

SDG Cities



A. Rationale

Today, 55% of the world's population lives in cities. By 2030, it is projected that 6 in 10 people will be urban dwellers and by 2050, two-thirds of human beings. The rapidly increasing dominance of urban areas ensures that the process of urbanization is among the most significant global trends of the 21st century.

Urbanization is not only a demographic or spatial phenomenon but a force which if steered and deployed correctly can help the world overcome some of its major global challenges including poverty, inequality, environmental degradation, climate change, fragility and conflict, which are all critical elements of the 2030 Agenda.

As the New Urban Agenda indicates, "Cities can be massive agents of positive change, if they are well-planned, built and governed". They can be catalysts for inclusion and powerhouses of equitable economic growth. Sustainable cities and human settlements are key drivers for sustainable development; as widely documented, cities can work as a string that connects all other sustainable development goals together, since their density and economies of agglomeration link economy, energy, environment, science, technology and social and economic outcomes. From another angle, working on an approach to apply SDGs in cities, can have simultaneously impact in different dimensions of development.

However, the achievement of this potential is all too often constrained since the different phases of the process that drives sustainable urbanization is poorly functioning. Frequently city data is not adequately detailed, documented and harmonized, or worse, it simply is not available for a whole host of critical issues relating to urban growth and development.

This greatly impacts the quality of decision-making and despite considerable progress in recent years, whole groups of people are not being counted and important aspects of people's lives and city conditions are still not measured. For many, this can lead to the denial of fundamental rights, and for city authorities, the likelihood that they are not taking full advantage of the transformative potential that urbanization offers.

The phases of the sustainable urbanization process that organically connect data to knowledge, to policy formulation and to action plans, and from there to urban integrated projects that are properly funded are inadequately connected and, in some cases, non-existent. In other words, the value chain of sustainable urbanization proposed by UN-Habitat is not working well.

Compounding this, ineffective systems of urban governance, limited capacities in urban planning, lack of local resources and funding and poor or non-existent mechanisms to measure results for and impacts on populations seriously impede the achievement of the urban SDGs.

The challenge remains how to translate policies and strategies that are based on evidence into sustainably financed and effectively implemented urban integrated projects that drive tangible multidimensional impact that can be properly measured.



B. Objective

The objective of this flagship programme is to realize the potential of cities to drive the achievement of the SDGs. This flagship programme will work with cities, other levels of government, communities, business

sector and development partners to connect the value chain of data; evidence-based policy; capacity in governance, planning and financing; and, impact investments, to accelerate the achievement of SDGs in cities.



C. Outcomes, initiatives and results

Together with the other flagship programmes and in collaboration with other UN agencies, state and non-state actors and partners, this Flagship Programme is expected to achieve the following outcomes:

- Outcome 1:** Strengthened capacities of cities to produce reliable comparable evidence that identifies strategic actions to accelerate urban SDG achievement
- Outcome 2:** Reinforced value chain that interconnects knowledge, policies, planning, financing and implementation for effective impact
- Outcome 3:** Strategic urban SDG investments
- Outcome 4:** Established local and national performance monitoring and certification of excellence projects, processes and initiatives to guide cities in their role as drivers of the SDG implementation

Outcome 1 is implemented through a variety of initiatives, including:

- Establish baselines and city specific SDG targets using the SDG cities monitoring tool¹;
- Identify policy, planning and legislation requirements to achieve the city specific SDG targets;
- Identify critical investment requirements that drive SDG achievement;

- Engage stakeholders in an inclusive, participatory, strategic planning process.

Outcome 2 is implemented through a variety of initiatives, including:

- Engage UN country teams by providing data and analysis on a national sample of cities to support the Country Common Assessment, UN Cooperation Framework and joint action;
- Support the development of evidence-based policies, plans and legislation to drive the achievement of the city specific SDG targets, through UN joint action;
- Develop a well-assessed pipeline of urban integrated investments that strategically contribute to the achievement of city specific SDG targets.

Outcome 3 is implemented through a variety of initiatives, including:

- Reviewing SDG performance potential of planned interventions;
- Review bankability of planned interventions;
- Optimize SDG performance potential and bankability through cost-benefit analysis, advanced design and investor-ready packaging;
- Identify investment opportunities including through blending public investment with a variety of private sources (impact, philanthropic, and commercial), and international financing institutions;

¹ This is built on the UN-Habitat City Prosperity Index, which will be peer-reviewed by the UN System to produce a UN-System wide monitoring framework

- Support match-making of investments with relevant investors.

Outcome 4 is implemented through a variety of initiatives, including:

- Establish certification criteria based on city specific SDG baselines and targets;
- Apply certification at key stages;
- Utilise certification to facilitate cooperation between cities to maximise impact.



A robust results framework will be developed to track the impact of the flagship programmes through SMART indicators, including:

- By 2030, 900 cities have increased alignment of funding to urban transformative sustainable actions (finance);
- By 2030, 900 cities have improved their performance in achieving the SDGs (performance).

D. UN-Habitat's comparative advantage

UN-Habitat's unique value proposition and comparative advantage can be summarized as follows:

- UN Habitat's global focal point role for sustainable urban development positions the Agency to convene the UN system in developing a shared city monitoring tool and indicators of the Urban SDGs based on the CPI;
- UN-Habitat through developing a UN-System wide city monitoring tool based on CPI is well positioned to engage UN-System wide efforts in policy and capacity development actions. UN-Habitat also has core strengths in urban and housing policy, urban planning, municipal financing and urban legislation;
- UN-Habitat convenes the World Urban Forum, which will be utilised to group countries and cities on similar urban development trajectories so that they can learn from one-another's positive experiences, including policy and legislative instruments;
- UN-Habitat is in the process of developing a Capital Advisory Platform that links various types of investors with urban investment opportunities., The CAP supports city authorities in developing and de-risking investor-ready projects;
- UN-Habitat is in the process of developing a New Urban Agenda Platform. Outcomes, impacts, policies, tools and experiences developed through the SDG Cities Initiative will reach a wider audience through the NUA Platform.



E. Preliminary proposed locations

SDG Cities is a global initiative that targets initial 900 cities around the world from 2020 to 2030 with the possibility to impact over 1 billion people, with a focus on Least Developing, Low- and Middle-Income countries, in line with the significant global demand for this initiative.

While the initiative will target national representative samples of major, intermediary and small cities, the initiative will periodically run thematic calls for participation, including on mega-cities, climate vulnerable cities, crisis affected cities, etc. These will inform the development of focused normative products.



F. Partnerships

This flagship Programme ensures the engagement of civil society, academia, private sector, capital funds and other stakeholders in the development of city strategic plans and project identification. It engages also the World Bank and other development banks.

Partnership with United Cities and Local Governments as well as regional associations of Local and Regional governments will be key, as well as close collaboration with UNDP, UNOPS, Global Compact and other UN agencies engaged in the pilot phase of the Local 2030 initiative, and networks engaged in the implementation of the New Urban Agenda (Mercociudades, Alliance Smart Cities, World Enable, UNIAPRAVI, etc).



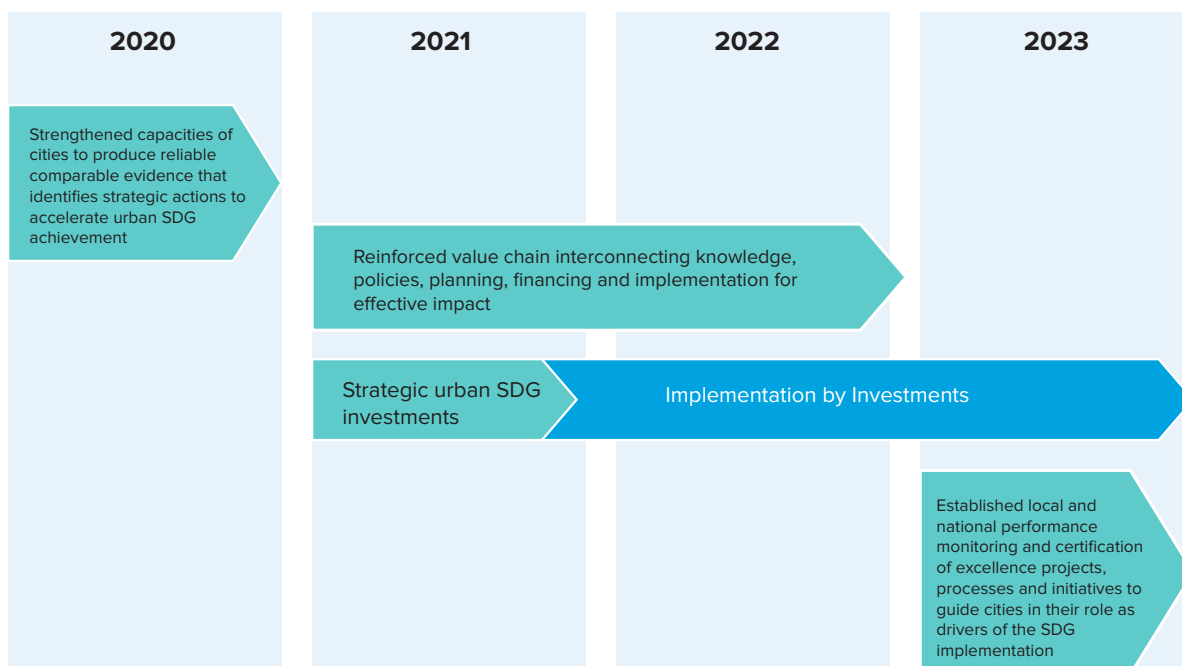
G. Phasing and milestones

The 10-year flagship initiative will be launched during WUF 10 in February 2020. The first phase, from 2020-23 aims to directly engage 300 cities in 25 countries, across Africa, Latin America, Asia and Arab States, including least developed countries, low income and middle-income countries, major and secondary cities.

Through structured knowledge transfer which links directly participating cities to at least two others, 300 additional cities in 25 countries will be engaged by

2026. Between 2027-2030 an additional 100 cities will be onboarded per year, so that by 2030, 900 cities in over 100 countries will have participated directly in the programme and through the knowledge transfer mechanism described.

Assuming an average city population of 1.5 million, by 2030 the programme anticipates having impacted a population of 1 billion people. Furthermore, since lessons learnt, methodologies, policies, project descriptions, Standard Operating Procedures etc. will be posted on the New Urban Agenda platform, a higher global impact can be expected.





H. Budget

Given the scope of the initiative (global, regional, national and local) and the range of activities, the flagship Programme is estimated at 208.5 million USD over a period of 10 years. This will directly impact 300 cities, and by twinning cities indirectly further impact 600 cities. UN-Habitat will drive the development, implementation and monitoring of the programme in conjunction with a wide range of credible and experienced partners.

The implementation of all initiatives leading to the achievement of Outcome 1 is estimated at 100.000 USD per city and 30 million USD in total. Outcome 2 is estimated at 350.000 USD seed funding per city (it is expected that further funding for policy will be accelerated through UN cooperation framework), and 105 million USD in total. Outcome 3 is estimated at 140.000 USD per city and 42 million USD in total (leveraging further massive public and private investments). Outcome 4 is estimated at 50.000 USD per city and 15 million USD in total.

New cities onboarded direct (indirect)	Cumulative impact #cities	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
2020	25 (75)	25 cities directly participating. 75 engaged											
2021	25 (75)	50 cities directly participating. 150 engaged											
2022	25 (75)	75 cities directly participating. 225 engaged											
2023	25 (75)	100 cities directly participating. 300 engaged											
2024	50 (150)	125 cities directly participating. 375 engaged											
2025	50 (150)	150 cities directly participating. 450 engaged											
2026	50 (150)	175 cities directly participating. 525 engaged											
2027	50 (150)	200 cities directly participating. 600 engaged											
Average city population: 1.5 million													
Impact : 1.35 billion people													
Cost - city level (USD)		5,625,000	11,250,000	13,750,000	17,500,000	23,125,000	28,750,000	31,250,000	35,000,000	23,750,000	12,500,000	7,500,000	
Other costs* (USD)		3,400,000	3,400,000	3,400,000	3,400,000	3,500,000	5,000,000	5,000,000	5,000,000	5,000,000	2,500,000	1,500,000	
Total Cost per year		9,025,000	14,650,000	17,150,000	20,900,000	26,625,000	33,750,000	36,250,000	40,000,000	28,750,000	15,000,000	9,000,000	
Total Cost over 4 years		USD 61,725,000											
Total Cost over 10 years		USD 251,100,000											

*Other costs include programme management and service centres: SDG City monitoring; Urban Thinkers Campus; Urban Labs; Capital Investment Platform

UN**HABITAT**
FOR A BETTER URBAN FUTURE

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