and international organizations (UNCTAD, including the ECOSOC Report on the subject, ITU, UNESCO, the World Economic Forum; the Broadband Commission; and UNDP). All have relevance to issues around cities and urbanization.

¹² All of these systems include sub-systems, components and devices, which have nodes and end points and behave like a network in terms of their end-use characteristics and interactivity with other nodes.

¹³ ITU-T Focus Group on Smart Sustainable Cities: An Overview of Smart Sustainable Cities and the Role of Information and Communication Technologies (ICTs), <http://www.itu.int/en/ITU-T/focusgroups/ssc/Pages/default.aspx>.

¹⁴ ITU, "Technical Report on Smart sustainable cities: An analysis of definitions TFG-SSC 2014," available from https://www.itu.int/en/ITU-T/focusgroups/ssc/Documents/website/web-fg-ssc-0100-r9-definitions_technical_report.docx

- A smart-city approach requires a combination of smart efforts to improve inhabitants' quality of life, promote economic growth, and protect the environment from degradation. Key systems of smart and sustainable cities include: smart energy, smart buildings, smart transportation, smart water, smart waste, smart physical safety and security, smart health care, and smart education. ICT-based concepts such as big data, open data, Internet of Things (IoT), data accessibility and management, data security, mobile broadband, and ubiquitous sensor networks are essential in smart and sustainable cities and are predicated on an ICT infrastructure to improve QoL and promote overall sustainability.¹⁵

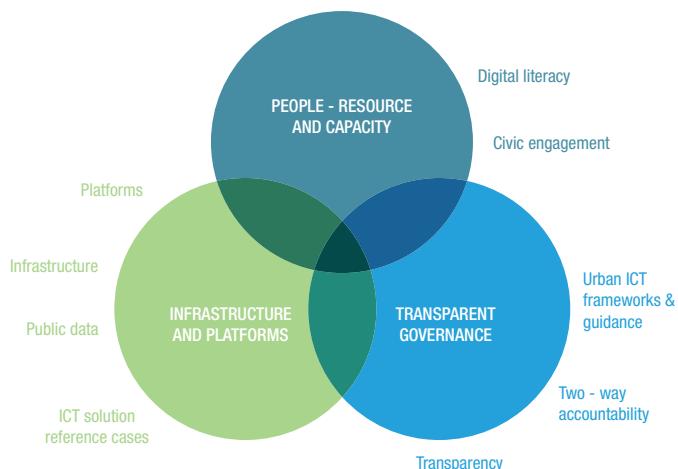
Need for a new model of urban planning and design

- One aspect of a smart city is how it approaches spatial management, particularly in the context of rapid urbanization and leaning on lessons learned from urbanization since 1996 when Habitat II convened. During the 20th century, prevalent models of urban development turned cities and neighborhoods into fragmented zones with low-density sprawl and high-density disconnected residential areas. As a result of urban sprawl, public transportation and service delivery were inefficient. All this had a strong social impact in terms of livability, cultural diversity, adaptability of the urban pattern, and housing options.
- In the twenty-first century the need emerged to promote compactness through mixed land use, and to maximize land efficiency, as well as sustainable, diversified, socially equal and thriving communities that should focus on following key areas:
 1. *High-quality streets and public spaces.* Well-planned streets and public spaces that shape the urban structure help support local economy, connectivity, culture, creativity, and future developments. A good street network works well for vehicles and public transport as well as for pedestrians and cyclists. At least 50 per cent of the land should be used for public space; 30 per cent is to be allocated to streets for building a well-connected grid and the remaining 20 per cent goes to squares, parks and open spaces.
 2. *Proper and well-designed density.* To meet the challenge of rapid urbanization and benefit from the economies of scale and to promote sustainable urban extension, it is important to have proper and well-designed density of at least 150 people/hectare.

3. *Mixed urban uses and limited land-use specialization.* Mixed land-use planning helps create local jobs, promote the local economy, reduce car dependency and commute times, encourage pedestrian, cyclist and other nonmotorized transport, reduce landscape fragmentation and green-house gas emissions, provide closer public services, support mixed communities and local economies, promote safer communities and create attractive neighborhoods.
4. *Connectivity.* Increasing connectivity creates access to jobs and services for all and boosts local economies. This encourages walking, public transport, and ICT-accessibility.
5. *Mixed social structure.* This principle aims to promote cohesion and interaction between different social classes in the same neighbourhood and ensuring accessibility to equitable urban opportunities by providing different types of housing.
6. *Urban resilience.* Resilience requires policies, disaster preparedness strategies, frameworks, plans and designs that promote both the adaptation to climate change and mitigation of GHG emissions.
7. *Energy and resource efficiency.* requires managing growth by addressing consumption and resource exhaustion through strategic planning, policies and measures focused on buildings, appliances, transport and agricultural, industrial and services industries. By using resources in a sustainable manner and assisted by smart technologies, cities can minimize impacts on the environment and be responsive to the needs of the poor and vulnerable.
8. *Practical and enforceable norms and rules.* To cope with the rapid urban growth that cities are experiencing, it is critical that they have policies, plans, norms and rules that respond to their current needs. The norms and rules should be developed with a participatory approach based on the principles of equity and social cohesion.

¹⁵ ITU-TFG-SSC 2014. An overview of smart sustainable cities and the role of information and communication technologies), Focus Group on Smart Sustainable Cities.

Figure 1. An ICT-Enabling Environment for Cities



Smart-city governance

- “Smart” efforts are expected not only to enhance the efficiencies of complex urban systems but also to increase the quality and efficient delivery of basic services through a variety of e-solutions; empower citizens through access to knowledge and opportunities; and address environmental challenges and disaster risks through measures enabled by new technology. In this context, “smart” approaches can help achieve the Sustainable Development Goals (SDGs) on making cities and humans settlements inclusive, safe, resilient and sustainable. These efforts focus on elements depicted in Figure 1 (see Annex for examples).
- Many experts call attention to the immediate and prevailing focus on cutting-edge technology in smart-city approaches, and caution against the view that investments in this area will automatically translate to outcomes associated with smartness (often seen as quick pathway to economic growth) and sustainability.
- There is also a need for twenty-first century urban models that fit the unique needs of developing countries where urbanization is projected to be at its most rapid pace in the coming decades. Many have inadequate infrastructure that will require enormous investments to retrofit city to current standards. New cities require huge investments that developing countries need to balance with other priorities. Already facing increasing pressures to deliver more and better basic services to a growing urban population, countries will need support in exploring approaches that fit local contexts.

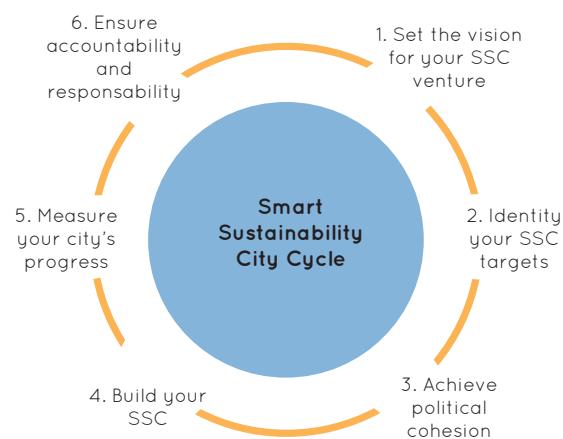
- Models responsive to their needs will contribute significantly to the sustainable urban agenda. ICT-based city investments must ensure that they do not neglect, among others, the following:
 - Preservation of cultural authenticity and the protection of the informal sector's vibrancy:* The standardized planning and design privileged by smart-city approaches need to be attuned to local cultural dimensions. One way to ensure the accommodation of local identities and protection of vulnerable populations is to enable public engagement.
 - Balance between public needs and economic considerations:* Governments around the world are under increasing pressure to deliver more and better services and to be responsive and accountable to citizens who are more able to mobilize and demand action using ICTs, while ensuring economic growth through cities’ competitiveness.
 - The changing environment that governments face when governing in the age of new media and increasing connectedness:* ICT-assisted approaches can support and strengthen government in part by enhancing transparency through open data and by improving citizens’ access to services through online platforms. Governments’ use of technology however, including smart cities that lean on e-solutions, need to be mindful of the risks and challenges of digital divides that can be exacerbated by such approaches.
 - Need for integrated planning:* A twenty-first century urban model harnessing the potential of ICTs is able to plan its development trajectory in a way that minimizes its carbon footprint, puts in place systems and mechanisms that address increasing disaster risks and potential climate impact, enhance quality of life and strengthen local economies.
- To be inclusive, smart-city approaches need to be anchored in a Human-Rights-Based Approach to Development Cooperation (HRBA). Use of new technology to enhance public participation, advance accountability, and enable development of performance indicators—including human rights indicators—to monitor progress in the realization of inhabitants’ rights should be considered in the development of every city.

- Smart cities do not exist in a vacuum; they depend on smart territories that recognize the complementary assets of urban and rural areas, ensure integration between them, and advance effective rural-urban partnerships to ensure positive socioeconomic outcomes throughout the rural-urban continuum. A greater understanding of smart cities would include a vision of cities where, through the strategic use of new or old ICTs, the voices of the marginalized and the poor are heard, the well-being of the informal sector and the vibrancy of informal activities are recognized, and the needs of women, youth and the elderly receive attention. After all, the social fabric forms the foundation for economic competitiveness and cutting-edge infrastructure that resilient and sustainable cities are built upon.

Key Drivers for Action

- Strategic policies, legislations, rules and regulations:** Smart and sustainable cities have to be planned, designed, implemented, and managed effectively. The benefits of smart cities are not automatic. They require strategic policies and innovative thinking about twenty-first century technological advancements in the sustainable urbanization agenda. The development of a smart city should be understood not as the final aim of city administrators, but as a way to reduce costs of public services, enhance access to and quality of these services, enhance regulatory compliance, and help enhance the transparency and accountability of public agencies. All these require smart governance that recognizes complementary assets and linkages of urban and rural areas, and advances partnerships and bottom-up approaches that includes stakeholders.

Figure 2. Smart Sustainability City Cycle



- Innovative, responsive urban planning and design:** Planning and design from the planned-city-extension perspective focuses on: public space layout that minimizes transport needs and service-delivery costs while optimizing the use of land; street patterns that enhance mobility and space for civic and economic activities; open spaces that provide areas for recreation and social interaction, thereby enhancing quality of life; and block typology that facilitates private investment in defined and serviced areas. There is a need to re-evaluate existing approaches and instruments, identify good practices suited to local contexts, ensure alignment with international standards, and promote integrated approaches across government ministries and sectors (transportation and communication networks, green buildings, inclusive and efficient human settlements and service-delivery systems, improved air and water quality, and disaster preparedness and response that lead to urban resilience).
- Robust financial planning:** Because smart-city approaches require robust financial planning and investments, they need to be informed by knowledge anchored in local contexts. This requires inclusive governance marked by stakeholder engagement—harmonizing public- and private-sector priorities and ensuring civil society participation, including marginalized and vulnerable groups, in local public decision-making processes. Financial models also need to be well designed, focused on cost-effective and sustainable solutions and conducive to foreign investment. This aspect focuses on developing a realistic and implementable financial plan that is crucial to the successful implementation of planned city extensions and infill (PCE/I).
- Coherence:** There is need for international consensus on what “smart and sustainable city” means, and deeper understanding of how approaches considered “smart” advance the New Urban Agenda. The assumption that the application of ICTs in planning, design and management of urbanization and cities will automatically result in improved outcomes needs to be addressed. This is a long-term process and cannot be achieved overnight. Transitioning or building a city into a smarter, more resilient, more sustainable city is a journey—every city is likely to have different pathways. This is a long-term process of actions that would not only allow for comparability but would also promote sustainable development along with each city being able to quantify improvements. Cities are accountable for continuous improvement to strengthen their effectiveness for the future. Therefore the process should be able to adapt to the dynamic, evolving and complex nature of cities and be able to continuously update the vision as required.¹⁶

¹⁶ ITU-T FG-SSC 2015, Smart Sustainable Cities: A Guide for City Leaders.

Table 2. Shaping your city journey

Set the vision for the city venture:	Identify the targets:	Achieve political commitment	Build the city you want	Measure the city's progress	Ensure accountability and responsibility
Identifying - a city vision that is in line with the city's identity and long-term development strategy; relevant stakeholders and mechanisms for multi-stakeholder involvement; the existing governance and organizational mechanisms for city solutions.	Developing city infrastructure (e.g.; Internet of Things); and sustainable city services.	Local governments should obtain the necessary political approval and backing to ensure that the strategic programme is pursued. This includes the adoption of the programme/targets through consensus.	The existing traditional infrastructure may be improved on by integrating ICT applications or a new infrastructure must be built from scratch; developing an action plan; establish Public Private Partnerships programmes; ensuring long-term services via good operation and maintenance.	Consists of monitoring and evaluating a work programme required to achieve the targets. Internationally approved KPIs can be utilized to help city administrators map their city's progress.	Involves evaluating, reporting and learning from city process and related experiences. The reflective process of evaluation will feed into a process of continuous learning, which in turn will influence and inform the development of the future vision and strategy for smart and sustainable cities.

Platforms and Projects

- The European Innovation Partnership for Smart Cities (<https://eu-smartcities.eu/>)
- ICLEI The Global Cities Network (<http://www.iclei.org/>)
- ITU-T Focus Group on Smart Sustainable Cities (FG-SSC) acts as an open platform for smart city stakeholders including municipalities, academic and research institutes, non-governmental organizations (NGOs), and ICT sector, industry forums and consortia to exchange knowledge in the interests of identifying the standardized frameworks needed to support the integration of ICT services in smart sustainable cities. It has developed an internationally agreed definition for smart sustainable cities (see Coherence section above) and established a series of KPIs for smart sustainable cities for city leaders. (<http://www.itu.int/en/ITU-T/focusgroups/ssc/Pages/default.aspx>)
- ITU-T Study Group 5 on Environment and Climate Change (<http://www.itu.int/net/ITU-T/lists/rgmdetails.aspx?id=1009&Group=5>)
- UNECE-United Smart Cities (<http://www.unece.org/housing/smartcities.html>), the project portal www.unitedsmartcities.com (to be opened end of May 2015)
- UN-Habitat (www.unhabitat.org)
 - Urban Patterns for a Green Economy: Optimizing Infrastructure
 - Urban Patterns for a Green Economy: Working with Nature
 - Urban Patterns for a Green Economy: Leveraging Density
 - Urban Patterns for a Green Economy: Clustering for Competitiveness
 - Promoting Local Economic Development through Strategic Planning: Local Economic Development (LED) series Volume 1
 - Urban Solutions
- UNDP (www.undp.org): Various research and efforts on sustainable development, climate change, sustainable energy, disaster risk reduction, governance and peacebuilding.

Annex

Table 3: Smart approaches to Targets of Sustainable Development Goal 11

(From UN-Habitat: *The role of ICT in the proposed urban Sustainable Development Goal and the New Urban Agenda*)

Proposed SDG 11 Targets	ICT-enabled approaches
11.1 on adequate, safe and affordable housing and basic services	e-government solutions help reduce administration costs, increase access and improve coordination: smart water systems that measure water flow and pressure, systems to capture and track maintenance requests and actions
11.2 on safe, affordable, accessible and sustainable transport systems for all	Smart urban transportation enabled by innovative applications of broadband, mobility and cloud services: smart vehicles and infrastructure, multimodal transportation, redefined city spaces
11.3 on inclusive and sustainable urbanization and capacities for participatory planning and management	ICT transforms society and has potential to transform urban planning and management: e-petitioning and e-polls to enhance community participation
11.4 on protecting and safeguarding the world's cultural and natural heritage	Digitization can help preserve local heritage. Information services and open communication platforms help increase knowledge, engagement and collaboration on heritage preservation
11.5 on impact of disasters	ICT-enabled monitoring of water flows, early warning systems; ICT-assisted humanitarian response for fast deployable mobile solutions; enhance access to information to assist disaster risk management, promote adaptation decision making
11.6 on environmental impact (air quality, municipal and other waste management)	ICTs can help reduce global carbon emissions by 16 per cent by 2020; ICTs can help make buildings more energy efficient through smart metering and smart building control; make grids more efficient, reduce losses and increase speed; ICT-assisted waste management including collection, transport, processing, disposal, and monitoring
11.7 on safe, inclusive and accessible green and public spaces	ICTs enhance security and agreed monitoring systems, access to public safety information, and enrich cultural and urban experience
11.a on urban-rural links	ICTs assist development planning; broadband enable connection to green power sources, high-definition video links enable remote medical diagnoses
11.b on resource efficiency, mitigation and adaptation to climate change	Building knowledge base on risk and disaster risk management, hazard monitoring and early warning systems, access to information on risks, coordination of emergency response and operations
11.c on assistance to LDCs	Smart buildings can reduce energy consumption and CO ₂ emissions, micro-grids to increase resilience



ISSUE PAPER

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Residents walking on the street in an informal settlement in Cape Town, South Africa © Shutterstock

INFORMAL SETTLEMENTS

Co-Lead organizations: OHCHR, UN-Habitat

Contributor: UNOPS

+ KEY WORDS

Urban poverty, slums, slum dwellers, vulnerable and marginalized groups, socio-spatial exclusion, governance, equity and equality, environmental justice, participatory planning, right to adequate housing, security of tenure, slum upgrading and prevention, inclusive finance, informal economy

Main Concepts

Informal settlements are residential areas where (1) inhabitants have no security of tenure vis-à-vis the land or dwellings they inhabit, with modalities ranging from squatting to informal rental housing, (2) the neighbourhoods usually lack, or are cut off from, basic services and city infrastructure and (3) the housing may not comply with current planning and building regulations, and is often situated in geographically and environmentally hazardous areas.¹ Informal settlements can be a form of real estate speculation for all income levels of urban residents, affluent and poor. Slums are the most deprived and excluded form of informal settlements and are characterized by poverty and large agglomerations of dilapidated housing, often located in the most hazardous urban land. In addition to tenure insecurity, slum dwellers lack a formal supply of basic infrastructure and services, public space and green areas. They are also constantly exposed to eviction, disease and violence.²

Socio-spatial exclusion refers to the processes that contribute to the geographic marginalization of particular individuals and groups because of where they live and who they are. It is characterized by their inability to access or effectively use a whole range of facilities and resources that improve well-being and position people to take advantage of available opportunities. Particular groups and individuals often suffer a disproportionate “disadvantage” because of their identity, which is physically represented in urban contexts by the presence of informal settlements.³

Environmental justice refers to the dynamic relationship between poverty, ecosystem services and pollution that sees vulnerable and poor urban dwellers suffer disproportionately from environmental impacts. Environmental justice aims at curbing abuses of power in relation to natural resources and calls for the legal and social empowerment of the poor and new approaches to sustainability to secure future generations’ quality of life.⁴

Participatory slum upgrading is a methodological approach that addresses urban development imbalances represented by slum dwellers’ living. It engages and puts all key urban stakeholders—all levels of government, community representatives, civil society, nongovernment organizations, academia, private sector and, especially, slum dwellers—at the heart of the process to improve slums’ living standards. This multi-stakeholder platform is considered more likely to promote the necessary partnerships, governance arrangements, institutional structures and financing options that result in inclusive planning and sustainable outcomes. Slum dwellers, in particular, have important knowledge, skills and capacity to contribute, direct and own the upgrading process. An inclusive approach to improving their living conditions brings fundamental socio-cultural changes toward a rights-based society.⁵

Figures and Key Facts

- Informal settlements, slums and other poor residential neighbourhoods are a global urban phenomenon.⁶ They exist in urban contexts all over the world, in various forms and types, dimensions, locations and by a range of names (squatter settlements, favelas, *poblaciones*, shacks, *barrios bajos*, *bidonvilles*). While urban informality is more present in cities of the global south, housing informality and substandard living conditions can also be found in developed countries.
- Informal settlements and slums are caused by a range of interrelated factors, including population growth and rural-urban migration, lack of affordable housing for the urban poor, weak governance (particularly in the areas of policy, planning, land and urban management that result in land speculation and grabbing), economic vulnerability and underpaid work, discrimination and marginalization, and displacement caused by conflict, natural disasters and climate change.⁷

¹ UN-Habitat, *The Challenge of Slums: Global Report on Human Settlement* (Nairobi: UN-Habitat, 2003), available from <https://www.google.be/url?sa=t&ct=j&q=&esrc=s&source=web&cd=1&sqi=2&ved=0ahUKEw988m6xDThU4YMKHSI1DAQQFgg2MAA&url=http%3A%2F%2Fmirror.unhabitat.org%2Fpmss%2FgetElectronicVersion.aspx%3Fnr%3D1156%26alt%3D1&usg=AFQjCNF35fOK3vXL3mvZTabJLcEDFzR2Uw>; UN-Habitat, *State of the World’s Cities, 2012–2013* (New York: Routledge, 2013). Available from <http://mirror.unhabitat.org/pmss/listItemDetails.aspx?publicationID=3387>; UN-Habitat, see also Issue Paper 9 on Urban Land.

² Barjor Mehta and Arish Dastur, eds., “Approaches to urban slums: A multimedia sourcebook on adaptive and proactive strategies,” available from the World Bank, <https://openknowledge.worldbank.org/handle/10986/6304>; “Streets as Tools for Urban Transformation in Slums: A street-led approach to citywide slum upgrading,” UN-Habitat working paper, 2012. Available from <https://www.google.be/url?sa=t&ct=j&q=&esrc=s&source=web&cd=2&cad=rja&act=8&ved=0ahEwiApMfHyDTAhUB7oMKHzRB-MQFgg2MAE&url=http%3A%2F%2Fmirror.unhabitat.org%2Fpmss%2FgetElectronicVersion.aspx%3Fnr%3D3552%26alt%3D1&usg=AFQjCNGG8kOtekMfRa6WDKp0IOKTuwZMgQ>; Cities Alliance, “Building Cities,” 2010, available from <http://www.citiesalliance.org/sites/citiesalliance.org/files/BuildingCities.pdf>; Cities Alliance, World Bank and UN-Habitat, “Cities without slums,” Annual report 2012, available from <http://www.citiesalliance.org/files/Cities%20Alliance%20Annual%20Report%202012.pdf>.

³ Ruth Finch and Kurt Iveson, *Planning and Diversity in the City* (Victoria, Australia: Palgrave, 2008); Vicki-Ann Ware, Hellene Gronda and Laura Vitis “Addressing locational disadvantage effectively,” August 2010, New South Wales Human Services, available from http://www.ahuri.edu.au/_data/assets/pdf_file/0020/8138/SYN044_Locational_Disadvantage_Review.pdf; Diana Mitlin and David Satterthwaite, *Urban Poverty in the Global South* (New York: Routledge, 2013).

⁴ UNDP, “Environmental Justice: Comparative experiences in legal empowerment,” June 2014, available from <http://www.undp.org/content/dam/undp/library/Democratic%20Governance/Access%20to%20Justice%20and%20Rule%20of%20Law/Environmental-Justice-Comparative-Experiences.pdf>

⁵ UN-Habitat, “Participatory slum upgrading programme,” 2014, available from <http://mirror.unhabitat.org/categories.asp?catid=592>.

⁶ UN-Habitat, *State of the World’s Cities, 2008–2009: Harmonious Cities* (Nairobi: UN-Habitat, 2008). Available from <http://mirror.unhabitat.org/pmss/getElectronicVersion.aspx?nr=2562&alt=1> and *State of the World’s Cities, 2010–2011: Cities for All: Bridging the Urban Divide* (2010), <https://unhabitat.org/books/state-of-the-worlds-cities-20102011-cities-for-all-bridging-the-urban-divide/#> and *State of the World’s Cities, 2012–2013*, <http://mirror.unhabitat.org/pmss/listItemDetails.aspx?publicationID=3387>; World Bank 2006, “Dimensions of urban poverty in the Europe and the Central Asia region,” World Bank Policy Research Working Paper 3998, August 2006. Available from <http://documents.worldbank.org/curated/en/736571468249884167/pdf/wps3998.pdf>; Chryssy A. Potsiou, “Informal urban development in Europe: Experiences from Albania and Greece,” UN-Habitat, 2010, http://www.gltnt.net/downloads/GLTN%20Documents/informal_urban_development_in_europe_experiences_from_albania_and_greeceeng2010.pdf.

⁷ UN-Habitat, *State of the World’s Cities*, 2011 and 2013.

- Compared to other urban dwellers, people living in informal settlements, particularly in slums, suffer more spatial, social and economic exclusion from the benefits and opportunities of the broader urban environment. They experience constant discrimination and an extreme disadvantage characterized by geographical marginalization, basic service deficits, poor governance frameworks, limited access to land and property, precarious livelihoods and, as a result of informal settlements' location, high vulnerability to the adverse impacts of poor and exposed environments, climate change and natural disasters.
- Since 2003 UN Member States have defined a slum household as a group of individuals living under the same roof who lack one or more of the following five conditions: (1) access to improved water, (2) access to improved sanitation facilities, (3) sufficient living area—i.e., not overcrowded, (4) structural quality/durability of dwellings, and 5) security of tenure. These “five deprivations” affect the lives of slum dwellers. The definition has enabled states to measure and track slum demographics⁸ though a significant data gap exists in relation to the more broadly defined informal settlements.
- Over the past 10 years, the proportion of the developing countries’ urban population living in slums has declined from 39 per cent in 2000 to 32 per cent (2010).⁹ In fact, UN MDG reports estimate that between 2000 and 2010, a total of 227 million urban slum dwellers in developing countries experienced significant improvements in their living conditions. This suggests that target 11 of the Millennium Development goal 7 has been exceeded by double.¹⁰
- Policy and programmatic responses by national and municipal governments, international development partners and nongovernmental and community-based organizations have also improved slum dwellers’ living conditions. For example, the enactment of progressive and implementable urban development, affordable housing, slum upgrading and land policies has provided important impetus for programmatic responses such as direct infrastructure provision, pro-poor financing options and innovative partnerships for affordable housing solutions, informal settlements regularization and slum-upgrading programmes.
- Despite these gains, however, around one quarter of the world’s urban population continues to live in slums. Since 1990, 213 million slum dwellers have been added to the global population.¹¹
- Over 90 per cent of urban growth occurs in the developing world and an estimated 70 million new residents are added to urban areas of developing countries each year. Over the next two decades, the urban population of the world’s two poorest regions—South Asia and Sub-Saharan Africa—is expected to double,¹² suggesting that the absolute numbers of informal settlement and slum dwellers in these regions will dramatically grow.¹³
- In Africa, over half of the urban population (61.7%) lives in slums and by 2050, Africa’s urban dwellers are projected to have increased from 400 million to 1.2 billion.¹⁴
- In Asia, home to half of the urban population of the world, 30 per cent of the urban population resides in slums. However, Asia was at the forefront of successful efforts to reach the MDG target 11 goal 7, with governments improving the lives of an estimated 172 million slum dwellers.¹⁵
- In Latin America and the Caribbean region, where the regularization of informal housing has historically contributed to providing housing solutions, informal settlements continue to be a significant feature of urban areas with at least 24 per cent of the region’s urban population still residing in slums, in spite of a 9 per cent decrease in recent years.¹⁶
- In the Arab region, the proportion of substandard housing varies from country to country. In some countries, informal settlement and slum dwellings form isolated, marginalized pockets, while in others between 67 and 94 per cent of urban residents live under one or more housing deprivations. In some Gulf countries, for instance, housing conditions of low-income migrant workers are often very poor compared to the rest of the urban population.¹⁷

⁸ UN-Habitat, “Slums of the world: The face of urban poverty in the new millennium?” Working paper, 2003. Available from http://www.sustainable-design.ie/sustain/UN-Habitat_2003WorldSlumsReport.pdf.

⁹ UN-Habitat, *State of the World’s Cities 2010-2011*

¹⁰ Ibid. MDG Target 7d is “to achieve a significant improvement in the lives of at least 100 million slum dwellers.”

¹¹ UN-Habitat, “Streets as public spaces and drivers of urban prosperity,” 2013. Available from http://www.people.iup.edu/rhoch/ClassPages/Global_Cities/Chapters/StreetsAsPublicSpaces_Ch1.pdf.

¹² Judy L. Baker “Urban poverty: A global view,” World Bank Group Urban Paper, January 2008, available from <http://documents.worldbank.org/curated/en/954511468315832363/pdf/430280NWP0Glob10Box327344B01PUBLIC1.pdf>.

¹³ UN-Habitat, *State of the World’s Cities 2012-2013*.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ UN-Habitat, *The State of Arab Cities 2012: Challenges of Urban Transition* (Nairobi, 2012), available from https://unhabitat.org/?mbt_book=the-state-of-arab-cities-2012-challenges-of-urban-transition

- Urban areas in developed regions are not immune to urban disparities among their citizens' living conditions. Europe, for example, has experienced a rise of urban dwellers who cannot afford to pay rent, with housing costs rising particularly rapidly in the more prosperous large cities. This is especially the case for the southern and eastern parts of the region, while Western European countries are said to have more than 6 per cent of their urban dwellers living in extremely precarious conditions. Trends in other developed regions (North America, Australia and New Zealand) suggest that there are significant proportions of people who could be classified as living in contextually poor neighbourhoods.¹⁸
- New slum dwellers' capacity to move out of these degraded environments remains limited. For example, of the 10 million more people added to the urban population of Sub-Saharan Africa each year, two thirds (7 million) live in informal settlements or slums and only 2 million can expect to move from there.¹⁹
- There is a relationship between the growth of informal settlements and slums and the lack of adequate housing and land. While private-sector investment in housing has been steady over the years, this investment has not translated into pro-poor, affordable housing. Some studies suggest that the affordable housing gap now stands at US\$650 billion a year and is expected to grow.²⁰
- At the household level, the "five deprivations" continue to reflect the harsh living conditions of slum dwellers. For example, most slum dwellers still have no security of tenure and live under the constant threat of eviction.²¹ Their dwellings are considered highly precarious, with almost three quarters of them in this condition in Sub-Saharan Africa.²² Sanitation is limited, like in Kenya's larger slum Kibera, in Nairobi, where open sewer lines empty effluent in front of people's houses and there are only 1,000 public toilets to serve the entire slum population of more than 180,000 people.²³
- Conditions in slums are a risk to inhabitants' health and make people more vulnerable to communicable disease outbreaks. This has dramatic effects on slum dwellers' life expectancy. While the poorest 20 per cent of people in cities struggle to reach 55 years of age, the richest 40 per cent live well beyond 70 years. Similarly, among the poorest 20 per cent of the world's urban dwellers, the mortality rate for children under the age of five is more than double that of the wealthier urban quintiles.²⁴
- Slums affect the prosperity of cities and their sustainability. On the one hand these areas provide much-needed mixed land use to cities and have an active informal economy that, in many countries, provides the majority of jobs.²⁵ On the other hand, these informal jobs are unskilled, very low paid, and insecure livelihood options, part of a "subsistence economy" that allows inhabitants to survive but not to progress sufficiently to change their living conditions or to realize their full potential contribution to urban productivity. Urban areas with a high incidence of slums pay a real economic, environmental and social "cost" represented by a "lopsided prosperity."²⁶

Issue Summary

- Although some governments acknowledge the existence of slums and informal settlements, many do not. This lack of recognition and subsequent response directly undermines city-wide sustainable development and prosperity to the detriment of millions of urban dwellers. It also results in forced evictions.
- Informal settlements and slums continue to be spatially disengaged from broader urban systems and remain excluded from mainstream urban opportunities, their nature yet to be further understood despite evidence suggesting an inextricable link between location and the persistence of intergenerational poverty and economic inequality.²⁷

¹⁸ "In search for sustainable solutions for informal settlements in the ECE Region: Challenges and policy responses", Economic Commission for Europe, Committee on Housing and Land Management, 22–23 September 2008, available from <https://www.uncece.org/fileadmin/DAM/ilm/sessions/docs2008/informal.notice.1.pdf>; "The state of European cities in transition: Taking stock after 20 years of reform," Executive summary, available from <https://unhabitat.org/the-state-of-european-cities-in-transition-2013-taking-stock-after-20-years-of-reform/>; UN-Habitat, *State of the World's Cities 2008–09*; UNECE report on informal housing. <https://www.unece.org/index.php?id=11099> and <http://www.unece.org/index.php?id=38779>

¹⁹ UN-Habitat, *State of the World's Cities*, 2010–2011.

²⁰ Jonathan Woetzel, Sangeeth Ram, Jan Mischke, Nicklas Garemo and Shirish Sankhe, "A blueprint for addressing the global affordable housing challenge", McKinsey Global Institute, October 2014, available from https://www.mckinsey.com/~media/mckinsey/global%20themes/urbanization/tackling%20the%20worlds%20affordable%20housing%20challenge/mgi_affordable_housing_executive%20summary_october%202014.ashx

²¹ UN-Habitat, *State of the World's Cities*, 2010–2011.

²² Participatory Slum Upgrading Programme, "Phase 2 country outputs," 2011, Available from <http://www.mysup.org/>.

²³ Nairobi City Council (IRC), "Background paper," 2013, available from <https://unhabitat.org/wp-content/uploads/2014/07/WHD-2014-Background-Paper.pdf>.

²⁴ World Health Organization, "Urban HEART: Urban health equity assessment and response tool (user manual)" WHO, 2010. Available from http://www.who.int/kobe_centre/publications/urban_heart_manual.pdf.

²⁵ UN-Habitat, *State of the World's Cities 2008–2009*; Javier Herrera, Mathias Kuépié, Christophe J. Nordman, Xavier Oudin and François Roubaud, "Informal sector and informal employment: Overview of data for 11 cities in 10 developing countries," Informal Sector and Informal Employment, Women in Informal Employment, January 2012, available from http://www.inclusivecities.org/wp-content/uploads/2012/07/Herrera_WIEGO_WP9.pdf.

²⁶ UN-Habitat, *State of the World's Cities*, 2012–2013; UN-Habitat, *1er Report del Estado de las Ciudades de Colombia: Camino hacia la prosperidad urbana*, Bogota, November 2015, available from http://cpi.unhabitat.org/sites/default/files/resources/RECC_ONU-Habitat_2015.pdf.

²⁷ UN-Habitat, "UN-Habitat global activities report 2015: Increasing synergy for greater national ownership," available from <https://sustainabledevelopment.un.org/content/documents/1726Habitat%20Global%20Activities%202015.pdf>

²⁸ Issue Paper 20 on Housing.

- While research shows a link between access to land, supply of affordable housing and the prevalence of informal settlements and slums, the stock of affordable housing worldwide is declining.²⁸ Furthermore, governments are increasingly disengaging from a direct role in the provision of affordable housing, posing major implications for the urban poor because the housing sector is susceptible to speculative forces that tend to end up benefitting more affluent urban residents.
- Funding for large-scale affordable housing and for expanding the urban poor's housing finance options has remained limited. Either private-sector interests prevail or the financing arrangements do not meet the housing demand. There is often an absence of functioning municipal taxation systems and effective financial tools that capture land-value increases. Community-based finance options are also weak and disconnected from main-stream financial institutions, despite the critical role they play for poor urban dwellers to engage in savings and loans.
- Accurate, localized, standardized and available qualitative and quantitative data on informal settlement and slums and associated learning platforms remain limited. Data are often ad hoc and not connected to robust city-wide monitoring and evaluation processes so the dimensions of inhabitants' lives remain unknown to policy and planning responses. The absence of local, national and global learning platforms also limits urban stakeholders' effective knowledge and capacity building.²⁹
- Integrated development policies at both the national and local levels, especially linking urban planning, financing and legal components related to informal settlements and slums, are not prioritized and "no forced eviction" policies still need to be institutionalized. Policies, legislation and regulations therefore continue to have major exclusionary effects on marginalized groups.
- Efforts to improve land-management practice and adopt different conceptions of tenure security remain limited despite being fundamental to adequate housing provision and the eradication of poverty. Because they often fall outside formal "city/town" boundaries, peri-urban areas are a particular governance challenge.
- The lack of government response to and support for livelihoods in slums and informal settlements, combined with these areas' lack of integration into the broader urban environment, perpetuates long-term inequality and intergenerational disadvantage, especially for women and youth.
- Many upgrading approaches continue to inappropriately import solutions from other places without adapting operations to the local context. They are therefore unable to either take full advantage of local knowledge or develop city-wide "at-scale" responses.
- Informal settlements and slums are often located in the most environmentally and geographically hazardous urban areas. For example, they are on riverbanks, have sandy and degraded soils, are near industries and dump sites, or they are in swamps, flood-prone zones, and on steep slopes. Living in these areas, made more vulnerable by climate change, is continually life threatening because no alternatives are provided.³⁰
- Specific groups are significantly affected by living in informal environments. Their inequality is reinforced simply by who they are which increases their level of marginalization. Women are more likely to have lower education levels and face high rates of teen pregnancies; children are constantly exposed to a whole range of impacts; unskilled youth are excluded from economic and employment opportunities; people with disabilities suffer with slums' dilapidated infrastructure and migrants; and refugees and internally displaced persons affected by conflict and economic crisis face additional levels of vulnerability and marginalization through their uncertain status and lack of resources.

Key Drivers for Action

Recognizing the challenges of informal settlements and slums and mainstreaming human rights. Urban authorities that address the needs and rights of people living in informal settlements and slums through rights-based policy and integrated governance create more prosperous and sustainable urban contexts than those who take no action. The urban poor need to be treated as equal to other urban dwellers and their contribution—work, livelihood creation and taxes—should be recognized, just as their rights to infrastructure, basic services and adequate housing.³¹

Government Leadership. National governments must play a leading role in recognizing the challenges of informal settlements and slums. They can provide the enabling environment to develop and implement the appropriate policies and plans to trigger change and improvement for, and in partnership with, poor urban dwellers. Actively working with regional and municipal governments is also fundamental because they have the capacity to convene and connect key stakeholders, harness local knowledge, enact policies and plans and manage incremental infrastructure development.

²⁸ Sheela Patel, Carrie Baptist and Celine d'Cruz, *Knowledge is power*, Environment and Urbanization, vol. 24, No. 1 (2012): 13–26.

²⁹ UN-Habitat, *The State of the World's Cities*, 2008–2009.

³⁰ Issue Paper 20 on Housing.

³¹ United Nations Special Rapporteur on adequate housing, Guidelines on Eviction and Resettlement (E/CN.4/2004/48).

Systemic and city-wide “at scale” approaches. Conceiving and implementing policy, planning, financing and regulations that strengthen the capacity of urban areas to operationalize programmes at a city-wide or “at scale” level are more likely to improve the lives of slum and informal settlement dwellers. This includes efforts to:

1. capitalize on the broader city and regional agglomeration economies
2. utilize innovative financing options and taxes
3. ensure equitable land-management approaches
4. recognize the multiple forms (formal and informal) of livelihood and employment-generation activities and facilitate their development, especially for marginalized groups
5. improve and reintegrate informal settlements with trunk infrastructure and basic services via integrative planning and design
6. clarify the administrative responsibility of peri-urban areas, and
7. address the impact of conflict and undertake risk-sensitive land-use planning to avoid exposing the urban poor to environmental hazards.

All tiers of government are critical to systematic and “at scale” slum-upgrading programmes.

Integration of people and system. Integrated approaches must be part of all systems, institutions and programmes. In relation to slum and informal settlement upgrading, all levels of government concerned must develop and coordinate broader integrated policy and planning frameworks that:

- are underpinned by urban planning, legislation and finance arrangements
- are supported by interconnected institutional arrangements and
- include marginalized groups and slum dwellers alongside other key urban stakeholders.

A participatory approach for both process and a sustainable outcome must be at the heart of an integrated methodology, ensuring a more complete understanding of the inhabitants and the existing community dynamics (including economic and social support networks) and implementing practical changes that ultimately result in informal settlement regularization and slums upgraded and linked into the broader urban environment.

Housing at the centre. Strategic and integrated approaches to urban development must put housing at the centre of policy and urban contexts. Affordable housing mechanisms that fulfill the right to adequate housing for all income levels—including in situ upgrading and avoidance of unjustified forced evictions as per international guidelines,³² incremental auto-construction, security of tenure combined with livelihood and employment generation—play a major role in triggering people’s and cities’ prosperity.

Appropriate long-term financial investment and inclusive financing options. Appropriate and sustained levels of domestic investment in affordable housing and slum upgrading programmes are critical. This includes encouraging major financing institutions to provide pro-poor housing plans for vulnerable groups and financing support for all tiers of government. Investment in microfinance housing programmes for incremental auto-construction, provision of credit enhancement support, and increasing incentives for private investment in pro-poor housing and infrastructure are also vital.

Developing participatory, robust, standardized and computerized data-collection processes. Localized qualitative and quantitative data-collection and analysis systems should be adopted to better understand local urban contexts in a more timely and accessible manner. In particular, slum dwellers should be engaged and lead innovative solutions to gather local data to address the challenges of slums. Data collected at the community level must be standardized so it can be linked to broader city, regional, national and global comparative indicators, and must aim at identifying the social, cultural and economic dynamics of informal settlement communities, including tenure relations, means of livelihood and social support networks. Data collection must also be embedded in monitoring and evaluation processes to show the long-term inclusive outcome of slum-upgrading projects.

Creating peer learning platforms. Platforms that draw on the knowledge of stakeholders involved in the improvement of slums, especially slum dwellers themselves, must be prioritized to facilitate information and experience exchange as well as peer-learning opportunities. These platforms may include a range of communication strategies and multimedia mechanisms.

Platforms and Projects

- Participatory Slum Upgrading Programme (PSUP – UN-Habitat),
<http://unhabitat.org/initiatives-programmes/participatory-slum-upgrading/>
- Global Housing Strategy (UN-Habitat), http://mirror.unhabitat.org/downloads/docs/11991_1_59827.pdf
- United Nations Special Rapporteur on Adequate Housing, Basic principles and guidelines on development-based evictions and displacement, A/HRC/4/18,http://www.ohchr.org/Documents/Issues/Housing/Guidelines_en.pdf
- Guiding principles on security of tenure for the urban poor, A/HRC/25/54, <http://www.ohchr.org/EN/Issues/Housing/Pages/AnnualReports.aspx>
- Committee on Economic, Social and Cultural Rights, General Comments 4 (adequate housing) and 7 (forced evictions), <http://www.ohchr.org/en/hrbodies/cescr/pages/cescrindex.aspx>
- Cities Alliance, Cities without Slums, <http://www.citiesalliance.org/>
- Shack/Slum Dwellers International <http://www.sdinet.org/>



HABITAT III
ISSUE PAPERS
APPENDICES

Appendix A. Habitat III Issue Papers updates (March 2015)



UNITED NATIONS TASK TEAM ON HABITAT III March 2015

Background

Habitat III is the United Nations Conference on Housing and Sustainable Urban Development to take place in Quito, Ecuador, 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 a "New Urban Agenda", building on the Habitat Agenda of Istanbul in 1996.

Member States of the General Assembly, in resolution 67/216, decided that the objectives of the Conference are 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 welcomes the participation and contributions of 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.

Habitat III will be the first United Nations global summit after the adoption of the Post-2015 Sustainable Development Agenda and, hopefully, a new climate change agreement. 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 new global development and climate change goals.

Establishment of the Task Team on Habitat III

The Secretary-General of the Conference, Dr. Joan Clos, has proposed the creation of an interagency group in which focal points of several United Nations agencies and programmes will coordinate system-wide preparations on ongoing efforts towards Habitat III.

The Task Team will benefit from on-going processes and existing platforms, especially related to the Post 2015 Development Agenda. The terms of reference for the Task Team include:

- Elaboration of the Habitat III Issue Papers. The Issue Papers will be a compendium of summary documents providing background and knowledge, key challenges, and recommendations on the most significant urban topics to be considered within the preparatory process of the Conference;





- An assessment of ongoing efforts within the United Nations system;
- Mapping of United Nations practices/projects on sustainable urban development;
- Engagement with the Habitat III Policy Units;
- Other opportunities as identified by the Task Team.

Composition of the Task Team on Habitat III

The Task Team will be coordinated by the Habitat III Secretariat with support from the wider United Nations system. Focal Points to the Task Team should be appointed by the principals of each organization. The Task Team will have representation from all United Nations agencies and programmes, the World Bank, IMF and WTO.

First task: elaboration of the Habitat III Issue Papers

The Habitat III Issue Papers should be summary documents that address one or more knowledge areas, highlight general findings, and identify research needs. They would be coordinated by the Habitat III Secretariat with the support of a task force of United Nations agencies and programmes: the United Nations Task Team on Habitat III.

Modus operandi for the Habitat III Issue Papers

The Inter-agency group will identify the different organizations co-leading each of the Issue Papers. As a result of the first United Nations Habitat III Task Team meeting in January 2015 and several conversations/meetings/exchanges with UN agencies, a proposal on distribution of Issue Papers is attached following expressions of interest (see Annex 1).

Format/calendar of the Issue Papers

Given the tight schedule for the elaboration of the Issue Papers, the Habitat III Secretariat proposed on 23 February the following format and calendar to the Bureau of the Habitat III Preparatory Committee:

- i. First draft of the Issue Paper to be ready between 22 to 30 March at around 700 words each. A template (Annex 3) has been created for this first draft and a sample (Annex 4) prepared to guide the elaboration of the one page exercise. The compilation of the first drafts will be shared as non-papers to the second session of the Preparatory Committee.
- ii. Second draft of the Issue Paper by 30 April 2015, and should be about 3,000 words. A template and a sample will be distributed on 27 March 2015. They will be also published on the Habitat III website.
- iii. A writeshop to finalize the Issue Papers with the participation of all authors is scheduled for the 27 to 30 May 2015 in the UN Headquarters. A detailed agenda of the writeshop will be shared by 30 April 2015. If necessary, funds will be available for the traveling of the Task Team not based in New York.
- iv. Publication of the Habitat III Issue Papers by June 2015.
- v. On-line thematic discussions around the issue papers will be open to stakeholders. Other initiatives to be discussed.





Next steps

1. To validate the list of co-lead organizations, as well as the members of each Issue Paper. Distribution to all UN Task Team members and feedback/confirmation.
2. To validate the Issue Paper first draft template by all UN Task Team members and receive feedback/confirmation.
3. Co-lead organizations to start to elaborate the Issue Paper.
4. First draft to be submitted to the Habitat III Secretariat between 22 to 30 March 2015.

Other tasks

- a. Introductory paper on sustainable urbanization and development. A part of the 22 Issue Papers. The Habitat III Secretariat will prepare a two-three pages introductory paper to enhance coherence on the stocktaking exercise of the Issue Papers, avoiding silo perspectives and introducing some themes highlighted by the Task Team in the January meeting. This paper will be also ready by 30 March 2015 and distributed previously to all the focal points for their comments and suggestions.
- b. Layout and editorial work: once the Issue Papers will be finalized, the Habitat III Secretariat will proceed with the layout and editorial work. The Issue Papers will be then published on the Habitat III website and distributed to all Member States.



Appendix B. Habitat III Issue Papers first draft template



United Nations Conference on Housing and Sustainable Urban Development (Habitat III)

Issue Paper Template

700 words

Key words:

In this section the writers should identify a limited number of key words (no more than 10) defining the issue as well as the main conceptual areas connected to it.

Key figures and key facts:

In order to briefly outline the evolution of the issue from 1996 up to date and the anticipated trend, the writer is asked to jot down bullet points including the following:

- 3 main figures/data to clarify the magnitude and diffusion of the issue
- 3 key facts summarizing the trend of the last 20 years based on data and/or significant events

Issue summary

Based on the key facts and figures listed above, the issue summary should be a description of the main challenges underlying the issue during the last 20 years, including experienced approaches and the emerging issues to be addressed. The summary suggests to be composed of four Habitat III strategic areas: knowledge, engagement, policy, and operations.

Key drivers for action

The writer should list key drivers for action (not more than 5) to identify areas to explore new and existing solutions and applicable tools.



Appendix C. Habitat III Issue Papers final version template



United Nations Conference on Housing and Sustainable Urban Development - Habitat III

Issue Paper Template

3,000 words

Key words:

In this section the writers should review the key words indicated at the short version Issue Paper, compare with other key words of the rest of Issue Papers and add/modify key words.

Main concepts:

In order to create a Habitat III glossary, in this section the writers should provide the definition of a maximum of 5 key concepts considered relevant for the Issue Paper

Key figures and Key facts:

Building on the short version of the Issue Paper and in order to briefly outline the evolution of the issue from 1996 up to date and the anticipated trend, the writer is asked to jot down a bullet point including the following:

- 5 main figures/data to appreciate the magnitude and diffusion of the issue (if possible, most updated data/figures, as well as reflecting regional specificities)
- 5 key facts summarizing the trend of the last 20 years based on data and/or significant events (if possible, most updated data/figures, as well as reflecting regional specificities)

Issue Summary

Building on the short version of the issue paper and based on the key facts and figures listed above, the Issue Summary should be a description of the main challenges underlying the issue during the last 20 years, including experienced approaches and the emerging issues to be addressed. The summary can be articulated to capture four main dimensions of the issue related to Knowledge, Engagement, Policy and Operations.

*Please, add at least 2 graphics on this issue summary to help the readers to understand main challenge.
Comparison graphics are welcomed (in terms of timeframe 1996-2016 and/or geographical comparison)*

Key drivers for action

Building on the short version of the Issue Paper, the writer should list key drivers for action (not more than 10) to identify areas to explore new and existing solutions and applicable tools.

Existing platforms/projects

Description of any practice/platform/project on this topic led/coordinated by the United Nations (please, indicate the agencies involved as well as provide a reference such as a url to it)



Appendix D. Letter of Secretary-General of the Conference to Member States



1 June 2015

Excellencies,

I have the honour to refer to the preparations of the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) to be held in Quito, Ecuador, 17 – 20 October 2016.

With reference to resolution A/CONF.226/PC.2/CRP.1 adopted by the Preparatory Committee for the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) at its second session, I wish to inform you that the United Nations Task Team on Habitat III, composed of representatives from United Nations specialized agencies and other organizations of the United Nations system, met in New York to finalise the 22 Issue Papers for Habitat III in a writeshop organised of the Habitat III Secretariat, from 26 – 29 May.

As a result, the final versions of all the Issue Papers were published on the Conference website (non-edited version) at www.habitat3.org on 31 May 2015, as requested in the above mentioned resolution. Translation of the Issue Papers will be subject to the availability of extrabudgetary resources.

In my capacity as the Secretary-General of the Conference, I encourage all Member States to transmit written comments to habitat3secretariat@un.org of the Habitat III Issue Papers, by note verbale, no later than 30 June 2015. This will be followed by a consultative process with stakeholders in July 2015. All comments received will also be made available online on the Habitat III website as the contribution of each Member State.

The final version of the Issue Papers published on 31 May 2015, the written comments received by Member States during June 2015, and the written comments received by stakeholders during July 2015 will be a valuable input for the preparations towards a successful, participatory, and inclusive Habitat III process.

Please accept, Excellency, the assurance of my highest consideration.

Dr. Joan Clos

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

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Appendix E. Web links to Issue Papers background documents

Habitat III Issue Papers :

<http://habitat3.org/the-new-urban-agenda/documents/issue-papers/>

Comments received by Member States to the Issue Papers:

<http://habitat3.org/the-new-urban-agenda/documents/issue-papers/>

Comments received by stakeholders' organizations to the Issue Papers:

<http://habitat3.org/the-new-urban-agenda/documents/issue-papers/>







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