

Business Leaders Dialogue at the First Session of the UN-Habitat Assembly

 26 May 2019 10:00–17:00

 Conference Room 1



BLD WhatsApp Group QR Code.



Opening Rapid-fire Dialogue on business engagement at UN-Habitat, with Oceanix City, moderated by Reuters (Photo credit: Cristina de Cárdenas Martinson)

Implementation of the New Urban Agenda and the achievement of the Sustainable Development Goals requires collaborative action by all actors in urban development, and UN-Habitat is actively responding to this by ensuring high-level engagement with business, industry and investors in line with its new strategic plan.

At the kick-off of the First Session of the UN-Habitat Assembly, UN-Habitat convened a high-level Business Leaders Dialogue with leaders from business, industry, investment and start-ups together with local authorities. The dialogue focused on the value of urbanization and discussed the advantages and importance that a proactive business sector can play in this process.

This Business Leaders Dialogue was the third in a series of Global Strategic Dialogues: A two-day Dialogue hosted by the city of Mannheim, Germany on 25 to 26 March 2019; and the United Nations Roundtable on Sustainable Floating Cities: Exploring the Next

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Frontier for Human Settlements in New York on 3 April 2019. By formulating its agency-wide strategy for engaging with business, industry, investors and startups through these dialogues, UN-Habitat will be better equipped to lead and convene urban development actors and decision-makers through multiple platforms, including the Tenth session of the World Urban Forum (WUF10) in Abu Dhabi in 2020 as well as future fora.

The Business Leaders Dialogue had three envisioned objectives:

1. Establish an understanding of how business, industry, investors and start-ups can support the implementation of the Sustainable Development Goals, the New Urban Agenda, and UN-Habitat's Strategic Plan 2020-2025;
2. Strengthen alignment facilitating improved collaboration among industry, investors and start-ups together with UN-Habitat, the UN system and other stakeholders identified;
3. Build consensus on the strengthened role of business in sustainable urban development in partnership with UN-Habitat, other UN system organisations and stakeholders – to be shared at the UN-Habitat Assembly;
4. Define proposals for UN-Habitat Business Engagement platforms.

SESSION SUMMARY

1) Rapid-fire Dialogue – Setting the scene:

UN-Habitat's Deputy Executive Director opened the dialogue by confirming the organization's openness, willingness to work with business, and emphasized that promoting mutual value and interest is the most important link between UN-Habitat and business. SDG 11 has a natural fit with business and improved livelihoods—giving more opportunity for business and UN-Habitat to join forces. UN-Habitat should ensure that necessary advocacy work is done so that interested partners understand UN-Habitat's mandate in a global context.

Marc Collins Chen, CEO of Oceanix City, who represented the business sector shared his experience in working with UN-Habitat as 'as smooth as any relationship we've had with any other partners whether it is NGO, universities, or private sector'. Collaboration with the UN may not appear to be the most obvious choice, but his positive experience since April 2019 has brought him more confidence.

On the whole, many businesses expect UN-Habitat to play the role of catalyzer, bridging between pre-feasibility, feasibility and implementation. Others expect UN-Habitat to connect projects with a high potential for success to cities—where not only the government is willing to cooperate but also there is a high level of social citizen receptibility.

The challenge is at times in the creation of tripartite partnerships between business, UN agencies and city government. In this process, the UN plays role as facilitator. There are the major themes to work with business: (i) co-creation of innovative solutions; (ii) need for investment (iii) need for philanthropy.

Regarding financial investment for innovative urban solutions, it is acknowledged that no single party can fully finance large scale projects. Blended finance instruments are needed to provide other types of finance that can both promote investor interest, and fill gaps that public financing cannot. Support from central government as well as metropolitan government is needed within both emerging and mature markets. Therefore, strong partnerships between business, city government/national government and UN-Habitat is needed to ensure buy-in and promote mutual interest.

Innovative companies need clients, and their clients are in cities. When cities are not doing well, businesses are not going to do well—it's the same ecosystem. Business have a lot to gain in terms of CSR demonstrating that their ethical values are linked to sustainability targets. That confidence and trust will bring business more clients. UN is a strong global brand, which for many businesses, provides the benchmark on which to assess their overall impact.

2) Inspiring Practices: Case Studies from UN-Habitat and Business

Following the first session was a brief interlude with three presentations, which looked at how UN-Habitat has worked with business in the past and how it can better work with business in the future. Following this, Kunlé Adeyemi of NLÉ Works Architects presented an innovative and inspiring practice developed independently of UN-Habitat, but which was selected as a rapidly deployable showcase project in line with the theme of the UN-Habitat Assembly.

UN-Habitat on the move - Marco Kamiya, Coordinator, Urban Economy and Finance Branch, UN-Habitat
Sustainable Urbanization: a business opportunity - Dyfed Aubrey, Inter-Regional Advisor, UN-Habitat
African Water Cities – Innovation Frontiers - Kunlé Adeyemi, Founder & Partner, NLÉ Works



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3) *Roundtable: Affordable cities through collaboration*

The roundtable featured representatives from five key sectors of sustainable urbanization where business opportunities are most apparent. These included: **Private Investors, Innovators in Planning, Disruptors, Digital Technology, Mobility and Transport**. A summary of key discussion points can be found below:

- UN-Habitat has the convening power to connect partners, and can help cities/communities with their challenges
- A holistic approach to city planning is essential. The challenge is to have a broader and more integrated perspective including not only economic views but also environmental and social considerations. At the same time, financiers still rely on sector-specific data to make investment decisions which does not account for project integration.
- The use of data and technology can help cities make better decisions; we need to be in the business of harnessing the gains of something like volunteerism and bridge that communication gap.
- Businesses need to convey a new message, based on a wider vision adaptable to a rapidly changing global context. E.g. for Uber that is to 'have fewer cars on the roads;
- UN-Habitat is globally accepted; governments and people value its opinion, power to help the people who really need it.
- Potential for collaboration with the UN is untapped. UN is perceived as not approachable; this perception can be broken through common goals/interests. First step is learning from and talking to each other.
- Companies are seeing opportunity in the 'greener' business lines; many solutions out there but we have to keep up to date – UN-Habitat and UN Environment can assist with this.
- UN-Habitat can assist by developing a catalogue of solutions, diagnose the city together with partners/businesses/collaborators, and offer 3-5 potential solutions to further explore together with the city.
- Power of the UN at the end of the day is its convening power. Urban issues aren't framed as a crisis to push regulation, but how can we better motivate innovative businesses to push this?
- Regarding affordability, local authorities together with the business community need to achieve cost-effectiveness in their projects as well as innovative fit-for-purpose solutions that make cities accessible to all.

ROTATING DIALOGUES

After lunch, the rotating dialogues brought together vastly different business leaders to examine thematically how sectoral integration can take place in a global business environment—in partnership with UN-Habitat, MDBs and national, regional and local government partners.

4) *Breaking the silos: Making cities better clients*

- The best way to break silos is better communication – i.e. to share each other's interest including where each partner may be able to contribute to better livelihoods and improvements in quality of life that goes beyond profit.
- Companies have the goal of attaining financial efficiency and economic sustainability while government is expected to be an enabler and facilitate efficiency. This is only possible when data is shared internally.
- Cities are able open up to new business and visions. The pitch is one of shared-value/purpose, including finding common and meaningful purpose. For example: developing a TOR for a project through a transparent and open process is key to achieving success.
- Businesses and local authorities need to learn how to work together, for example, finding a common pace and timeline in decision making that will enable effective planning as well as implementation. This may require a good common understanding as well as open dialogue among partners, which can be facilitated by the UN.

5) *Building bridges: Engaging in concrete work with UN-Habitat*

- Businesses do not necessarily require UN-Habitat in order to engage (commercially) with a city or other client. Business changes quickly, and UN-Habitat can help to ensure that long-term impact on sustainable urbanization and vision is maintained all the way throughout implementation to project delivery and beyond in its capacity for monitoring and evaluation.
- Data on project impact collected through monitoring and evaluation is of vital importance to business, and providing data that is relevant to business can ensure continued interest and involvement in a project. Therefore data requirements must be discussed as a potential area for UN-Habitat to further develop.
- UN-Habitat also needs to bring others from the academia and research sectors to this type of roundtable in order to help validate the thinking process together with business.
- UN-Habitat also plays the role of collecting learned experiences and creating spaces for businesses and other sectors to learn about the SDGs.



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6) *Partnering for Bankability: Turning investors into financiers*

- It is essential that investors respond to the changing global climate and move towards more inclusive and integrated investments, while becoming more community oriented. This means the alignment of their business models with sustainable development principles.
- A big challenge to this process is connecting different stakeholders. Citizens must know what's in it for them and build trust. Unless sufficient trust is established, silos are hard to be broken. The trust can be built through more transparent fiscal policies including the transparent use of tax-based resources as well as land-based revenue generation.
- Private and commercial investors have a significant role to play as the transition to privately held infrastructure evolves over the coming decades.

7) *Start-up Pitch Session*

This session offered three start-ups from a range of urban-focused sectors to pitch their ideas to the room. Pitches were kept to 4 minutes and offered the chance to discuss how practical business ideas can and have been applied to projects and contexts where UN-Habitat is actively working. Feedback was given on each pitch, and the room was opened to the audience for questions. Presenters included:

<i>Mikael Gånge</i>	-	Co-Founder, Opibus
<i>Biman Liyanagea</i>	-	CEO, Wonder Technology
<i>Arlene Ducao</i>	-	CEO, Multimer

KEY MESSAGES

On the role of UN-Habitat...

- UN-Habitat needs to recognize that there is no singular 'private sector', and that there is a significant diversity of actors in the space of for-profit entities involved in sustainable urban development
- UN-Habitat can work to convene a strong contingent of city leaders which can develop better partnership with businesses
- Businesses requested UN-Habitat to ask the tough questions, holding companies and member states to account. The questions should lead to win-win situations for businesses and cities
- Supporting regulatory and policy environments, UN-Habitat should help inform what can the government can do from a taxation standpoint
- Going beyond supporting the development of enabling frameworks/ environment to supporting the identification and development of specific bankable projects

On breaking the silos...

- Business should engage better and expand their business with city governments. Concerns over the transparency of information on urban planning and design, mechanisms for private sector engagements, securing a good environment for long-term investment, and how government and private sector can co-create solutions were expressed.
- Businesses identified the need for legislation to support transparency and ease of doing business. While the importance of innovation and technologies was recognized, integrated, cost effective and environmentally sustainable planning and design was considered to be key to linking the vision of city leaders, with the provision of basic services and affordable housing.

On building bridges...

- Emphasis on the importance of clear identification of opportunities for UN-Habitat and other UN entities to co-administer and co-convene projects
- Having a diversified group of partners would be beneficial. UN-Habitat can also bring other actors into the process, such as research and academia. This includes practical solutions such as having small scale training centres to meet the capacity building demand in cities as well as in the peri-city area. A UN-Habitat knowledge repository could be an important source for inspiration and solutions for the business.
- Trust must be built between UNH and private sector partners, and between city government towards business. This can start by identifying common values and purpose.

On partnering for bankability...

- Moving from being a one-time investor to a long-term financier is not a simple process for the private sector. It requires a new way of doing business as well as the new way of governing sustainable development. For example, governments have the



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potential to mitigate the risk investors are taking, e.g. through fiscal policy taxing idle land to reduce speculation and to improve productive land within the city.

- The process of doing business could better support the delivery of the SDGs and the NUA, for example, through inclusive investments and engaging local communities in more active consultation processes. Citizen engagement can make business propositions more attractive and reliable for investors, and can guide long-term engagement.
- Data and information sharing including on good practices, lessons learned etc. contribute importantly to decision making on investment and long-term engagement.

COMMITMENTS & NEXT STEPS

- Businesses agreed to support UN-Habitat's development of approaches to strengthen synergies of cities and businesses towards accelerated implementation of the NUA
- Areas of focus for business engagement:
 - Increased financing for sustainable urbanization
 - Incubate and upscale innovative solutions that are accessible to all
 - Promote global norms and standards in key areas of interest for the business sector
- Development of platforms that respond to the following:
 - Engaging in dialogue with a range of businesses and cities; this includes providing vital platforms for startups to exhibit their innovative work and helping them to accelerate development of their products
 - Convening – bringing together urban actors, including local authorities and business, identifying synergies
 - Supporting enabling environments – planning and legislation that can improve ease of doing business in cities
 - Engaging with academics and practitioners, including architecture and planning companies, to align their work with principles of sustainable urban development, and thus achieve a multiplier effect
 - Supporting the identification and development of bankable projects



Startup Pitching Session featuring: Opibus, Wonder Technology and Multimer. (Photo credit: Cristina de Cárdenas Martinson)