

# Urban regeneration as a tool for inclusive and sustainable recovery

Expert Group Meeting Communiqué

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**UN HABITAT**  
FOR A BETTER URBAN FUTURE

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# A.



Representatives of intergovernmental, national and local institutions, as well as from the private and civic sector gathered at the [Expert Group Meeting, 'Urban Regeneration as a tool for inclusive and sustainable recovery'](#), in Bilbao, Spain on December 1st and 2nd 2021. To set the basis for the discussion, they recognised that:

**1** Urban regeneration is a holistic and integrative process instrumental for the co-creation of more sustainable and inclusive cities. There is a comprehensive and consolidated body of interdisciplinary knowledge on urban regeneration that has been built over decades. However, there are also new trends, **changing urban dynamics and amplified challenges** caused by the multiple interdependent crises we witness today. This drives us to look at urban regeneration through an adjusted lens that reflects:



**Increasing spatial inequality in cities and between regions**



**Climate action**



**Urban health and COVID-19 recovery**



**Accelerated digital transformation**



**Broader understanding of urban culture and heritage**



**Conflict and migration dynamics**

The current challenges also offer a spectrum of opportunities to advance, finance and build-back-better through urban regeneration initiatives.

**2** A people-centred participatory<sup>1</sup> approach to urban regeneration geared towards social value creation and environmental action can enable a more fair and green recovery from the pandemic and improve the physical, social, economic and environmental conditions – the overall quality of life – in urban areas. Urban regeneration with a strong focus on health, climate action, economic development and equity contributes to the shift in urban paradigm built on social inclusion, accessibility and affordability, resilience, participatory governance and economic vibrancy.<sup>2</sup>

**3** Inclusive and sustainable urban regeneration, which sets Sustainable Development Goals (SDGs) and Environmental Social Governance (ESG) at the core of policy and operations, is a pivotal instrument for governments, private sectors and other institutions to respond to the current challenges beyond us. Engaging with all aspects in the process – social, economic, physical, and environmental – is a key success factor in the implementation of urban regeneration projects.

**4** In the context of fiscal responses to COVID-19, urban regeneration is being prioritised in policies and interventions at all scales (national, regional and local). Due to its ability to increase spatial inclusion and bring direct benefits to urban residents in alignment with the targets of the SDGs, urban regeneration has the potential to become a central tool for the execution of recovery plans.

<sup>1</sup> A participatory approach that brings together city leaders, city planners, and policymakers, alongside civil society and the private sector. For more information and guidance, one could refer to Our City Plans: An Incremental and Participatory Urban Planning Toolbox, 2021.

<sup>2</sup> UN-Habitat, The City We Need: Toward a New Urban Paradigm, 2016.

# B.

The attendees discussed the context in which urban regeneration takes place today and the opportunities it presents. Some of the biggest challenges and possible adverse implications of urban regeneration were also explored.

## Spatial Inequality

### Measuring and monitoring spatial inequality

**opportunities** Indicators for spatial inequality, spatial inclusion and access to services and opportunities exist, but there is still no agreed consolidated monitoring framework used globally. Different stakeholders in different industries are building their own tools to be able to assess SDG implementation as well as environmental, social and governance (ESG) risks and impacts. Both governments and the private sector need to design and operate urban regeneration processes, in which monitoring and analysis of SDG's and ESG risks and impacts is a departure point for policies, strategies and interventions. Granularity of data, frequency of data collection and capacity on a local level have been found as key challenges in the monitoring of data on equity, diversity and inclusion.

**benefits** A consolidated framework monitoring social risks and impacts of urban regeneration as part of the Global Urban Monitoring Framework (GUMF) could establish a global reference for monitoring urban policies and interventions worldwide and facilitate the adaptation of specific indicators in concrete regional, national and local contexts. Such a tool would be pivotal to understand and alleviate issues of spatial inequality. It should be noted that quantitative and qualitative approaches need to be combined when defining vulnerability indicators. In this process, it is important to remember that there are elements and factors that cannot be measured, hence engagement with the local community is crucial.

### Participatory processes

**opportunities** Integrating tools and mechanisms for continuous community engagement in urban regeneration could help decrease spatial inequality in vulnerable areas and deliver projects' long-term sustainability. Staying in contact on a continual basis and understanding residents' preferred methods of

participation based on their occupation and cultural background helps achieve higher engagement rates. Considering gender relations and integrating participatory tools that are accessible for all is key to unlocking the benefits of participatory approaches.

**benefits** Successful and impactful community engagement could increase the overall sense of ownership and trust of existing residents in the process. Inclusive urban regeneration provides accessible and usable spaces for all and unlocks the value of the assets and community resources, thus leveraging their potential and attracting investments in the area. Working within a planning policy context that is supportive of public participation is a major success factor.

### Measuring and mitigating gentrification

**opportunities** Community participation, though essential, is not enough to prevent gentrification: material means are needed to avoid displacement. The further development and integration of mechanisms to mitigate gentrification in urban regeneration could limit the potential adverse effects of the process. Such mechanisms may include: increasing affordable housing construction; granting access to land via different schemes; social housing quotas, land value capture with redistributive goals, as well as fostering housing cooperatives and self-management building schemes.

**benefits** With strategic public policy and informed governance, careful planning and community involvement, the adverse effects of gentrification and displacement can be anticipated and managed. Promoting and incorporating mechanisms for gentrification mitigation could help stabilise communities in areas of regeneration, maintain and improve social mix, protect long-term residents, cultural characteristics and feeling of ownership and belonging.

## Climate Action

**opportunities** Aligning the post-pandemic economic recovery with climate change measures provides an unparalleled opportunity to protect health, promote sustainable economy and protect environmental resources. Climate action as a key departure point for urban regeneration activities also provides opportunities for additional funding sources. The integration of regenerative urbanism principles and practices into urban regeneration could strengthen the role of urban regeneration activities in climate action. Such principles include but are not limited to: reinstating nature in the city; decarbonising urban territories through physical interventions; capturing value generated at a district scale; and designing processes, methods, measures and specific actions

to actively involve all stakeholders to achieve physical, cultural, spatial and socio-economic resilience.

**benefits** Urban regeneration generates co-benefits that lead to substantial health gains and increased resilience to environmental crises for the city at large. For example, the transformation of infrastructure for non-motorized modes of transport invites more pedestrians and cyclists, attracts economic activities and increases street vibrancy. Furthermore, retrofitting and changing land use for communal and public functions contribute to the reactivation of underused areas, social mix and potentially affordable housing.

## Urban Health

**opportunities** In the context of the COVID-19 pandemic, planning for urban health is a central departure point of urban regeneration. Protecting and improving public health is also a key justification for climate action. It is, however, rarely integrated as a legislative goal in urban climate strategies and plans. This is an opportunity to create sustainable alliances across sectors and groups, to engage a broad set of stakeholders and to promote health through structural mechanisms. An emphasis on the co-benefits of planning for urban health in investment plans and proposals is key to attracting funding for such interventions – public health should be seen as an investment rather than cost.

**benefits** A better understanding and articulation of co-benefits of urban regeneration for urban health could attract investment and decrease local health issues, air and noise pollution and vulnerability to climate change. The wider positive effect generated by planning for urban health can be seen around the world, including:

- The expansion of pedestrian areas and bike infrastructure reduces noise and air pollution;
- Nature-based solutions contribute to climate change mitigation and adaptation efforts and bring benefits for physical and mental health in urban areas;
- Improving energy-efficiency of the building stock reduces seasonal health vulnerabilities.

## Digital transformation

**opportunities** Innovative technologies, data and digital platforms have been instrumental in increasing public engagement in social issues and governmental processes. They also play a leading role in the development of Creative City Labs and Makers Labs – platforms for wide-ranging solutions-oriented conversations to engage community members and diverse stakeholders across the creative industries. Hence, the integration of and investment in digital tools for urban regeneration processes offer opportunities

to strengthen the sustainability of and public engagement in projects.

**benefits** Investments in digital literacy for all could create a more agile and flexible relationship between governments and citizens. They can help increase governance transparency and support economic activities and energy efficiency. Acknowledging and addressing the challenges around availability of quality data and digital literacy are essential to unlock benefits.

## Culture

**opportunities** In the current context, culture should not be reduced to its manifestation in institutional spaces (museums, galleries) and initiatives, but should be thought of as a creative ethos shaping cities not only for the human body, but also for the collective imagination. Existing cultural assets can provide fertile ground for urban regeneration processes if aimed at preserving identity, enhancing the local cultural heritage and character and nurturing the sense of belonging. In the process, culture acts as a medium to generate interest, raise awareness and mobilise local governance, and thus could prevent possible adverse impacts of regeneration.

**benefits** In urban regeneration processes, culture could improve social mix, contribute to financial sustainability of projects, boost economic activities and bring cascading investments in local communities. Furthermore, collective imagination and creativity as part of urban culture could act as a bridge to community-led processes and the development of innovative approaches for the promotion of and community participation in urban regeneration. It should be noted that culture – often misused as an instrument of power, conflict and segregation – should be based on and respect human rights.



The participants concur with the above findings and jointly:

- 1** Reiterate the commitment of the **New Urban Agenda** and **Toledo Declaration** to prioritise the infill, renewal, regeneration and retrofitting of urban areas, promote participatory approaches involving all relevant stakeholders and avoid spatial and socioeconomic segregation and gentrification, while preserving cultural heritage and preventing and containing urban sprawl.
- 2** Highlight that urban regeneration is a complex process that requires a holistic approach supported by **multisectoral and transdisciplinary analysis**. Urban regeneration needs to be built on qualitative, reliable and comparable data and evidence. A continuous cycle of analysis and monitoring needs to be promoted and streamlined in urban regeneration projects.
- 3** Emphasise that inclusive and continuous **community engagement** is crucial in the building and management of sustainable urban regeneration processes. Urban regeneration could, and should, when possible, encourage and channel citizen participation and community empowerment. However, we recognise the challenges to avoid all possible adverse risks (evictions, displacement, compensation, loss of livelihoods, gentrification, coercive actions by state, resettlement) and the role and limits of community engagement.
- 4** Acknowledge that urban regeneration requires a **sound institutional framework** that promotes consensual decision-making and collaboration between all relevant urban actors. If the process is not well framed, urban regeneration could lead to gentrification and a deepening of socio-spatial inequalities, as well as destruction of valuable cultural heritage in the name of modernization. People need to be put at the center in policy and governance frameworks.
- 5** Recognise that a common success factor to deliver inclusive urban regeneration is the establishment of an **adequate governance model**. There are relevant building blocks, approaches and principles for the governance of inclusive urban regeneration activities, such as the coordination between national, regional and local authorities, **synergy among sectors**, and integration of community-led processes and initiatives. The interdependence, appropriate application and success factors need to be further investigated and discussed. Therefore, **investing in partnerships, matchmaking and innovation** in working with different types of partners becomes a priority.

**6** Acknowledge that there are **diverse financial and impact-return opportunities** for urban regeneration. Pooled funds, public grants, asymmetric risk and impact-sharing are financial mechanisms with a lot of potential. Measuring and delivering social impact in each financial model is critical.

**7** Recognise that the discourse around costs and investments should reflect the holistic approach to urban regeneration that we need to undertake. Hence, budget streams need to be connected and **co-benefits** articulated. Furthermore, 'soft' investments – in social cohesion and innovation – need to be integrated with 'hard' investments – in infrastructure and physical environment – to deliver greater social impact.

# D.

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Finally, we express our intention to **work together** with all the institutions present in the workshop in the following **four actions**:

## 1 | Develop Guidelines

Develop the **Guidelines for Inclusive and Sustainable Urban Regeneration**. We call for the outcomes of this EGM to inform the development of Urban Regeneration Guidelines to highlight the potential of urban actors to support and catalyse the comprehensive city-wide regeneration process. The Guidelines aim at setting an agreed methodological approach to develop urban regeneration processes, as well as to identify priority areas for key stakeholders to work together through a common action plan that aligns the different partners workplans on urban regeneration.

## 2 | Monitor Spatial Inequality

Support the efforts to consolidate benchmarks, data and methodologies to **monitor spatial inequality and social value creation** and the contribution of urban regeneration to spatial inclusion and integration.

## 3 | Establish a Reference Group

Establish an **Urban Regeneration Reference Group** comprising researchers and practitioners committed to the study of sustainable and inclusive urban regeneration. This group will play a leading role in the formulation and development of the Flagship Programme on Inclusive Vibrant Neighbourhoods and Communities.

## 4 | Mobilise Resources

Commit ourselves to **mobilising technical and financial support** for inclusive and sustainable urban regeneration initiatives.