



United Nations Human Settlements Programme

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Policy Statement

By

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- Honourable Ján Ilavský, State Secretary of the Ministry of Environment of the Slovak Republic, and President of the 25th Session of the Governing Council of UN-Habitat
- Hon. Ministers and Heads of Government Delegations,
- Distinguished Members of the Bureau of the 25th Session of the Governing Council of UN-Habitat,
- Permanent Secretaries,
- Your Excellency, Ambassador **Michal Mlynar**, Chairperson of the CPR,
- Distinguished Members of the CPR,
- Your Excellencies, Ambassadors, Permanent Representatives and Members of the Diplomatic Corps,
- Honourable Mayors and Representatives of Local Authorities
- Representatives of other Habitat Agenda Partners, including Professional Organizations, the Private Sector and Civil Society.
- Distinguished Delegates,
- Members of the Media,
- Colleagues, Ladies and Gentlemen

1. I would like to start by extending my **congratulations to the new Governing Council President and Bureau** for your well-deserved election. You are assuming leadership of the Governing Council at a critical juncture, as this is the last session of the Council before the Habitat III conference, to be held in October 2016.
2. I would also like to **thank the outgoing Bureau and President** for their contributions to the advancement of the Habitat Agenda and for steering us through the last two years.
3. In this policy statement, I would like to share with you the **strategic direction of UN-Habitat's work**, and how this sits in the global themes and challenges of our age.
4. We meet at a time of unprecedented international dialogue, including on the post-2015 development agenda and sustainable development goals and on climate change. This is also the direction that forms the organization's contribution towards the **New Urban Agenda**, the envisaged outcome of the Habitat III Conference.
5. At the core of the strategic direction of UN-Habitat's work is an increasingly accepted new vision of the **role of urbanization in sustainable development**. The rapidly increasing dominance of cities as the habitat of humankind places the process of urbanization among the most significant global trends of the twenty-first century.
6. But urbanization is not simply a demographic phenomenon. It is a broader force which can potentially help the world to overcome some of its major global challenges such as **sustainable development, climate change and the global social agenda**.
7. The positive correlation between urbanization and development has long been established by economic history studies.

Throughout history, urbanization has been, and continues to be, an **engine rather than simply an outcome of development**.

8. At Rio+20, Governments recognized the opportunities offered by urbanization when they stated: “We recognize that, if they are well planned and developed, including through integrated planning and management approaches, cities can promote economically, socially and environmentally sustainable societies. ...” (Paragraph 134 of the Rio+20 outcome document, “The Future We Want”)
9. UN-Habitat’s current strategic direction is based on a view that considers urbanization as a **way of life**, as a process of change from rural to urban ways of living, in physical-spatial, social and economic terms. All over the world, planned urbanization has been the means by which most of the modern socio-economic services, governance models, institutions and infrastructure have been brought to the people, wherever they are.
10. Urbanization can be harnessed and steered through policy, planning and design, regulatory instruments as well as other human actions to contribute towards the three dimensions of sustainable development: **economic, social and environmental**.
11. Moreover, the challenges posed by the current model of urbanization such as **global warming, social segregation and urban poverty** have global ramifications that, if not addressed adequately, could jeopardize chances of achieving sustainable development.
12. The contribution of cities to **national economic growth**, and to economic sustainability in general, is important and is now well understood. Cities presently account for about 70 per cent of the world’s gross domestic product. In spite of the

comparatively weak global economy since the beginning of the latest financial crisis in 2008, many developing countries have witnessed high economic growth rates of over 7 per cent since 2010.

13. Most of this growth is concentrated in towns and cities. At the same time, well-planned **rural human settlements**, small villages and market towns play an important role in providing the physical, social and economic services necessary for rural development. Urban centres of all sizes stimulate rural development by providing markets for agricultural and other primary products.
14. It is for this reason that UN-Habitat strongly advocates for the purposive use of urbanization, by Governments, as an effective instrument and **driver of rural prosperity** as well as general economic development.
15. Poverty reduction and social sustainability of development cannot be achieved without addressing the **basic needs** of the millions of urban dwellers living in **poverty**, such as access to adequate housing, clean drinking water, sanitation, domestic energy and transport, health and education. Although the world has made progress in reducing poverty since 2000, inequality is rising in the cities of both developing and developed countries. We are witnessing a migration from rural poverty to **new urban poverty**.
16. In developing countries, **slums**, which currently accommodate close to 1 billion people, are the physical manifestation of urban poverty and inequality. About 2.5 billion people lack access to safe sanitation and 1.2 billion people lack access to clean drinking water worldwide. Fewer than 35 per cent of the cities in developing countries have their waste water treated.

17. It is therefore evident that achieving socially sustainable development will require serious action to reduce urban poverty and inequality, especially in the light of the increasing concentration of humanity in towns and cities.
18. From the **environmental** sustainability perspective, we now know that cities, mostly in the developed world, contribute up to 70 per cent of the world's total greenhouse gas emissions, largely because industrial production and construction activities are concentrated in urban areas. Equally, with increasing urbanization and concentration of large numbers of people, disaster risk is also increasing within towns and cities.
19. Moreover, many recent studies have shown that urban planning and design, in both developed and developing countries, have generally in the last 50 years followed a very repetitive and similar model of urbanization, that we call the "**International Model**".
20. This model has demonstrated good economic performance, but not addressed the social challenge of equity and cohesion, and has not adequately the global environmental challenge. This has produced sprawling urban areas, many in the form of megacities, hypercities, and large metropolitan regions and urban corridors that are energy inefficient, environmentally unsustainable and, at the end, become economically inefficient.
21. In developing countries, rapid urbanization has resulted in uncontrolled peri-urbanization, most of it informal. It is clear that **this model of urbanization is not adequate** for economic and social prosperity, nor is it sustainable.
22. The New Urban Agenda must therefore address all three pillars of sustainable development by firstly, promoting the economic role of cities in **national development** and recognizing the economic opportunities that they offer; secondly, paying attention to the **basic needs** of the millions of

people living in poverty within towns and cities, including in the urban slums; and finally, addressing global **environmental challenges** such as climate change, unsustainable energy consumption, and the risk of disaster.

23. Over the last few years, UN-Habitat has been refining its approach to implementing its normative and operational work. Within the framework of the six-year **strategic plan for 2014-2019**, and building on the new vision of the role of urbanization in sustainable development, UN-Habitat has adopted a more **strategic and integrated approach** to addressing the challenges and opportunities of twenty-first century cities and human settlements.
24. This is in contrast to past approaches, which often addressed only the symptoms of the problems posed by urbanization in a piecemeal way. The new strategic approach is based on two premises.
25. The first premise is the **positive correlation** between **urbanization and development**, which I have already mentioned. Urbanization can be a powerful tool for transforming production capacities and income levels in developing countries. It can add quite a substantial input to growth of GDP.
26. However, this requires a shift in the mind-sets of policymakers, away from viewing urbanization as a problem towards viewing urbanization as a **tool for development**.
27. The second premise is that the **quality and quantity of urban output** is highly related to the **quality and characteristics of urbanization**. Particularly important are the qualitative design of the urban legislation, the physical plan and the financial urban systems.
28. The expected **positive outcomes** include increased employment, especially among the youth; improved social and

economic integration, diminishing of slums, containment of urban sprawl, increased affordability of housing, containment in the proliferation of the informal sector, more sustainable energy consumption patterns and reduction in the emissions of greenhouse gases.

29. Past approaches tended to address only the **manifestations of the problems** rather than the underlying systemic issues that, once corrected, can produce a substantial improvement.
30. The strategic and integrated approach adopted by UN-Habitat in the implementation of the **new strategic plan for 2014–2019** is therefore more systemic, going beyond addressing only the symptoms of malfunctioning urbanization. It is integrated, rather than sectoral, transformative rather than fragmentary, and links urbanization and human settlements to sustainable development by focusing on prosperity, livelihoods and employment
31. A **three-pronged approach** has been adopted that places emphasis on urban legislation, urban planning and design, and urban economy and municipal finance. These correspond to the first three focus areas of the strategic plan for 2014–2019, and they can be seen as the levers for transforming cities and human settlements into centres of greater environmental, economic and social sustainability. This approach is also referred to as the “**three-legged approach**” in some of the documentation prepared for this session of the Governing Council.
32. A fourth focus area, or sub-programme, **urban basic services**, has also been prioritized, as large numbers of urban dwellers in developing countries still lack access to adequate basic services, especially water and sanitation as well as reliable waste management services, sustainable mobility solutions and safe domestic energy.

33. In the area of **housing**, UN-Habitat is pursuing the right to adequate housing for all through favouring policies that prevent the development of slums. This prevention can only come from a strategic approach to housing.
34. This strategic approach puts '**Housing at the Centre**', both at the centre of the city and at the centre of urban policies. It puts housing at the centre of the city, in order to correct the tendencies of mass housing schemes at the peripheries of the cities, which have demonstrated problems world-wide.
35. To properly address the housing challenge, a new urban strategy is required, which includes **Planned City Extensions**, **Planned City Infills** and adequate housing policies centred on the affordability of housing for all. This is a central part of the urban strategy.
36. Equally, in addressing the **risk reduction strategies** in urban areas, the most effective course of action is to accelerate the improvement of the urban fabric, with the adequate provision of urban common goods, functioning urban infrastructures, including – as a fundamental priority – the adequate provision of **common public space**.
37. The common space is the guarantor of efficient layout of drainage, sewerage, water supply and other basic services. Proper urban design becomes the fundamental basis in the preparedness for disasters. The examples of disasters have demonstrated the correlation between inadequacies in the urban fabric with the number of victims, in places such as Haiti and Chile.
38. The approaches of '**building back better**', or '**rebuilding by design**' will enable UN-Habitat to contribute to the implementation of the recently adopted Sendai Framework for Disaster Risk Reduction 2015-2030.

39. **Gender and youth** are important cross-cutting issues in UN-Habitat's work. Of particular concern is the fact that women continue to be excluded, especially in terms of participation in urban governance as well as access to the benefits of urbanization, including employment, land, housing and basic urban services.
40. In the last few decades or so, **youth unemployment** has emerged as a serious urban challenge in both developing and developed countries, often contributing to political unrest.
41. UN-Habitat ensures that gender and youth are mainstreamed in its normative and operational work through appropriate programming as well as through a monitoring system that uses data disaggregated on the basis of gender and age. UN-Habitat also places emphasis on field projects specifically aimed at improving the lives of urban women and youth and at their empowerment.
42. In implementing its three-pronged approach at the country level, UN-Habitat is strengthening **national ownership** of the urban and human settlements agenda. A key tool for achieving this is the Habitat Country Programme Document (HCPD).
43. The HCPD is a document that contains an agreed programme of urban and human settlement work in the country. It is signed by both the Executive Director of UN-Habitat and the country's government minister in charge of urbanization and human settlements.
44. The HCPD is linked to the country's United Nations Development Assistance Framework and to the **national development plan**. Through this, both national ownership and the delivering as One UN approach are strengthened.
45. As part of strengthening urban legislation and systems of governance, UN-Habitat has also focused on **land in conflict**

prevention and resolution. Throughout history, border disputes, illegal occupation of the territory of one community or of one state by another as well as grievances arising from inequitable access to land resources have frequently led to violent conflicts.

46. Over the years, UN-Habitat, increasingly through its Global Land Tool Network, has developed many pro-poor and gender responsive tools. UN-Habitat has implemented field projects specifically on land and conflict in Kosovo, the Democratic Republic of Congo, Somalia and South Sudan, on the basis of which its approach to this issue has evolved.
47. UN-Habitat's contribution to the New Urban Agenda, the envisaged outcome document of the Habitat III Conference, is informed by its **new strategic approach** that I have just outlined.
48. In UN-Habitat's view, the **New Urban Agenda** should promote sustainable cities and other human settlements that are environmentally sustainable and resilient; socially inclusive, safe and violence-free; economically productive; and better connected to and contributing towards sustained rural transformation.
49. Such a vision should be fully in line with all of the evolving post-2015 **sustainable development goals**, most particularly the proposed goal on sustainable cities and human settlements.
50. The ideas that we are proposing as a contribution to the New Urban Agenda represent a **paradigm shift** towards a new urbanization approach that can better respond to the challenges of our age, optimizing resources to harness future potentials.
51. This new agenda should be universal, rights-based, sectorally and spatially integrative, inclusive, equitable, people-

centred, sustainable and measurable. It should also have the possibility of articulating different scales, from the neighbourhood to the global level, and diverse human settlements, from the rural village and rural service centre, through the small and medium-sized town, to the city and megacity.

52. Universality, human rights, equality, integration and data revolution have emerged from the current consultations on the post-2015 development agenda and sustainable development goals as fundamental principles. These principles should also guide the overall direction of the New Urban Agenda.
53. On the basis of its new strategic direction, UN-Habitat strongly believes that action needs to be taken along the three lines of the three-pronged approach if urbanization is to be transformative, and that these three areas should be at the core of the New Urban Agenda.
54. The first is strengthening **urban legislation** and systems of governance. Laws, institutions and systems of governance in line with states international obligations and bound by the rule of law shape the operational principles as well as the stability of organizational structures and institutional and social relationships that underpin the process of urbanization.
55. The second is developing and implementing national urban policies and reinvigorating **territorial planning and urban design**.
56. **National urban policies** amalgamate the dispersed energy and potential of urban centres within a national system or hierarchy of cities and towns. They help to coordinate the work of different sectors and tiers of government, establish the incentives for more sustainable practices, and provide a basis for the allocation of resources.

57. **New planning methods** and systems can contribute to changing the city's internal structure, form and functionality towards more compact, integrated and connected and sustainable solutions. These can include densification, social diversity and mixed land uses, climate change mitigation and adaptation, sustainable use of natural resources, and adequate public spaces, including vibrant streets.
58. The third is harnessing the urban economy, including strengthening **municipal finance**. In order to create employment, urban areas and regions require strong economic growth strategies such as regeneration, cluster development and industrial zones.
59. Strengthening municipal finance is about realigning fiscal authority, responsibility and **revenue sharing**, and achieving the right balance between different levels of government; designing new financial mechanisms and exploring new sources of capital; improving systems of revenue collection; and improving budget management and transparency.
60. As I have already stated, the major challenges facing cities and human settlements today are an outcome of the inadequacy of these fundamental systems. Addressing these three fundamental areas requires a strategic and integrated approach which is more systemic rather than one which addresses only the symptoms of malfunctioning urbanization; more integrated, rather than sectoral; and transformative rather than fragmentary.
61. Above all, this strategic and integrated approach must link **urbanization to sustainable development**.
62. We believe that concerted action in these three areas will **increase economic productivity** and enhance equitable growth, improve the wellbeing of the population and improve inclusion and accountability in urban governance. We also believe that they will create multiplier effects that spread across space and

through the whole continuum of human settlements, whether rural or urban.

63. But these actions need to be adapted to different circumstances, as there is **no ‘one-size-fits-all’** solution.
64. Habitat III will be the **first UN global conference** to be held after the adoption of the post-2015 sustainable development goals. It will largely focus on how to implement the urbanization dimension of sustainable development and, hopefully, a new climate change agreement.
65. The New Urban Agenda must therefore resonate with the letter and spirit of the post-2015 sustainable development, the climate change discussion and the global social agenda.
66. To ensure this, UN-Habitat has participated in the work of the United Nations System Task Team on the Post-2015 Development Agenda and its Working Group on Indicators. UN-Habitat has also provided inputs on sustainable urbanization to the work of the High-level Panel of Eminent Persons on the Post-2015 Development Agenda.
67. UN-Habitat has worked with Governments at the country level to explain the importance of sustainable urbanization in national development in the context of discussions on the post-2015 development agenda and SDGs.
68. As you may recall, after more than one year of discussion and negotiation, the **Open Working Group** adopted a proposal on post-2015 sustainable development goals and targets in July last year. This includes proposed sustainable development goal 11, which is entitled “**Make cities and human settlements inclusive, safe, resilient and sustainable**”.

69. Urbanization is a clear **source of value**, which is derived from the economies of location, the economies of efficiency and the economies of urbanization. This capacity to generate value is a very big source of potential growth for the national economy, coming with a relatively moderate investment cost.
70. In that sense, it is highly productive to invest in urbanization because it will yield a high return in the national economy. A number of countries have already established urbanization as a development strategy. In the forthcoming of **Financing for Development** in Addis Ababa this July, urban productivity is expected to be one of the topics to be discussed.
71. UN-Habitat has also participated in the processes of the United Nations Framework Convention on **Climate Change**. UN-Habitat was also involved in the Secretary-General's Climate Summit, held in September 2014, where I co-led the "cities" work stream leading up to the Summit.
72. These two events represented a great push forward as member states debate a new climate agreement which hopefully will be adopted in Paris next year.
73. Through the implementation of the Strategic Plan approved in the twenty-fourth session of the Governing Council, UN-Habitat is strengthening its capacity to address strategic issues of urbanization in a more comprehensive manner.
74. The way towards Habitat III is going to be a unique opportunity to increase the awareness and deepen the debate and knowledge about the capacity of urbanization to foster sustainable development. In other words, the capacity of urbanization to address the challenges of poverty, inequality, its contribution to addressing climate change, and also to advance more sustainable forms of consumption and production in the forthcoming years.

75. I would like to conclude by emphasizing that, through the efforts that I have just outlined, and building on its own new strategic direction, UN-Habitat has promoted and continues to promote the recognition of the important contribution of urbanization to sustainable development, to addressing climate change, and to the global social agenda.
76. UN-Habitat is contributing ideas to the New Urban Agenda that are aligned to the emerging global dialogues, especially the post-2015 sustainable development goals and climate change processes.
77. To enhance this work, especially on the normative side, UN-Habitat needs the strong support of member States, in particular through **increased non-earmarked contributions** to the Habitat and Human Settlements Foundation. I would therefore like to invite all member States to review their financial contributions to UN-Habitat, with a view to increasing and stabilizing the organization's non-earmarked income.
78. I wish you very successful deliberations.