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Habitat 3 Issue Papers – WRI Cities Response

The World Resources Institute and the WRI Ross Center for Sustainable Cities greatly appreciates the opportunity to review and respond to the Habitat 3 Issue Papers. By including Civil Society in the discussion, the impact of the Habitat 3 process will be magnified and more comprehensive. WRI encourages UN Habitat to continue along this path of inclusive and meaningful discourse as the development of the Agenda progresses.

WRI found the Issue Papers to be well researched and insightful. Many important drivers were highlighted in each paper, and they will serve well as an introduction to these 22 important challenges.

However, WRI identified several striking gaps in the development of the Issue Papers, the most important being a lack of connectedness between each of the papers. Cities being inherently connected, complex systems, it is challenging to fully understand the importance of each of the 22 issues without sufficiently contextualizing it alongside the other relevant issues. This is especially true for issues of governance institutions and funding instruments. Key to successful solutions for each of the issues discussed is appropriate and innovating mechanisms for implementation and coordination across government bodies.

This observation is especially relevant between the Urban Land, Housing, Jobs and Livelihoods, and Local Economic Development papers. Each of these issues is dependent on the others for successful and comprehensive solutions, and should be connected. The linked challenges of housing affordability, access to jobs and urban services, the development of cities to afford those services to disadvantaged populations, and the governance institutions that influence relevant policy is an overarching challenge that should be reflected in each paper. The recent New Climate Economy Report can serve as a reference for the connection between climate and economic solutions for cities. Moving forward, it is important that the Policy Unit work takes this cross-sectoral topic integration into account and that additional focus is given to laying out specific solutions that can drive true transformational change.

Below, please find more responses to 12 of the 22 Issue papers.

SOCIAL COHESION AND EQUITY – LIVABLE CITIES

Inclusive Cities

The Inclusive Cities paper is well received on the whole, as it includes important key drivers. However, the “Platforms” section could have been served well by the inclusion of additional tools and initiatives, including links to all of the Millennium and Sustainable Development Goals

related information at the UN at a minimum. Additionally, there could be greater and more explicit emphasis on transparency in the discussion on accountability.

URBAN FRAMEWORKS

Urban Governance

While the policy paper does a good job of outlining some of the key issues around Urban Governance, there is a need to situate the cross-cutting nature of urban governance in the narrative and other issue paper narratives. The document lacks a discussion of the benefits of urban governance - specifically in implementation of urban development policies, inclusion and equity advances, as well as the benefits to economic development¹ ²(see Kaufmann, Léautier & Mastruzzi 2005 and OECD 2015). There is adequate mention of the private sector's role in urban governance however, there should be a discussion about the specific need for capacity building of local governments in procurement and contracts as PPPs and concessions are rising in prevalence as mechanisms for advancing service delivery. Beyond capacity building, the paper needs to address the potential for governance reforms at the national level and how these reforms are implemented and practiced at the local level. This is tied to the Open Government Partnership, which should be presented in the paper as a way to address governance challenges at the national scale. Additionally, the paper would benefit from a mention of the Urban Governance Survey, as developed by UN-Habitat, UCLG, and LSE Cities.

Municipal Finance

The paper provides a welcome and much-needed focus on the importance of municipal finance in the context of sustainable development. We believe that an effective and sound system of local government finance is integral to sustainable urbanization and that strengthening municipal finance systems is an essential element in support of improved access to sustainable urban services for citizens and local businesses.

The issue paper proposes five principal areas on which action should focus, and we largely agree with the outline of these areas in terms of their importance in the municipal finance area. However, we would welcome a Habitat III discussion that has a far more explicit focus on how

¹ Kaufmann, D, Léautier, F & Mastruzzi, M 2005, 'Governance and the City: An Empirical Exploration in Global Determinants of Urban Performance', World Bank Policy Research Working Paper 3712.

² Organization for Economic Cooperation and Development 2015, *Governing the City*, OECD Publishing.
<http://dx.doi.org/10.1787/9789264226500-en>

municipal finance, as an “urban framework” function (like governance, rules and regulations – see Issue paper 5-7) can openly contribute to sustainable development, as described below.

Governance Reform

Design and implementation of robust, fit-for purpose governance systems that promote sustainable urban infrastructure and service delivery. We fully agree that cities need fit for purpose governance systems that reflect their growing importance and complexity. We agree that this includes well-defined jurisdictions and administrations that are politically and financially empowered in a way that is commensurate with their responsibilities for service delivery. We’d like to draw attention to the fact that different basic sustainable urban services (clean energy, water and sanitation, mobility, lighting, and thermal comfort in dwellings, etc.) may have their own governance implications, and that when it comes to service delivery, governance and financing needs to fit the sustainable development priorities and challenges of the local context.

Expanding Endogenous Resources

Sound understanding and effective utilization of the local financial resource base to assist urbanizing cities in steering capital intensive, path dependent infrastructure investments onto sustainable path ways. Building on the resource mobilization instruments that the issue paper mentions, we’d like to urge discussion to focus not only on their revenue raising potential but also on how taxes and fees can be utilized to achieve specific sustainable development outcomes, such as density, mixed income/mixed use neighborhoods, etc.

Strengthen Financial and Asset Management

With the institutionalization of financial management capacity come many opportunities for putting municipal finance to work for sustainable urbanization. Lack of knowledge, awareness and capacity is often cited as one of the most significant barriers to greater urban sustainability, and knowledge of how sustainable infrastructure and services can be financed is needed in both urbanizing and urbanized cities. We would like to encourage a discussion on how to embed concerns for sustainable development into training on budgeting, prioritization of expenditure, and data on service provision to encourage sustainable financial and asset management.

Improving Urban Infrastructure Finance Systems

Dedicated and coordinated efforts on financing sustainable infrastructure and urban service delivery must take into account not just the high capital cost of infrastructure (as in the issue brief) but also that there are many different types of infrastructures involved in the delivery of the range of urban services. We’d like to see a discussion of the varying roles of different public and private stakeholders, as well as the informal sector; and how different forms of delivery

(public, private, and public-private partnerships) may be more or less conducive to sustainable infrastructure and service delivery.

Effective Use of Exogenous Finance

Cities' prospects to access capital markets is part of a longer term strategy for many cities, which may enable them to access finance – but it will not in itself be conducive to sustainable investments in the absence of greater awareness and capacity, and governance and infrastructure management systems that are not aligned with sustainable urban development. In the shorter term, exploring alternative options for embedding sustainable development principles into infrastructure and service delivery will be important to work within today's realities of both cities' urgent need for sustainable solutions and their restricted fiscal situation. Reiterating our addition under point 4, we think there is a productive discussion around delivery models with varying degrees of private sector participation (service contracts, concessions, leases, BOTs, etc.) and experiences to be exchanged on how to structure contracts for achieving sustainable service delivery outcomes.

SPATIAL DEVELOPMENT

Urban and Spatial Planning and Design

The Issue Paper addressing Urban and Spatial Planning and Design placed much needed emphasis on transparent processes, especially through the use of shared data. However, we felt that it could also be useful to link that sentiment with the concepts of compact urban environments. This might open the door to a conversation about “good density” with services and good public space as opposed to “bad density” with congestion. Given the general push against density, often tied to NIMBY-ism, future conversations could better understand the opportunities facilitated by dense urban fabric.

Public Space

Public space plays an invaluable role in compensating for urban density to provide a variety of uses from transport to recreation to eco-system services, in addition to its value to health (both physical and mental health), quality of life, environment and economic competitiveness. Some of these benefits are noted, but others are not, notably the health benefits from physical activity and other economic benefits beyond hedonic value, such as eco-system services and health costs.^{3 4} Lastly, public space, through streets, plays an important role in providing transport.

³ Active Cities. (2015) Active Living Research, Designed to Move. Nike. <http://e13c7a4144957cea5013-f2f5ab26d5e83af3ea377013dd602911.r77.cf5.rackcdn.com/resources/pdf/en/active-cities-full-report.pdf>

⁴ Harnik, Peter and Ben Welle. (2009) Measuring the Economic Value of a City Park System. Trust for Public Land: Washington, DC <http://cloud.tpl.org/pubs/ccpe-econvalueparks-rpt.pdf>

These spaces need to be safe and safely accessible to everyone for walking and bicycling through so-called open streets, shared streets, pedestrian zones, and greenways or off-street trails.⁵

There is a need to fully recognize the spectrum of public spaces. This includes streets and public greenspace, as well as libraries and other spaces, but also differences within these categories, such as natural areas vs. plazas in green space and different types of streets. Recognizing this will help inventory and measure such spaces, as well as where there are needs.

Standards for public space are not well established. While there is a standard of the WHO cited as 9 square meters of green space per resident, this does not translate to performance per se.⁶ For example, Sao Paulo, Brazil has approximately 12.4 meters squared per resident of public green space, yet this space is not distributed equitably across the city.⁷ In fact, the city's new comprehensive plan seeks to create 167 new parks.⁸ This is why important measures are needed for percent of residents within proximity to public space, and improved data that allows analysis, such as through GIS.

Local authorities that develop urban renewal projects that generate densification processes must guarantee a proper square meter per resident relation, the developing of more compact and denser cities should always be followed by the implementation of additional public spaces.

Furthermore, there is a need for tools on how to measure public space. This is mentioned in the paper, though should be emphasized. Improved methodologies and tools for governments and civil society will enable inventories and tracking of how cities are providing public space to citizens. For example, in the US-based Trust for Public Land has perhaps the most advanced monitoring system and methodology for counting public green space in cities, which is not mentioned in the report.⁹

Public space measurement should not be related only to square meters per resident or accessibility, it should also measure the availability of facilities and it's state of maintenance. In emerging economies like Mexico is very common to find public spaces with no infrastructure or facilities, just vacant public plots that have never been transformed into useful and adequate spaces for recreation, sports or community interaction. Quality indicators such as unsafety perception and user's satisfaction are also important aspects to assess public spaces that can be measured by surveys, number of people attending to public space, especially identifying the

⁵ Welle, Benjamin, Qingnan Liu, Wei Li, Claudia Adriaola-Stel, Robin King, Marta Obelheiro and Claudio Sarmiento. (2015) Cities Safer by Design. WRI Ross Center for Sustainable Cities: Washington DC.

⁶ Harnik, Peter. (2010) Urban Green. Island Press: Washington, DC.

⁷ City of Sao Paulo. (2011) área verde por habitante por metro quadrado - Áreas Verdes Públicas por Habitante Secretaria Municipal do Verde e do Meio Ambiente.

⁸ Plano Direto. Cidade de Sao Paulo <http://gestaourbana.prefeitura.sp.gov.br/noticias/sao-paulo-tem-um-plano-mais-humano-e-mais-moderno/>

⁹ ParkScore. The Trust for Public Land. <http://parkscore.tpl.org>

presence of women and children at public spaces¹⁰ (which are more sensitive to unsafety perception).

Lastly, cities will not be able to address public space unless they have a full suite of tools at hand to create, improve access to and quality of public space. Rio de Janeiro recently added park space through unused land in its Madureira neighborhood. New York City has added access to parks and playgrounds by repurposing school yards and taking away street space for "street plazas." Medellín established parks in concert with public library construction. Other cities can consider financing space through transit-oriented development. Yet many cities lack the tools for finance, planning and land acquisition or re-orientation to make this happen.

URBAN ECOLOGY AND ENVIRONMENT

Urban Resilience

On the whole, the Issue Paper discussing Urban Resilience could benefit from a more holistic perspective. If resilience is divided into organizational, spatial, functional, and physical resilience, as illustrated in Figure 1, it remains unclear how resilience can provide overarching co-benefits to urban systems. It is challenging for the reader to assess: in the face of a given hazard (say a social hazard) how a city should approach building one or more types of resilience. If this matrix is placed within a city "system" it would require a close look at the political economy of the city, and would be most helpful if it indicated who is responsible for building resilience in different ways.

The paper indicates that attention to urban resilience has already brought about a number of advances. It might be useful to explore the trade-offs between an overarching resilience approach, and a more specific approach to resilience (e.g. resilience to climate change). It seems possible or even likely that a "whole of society approach" may be challenging and reduce the likelihood of success unless better incentives are in place for cross sectoral and governmental collaboration.

Further discussion of urban resilience should more deeply explore how resilience goes beyond simply good, integrated urban development. For instance, when building resilience to climate change specifically, different information, different types of decision making, etc. is necessary. What is necessary to build resilience writ large, how can we enable this, and if not all of it can happen, how do cities prioritize resilience-building actions?

Urban Ecosystems and Resource Management

Social disparities can be expressed by unbalanced provision of ecosystem services throughout cities. The social, environmental, and economic benefits of urban trees can mitigate many

¹⁰ Rescate de Espacios Públicos, Secretaría de Desarrollo Social, México 2012.

negative aspects of the built environment. As such, disparities in the benefits of tree cover as a result of class or racial segregation represent an environmental injustice¹.

The provision of ecosystem services in cities, as any other sustainable urban service (like public transport), should be locally delivered but also regionally planned. Effective integrated city planning should: 1) At the regional level: protect key ecosystems and functions involved in the provision of services while allowing regional connection between cities, 2) At the Metropolitan or city level: promote a healthy and functional incorporation of such regional ecosystems into the built environment through a system of parks, green corridors and public spaces. Such coordination between regions and cities should be promoted nationally through development enablers (national urban policies; law, institutions and system of governance; and policies driving urban economics) and locally through operational enablers (urban design; rules and regulations; finance; and technology). Integrated city planning promoting ecosystem services should coordinate these two, usually disconnected administrative domains taking both ecosystem dynamics and people's quality of life into consideration.

Cities and Climate Change and Disaster Risk Management

The recommendations made by the Cities and Climate Change and Disaster Risk Management Issue Paper seemed to focus largely on planning, but, as the authors recognize, no plans are successful without governance and accountability mechanisms. A continuing theme throughout the paper was the lack of focus on the role and accountability of local government. However, one of the primary challenges is the lack of financial and capacity empowerment of those local governments to adequately address climate change and natural disaster risks. Significantly more capital is spent on disaster relief and recovery than on preparedness through climate change adaptation or disaster risk reduction, and these disparities are especially pronounced at the local level. We believe that one important point that remains to be addressed is how national governments and regional/international funders can support local governments in refocusing capacity on preemptive action.

Another key factor missing is the linkage between vulnerability in urban and rural areas. Migration to urban areas increases vulnerability in urban areas but is also a product of heightened vulnerability in rural areas. To what extent should efforts to address climate change in urban areas be linked with those in rural areas? More research is also needed on the relationship between compact development and resilience. Density could seriously complicate evacuations and result in greater damage to homes and increased displacement of people.

URBAN HOUSING AND BASIC SERVICES

Urban Infrastructure and Basic Services, Including Energy

While a valuable paper on the whole, it was noted that the Urban Infrastructure and Basic Services paper was missing a few key linkages to other highly relevant topics. Housing was not mentioned in this paper, even though housing provision, type, location and availability has a

direct relationship with accessibility and availability of basic services in a city. The issues of employment generation and economic benefits of infrastructure were also not discussed in this Issue Paper. Urban infrastructure services are an important enabler of jobs (both informal and formal, e.g., construction sector in developing country cities). Urban infrastructure, particularly transport, also expands economic opportunities for people and businesses, owing to improved accessibility to jobs and markets.

Another key challenge not addressed is the cross-jurisdictional nature of most networked urban infrastructure services. This is both a challenge and an opportunity, as it raises issues of sharing costs and revenues across jurisdictions, but can also present difficulties related to poor coordination.

This discussion would also benefit from additional focus on cost sharing and financial sustainability of urban infrastructure services. Citizens often do not pay the true social costs of service usage (e.g., in transport) and the implementation of user charges or pricing to cover these costs is often politically difficult. This affects the financial sustainability of these services, leading to heavy subsidization. Policy and economic instruments should include fair usage-based pricing of infrastructure services. Inclusive processes must explore participatory budgeting as an important governance strategy as well as participation in neighborhood level service planning. In addition, the adoption of appropriate technology for more effective data collection, tracking of demand and losses, and service coverage gaps is essential to ensuring long term efficiency of services.

Transport and Mobility

The Transport and Mobility Issue Paper provided a good overview of the current transport landscape and key challenges moving forward. However, there were several key linkages missing from the discussion that could help illuminate the importance of integrated transport and mobility planning in the cities of the future.

This Issue Paper focused largely on vehicle and fuel efficiency solutions, but lacked a keen focus on the necessary paradigm shift that would transition future cities away from cars and towards more sustainable modes of transport. Additionally, transport system operation improvements can be a key strategy for finding efficiencies in urban mobility systems, yet were not prominently discussed. It is important to highlight that one of the key assumptions of the paper, that “by 2035, the number of light duty motor vehicles (cars, sports utility vehicles, light trucks and minivans) are expected to reach 1.6 billion and by 2050 this number will exceed 2.1 billion,” is based on a “business-as-usual” scenario, not to mention a somewhat dated study, and should be framed as such. The potential exists to implement policy and financial models that shift global transport modes towards more sustainable options. The importance of funding instruments that

promote sustainable mobility, especially, was under represented in this discussion. These types of instruments will be key to enabling the solutions needed by the developing cities of the future.

Another missing linkage is the connection between the different objectives and benefits of sustainable mobility that can be heightened by adopting the avoid-shift-improve paradigm. For instance, it is possible to achieve the global two degree reduction goal by cutting Vehicle Kilometers Travel by 23% by 2050. A co-benefit of this achievement would be a potential reduction of 1.3 million deaths from road crashes due to diminished exposure.¹¹ Lastly, some additional important and relevant initiatives not mentioned in the paper include the Compact of Mayors, C40 Cities, the Global Road Safety Partnership, and the World Bicycle Forum.

Smart Cities

The Smart Cities Issue paper was overall well written and balanced, focusing largely on the definitions and attributes of a smart city, which is important as this is a fairly nebulous and abstract concept. Core to the definition of a “smart city” is the connectivity and availability of data sources. However, it is important to ensure in the smart city concept development that less “connected” members of communities are not marginalized in an effort to develop quickly. Smart Cities do not become “smart” overnight, but rather engage in a virtuous cycle of measuring performance, monitoring outcomes, and utilizing learnings to further improve performance. Inclusion of diverse stakeholder concerns is key to ensuring these performance measurements, outcomes, and learnings are as representative and accurate as possible. Tangentially related to stakeholder inclusivity are concerns of privacy and data protection. It must be ensured that the information used is protected for those city dwellers from whom it is derived in order for such efforts to work and for citizens to trust them.

More emphasis is also needed on how cities can leverage technology to perform specific tasks that can enable them to move along the smart city pathway, tasks many cities struggle with, e.g., planning for future growth through robust, collaborative, spatial tools; bringing the massive data generated within a city to citizens, decision makers and entrepreneurs through open data platforms; and how to use ICT for more active citizen participation, including participatory budgeting, scenario planning, and vision development.

The focus on coherence is important, though there must be some acknowledgement of the heterogeneity of cities and their governance systems. For example, a smart city in India may not look similar to a smart city in the US, given the large informal economy that includes populations and economic activities for which no data is currently gathered and limited local autonomy with greater reliance on national and state governance. However, the international

¹¹ Hidalgo & Duduta, Exploring the Connection Between Climate Change and Traffic Safety - An Initial Aggregate Assessment <http://trid.trb.org/view/2014/C/1289434>

community can agree to key principles of smart cities, not necessarily as an end state, but perhaps as a trajectory for cities to follow.

Informal Settlements

In both the issue summary and key drivers for action, there is insufficient acknowledgement of the level of mistrust that informal settlement dwellers may have of every type of authority, and how they can sometimes prefer to remain invisible. In fact, they often use invisibility as a strategy to avoid becoming part of a database.

Additionally, the platforms and projects section makes reference to Shack/Slum Dwellers International, but there are more groups, especially smaller local groups, that aren't necessarily in agreement with SDI's approach. These different viewpoints should be equally considered when developing perspectives on this widespread global challenge.