



KNOWLEDGE
MONITORING AND RESEARCH

POLICY
COMMITMENT AND ACTION



— **ISSUE PAPERS** —
AND **POLICY UNITS** OF
THE **HABITAT III** CONFERENCE

Nairobi, April 2015
Version 2



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BACKGROUND



BACKGROUND

Habitat III is the United Nations Conference on Housing and Sustainable Urban to be held in October 2016, in Quito, Ecuador. In resolution 66/207, and in line with the bi-decennial cycle (1976, 1996 and 2016), the United Nations General Assembly decided to convene, the Habitat III Conference to reinvigorate the global commitment to sustainable urbanization, to focus on the implementation of a “New Urban Agenda”, building on the Habitat Agenda of Istanbul in 1996.

The objective of the Conference is to secure renewed political commitment for sustainable urban development, assess accomplishments to date, address poverty and identify and address new and emerging challenges. The Conference will result in a concise, focused, forward-looking and actionoriented outcome document.

The Conference will bring together to all Member States and relevant stakeholders, including parliamentarians, civil society organizations, regional and local government and municipality representatives, professionals and researchers, academia, foundations, women and youth groups, trade unions, and the private sector, as well as organizations of the United Nations system and other intergovernmental organizations. Habitat III will be one of the first UN global summits after the adoption of the Post-2015 Sustainable Development Agenda. It offers a unique opportunity to discuss the important challenge of how cities, towns and villages are planned and managed, in order to ensure sustainable development, and hence shape the implementation of new global development and climate change goals.

www.habitat3.org

ISSUE PAPERS and POLICY UNITS

The Habitat III Issue Papers are summary documents that address one or more research areas, highlight general findings, and identify research needs on topics related to housing and sustainable urban development.

The Habitat III Policy Units bring together high-level expertise to explore state-of-the-art research and analysis; identify good practice and lessons learned; and develop independent policy recommendations on particular issues regarding sustainable urban development.



ISSUE PAPERS AND POLICY UNITS MATRIX

THE NEW URBAN AGENDA

AREAS	ISSUE PAPERS	POLICY UNITS
1. Social Cohesion and Equity – Livable Cities	1. Inclusive cities (a.o. Pro-poor, Gender, Youth, Ageing) 2. Migration and refugees in urban areas 3. Safer Cities 4. Urban Culture and Heritage	1. Right to the City and Cities for All 2. Socio-Cultural Urban Framework
2. Urban Frameworks	5. Urban Rules and Legislation 6. Urban Governance 7. Municipal Finance	3. National Urban Policies 4. Urban Governance, Capacity and Institutional Development 5. Municipal Finance and Local Fiscal Systems
3. Spatial Development	8. Urban and Spatial Planning and Design 9. Urban Land 10. Urban-rural linkages 11. Public Space	6. Urban Spatial Strategies: Land Market and Segregation
4. Urban Economy	12. Local Economic Development 13. Jobs and Livelihoods 14. Informal Sector	7. Urban Economic Development Strategies
5. Urban Ecology and Environment	15. Urban Resilience 16. Urban Ecosystems and Resource Management 17. Cities and Climate Change and Disaster Risk Management	8. Urban Ecology and Resilience
6. Urban Housing and Basic Services	18. Urban Infrastructure and Basic Services, including energy 19. Transport and Mobility 20. Housing 21. Smart Cities 22. Informal Settlements	9. Urban Services and Technology 10. Housing Policies

ISSUE PAPERS —————



ISSUE PAPERS

The Issue Papers provides in depth review and analysis of 22 specific issues relevant to the discussions of the Conference. The Issue Papers are the departing point for the work of the Policy Units.

The Issue Papers are prepared by the United Nations Task Team on Habitat III with the

The methodology of elaboration of the Issue Papers is in line with the elaboration of the compendium of issues briefs prepared by the United Nations inter-agency Technical Support Team for the United Nations General Assembly Open Working Group on Sustainable Development Goals.

It is aimed to have Issue Papers of not more than 5 pages, providing a background on each area analyzed, key challenges and recommendations on next steps.

UNITED NATIONS TASK TEAM ON HABITAT III

The General Assembly resolution 67/216 decided that the Habitat III conference and its Preparatory Committee shall be open to members of specialized agencies and of the International Atomic Energy Agency and is calling for the promotion of an inter-agency support to the maximum possible extent.

UN-Habitat Governing Council resolution 24/14 invites the Secretary-General of the Conference to consider establishing an effective United Nations system-wide coordination mechanism so as to enable the effective participation and contributions of United Nations departments, funds and programmes, the regional commissions and specialized agencies, and the international financial institutions, at all stages of the preparatory process and at the Conference itself.

Resolution 68/239 requests to mobilize the expertise of the United Nations system as a whole, including the regional commissions, and of other relevant international, regional and sub-regional organizations, for the Habitat III preparatory process.

Within this context, the Secretary-General of the Habitat III Conference, Dr. Joan Clos, created the United Nations Task Team on Habitat III, an interagency group in which focal points of several United Nations agencies and programmes coordinate system-wide preparations on ongoing efforts towards Habitat III.

The Task Team will benefit from on-going processes and existing platforms, especially related to Post 2015 Development Agenda.

The terms of reference for the Task Team include the **Elaboration of the Habitat III Issue Papers and the Engagement on the Habitat III Policy Units.**

Modus operandi for the Habitat III Issue Papers

The Interagency group identifies the different organizations co-leading each of the issue papers. As a result of the first United Nations Habitat III Task Team meeting in January 2015 and several conversations/meetings/exchanges with UN agencies, a proposal on distribution of issue papers is attached following expressions of interest.

ISSUE PAPERS
UNITED NATIONS TASK TEAM (VERSION 30 MARCH)

AREAS	ISSUE PAPERS	UN TASK TEAM
1. Social Cohesion and Equity – Livable Cities	1. Inclusive cities (a.o. Pro-poor, Gender, Youth, Ageing) 2. Migration and refugees in urban areas 3. Safer Cities 4. Urban Culture and Heritage	1. DESA, UNDP, UNFPA , UN-Habitat, WHO, UNICEF, UNESCO, UN-Women 2. UNHRC , UNITAR, DESA, FAO, UNHabitat, UNFPA 3. UN-Habitat , WHO, UNICEF, UNICRI 4. UNESCO , DESA, UN-Habitat
2. Urban Frameworks	5. Urban Rules and Legislation 6. Urban Governance 7. Municipal Finance	5. UN-Habitat , DESA 6. UNDP, UN-Habitat , DESA, UNFPA, CBD 7. WORLD BANK, UN-Habitat , CBD
3. Spatial Development	8. Urban and Spatial Planning and Design 9. Urban Land 10. Urban-rural linkages 11. Public Space	8. UN-Habitat , UNOPS, CBD, UNESCO 9. UN-Habitat , (FAO), UNEP, CBD 10. UN-Habitat , (FAO), (IFAD), UNEP, UNFPA, CBD 11. UN-Habitat , CBD
4. Urban Economy	12. Local Economic Development 13. Jobs and Livelihoods 14. Informal Sector	12. WORLD BANK, UN-Habitat, (ILO) , DESA, WFP, WTO, CBD, UNESCO 13. UN-Habitat, (ILO) , WFP, UNDP, CBD 14. UN-Habitat, (ILO) , UNDP, WFP
5. Urban Ecology and Environment	15. Urban Resilience 16. Urban Ecosystems and Resource Management 17. Cities and Climate Change and Disaster Risk Management	15. UN-Habitat, UNEP , UNITAR, DESA, WMO, UNICEF, CBD, UNFPA, UNICRI 16. UNEP, CBD , DESA, WHO, UNESCO, UN-Habitat 17. UNDP, UN-Habitat , UNITAR, WMO, WHO, UNOPS, UNEP, CBD, UNFPA, ITU
6. Urban Housing and Basic Services	18. Urban Infrastructure and Basic Services, including energy 19. Transport and Mobility 20. Housing 21. Smart Cities 22. Informal Settlements	18. UNOPS, UN-Habitat , DESA, UNEP, UNFPA, CBD 19. UN-Habitat , DESA, WORLD BANK, UNEP 20. UN-Habitat , UNOPS 21. UN-Habitat, UNDP, ITU , CBD 22. UN-Habitat , UNOPS

CALENDAR OF THE ISSUE PAPERS

// First draft of the Issue Papers: **30 March** 2015.
Around 700 words.

// Second draft of the Issue Papers: **30 April** 2015.
Around 3,000 words.

// Writeshop to finalize the Issue Papers with
the participation of all authors: **27-30 May** 2015 (NY).

// Publication of the Habitat III Issue Papers: **June** 2015.

// On-line thematic discussions around the Issue
Papers open to stakeholders: from **July** 2015.

POLICY UNITS ---



POLICY UNITS

The preparatory process of Habitat III should mobilize all expertise on sustainable urban development which represents various constituent groups and stakeholders, and whose selection is guided by geographical and gender balance, as well as qualitative criteria in terms of contribution to the Habitat III preparatory process.

The Policy Units would:

- // Bring together high-level expertise to explore state-of-the-art research and analysis;
- // Identify good practices and lessons learned; and
- // Develop independent policy recommendations on particular issues regarding sustainable urban development.

The main tasks of the Policy Units are to:

- // Identify the challenges, including the structural and policy constraints, to the New Urban Agenda within the issues discussed by each policy unit;
- // Identify the policy priorities and critical issues for the implementation of the New Urban Agenda within the issues discussed by each policy unit; and
- // Develop action-oriented recommendations for the implementation of the New Urban Agenda.

COMPOSITION OF THE POLICY UNITS

- // A maximum of 20 experts each.
- // Individual experts from a variety of fields, including academia, government, civil society and other regional and international bodies.
- // Panelists are members in their personal capacity, however a wide variety of profiles are sort to ensure representation of all major groups.
- // The United Nations system should also be represented.
- // Regional and gender balance should be ensured.

CALENDAR

It is proposed that Policy Units are formed in May 2015 and they meet three times during the preparatory process in 2015 and 2016, taking advantage of the upcoming sessions of the regional and thematic meetings. Twice will meet physically and once using on-line technology.

LEAD ORGANIZATIONS AND EXPERTS

In order to ensure inclusiveness and participation, a work has started at the UN Task Team on Habitat III to propose, in parallel with the elaboration of the Issue Papers, a number of experts per each area of the policy units and to start building a “Who is who in sustainable urban development” database.

Member States will be also informed about the creation of this database and will be asked to provide names. Lead organizations will be identified among the experts of each area and their capacity on knowledge and policy will be taken into account.

Members of Policy Units will be appointed by the Secretary-General of the Conference in close consultation with the Bureau of the Preparatory Committee.

Member States will be approached to support different policy units.

FUND RAISING AND BUDGET

The cost of the policy units has been calculated in approximately 2.5 Million USD, including travel for two meetings (and one virtual meeting), the Habitat III Secretariat support and travel, the documentation, publication of documents and the technical support for the open consultations. Each Policy Unit would cost 250,000USD. Fundraising among member states and lead organizations would start in March 2015.

ANNEX:
FIRST DRAFT OF ISSUE PAPERS





UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

1 ISSUE PAPER ON INCLUSIVE CITIES

Key words:

benefits of growth, inclusion, equality, social exclusion, marginalized groups, Gini coefficient

Key facts and key figures:

// Cities are often the place of major economic inequalities, compared to the overall country (e.g. Nairobi's Gini coefficient is 0.59¹ vs. Kenya's 0.477)

// 1/3 of urban dwellers in the developing world (863,000,000 people) live in slums.

// The world's largest cities are also often the most unequal.

Summary:

Dynamic cities have contributed significantly to growth in the developing world. However the gains from growth have not been distributed equally, and many cities have high degrees of economic and social exclusion. Economic exclusion is manifested in high rates of inequality; often much higher in cities than in countries overall. Social exclusion disadvantages the poorest and most marginalized; migrants, women, youth, indigenous peoples and minority groups, persons with disabilities and older persons. At the same time, progressive cities are demonstrating innovative ways to strengthen inclusion, which makes cities more stable, prosperous and resilient.

The Issue:

Cities are the engines of growth in the modern world. They are magnets that attract money, ideas and migrants in search of better lives. But the economic dynamism of cities also exacerbates inequalities, as the rewards and benefits of growth are concentrated in the hands of those who have the strongest social and political claim. Around the world cities are usually more unequal than the countries they are found in. The world's largest cities are some of the most unequal,² and cities in rapidly-growing economies such as China, Brazil and India also exhibit widening inequality.

Economic inequality is closely linked with the exclusion of vulnerable groups; slum dwellers, migrant workers, youth, women and older persons, persons with disabilities, indigenous peoples and minority groups. The growth of cities in the developing world is often built on the labour of migrants, but they seldom share fully in the wealth that is created. Exclusion is exacerbated by political systems that do not give equal voice to all urban residents (temporary or permanent), and by social systems that privilege some people according to gender, ethnicity or other affiliations.

Exclusion ultimately degrades the social fabric of cities, generating violence, crime, conflict and a breakdown of social order. Cities lose shared spaces and their sense of common identity, as residents retreat into guarded enclaves and hostile ghettos. City administrations lose the ability and motivation to invest in shared infrastructure and services. Those who have the resources will invest in their own services (electricity, water and waste management), security, schools and hospitals. Those who do not have resources become increasingly deprived and disaffected. The benefits of growth are squandered on walls and guards, criminality and conflict.

Progressive cities around the world recognize that growth cannot be sustained without being inclusive. Cities are demonstrating innovative ways to strengthen inclusion, using social protection programmes, inclusive planning processes and proactive strategies to engage with marginalized groups. Examples include Chinese cities extending maternal delivery services to migrant workers in the 1990's, new generation participatory planning and city management systems such as Chicago's CMAP³ and MetroPulse⁴ and the Urban Strategies for Indigenous Peoples⁵ initiative in Canada.

Key Drivers for Action:

Cities can take a range of actions to enhance inclusion and develop more vibrant and resilient communities. Some examples include:

// Pro-active strategies to engage organizations, representing slum dwellers, migrant workers, youth, women and older persons, persons with disabilities, indigenous peoples and minority groups in urban policy and planning.

// Enhanced monitoring and accountability of local governments, especially related to urban planning and land administration.

// Developing systems of support for unregistered and informal migrants, that do not simply "formalize" the informal sector, including loosening of migration restrictions

// Urban infrastructure, facilities and services for persons with disabilities designed and built following accessibility or inclusive and universal design principles that bear little additional cost.

// Proactive strategies to enhance well-being for older persons including healthcare, accessibility and safety, financial security, and age-friendly features in community life and entertainment.⁶

// Inclusion of young people in decision-making of national and local youth strategies, including education, skills development and employment opportunities.

By incorporating such approaches into their planning and administration, cities can build inclusive, dynamic and sustainable communities that ensure future growth and prosperity.

¹ UN-Habitat (2013). *State of the World's Cities 2012/13* p. 22

² <http://blog.euromonitor.com/2013/03/the-worlds-largest-cities-are-the-most-unequal.html>

³ <https://www.cmap.illinois.gov/>

⁴ <http://www.cmap.illinois.gov/data/metropulse>

⁵ <http://actionplan.gc.ca/en/initiative/urban-aboriginal-strategy>

⁶ WHO (2007). *Global Age friendly Cities: A guide*



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

4 ISSUE PAPER ON URBAN CULTURE AND HERITAGE

Key words:

culture-based regeneration, urban conservation, historical centres, urban landscape, cultural values, cultural diversity, creative economy, social cohesion, density, strategic planning

Key facts and key figures:

// Culture plays an increasing role in the local economy through monetary and non monetary values. International trade of creative products doubled between 2002 and 2011. Culture-based urban regeneration experiences have been multiplying.

// Urban challenges must be addressed through culture-based urban development schemes. The 240 World Heritage Cities and 69 Creative Cities provide “urban laboratories” to include culture in urban strategic planning.

// Threats to urban culture and heritage have significantly increased over the last 20 years, as a result of globalization and urbanization processes.

Issue summary

// Globalization and an unprecedented urban growth bring out new challenges for cities' development. In a context of increased urban density, ensuring equitable access to basic service – housing, sanitation, transportation - is becoming a critical challenge. Urban planning models adopted over the last decades have contributed to urban sprawl, with heavy environmental costs. While cities become hubs for migrations, new types of conflicts emerge and challenge social cohesion and democratic processes.

// This urban crisis calls for a renewed vision of urban development. A new approach aimed at valuing the role of local culture and heritage can help mitigate urban conflicts through recognition of cultural diversity, and fostering urban development models based on more dense cities, with a human scale and an integrated territorial approach.

// Although this contribution of culture to urban development is widely recognized, it has been marginal in international debates on urbanization over the last 40 years. However, advocacy efforts to include culture in the international development agenda conducted by UNESCO since 2010 as part of the discussions on the Post-2015 Sustainable Development Goals, resulted in the inclusion of culture under the “sustainable cities” strategic objective.

// In recent decades, cities from various parts of the world have expressed a growing interest in placing culture at the core of urban development strategies. Municipal authorities are increasingly investing in culture and giving cultural values a key place in territorial development. The conservation of historic centres has been widely promoted to attract cultural tourism and sustain job creation strategies. The global success of World Heritage cities shows the importance of historic and cultural preservation.

// Cultural industries and the creative economy also play a growing role in cities' development and transformation processes. This rapidly developing sector, prompted by innovation, contributes increasingly to the development of the local economy and employment. The diversity of cultural expressions is enhanced as a tool for social cohesion, intercommunity dialogue and appropriation of democratic processes. The expanding UNESCO creative cities network reflects this vitality.

// Innovative practices of culture-based urban regeneration projects are observed throughout the world, notably in slum areas, and result in improved quality of life and urban environment. The emergence of cultural hubs in urban areas is a powerful vector for urban regeneration. Cultural professionals play an increasing role in participative processes relating to urban rehabilitation.

// New concepts and professional practices have emerged over the last decades to integrate heritage preservation and management with territorial planning and development strategies and instruments. Urban conservation is now considered as a dynamic process aimed at enhancing cultural values and managing change.

// International normative tools have evolved to encompass these new concepts. The 1972 World Heritage Convention and the 2011 Recommendation on the Historic Urban Landscape promote an integrated approach to urban heritage conservation. The 2003 Intangible Heritage Convention and 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions provide additional instruments to include cultural expressions and cultural industries into urban development.

// Many challenges must be addressed to enact this culture-based vision on the ground. Historic cities are faced with critical conservation issues (unplanned infrastructure, uncontrolled tourism developments or urban densification...). Globalization also risks marginalization of minority cultural expressions, erosion of local cultural values and the gentrification of historical areas.

// This new culture-based urban model calls for a renewed governance system. National and local legal frameworks must be adapted to include culture in urban planning tools. The knowledge gap on culture and heritage at the urban level must be addressed through wider partnerships with universities to develop indicators, follow-up tools or financial instruments and train urban professionals. Innovative public-private partnerships should be explored and international cooperation agencies shall include this culture-based approach in their development strategies.

Key drivers for action

// Including heritage in territorial planning instruments

// Enhancing culture and heritage to improve urban environment and public space

// Supporting the contribution of culture to local economy

// Valorizing cultural values to build social cohesion and mitigate conflicts

// Improving access to basic services in historic centres.



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

5 ISSUE PAPER ON URBAN RULES AND LEGISLATION

Key words:

law, legislation, rules, equity, accountability, quality, effectiveness, rights, policy, implementation

Key facts and key figures:

// Urban development unfolds over decades and frequently outlives its architects, both literal and metaphorical. Good quality law provides both spatial and temporal predictability in urban development and, through this, contributes to investment and wealth creation.

// Legal systems govern the relationships among, and describe the collective objectives of, people, making urban law particularly significant in a world where 60% of the population is expected to be urban by 2030.

// Good quality law has the power to promote the inclusion of vulnerable groups in the benefits of urbanisation, thereby increasing the value of these benefits for all, contributing to poverty alleviation and promoting social cohesion.

// Informality is, by definition, a question of the relationship of individuals and communities with the law and, in many urban areas, significant proportions of the population are affected by informality in their employment, housing or tenure status.

// Law is the principal means for policy implementation either directly, or indirectly through the establishment of institutional frameworks and fiscal authority.

// Law is the means by which rights are entrenched. It is also the framework by which institutions adopt the standards they will be governed by and, therefore, be held accountable to.

// The United Nations advocates that legal instruments should be publicly promulgated, equally enforced, independently adjudicated and be consistent with international human rights norms.

// The quality of law is determined by its effectiveness in implementing its intended functions.

Issue summary

// The 'Strategies for Implementation' of the Habitat Agenda included commitments to:

1. Review restrictive, exclusionary and costly legal and regulatory processes, planning systems, standards and development regulations;

2. Adopt an enabling legal and regulatory framework based on enhanced knowledge, understanding and acceptance of existing practices and land delivery mechanisms so as to stimulate partnerships with the private business and community sectors;

3. Put into effect institutional and legal frameworks that facilitate and enable the broad based participation of all people and their community organizations in decision-making of human settlement strategies, policies and programmes.

// The legal community does not widely recognise urban law as a field and its content is mostly driven by thematic experts, such as planning or service provision, rather than law.

// The review of laws and rules has had mixed success, with the dominant models for the principal elements of urban law substantially the same as they were twenty, and even forty, years ago.

// The number of innovative, locally relevant legal frameworks in fields such as physical planning and development control remains remarkably low, particularly in the context of the needs of intermediary cities and towns.

// Law that is locally relevant and enforceable in its context has the potential to harness the transformative potential of urbanisation. Urban legal frameworks are dominated by aspirational technical considerations and not sufficiently informed by local needs and capacity.

// The development of urban law continues to be under-resourced, particularly in terms of time. Laws with transformational impact should not be written and approved in days.

// The broad based participation of all people and their community organizations in decision-making of human settlement strategies, policies and programmes remains a challenge. There is a continuing need for legal frameworks to recognise the need for access by different audiences; at least including the judiciary, legislature and the public (with the public being those who might reasonably be affected including specialists and non-specialists).

// Accountability is fundamental to meaningful participation in decision-making.

// There is increasing recognition of the plural nature of urban legal frameworks and of the role of these pluralistic systems in promoting inclusion and opportunity for the most vulnerable.

// When the Habitat Agenda was adopted, the role of law in development was seen as a formalistic tool to bring about development and development meant economic growth as the principal tool to fight poverty. There was a strong emphasis on deregulation and subordination of issues of equity and social development to the overarching goal of rapid economic growth.

// Physical planning, development control and infrastructure investment are all closely linked to law and policy on property rights and the extent to which rights may be exercised independently and regulated in the public interest.

// Legal instruments have largely failed to maintain and ensure access to adequate public space, leading to its proportional reduction and to increasing limits on access through privatisation.

// The supply mechanisms for urbanised land have not been able to keep pace with the urban growth. Regulatory constraints on land supply, such as poor land allocation practices and arbitrary or discretionary normative regulations (densities, FARs, plots sizes), have limited urban productivity and the supply of affordable housing.

// The international transfer of 'best practice' remains the prevalent approach in developing urban law, often failing to reflect local practice and culture.

Key drivers for action

// Recognition that functional effectiveness and implementation are primary objectives and are significantly inherent in the instrument itself.

// The functional effectiveness of legal instruments depends upon a series of elements, chief among which are: clear and coherent policy and legislative instructions, the efficiency of the mechanisms proposed and the quality of the text of the instrument.

// A focus on essential law, i.e. the minimum set of instruments and tools to deliver the most important elements of a legal framework with an emphasis on the needs of intermediate towns and cities. For intermediate towns and cities, priority must be placed on the main urban design elements that can reasonably be achieved and that will have the maximum impact on social outcomes and livelihoods. Rights and the protection of vulnerable groups must be central to assessments of impact.

// Local and regional law making and legislative interpretation powers significantly influence the implementation of policy on the ground and appropriate balances between accountability and discretion must be achieved.

// A range of locally empowering municipal finance tools should be identified and explicitly provided for.



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

6 ISSUE PAPER ON URBAN GOVERNANCE

Key words:

institutional dialogue, efficiency, innovation, local government, citizen's participation, inclusion, subsidiarity, accountability, local capacity

Key facts and key figures:

// The importance of effective governance has increased importance in global declarations as Rio+20, Habitat II and the recent negotiations on post 2015.

// The accelerated pace of urbanization calls for renewed decision-making, citizens need rapid and flexible responses to face urban challenges and solve daily needs, institutions, private sector and civil society need to find new understanding and work together in a more efficient way.

// Unfortunately in many cities, large sections of the urban population that cannot access the formal political system. Cities have become places of raising inequality, and these situations often degenerate into conflict, especially in fragile contexts. At the same time, cities are places for innovation where 70/80% of the world's gross domestic product and new job creation happens.

// Governing without the citizen has become nearly impossible. The new transformative urban agenda needs to include all relevant stakeholders, with special reference to the essential role of private sector. But no effective governance can take place without a strong and capable leadership from the public sector. In many parts of the world, the informal provision of basic services and the tax evasion produced by the informal economy keep being one of the major threats to good governance. Corruption at local level constitutes the other big scourge of the urbanising world.

// Local and regional governments are necessary partners for the definition, implementation and monitoring of the New urban agenda.

// The metropolitan dimension is becoming increasingly relevant. Cities are more interdependent with their surrounding settlements, but they are trapped into old administrative structures and legislative frameworks.

Issue summary

Knowledge

// Urban governance is the software that enables the urban hardware to function. The new forms of urban governance allow new avenues for political organization, social participation and the expression of cultural diversity to influence decision-making outside of traditional electoral representation systems. They require the creation of effective local platforms that allow for genuine and efficient collaboration between different levels of government and interest groups. The city thus requires adequate legal frameworks, efficient policies, managerial and administrative processes, and mechanisms to adapt and respond to the citizen's needs.

// Unfortunately, many countries are lagging in basic requirements of decentralization. Responsibilities assigned to municipalities are overly dependent on central resource transfers. Local governments need to strengthen their capacities to mobilize local resources; a more productive and diversified set of local taxes and sound budget management.

// Local and regional governments draw their mandate from their local democratic accountability and from the fact that they work close to their communities on a daily basis. Cities offer the greatest potential for the development of inclusive institutions for managing political conflict and creating new forms of political representation through civil society actors, operating within participatory governance mechanisms.

// Globally, women are grossly underrepresented in mayoral positions and local governance institutions. When women are represented in decision-making positions, the priorities of families, ethnic and racial minorities and the poorest are scaled-up.

Policy

// Interdependence amongst all spheres of governments is today stronger than ever. Managing urbanization requires a multi-sectorial and multilevel process, both vertically (between cities, regions and national governments) and horizontally (between local governments and non-state actors).

// There is no solution to fit all cases, but the assignment of responsibilities must be followed by allocation of the adequate human and financial resources.

// Effective territorial governance fosters cohesion, economic development and environmental sustainability. Enhanced accountability mechanisms (performance monitoring, transparent budgets, adequate public asset management and the acceptance of public responsibilities and mistakes) have become central to sound municipal and metropolitan governance.

Operations

// Urban governance is conditioned by the improvement of local leadership, human resources, and technical and management capacities of local and regional governments.

// Data gathering and made readily available to support local planning and monitoring of urban development is more necessary than ever.

// Appropriate support should be given to local governments to improve universal access to basic services and reduce poverty and exclusion in collaboration with civil society, particularly in marginalized neighborhoods and slums in developing countries.

Engagement

// Continuous and structured dialogue, meaningful consultations local institutions and non-state actors have demonstrated their impact.

// Sound urban governance is gender sensitive and requires the inclusion and participation of youth and minorities.

// Local governments and their associations are key partners of the new urban agenda.

// Public administrations have to take into account the emerging and steady proliferation of social media and smart urban management technologies that can be an opportunity to promote democratic public choice making.

Key drivers for action

// Competence and resources: Strong, capable and enabled municipality -adequate organizational and institutional structures, financing systems and procedures to manage public resources to support sustainable urban development.

// Multi-level governance (both vertical and horizontal): effective decentralized framework and collaborative relations between different levels of government.

// Territorial approach: metropolitan governance, coordination mechanisms, stronger support to middle-size cities and urban-rural collaboration.

// Active citizenship: transparency and participation. Use of SMART technologies for innovative public management and accountability.

The New Urban Agenda won't work unless "all relevant stakeholders, under a strong leadership of the local government, will join their forces and establish permanent structures of dialogue to make sure cities are places of opportunity for all".



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

7 ISSUE PAPER ON MUNICIPAL FINANCE

Key words:

revenue enhancement, financial management, transfers, decentralization, taxes, cadastral system, basic infrastructure, services, local assets, transparency, accountability

Key facts and key figures:

// Globalization continues at fast pace, but localization, the process whereby subnational governments have greater responsibility to provide infrastructure and services, is also increasing. Further, while globalization has been rapid, its rate has been growing even faster and today there more than 4000 cities with population over 150,000, of which some 500 have over one million inhabitants.¹

// Despite their economic importance, cities are starved of development resources. In many countries local taxes and other revenue sources could be a major source of development finance but subnational governments are not allowed to expand their revenue base. In Developing countries subnational taxes are 2.3% of GDP, whereas in industrial countries is 6.4% (Bahl based on IMF data).²

// Local governments are under pressure to do more with less. In many cases, municipal functions are becoming increasingly complex, encompassing issues of employment generation, social inclusion, and climate change. So, they have to be creative about finding sources of revenues and judicious in rationalizing their expenditures. Most cities in the developing world still rely heavily on transfers and grants and a great deal of effort is being placed to reduce this dependency on central government. The structure of local revenues show that property tax is potentially a good source of local revenues but, in most developing countries, unlike in countries such as the UK, US, Canada, Australia, France where it represents about 40 to 50% of local revenues, property tax only represents less than 3 to 4% of local revenues in most developing cities.³

// Nevertheless, local governments are learning to deliver services more effectively with better public financial management when they are given more responsibility and autonomy. A World Bank study covering 190 projects involving 3000 municipal development investments concluded that they resulted in better access to services, for example water and clinics, and increase in the scope of services.⁴

// There are important opportunities for local governments to leverage their own resources – with the support of national government and the international community. Local governments in developing countries rarely use alternative sources of funding such as those

available from private sector, among others, in the form of loans from commercial banks or public private partnerships. Only 4% of 500 cities in low income countries have access to international markets.⁵ Many local governments are a long way from credit worthiness and do need to go through the unglamorous steps of keeping their books in order before entering the world of lending. There is such a thing as a bad loan and there is such a thing as a bad project.

Summary

// Central and subnational governments recognize that cities need a sustainable flow of resources and necessary conditions to unlock endogenous financial resources to achieve sustainable urbanisation. // Effective financing mechanisms operating within a strong legal and institutional framework are needed to cater for urban expansion and to provide better services in existing urban areas.

// Governments are more clearly defining the responsibilities of subnational authorities for the delivery of urban infrastructure and services and better structuring transfers and mandates for local revenue generation to better accord with, and encourage efficiency in, operational expenses and capital investment plans.

// Land based financing is becoming a major potential source of revenues, but it needs appropriate institutional arrangements, to be effective. Central and subnational governments can work together on enhancing the potential sources of finance through such mechanisms as municipal development banks or municipal development corporations as appropriate to the financing needs of cities for their infrastructure. // The technical capacity for planning, accessing and administering the range of financing instruments is a major challenge for smaller municipalities, so capacity building programs, that provide the basis of effective financial management, can make a big difference and produce rapid results.

// For smaller local governments, more structured programs encouraging the more efficient management of local revenues and expenses, and supplying tailored finance for infrastructure, may be more effective. And for larger cities there is a need to diversify sources of finance, encouraging them to tap the capital markets and to involve the private sector through mechanisms as bond issuance (requiring credit ratings), credit from commercial banks and Public Private Partnerships.

// Subnational governments should improve transparency providing easily accessible public data on provision of infrastructure and services, and link those expenditures to an increased taxes/fees collection. Efficient use of public funds is a key concern. It is essential that local governments be able to report their financial situation in a transparent and accountable manner to (a) their Ministries of Finances; (b) their citizens, (c) their financial partners. The World Bank has been working on a Self-Assessment tool (MFSA) which aims to do just that.

Way forward:*Key drivers for action*

// Governance – Clarify responsibilities for, and build institutions to deliver infra/services among different levels of government in an efficient, transparent and accountable manner.

// Expanding endogenous resources – provide opportunities and incentives for increasing the resource base and for assess of local government to the capital markets

// Strengthen financial management – encourage more effective management by subnational governments of local revenues and expenditures, and of their assets

// Urban infrastructure finance – Expand sources of, and instruments for, financing for capital investments and the recovery of costs from the beneficiaries of such investments.

¹ UNDESA (2011). *Population Distribution, Urbanisation, Internal Migration and Development*. <http://www.un.org/esa/population/publications/PopDistribUrbanization/PopulationDistributionUrbanization.pdf>

² Bird & Bahl (2008). *Subnational Taxes in Developing Countries: The Way Forward*. Institute for International Business, Working Paper Series IIB Paper No. 16.

³ Farvaque & Kopanyi, Editors (2014). *Municipal Finances: A Handbook for Local Governments*. World Bank.

⁴ World Bank (2009). *Improving Municipal Management for Cities to Succeed*. http://siteresources.worldbank.org/EXTMMNGT/Resources/Municipal_eval.pdf

⁵ World Bank (2013). *Planning and Financing Low-Carbon, Livable Cities*.



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

8 ISSUE PAPER ON URBAN AND SPATIAL PLANNING AND DESIGN

Key words:

system of cities, sprawl, urban transformation, public spaces, mobility, connectivity, cultural heritage, resilience, integration, agglomeration, public participation

Key facts and key figures:

// In 2015 the 'Global Risk Landscape' by the World Economic Forum identified urban planning failures as a distinct risk factor. The significance of this risk is underlined by the fact that in 2012, more than 60% of the area projected to be urban in 2030 was yet to be built.¹

// Inadequate spatial planning and poor implementation has increased segregation, leaving approximately one quarter of the world's population living in slum conditions and producing a global increase in gated communities.

// Rapid urbanization and car-centric development have created sprawling city regions. In developing countries an average of 6 out of 7 cities experienced density decline,² while in higher income cities, a doubling of income per capita equated to a 40% decline in average density.³ Densification processes without proper planning has resulted in a deficiency of services and public spaces, threatened cultural heritage and compromised urban identity.

// Improved urban form and connectivity facilitates mobility, economies of agglomeration and reduces greenhouse gas emissions. As an indicator, in developing countries land allocated to streets is low, varying between 6-12%, compared to cities in developed countries which average is 29%.⁴ In informal areas the proportion is even lower.⁵

// In the past decade, urban and spatial planning gained an upsurge in international interest, with the presentation of the principles of New Urban Planning at the third World Urban Forum in Vancouver in 2006 marking a key milestone.

// If well planned, cities are efficient and valuable instruments for economic growth and opportunity. They already generate 80% of the global GDP with the wealthiest 100 cities generating 35% of global GDP.⁶

// The discipline of urban and spatial planning is underrepresented in many developing areas, with 0.97 accredited planners per 100,000 people in African countries and 0.23 in India. This is compared to 37.63 in the United Kingdom and 12.77 in the United States.⁷

Issue Summary

Knowledge

// Knowledge gaps exist in urbanization and spatial dynamics (eg. sprawl, metropolization, intermediate cities) and planning curricular and instruments have not evolved sufficiently to address the challenges associated with the different contexts and levels of development.

// National and local urban observatories have gained traction worldwide

but as yet, there is a limited understanding of their influence on planning policies.

// Advances in Information and Communications Technology, such as GIS and satellite imaging, have enabled easy and affordable collection of, and access to spatial data, strengthening the basis for urban policies.
// The emergence of economic geography as a discipline could contribute to reasserting the inherent spatial dimension of economic policy making.⁸

Policy

// Urban extensions and transformation need to be guided by well-designed plans. Strategies and policies which did not address compactness, connectivity and integration of cities have produced unsustainable urban patterns and dysfunctional systems of cities.

// Many countries have initiated a review and revision of their planning legislation and regulation, although obsolete and inadequate planning legislation is still in place in many contexts.

// Successful urban planning experiences integrate design with legal and finance instruments and can capture and share the value created by spatial decisions.

// Integration of plans across sectors and the multi-scale continuum of planning are crucial to achieve territorial prosperity, resilience and cohesion while mitigating the use of land, energy and natural resources.

// Local and context-driven planning models, based on socio-environmental values and integrated territorial approaches are a precondition for a better quality of life and to respect cultural heritage, identity and diversity.⁹

// Strategic planning has been widely adopted and has introduced important innovations but it has not put enough emphasis on spatial aspects which has resulted in a dichotomy between spatial and economic/political decisions.

// Incorporating green infrastructure and eco-system based urban and territorial responses into the early stages of planning has resulted in more climate adaptive and resilient environments and services.¹⁰

Engagement

// Planning is an inherently public function whose outcomes have been strengthened by broad engagement at formulation and implementation stages.

// Good planning provides a level playing field for stakeholders and strengthens transparency and accountability. It has contributed to the prevention of informal and speculative urban developments that endanger the natural environment and displace low-income and vulnerable groups.

// Partnerships have contributed to the continuity of long-term urban and spatial planning objectives, particularly in times of political change or short-term impediments. Institutionalization of initiatives is also needed.

// Public participation has contributed to improved planning outcomes by addressing the distinct needs of various groups. Worldwide, the use of participation has grown incrementally for the past two decades.

// Cities, particularly in the developing world, generally lack the capacity to deal and negotiate with the private sector, which has resulted in fragmented development and segregated territories.

Operations

// Urban and spatial plans need to be fit-for-purpose. Plans that are too comprehensive, take too long to prepare or those which lack a phase-based approach have resulted in a limited incidence of implementation

// Planning approaches that are able to guide and leverage informal and formal development dynamics are needed.

// Successful implementation combines planning and design with financial mechanisms that are supported by appropriate rules and regulations.

// Significant gaps exist between development plans, infrastructure plans and investment particularly in intermediate cities. These gaps could be effectively bridged with stronger emphasis on feasibility as part of plans formulation and pre-implementation.

// Institutional arrangements should be aligned with urbanization dynamics and spatial realities to enable effective responses at scale. As urban footprints often go beyond administrative boundaries, specific attention should be given to metropolitan and regional institutions for land-use planning.

Key drivers for action

// Promoting a new generation of National Urban Policies that reasserts the spatial dimension in policy-making.

// Planning at scale ensuring regional integration and cohesion.

// Securing adequate land for street connectivity, public spaces, services and public facilities provision.

// Integrating land-use plans with infrastructure and basic services development from the outset.

// Making room for Planned City Extensions while promoting appropriate urban infills/densification.

// Planning for the reintegration and development of informal areas.

¹ UN-Habitat (2012a). *State of World Cities*

² Ibid

³ Lincoln Land Institute

⁴ UN-Habitat (2013d). *Planning and Design for Sustainable Urban Mobility – Global Report on Human Settlements*

⁵ See Issue Paper n.11 on *Public Space*

⁶ UN-Habitat (2013c). *The Economic Role of Cities*

⁷ UN-Habitat & African Planning Association (2013). *The State of Planning in Africa*

⁸ World Bank (2009). *World Development Report, Reshaping Economic Geography*

⁹ United Nations (2015). *Draft International Guidelines on Urban and Territorial Planning*

¹⁰ UN-Habitat (2012). *Urban Patterns for a Green Economy, Working with Nature*

UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

9 ISSUE PAPER ON URBAN LAND

Key words:

tenure security, access to land, slums, inclusive cities, food security, gender, urban-rural linkages, housing, informal settlements, land administration, global population growth, loss of land base

Key facts and key figures:

// In the 12 years from 1999 to 2011, the global population increased by 1 billion reaching 7 billion in 2011, leading to demands for land for food and bio-fuel production, and resulting in the displacement of the poor and vulnerable.

// In the 20 years from 1995 to 2015, the urban population increased by 1.4 billion from 2.5 billion to 3.9 billion. In 2000, estimates for urban terrestrial land surface ranged from 0.2% to 2.4% of the global terrestrial surface. 5 million new urban residents per month in the developing world and 93% of urbanization is happening in developing countries. This growth in urban footprint has massive land delivery and management implications.

// There are three main urbanization drivers: rural to urban migration (25%); natural population increase; and reclassification of land into urban land.

// Urban expansion is happening faster than proper planning and infrastructure installations are done resulting in unplanned settlements, diminished public spaces, and housing markets that are overburdened leading to congestion.

// In many countries, land-related conflicts account for over 80% of court cases. Conventional land administration approaches are not able to cope with services demands with estimates of 70% of land ownership units are not formally registered in developing world. Systematic registration or land titling initiatives usually focus on urban areas where land value and taxes are perceived as foundations for sustainability.

Issue Summary

// In developing countries, rapid urbanization is often associated with increase in tenure insecurity particularly for people living in slums, and peri-urban areas.

// Secure tenure is foundational to improving housing and living conditions for marginalised groups.

// In some regions, urban sprawl on cheap land results from lack of integrated, proactive and inclusive urban planning and implementation. Integrated approaches that are cognisant of the importance of land in fostering rural-urban linkages would enhance managing land and resources in and around towns and cities to sustain the needs of both urban and rural people.

// As the pace of urbanization accelerates and more investment flows into cities through land markets, it is important to consider the implications for rural-urban migration and the level of investments flowing into

rural areas. Problems and inequalities will only increase if there is no balance in investments into cities and their surrounding areas.

// In many cases local authorities' respond by eviction of settlers without any alternatives offered; some governments misinterpreted the slogan on "cities without slums" to perpetuate inhumane evictions.

// Incidences of evictions have been countered by increasing advocacy and communities' awareness of their rights and obligations, as well as successful litigation where the evictions were in violation of national or international law. Informal settlement upgrading and other alternative development initiatives have used participatory and inclusive approaches where the communities contribute to the solutions.

// Where properly functioning, fit-for-purpose land administration systems support tenure security improvement, urban planning, service delivery, agricultural development, environmental management, city management, land taxation and land management.

// At least 70% and more of the land ownership units in many countries are not formally registered. Properly land administration systems support tenure security improvement, urban planning, service delivery, agricultural development, environmental management, city management, land taxation and land management. This calls for a move towards pluralistic and inclusive policies and frameworks that are equitable and include women, girls and marginalised groups and people living in the rural areas connected to urban centres.

// GLTN tools and approaches such as participatory enumerations, gender evaluation criteria, the social tenure domain model, the continuum of land rights, and others are supporting governments to respond to these challenges.

Key drivers for action

// Secure tenure rights of people and communities as a means to achieving sustainable urban development. Doing so will necessitate a broader approach to urban land development and solutions that consider partnership-based collaborative community driven approaches, the importance of public policy and more comprehensive interventions.

// Encourage planned urbanization to avoid urban sprawl, reduce the unsustainable consumption of land-use impact and land-related conflicts.

// Combat corruption and land-grabs by adopting and implementing sound land governance approaches and an institutional framework for judicious implementation of the rule of law.

// Encourage equity in urban land use.

// Enact policies that support plurality of tenures and continuum of land rights to enhance tenure security for the urban poor and human dignity for all.

// Develop viable alternatives to forced eviction including participatory and inclusive land readjustment and slum upgrading.

// Ensure that relocation is done in accordance with national and international law.

// Encourage land tools and solutions that are fit for the purpose and provide incremental improvement of land tenure security for urban poor.

// Implement equitable land taxation where the land poor can benefit through the cost-effective release of land for human settlement.

// Incorporate the priorities, needs, and experiences of citizens and communities, especially for women, the poor, and other vulnerable groups. In turn, development must be owned by the communities themselves.

// Integrate conservation or restoration of ecosystems as a component into urban land considerations, including in the upgrading of slums, to support the provision of ecosystem services to all urban communities.

// Respect the rights of smallholders and rural producers based in areas directly connected to urban centres and their hinterlands in the development and implementation of urban land use strategies.

// Support land policy that protect land and property rights for all.



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

10 ISSUE PAPER ON URBAN-RURAL LINKAGES

Key words:

rural and urban poverty, nexus, market towns, spatial development, regional planning, rural urbanization, continuum of settlements, jobs and livelihoods, transport and mobility, climate change, mobility, migration and refugees, inclusive cities, urban land, food systems, partnership, peri-urban, urban sprawl, land fragmentation, national urban policies, green infrastructure

Key facts and key figures:

// The proportion of urban population to total population stood at 16% in the 19th century; in 1996 it was 46%. Currently more than 50% of the world's population lives in cities and large towns and this figure is projected to rise to 66% by 2050. At the same time a significant proportion of the world's population - some 35-40% - will continue to live in rural areas. Small and medium sized towns will often provide a bridge between rural dwellers and urban centers, markets and services.

// Currently, large cities account for only 13% of the World's urban population and almost half live in cities and towns of less than 500,000 inhabitants. Of the estimated 4,000 cities with a population in excess of 100,000, more than half - 2,400 - have fewer than 500,000 inhabitants. As such, the boundaries between urban and rural are becoming less clear, particularly with increased peri-urbanization and greater mobility and linkages between the urban and rural.

// It is estimated that smallholder farmers produce 80% of the food consumed in developing countries.

// Cities and towns over 100,000 will extend outwards by 175 percent by 2030¹ which will have a major impact on their rural surroundings.

// Urbanization is a process that can take many different forms depending on context, drivers, and policy choices. Among other things, it is a process that profoundly reshapes urban and rural areas and their economies, in ways that can be positive or negative for inclusive and sustainable development.

// According to the Multidimensional Poverty Index (MPI) 2014, 85% of poor people live in rural areas. By income levels, 78% of the extreme poor (living below USD1.25 a day) live in rural areas (WB 2015 calculations).

// Urban centers depend on rural areas and the rural sector for a range of goods and services, notably food, clean water, environmental services, raw materials among others. Rural areas in turn typically depend on urban areas for access to services, employment opportunities, and markets. Urban-rural linkages can thus cover a range of complementary functions and flows of people, capital, goods, employment, information and technology between rural and urban areas.

// Smallholders and rural people especially in peri-urban areas and in rural hinterlands continue to provide essential agricultural products, food, and labor to urban centers. Sustainable urbanization and inclusive rural development depend on strong linkages between cities and rural communities.

Issue Summary

// Urbanization is reshaping urban and rural societies and economies and the connections between them, in ways that critically impact on the attainment of inclusive and sustainable development. With the increasing urbanizing world, there is renewed interest to ensure complementary and mutually reinforcing development across rural, peri-urban and urban areas, as an integral part of both the Post 2015 Development Agenda and the New Urban Agenda.

// The interdependencies between urban and rural areas, their flows and functions are further asserted through the economic dynamics, social links and environmental synergies that occur across the urban-rural nexus or continuum. These interdependencies include access to food, ecosystem services, social services, transport, employment and markets. Although the specific context and priorities may differ, these flows, interdependencies and synergies are a reality in both developing and developed countries.

// Urban and rural development have different, though equally important, sectoral focuses and benefits. Given global economic transitions to secondary and tertiary sectors, urban areas tend to draw most domestic and international resources (public and private). This uneven spatial development is the crux of why strong urban-rural linkages are so essential, in evening out access to resources, services and livelihood opportunities, and equally distributing the economic and other benefits long observed in the urbanization process. Balanced outcomes across space, and across urban and rural areas, are a vital objective of sustainable development that leaves no one behind, and should also include ensuring strong investment in rural areas.

// The need for territorial planning is underlined by the negative impact of the unregulated expansion of urban development (loss of the most valuable agricultural land) on peri-urban land use and related resources (water, land and forests).

// Urban-rural linkages represent transformative potential for universal sustainable human development. **Knowledge** generation and management shall ensure that there is enhanced understanding on how functions and flows operate. It will also be essential to ensure sufficient documentation and dissemination of inspiring experiences, tools, practices and strategies in urban-rural linkages in collaboration with research institutions, academia, civil society, rural people and their organizations and governments at all levels. Further, there is an urgent need to identify knowledge gaps especially in relation to current challenges such as climate change, disaster resilience, food security and nutrition.

// In addition it is important to develop **guiding principles and indicators** to assess trends in relation to rural – urban interactions. Tools and frameworks shall be oriented to creating effective and inclusive links throughout the territory that support and address the issues such as infrastructure and services, food security and nutrition, energy, migration, capital, goods, employment, information and technology between rural and urban territories of various sizes including metropolitan regions, networks of small- and medium-sized cities, sparsely populated areas and market towns.

// **Policy** interventions have been characterized by sectoral approaches by agencies or governments depending on their mandates. Different

government ministries have been mandated to deal with specific urban or rural issues creating a dichotomy, and sometimes competition between sectors, rather than an integrated and complementary approach. There has also been limited effort to develop legislative frameworks to strengthen urban-rural linkages and to ensure they serve an agenda of balanced sustainable and inclusive development. In addition cross-cutting synergies have also not been operationalized and actors have largely been implementing various thematic issues relating to urban-rural linkages.

// Urban-rural linkages ties together a broad range of themes and an equally broad range of actors across the territory. It is imperative to establish partnership of **engagement** at various scales (global, national, regional/ metropolitan and local) and on various urban-rural issues should be developed to enhance urban-rural linkages within the respective mandate of all partners involved, thus complementing expertise, efforts and interventions. There is a need for an effective partnership and networking within and across government at all levels, international agencies, research and academia, civil society and the private sector among others. It is essential to map out actors, their assets and gaps in knowledge, tools, policy and other means of implementation, and to strengthen the capacity of actors to address the gaps between urban and rural areas is also required.

Key drivers for action

// Focusing on territorial and spatial planning at city-region scale for balanced and inclusive urban and rural development including strengthening the capacity of small and intermediate cities to attract and manage

// Ensuring a sustainable future for cities requires urban forestry, urban agriculture, horticulture, gardens and parks, bioengineering, bio filters, phytoremediation, and other disciplines to be strategically integrated. Green infrastructure (GI) can provide the unifying framework for creating a continuum between the green elements of rural and urban landscapes.

// Improving transportation networks between urban and rural areas to allow rural residents to benefit from access to quality public services, which tend to be concentrated in urban areas due to population density and economies of scale.

// Protecting of high value ecosystems while promoting the spatial flows through regional planning that establish connections between urban areas and their rural hinterlands and ensures complementarity between them, while encouraging overlapping spatial flows and hence break down false dichotomies and strengthen urban-rural linkages and connectivity.

// Reducing environmental impacts through protection of ecosystem in the urban-rural spheres especially in reducing air and land pollution, protection of forests, water and watersheds, land fragmentation, ecosystems and biodiversity. Also use planned city extensions, low-carbon and smart cities, among the strategies to promote density and compact human settlements as well as to reduce per capita rates of energy use and emissions and mitigate climate change.

// Strengthening city-region food systems for improved food security and nutrition through inclusion of efficient and accessible markets and distribution system in the city planning, as well as taking into consideration the change of diets in urban populations. Further,

developing control measures to safeguard agricultural land in peri-urban areas from urban sprawl while encouraging sustainable urban agriculture where appropriate, and ensuring that measures are in place to protect or compensate for damage to the livelihoods of rural households and communities living in the proximate and hinterland agricultural areas that may result from urban sprawl, even when these areas are not high-potential. Environmental impact of agriculture on urban space and vice versa must be considered.

// Developing principles, legislative and governance mechanisms to secure land rights, including common property natural resources, and improve inclusive access to markets, finance, services, technologies and decent employment opportunities for rural and urban women and men living in poverty.

// Developing legislative and governance mechanisms and tools to enhance and support urban-rural partnerships such as National Urban Policies, Guidelines on Urban and Territorial Planning.

// Promoting inclusive investment and finance instruments and systems to support both urban and rural areas and reducing disparity in the provision of sustainable infrastructure and services between urban and rural areas, particularly in energy, transport, health, education, water, green spaces and sanitation.

¹ Angel, S. (2012). *City of Planets*



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

12 ISSUE PAPER ON LOCAL ECONOMIC DEVELOPMENT

Key words:

enhancing competitiveness, infrastructure investment, institutional support systems, regulatory issues, partnerships, inclusive development, diversification and resilience, agglomeration economies, negative externalities, business-enabling environment, capacity building and skills development

Key facts and key figures:

// Cities generate more than 80% of the global GDP and house more than 50% of the population the population.¹ In fact, 50% of the World's GDP is produced in only 1.5% of its land.²

// 50% of world GDP is produced by 15% of the world's population, and 54% by countries occupying just 10% of the world's land area (Henderson, Shalizi, & Venables, 2001). Shanghai only 1.9% of population resides in this city but produces 13% of GDP.

// Large cities appear to be more productive. Controlling for skill level of labour force, elasticity of income per capita with respect to city population has been estimated to be between 3% – 8% (Rosenthal & Strange, 2004).

// A city's economic competitiveness depends on the devolution of institutional powers and accountability to the city level, including the ability to tax, plan, legislate, and enforce laws, and elicit public participation in decision-making. A total of 11 out of 20 of the world's most economically competitive cities also rank as having the highest quality institutions in the world.³

Issue Summary

// Rapid urbanization presents a challenge but also a unique opportunity for cities to lift hundreds of millions out of poverty. But effectively managing the rapid change associated with urbanization is not an easy task. And the risks are high, because many of the decisions that city leaders make today may forever lock their cities onto a path of unsustainable development. Policymakers must act now to get this rapidly paced urbanization right.

// When rapid urban growth is not well-managed negative externalities (e.g., congestion, pollution) can limit the benefits from urbanization and overtime impact a city's economic efficiency, as well as its productivity and competitiveness.

// With devolution of powers to local governments, city leaders face increased responsibilities; there is the need to develop local skills and capacity fast, as well as of exploring new mechanisms for funding.

// Due to the complexity of the urban environment and economy, solutions need to be context specific and involve local players at every stage, from planning to implementation.

// By designing mechanisms to manage and mitigate the negative externalities of urban growth, LED can help build up the economic

capacity of a city strengthen its economic potential and improve the quality of life of its residents.

Way forward:

// Use LED to ensure coordinated land use planning and investments to promote economic development.

// Build partnerships between local government, private sector, non-governmental organizations and other local institutions to better coordinate activities at different spatial scales.

// Integrate training, capacity development and education into LED activities to support municipal self-sufficiency and support emerging industries with the right skills.

// Support a business-enabling environment through policy and regulatory reform and effective public investment.

// Directly and proactively address quality of life issues starting with achieving universal coverage of high quality basic services.

// Improve understanding of local variation of economic and poverty indicators for better policy making.

¹ The Economist Intelligence Unit, 2013.

² The World Bank (2008). *World Development Report: Reshaping Economic Geography*. Washington, DC: World Bank.

³ The Economist Intelligence Unit (2013). "Hot spots 2025: Benchmarking the future competitiveness of cities" commissioned by Citi Group.



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

13 ISSUE PAPER ON JOBS AND LIVELIHOODS

Key words:

employment, jobs, productivity, urban share of gdp, urban form, infrastructure, constraints on job growth

Key facts and key figures:

// More than 60% of GDP in all countries comes from urban-based economic activities, with the share reaching 80-90% in developed countries. Some 75% of future GDP growth is expected to come from cities and towns.¹

// There are 201 million unemployed, 1.44 billion workers are in vulnerable employment and 839 million workers are unable to earn enough to lift themselves and their families above the USD2 a day poverty threshold. In the next 15 years 600 million people will need jobs.²

// At 13 per cent, youth unemployment three times the adult rate. Close to one-third of the 15-24 olds in many regions and countries are unemployed.³

// Large shares of urban employment in developing countries are in the informal sector, reaching 80 percent in Mumbai, Accra and many others.⁴

// Businesses face constraints to growth from the lack of reliable infrastructure, credit technology and equipment, and low levels of human capital and training among workers.

// In many cities small size firms have particular challenges. They are constrained by capital and infrastructure. Investing in their own infrastructure services means they cannot grow or expand. Small and medium size enterprises (SMEs) provide two thirds of formal sector jobs in developing countries, and up to 80% in low income countries.⁵ Given their number and share in employment and output, the impact on the economy at large is huge. There is a need to promote clustering to enable SMEs to benefit from economies of scale, increase investment in technology, profits and job creation.

// Employment and decent work have risen high on the international agenda, and are an integral part of the MDGs (MDG1b) and the SDGs as well as response to the global economic and financial crisis (Global Jobs Pact and social protection floor), with strong support from the G20. To enhance these efforts, stronger geographical targeting is needed.

// Improved linkages between urban and rural areas significantly contribute to economic and social development of both areas. There is a positive relationship between adequacy of infrastructure connecting rural and urban areas and ease of mobility, access to jobs and livelihood opportunities and enhancement of urban food security and incomes. Adequate investments in rural-urban infrastructure, particularly

transportation and communication infrastructure, also improves rural productivity and allows better access to markets, jobs and public services in both areas.

Summary

// Lagging job creation in the formal economy reflects lack of infrastructure and a spatial layout that is not conducive to increasing productivity. Investing in infrastructure creates jobs and promotes increased skills among workers, and enhances urban connectivity and productivity in all sectors, reducing unemployment, particularly among youth.

// High levels of informality indicates the problem is not only quantity of jobs but also quality. The working poor are often subject to dirty, difficult and dangerous conditions. It is necessary to improve their working conditions, provide social protection, respect labour rights and promote social dialogue. Urban works can be one integrated way of addressing the quantity and quality of jobs by addressing all of these issues at the same time.

// Reliving constraints to urban job creation is vital for inclusive, sustainable development. The urban economy's share of GDP will determine national growth and development performance. Achieving MDGs and SDGs as well as generating recovery from the global economic crisis ultimately will depend on whether the urban economy is able to generate sufficient jobs and surpluses which can be taxed to finance public expenditures.

// Urban employment needs to be understood at the firm, at city level and at national level.

// At the firm level, research in Bangkok, Jakarta, and Lagos, among others, shows that public infrastructure deficiencies are met by private investment at the firm level, thereby in effect assessing a tax on firms and undermining their profits.⁶ Enhancing use of public private partnerships can expand benefits of investment while reducing barriers to business start ups and growth of existing firms.

// At the city level, poor planning, negative externalities and disconnects between public and private investment result in low agglomeration economies, productivity, investment and job creation. The form of cities and urban transport systems and the quality of infrastructure e.g. roads, bridges, etc to facilitate mobility of people and goods, has major consequences for productivity, investment and creation of decent jobs.

// Though urbanization is acknowledged as a major driving force and phenomena, urban is missing from national economic transformation strategies and sector policies. National economic policies tend to focus on employment in general and do not link jobs to cities and towns. Without good national urban policy or deliberate effort to build the system of cities and towns, opportunities to link industrial estates or export processing zones to urban development remain under exploited.

Way Forward:

// The challenge of urban employment should not be separated from the challenge of developing a new form for cities and towns which would be at higher densities, integrate work and residence, reduce transport costs and share the benefits of urbanization more equitably.

// Urban employment must be at the core of national and local urban policies.

// Sustainable urbanization must take into account the economic, social and environmental pillars of development.

// The creation of productive urban economy should be supported by coherent policies at the city and national levels with a focus on four drivers: good urban form and connectivity; investment in education and skills; investment in housing and infrastructure; and business environment that promotes investment, entrepreneurship and innovation.

¹ World Bank (200). *Reshaping Economic Geography: World Development Report*.

² International Labour Organization (2015). *World Employment Social Outlook: Trends 2015*.

³ International Labour Organization (2014). *World of Work Report 2014 Developing with Jobs*.

⁴ WIEGO reports

⁵ International Labour Organization (2013). *Is small still beautiful*.

⁶ Alex Anas and Kyu Sik Lee, "Costs of Infrastructure Deficiencies for Manufacturing in Nigerian, Indonesian and Thai Cities", *Urban Studies*, November 1999, vol. 36 no. 12, pp. 2135-2149

UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

14 ISSUE PAPER ON THE INFORMAL SECTOR

Key words:

informal sector, unemployment, entrepreneurship, formalization, mainstreaming, inclusive growth, youth, gender equity.

Key facts and key figures:

// The informal economy is the diverse set of economic activities, enterprises, jobs and workers that are not regulated by the state.¹ It is associated with vulnerable employment, poverty and inequality. ILO and the International Conference of Labour Statisticians define the informal sector as “employment and production that takes place in, but not limited to, unincorporated small and/or unregistered enterprises.”

// Informal employment comprises more than half of non-agricultural employment in most regions of the developing world - for example, 82% in South Asia, 66% in Sub-Saharan Africa, 65% in East and Southeast Asia and 51% in Latin America. In the Middle East and North Africa (MENA), informal employment is 45% of non-agricultural employment.^{2,3}

// The informal economy is a significant source of employment. According to data compiled by the French institute DIAL from selected cities in Africa, Asia and Latin America, more than 7 out of every 10 working persons are in the informal economy.⁴ The contribution of the informal economy to the national economy is significant. ILO estimates from 28 countries found that the informal sector's contribution to non-agricultural Gross Value Added (GVA) is 8-20% in transitional economies, 16-34% in Latin America, 17-34% in MENA countries, 46% in India, and 46-62% in West Africa.⁵

// Women are often more likely to work informally than men. The ratios of women to men workers in informal non-agricultural employment are: in South Asia 83% of women compared to 82% of men; in Sub-Saharan Africa 74% to 61%; in Latin America and the Caribbean 54% to 48%, and in urban China 36% to 30% respectively. Only in the MENA countries is the balance reversed (35% of women to 47% of men respectively).⁶

// Young people make up the majority of workers in the informal economy in developing countries. Based on averages across the ten countries, as many as 8 out of 10 young workers are in informal employment.⁷ In urban areas, the majority of new jobs available to young people are in the informal economy.

Summary:

// The urban informal economy is closely integrated with the formal economy and is critical to a city's economy - but generally unsupported by city policies and practices. Many, if not most, informal workers in the developing world are working informally out of necessity and for survival.

// Many slum dwellers work in the informal economy. Their homes are often used for production / storing of goods and or for direct retail. Slum upgrading and low-cost housing initiatives need to be mindful of strengthening livelihood activities.

// The informal economy is an immense, but underperforming, entrepreneurial sector and a potential force for positive urban and economic development when recognized in formal structures.

// Quality jobs drive development: countries that have focused on improving job quality have seen higher rates of economic growth .

// The informal economy has complex and often complementary links with formal enterprises, contributes unevenly to income and business tax, operates largely without benefits (social security) or protections (occupational health and safety) and its poor management may result in increased risk to the environment.

// The informal economy needs to be taken into account in urban planning and management with aim to minimizing the negative effects, displacement, while capturing benefits such as taxation. But considering the difficulties and vulnerability faced by informal sector workers (as well as by their families, the environment, and governance), a its gradual integration into the formal economy may be achieved through a range of intermediate steps before full formalization may be necessary.

// The informal economy is very diverse and attempts to address the opportunities and challenges need to be understood at a local scale (city and neighbourhood) and around specific sectors (e.g., waste pickers, street vendors, etc.).

Way Forward:

// Transitional policies and projects to gradually mainstream the informal economy are needed to integrate workers into urban plans, social protection systems, increase productivity and improve tax revenue collection, reduce poverty, improve livelihoods, increase gender equity, preserve culture, eliminate child and bonded labour, and increase workers' health and safety.

// Inclusion of urban informal economies can be enacted at local government level through recognition in city plans (e.g. Durban Informal Economy), procurement strategies and transparency in taxation and its benefits in city budgets.

// Reduce vulnerability for informal workers and businesses, and incentivize them to enter the formal economy with improved legal and institutional frameworks and access to business support and resources.

¹ Chen, M. (2008). *The informal economy: definitions, theories and policies*. WIEGO Working Paper No.1 http://wiego.org/sites/wiego.org/files/publications/files/Chen_WIEGO_WP1.pdf.

² ILO (2013). *Women and men in the informal economy: a statistical picture (second edition)*. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_234413.pdf.

³ Vanek, J., Chen, M. Carré, F. Heintz, J. and Hussmanns, R. (2014). *Statistics on the informal economy: Definitions, regional estimates & challenges*. WIEGO Working Paper No. 2. <http://wiego.org/sites/wiego.org/files/publications/files/Vanek-Statistics-WIEGO-WP2.pdf>

⁴ Herrera, J, Kuépié, M., Nordman, C., Oudin, X. and Roubaud, F. (2012) 'Informal sector and informal employment: Overview of data for 11 cities in 10 developing countries,' *WIEGO Working Paper (Statistics)* No. 9.

⁵ ILO (2013) *ibid*

⁶ Vanek et al (2014) *ibid*

⁷ ILO (2013). *Global employment trends for youth 2013. A generation at risk*. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_212423.pdf.

// Improved commercial and business regulations can lower the cost to establish and operate a business. Options include simplified registration and licensing procedures, training and infrastructure support (markets, incubators), fair taxation, legal protection, contract enforcement, and access to technology and financing (e.g. micro-loans).

// Modify property rights, which could help transform assets into productive capital.

// Improve labour legislation to extend the rights and protection to informal workers.

// Develop sector-specific policies and programmes that help include informal workers in the economic mainstream (education, training, micro-finance, youth placement and mentoring, women's economic empowerment).



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

15 ISSUE PAPER ON URBAN ECOLOGY AND ENVIRONMENT: URBAN RESILIENCE

Key words: resilience, environment, disasters, vulnerability, poverty, green growth, sustainability, development, humanitarian aid, conflict, resources, urban economy, partnerships

Key facts and figures:

// The growing concentration of people and assets in cities means disasters are affecting more urban dwellers with increasingly harmful consequences for employment, housing and critical infrastructure, such as roads, power and water supplies. This is especially the case in fast-urbanizing developing nations, where inadequately planned and managed cities create new risks and threaten to erode previous development gains.

// Economic losses from disasters such as earthquakes, tsunamis, cyclones and flooding are now reaching an average of USD250 billion to USD300 billion each year.

// The mortality and economic loss associated with minor but recurrent disaster risks in 85 low and middle-income countries in the last decade totaled roughly USD94 billion. If this risk were shared equally amongst the world's population, it would be equivalent to an annual loss of almost USD70 for each individual person of working age, or two months' income for people living below the poverty line.¹

Through changing temperatures, precipitation and sea levels, amongst other factors, global climate change is already modifying hazard levels and exacerbating disaster risks.

// By 2050, it is estimated that 40% of the global population will be living in river basins that experience severe water stress, particularly in Africa and Asia. In the Caribbean basin, climate change will contribute an additional USD1.4bn to the expected annual losses from cyclone wind damage alone.

// A recent risk analysis² of 616 major metropolitan areas, comprising 1.7 billion people, or nearly 25% of the world's total population, and approximately half of global GDP, found that flood risk threatens more people than any other natural hazard. River flooding poses a threat to over 379 million urban residents, with earthquake and strong winds potentially affecting 283 million and 157 million, respectively.

// An increasing concentration of wealth, accompanied by depressed real wages and cuts in spending on social welfare and safety nets, is expected to lead to growing risk inequality across territories and social groups.

The number of poor exposed to natural disasters will reach 325 million by 2030.

Socially segregated urban development in turn generates new patterns of risk. Low-income households are often forced to occupy hazard-exposed areas with low land values, deficient or non-existent infrastructure and social protection, and high levels of environmental degradation.

// An enormous volume of capital is expected to flow into urban

development in the coming decades, particularly in South Asia and sub-Saharan Africa. Some 60% of the area expected to be urbanized by 2030 remains to be built. Much of the growth will occur in countries with weak capacities to ensure risk-sensitive urban development.

// At the same time, the pace and volume of urbanization presents key opportunities for transformative, sustainable development, poverty alleviation, and closing equality gaps.

Summary:

// 'Resilience' has emerged as one of the most popular themes of our time, serving as the basis for a wide range of strategic interventions and investments among the world's leading development institutions and, increasingly, within the humanitarian community.

// Whilst the exact definition of resilience varies from organization to organization, the overwhelming common focus is on how individuals, communities and businesses not only cope and adapt in the face of multiple shocks and stresses, but also improve and positively transform their conditions over time.

Resilience cross cuts a variety of development and humanitarian challenges, from natural disasters and climate change, to chronic ill health and emerging challenges such as demographic shifts, rural-urban migration, youth unemployment, social and economic inequality, food security, access to essential resources and services, conflict, and pollution.

// There is also growing recognition that resilience can be achieved most effectively—and will contribute to broader sustainable development goals more successfully— if it is integrated and complemented by efforts to achieve resource efficiency, a green urban economy, poverty alleviation and other related goals.

// In both development and humanitarian terms, resilience has provided an opportunity to reflect on and re-think some of the standard paradigms for protecting and enhancing the lives of the most vulnerable people, and to consequently strengthen—or change—the operational frameworks needed to bring what works to scale and achieve transformative livelihoods.

// Resilience relies critically on partnerships, which allow for enhanced coordination between institutional, donor, and government actors, and other stakeholders, as well as enhanced integration of programmes and investments across social, environmental, and economic landscapes.

// Successful resilience strategies are thus defined as mutually supporting, 'layering' arrangements that connect multiple interests (including national interests to local ones, and vice versa); engender a culture of positive transformative development; and strengthen accountability.

// Partnerships are also critical to ensuring the concept of resilience—a continuous cycle of improvement against multiple hazards, both known and 'unknown'—has a practical application that is relevant to local conditions. In this way, the most successful resilient strategies aim to deliver a variety of co-benefits that address immediate challenges, while building people's and governments' capacities to overcome chronic threats and prepare for longer-term risks.

// The subject of Issue Paper 15 (and to some extent Issue Paper 17) is squarely aligned to the work being undertaken by the Medellín Collaboration on Urban Resilience (MCUR), launched at the Seventh World Urban Forum in Medellín, Colombia in April 2014.³

Ways Forward:

Key drivers for action

// **Setting the Scene:** Explain what is meant by resilience and how it's different than conventional development approaches. This component will take note of the interconnectivity with all other thematic issue papers.⁴

// **Drivers of Resilience:** Explores the economies (e.g. links with local, regional, national and global economies); societies (e.g. education, skills, demographic shifts, equality/Gini coefficient); institutions (e.g. open, transparent and accountable governance), and; environments (e.g. ecosystem health and services, biodiversity, etc.) that contribute to resilience.

// **Challenges to Resilience:** Addresses the issues raised by the definitions of resilience and its links to broader challenges and opportunities, such as resource efficiency at the city level.

// **The Urban Context:** Explains why resilience is emerging as a necessary building block of sustainable urbanization, and reflects how this supports and enhances critical elements of the New Urban Agenda.

// **Resilience in a Post-2015 Environment:** Reviews the proposed resilience-related goals, targets and indicators of the post-2015 international frameworks on disaster risk reduction, sustainable development, climate change and human settlements.

// **Implementing Resilience:** Discusses the gaps and challenges of implementing a resilience agenda (further to the goals, targets and indicators discussed in the previous section), and identifies/proposes the institutional, social, and financial mechanisms required to successfully deliver resilience strategies, focusing on planning, legislative frameworks, and municipal finance.

// **Partnering for Resilience:** The Habitat III Secretariat has undertaken preliminary dialogues with a range of potential stakeholder agencies prepared to engage and inform the initial issue papers. These include: UNEP (as co-lead with UN-Habitat on this paper); CBD, DESA, UNFPA, UNICEF, UNICRI, UNITAR, and WMO (see attached summary). Other prospective partners include members of the MCUR, UNDP, OECD and UNISDR. On another track, in preparation for the World Humanitarian Summit in May 2016, UN Agencies associated with the Inter-Agency Standing Committee are developing an urban track reflecting the enhanced role of humanitarian agencies in delivering resilience inputs during post-crisis programming in cities globally. Notably, UN OCHA, UNHCR, WFP, and the International Federation of Red Cross and Red Crescent movements have expressed an interest and commitment to engage.

// **Our Resilient World:** The final section of the paper includes multiple 'case studies' of where resilience is effectively being implemented at urban and peri-urban scales, and offers a vision for the future that is aligned with the New Urban Agenda for the 21st Century.

1 UNISDR (2015). *Global Assessment Report*.

2 Swiss Re Mind the Risk.

3 The nine-member Collaboration includes: UN-Habitat; the UN Office for Disaster Risk Reduction; the World Bank Group; the Global Facility for Disaster Reduction and Recovery (GFDRR); the Inter-American Development Bank; the Rockefeller Foundation; 100 Resilient Cities – Pioneered by the Rockefeller Foundation (100RC); the C40 Cities Climate Leadership Group, and; ICLEI Local Governments for Sustainability. Collectively, these organizations work in over 2,000 cities globally and commit more than \$6 billion annually toward advancing resilient urban development. Following the UN Secretary-General's Climate Summit in September 2014, MCUR members committed to leveraging their existing investments to raise an additional \$1 billion per year in urban resilience spending by 2020 to assist at least 500 cities to develop "Resilience Action Plans". The MCUR is already focusing collaboration on The Resilience Toolkit: Reviews current and emerging tools and methodologies for measuring resilience to multiple shocks and stresses, as well as those tools being employed to 'screen' the resilience of urban investment projects (particularly infrastructure investments).

4 Note: It is recognized by the co-leads that urban resilience demands new approaches to all sectoral and thematic elements of any urban system, and is, hence a cross-cutting area in sustainable urban development.



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

16 ISSUE PAPER ON URBAN ECOSYSTEMS AND (URBAN) RESOURCE MANAGEMENT

Key words:

ecosystem, biodiversity, services, resource efficiency.

Key arguments and supporting facts and figures:

Cities extract natural resources and produce waste at a rate disproportionate to their size and populations. While the physical footprint of a city is small, its ecological footprint can extend well beyond its boundaries.

// The ecological footprint of cities is reflected by their water footprint. Although the 100 largest cities in the world occupy less than 1 percent of our planet's land area, their source watersheds—the areas from which they get their water—cover over 12 percent. Watersheds that support healthy ecosystems are, in turn, supported by those ecosystems in terms of water provision through soil stabilization, while riverine vegetation helps to purify the water. Overall, urban areas only cover around 2-4% of the Earth's land surface, but the area upstream of their water sources, their water footprint, covers 41% of the Earth's surface (McDonald, 2014). It is also the wealthier populations that have the greatest environmental footprint and are the biggest per capita drivers of climate change (McGranahan & Satterthwaite, 2014). Globally cities move 504 billion liters a distance of 27,000 kilometers every day. Laid end to end, all those canals and pipes would stretch halfway around the world (and that's not counting the many small pipes that move water within cities) (McDonald, 2014).

Ecosystems in and around cities provide services that are relied upon by society, from health and recreation to basic needs like water. Conserving them makes social as well as economic sense.

// In the City of Cape Town a three-year study calculated that the leverage of municipal expenditure on maintaining and enhancing ecosystems is 1.2–2 times higher than the leverage of all municipal expenditure on the City economy (De Wit et al., 2012).

// City-dwellers are losing touch with nature and are therefore less likely to value these ecosystem services. This is especially true in less wealthy areas and communities (Strife S and Downey L. 2009). A report has revealed a decrease from 40% (pre-1996) to 10% of children in the UK spending recreation time outdoors (www.rspb.org).

Trend of the last 20 years:

Expansion of cities currently cause damage to ecosystems.

// Despite the resource use efficiency potential of cities, urbanization remains a major driver of biodiversity loss. A global study of urban area expansion in 50 cities was strongly negatively correlated with forest, cropland and grassland (Bagan H and Yamagata Y. 2014).

This is also true for marine ecosystems. “An estimated 90 per cent of all wastewater in developing countries is discharged untreated directly into rivers, lakes or the oceans. Such discharges are part of the reason why de-oxygenated dead zones are growing rapidly in the seas and oceans. Dead zones are now thought to affect more than 245 000 km² of marine ecosystems, predominantly in the northern hemisphere (Diaz and Rosenberg, 2008), equivalent to the total global area of coral reefs.”

While clearly a part of the problem, cities are also a critical part of the solution

// Conversely, there is growing recognition that the city structure brings co-benefits to the overall ecosystem: Cities have agglomeration benefits that drive innovation, business development, and job creation. Higher densities that characterize most cities combine greater productivity and innovation with lower costs and reduced environmental impacts (Green Economy Report, 2011). While the aggregate resource use of urban areas, and their ecological impact is a source of major concern, well designed and governed cities have allowed decoupling of resource use from well-being and development (International Resource Panel, City Decoupling Report, 2013). Influencing consumption and production patterns at the local level would have a significant impact to the global level.

Issue Summary:

// Over the past 50 years, humans have changed ecosystems more rapidly and extensively than in any comparable period of time in human history, largely to meet rapidly growing demands for food, fresh water, timber, fiber, and fuel. This has resulted in a substantial and largely irreversible loss in the diversity of life on Earth. Approximately 60% (15 out of 24) of the ecosystem services examined during the Millennium Ecosystem Assessment in 2005 were being degraded or used unsustainably (WRI, 2005).

// There is a need for urbanization trends to shift and adopt an ecosystems approach, recognizing that nature is a prerequisite for human wellbeing. Ecosystem services (whether immediately beyond city boundaries in the case of watersheds or distant such as those that support food production) provide cost effective solutions to many urban challenges and complement many of the services that city administrations are expected to provide.

Key drivers for action:

Planning and compact cities.

// Increasingly it is being realized that city planning needs to take into account nature as city infrastructure. The ecosystems that fortify watersheds, coastlines, potentially unstable slopes and other features that provide large-scale ecosystem services need to feature as critical components of city master plans as a matter of course. Within the city, spaces need to be maintained, created and enhanced for the mental and physical health of citizens. Fiscal incentives (tax rebates, etc.) can be introduced. All measures depend, first, on the reciprocal factors of political buy-in and public support.

An ecosystems approach to city management is an economically sound approach: promoting green buildings and ecosystem based adaptation and mitigation measures.

// Loss of ecosystems services can significantly reduce the revenue of cities. If cities act now in ensuring full functioning urban ecosystems, it will be less expensive than in 10 years' time. However, awareness-raising and capacity building of local administrators is required to catalyse and accelerate action.

// An ecosystems approach to city management involves integrated management of resources that promotes conservation and sustainable use in an equitable way (World Bank 2013). "Ecosystem thinking can bring broad benefits across the three pillars of sustainability; for example, by highlighting the value of natural capital and dependence of poor populations on well-functioning ecosystem" (WB, 2013).

// Promoting resource efficiency at city level is one way to ensure that cities are managed in an ecological sustainable manner. According to UNEP (2012), "A sustainable, resource efficient city, can be defined as a city that is significantly decoupled from resource exploitation and ecological impacts and is socio-economically and ecologically sustainable in the long-term."



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

17 ISSUE PAPER: CITIES AND CLIMATE CHANGE AND DISASTER RISK MANAGEMENT

Key words:

adaptation, mitigation, rapid urbanization, greenhouse gas (ghg) emissions, short-lived climate pollutants (slcps) and aerosol emissions, urban/anthropogenic emissions, air quality, health impact, vulnerability assessment, disaster risk reduction and management, disaster preparedness and prevention, urban health emergency management, emissions inventory, low carbon development, ecosystem based adaptation, green infrastructure, climate action plans, climate agreement, sustainability, land use change, buildings and transport.

Cities and Climate Change:

// The Intergovernmental Panel on Climate Change 2014 estimates that **urban areas account for 71-76% of energy-related CO2 emissions**, while housing 53% of the world's population and generating 80% of global GDP.

// A study on 894 major Asian cities revealed that **only 29 (3%) of the cities surveyed had adopted climate change plans** (Cities Development Initiative for Asia, 2012) – a statistic which is very similar in other developing parts of the world.

// Urban areas, especially coastal cities, are **heavily vulnerable to climate change** and are affected by rising sea levels, increased precipitation, inland floods, more frequent and stronger storms, and periods of more extreme heat and cold.

// Urban form has an effect on emissions, there is a clear (negative) correlation between compact urban form and transport related CO2 emissions, urban density leads to less CO2 emissions.

// According to the World Economic Forum, more than \$1 trillion per year is needed to finance the climate-infrastructure gap in low & middle-income countries. The World Bank estimates that **about half of the total cost for “climate-proofing” infrastructure will be for urban-specific** infrastructure investments.

Disaster Risk Management:

// Nearly 80 percent of disasters caused by natural hazards are weather or climate related. These hazards are likely to change in frequency, intensity, geographic range and duration as a result of projected changes in climate (IPCC SREX, 2012).

// The proportion of world population living in flood-prone river basins has increased by 114 per cent, while the proportion living on cyclone-exposed coastlines has grown by 192 per cent, over the past 30 years (UNISDR DRR, 2011).

// Global economic losses due to weather related catastrophes grew rapidly between 1990 and 2012, tripling from 50 to 150 Billion USD per year according to MunichRe. Every year, more than 100 million people are affected by floods, 37 million people by typhoons, and half a

million by landslides (UNISDR, 2012). Most, if not all of the catastrophic weather events are or will be exacerbated by changing climate patterns.

Issue Summary:

Knowledge

// Our risks for climate-induced disasters are shaped by (i) where we live (coastal exposure), (ii) how we live (concentration), and (iii) rising demands for resources (energy, food and water).

// Researchers and policy makers are increasingly aware of localized climate models and associated risks and predictions (for example, UCCRN, New Climate Economy, IPCC etc).

// Development of standards and guidance for systematic collection and analysis of climate and related data on disasters.

// Cities need to systematically analyze their emission sources, climate risks and vulnerabilities to enable more informed action; and build the evidence and science base for various interventions, as well as prioritize documenting urban inequities (including health).

// Well planned cities with compact urban form are more climate are more likely low carbon oriented; and are more resilient and prepared for disasters. Once unsustainable urban patterns are 'locked in', only limited retrofit options can deliver modest GHG emission reduction in cities: energy efficiency (i.e. street lighting), improving public transport and buildings insulation.

// Cities are increasingly the space where new climate friendly technologies are developed and innovation is scaled-up and replicated.

Engagement

// Through global collaborative Initiatives, cities are raising their ambition and providing leadership in climate action and disaster risk reduction;

// Broad engagement and participation of all urban stakeholders (private, social, public) is necessary for emission reductions, adaptation to climate change, as well as minimizing health inequalities, disaster risk reduction and recovery.

// Rapidly growing cities have to engage in low carbon urban planning and development to avoid lock-in effects of unsustainable urban models.

// Better access to and application of information and service products, through coordination among agencies in multiple sectors across slow and rapid onset hazards and climate change adaptation.

Policy

// International climate negotiations ideally to prepare or provide an enabling framework for states, subnational actors and cities to raise the ambition for local climate action;

// Experience suggests that climate action is most successful when all levels of government have shared goals and vertically integrated climate plans;

// Distinct priorities, roles and responsibilities exist for governments in both developing and developed countries, often referred to as 'common but differentiated responsibilities and respective capabilities';

// International and national climate finance should be accessible for cities to accelerate urban climate action and not make local climate action an unfunded mandate.

// Urban issues have to be addressed in national climate change policies, and climate change in national urban policies;

// Ensuring the health and wellbeing of populations is guiding principle in Disaster Risk Reduction agreements, set out in seven global targets to reduce the risk and losses attributable to disasters (Sendai).

Operations

// Urbanization will accelerate especially in developing countries, resulting in a rapid increase in the number of megacities and large urban complexes, many of them along coastal areas. Short term assistance and focus must be given to this challenge.

// Developing effective multi-hazard early warning systems (MHEWS) that are rooted in sound science and technological advances are crucial for sustainable disaster risk reduction;

// Cities should integrate climate change in wider sustainable urban development framework, increasing investment in low carbon infrastructure and resilience building, adaptation and mitigation are mutually reinforcing at city and community level;

// Data (measurements) on urban population inequities drives planning and policy responses, to redress inequities in wider context of risk/exposure assessment, preparedness & early warning.

// Climate action and related policies has to include forward looking low emission urban planning and development in light of urban form being one crucial factor for emission reduction.

Key drivers for action:

// **Urban Form:** Compact urban form is the main driver for climate friendly development , It can halve land used per housing unit, lower the costs of providing utilities and public services by 10–30% or more, and decrease motor travel and associated costs by 20– 50%, lower congestion, accident and air pollution costs; locks-in energy efficiency, and enables more efficient models of waste management and district heating.

// **Planning:** Urban planning key tool to drive low carbon transformation - compact integrated and connected cities - energy efficiency and sustainability; and to plan for disaster risk reduction

// **Economy:** Low carbon and resilience oriented urban development supports green growth, and can help unlock finance flows through activation of climate finance and sustainable infrastructure financing.

// **Legal:** Establishment of a legal framework integrating all levels of government and actors supports accountability, risk reduction and enable towards climate sustainability.

// **Participation:** Broad based coalitions empower sharing of knowledge and solutions for mitigation and adaptation, and can help raise ambition of local climate actions.



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

18 ISSUE PAPER ON URBAN INFRASTRUCTURE AND BASIC SERVICES, INCLUDING ENERGY

Key Words: access, demand, resources, informal settlements, urban infrastructure, investment, policy reform, business models, institutional capacity, sustainable infrastructure provision, climate change, technological innovation, infrastructure networks and systems, interdependency

Key figures and facts:

// 1.2 billion people gained access to improved sanitation in urban areas: increasing 4% from 1990 to 2012, while those without sanitation in urban areas has increased by 542 million.

// Between 1990 and 2012, 1.6 billion people gained access to piped drinking water. Currently 720 million urban residents do not have access to a piped water supply; during this period those in urban areas without access to improved drinking water increased by 29 million.

// Global water demand continues to increase, with predictions indicating an increase of 55% by 2050.

// As water consumption increases, so does the generation of wastewater. Only 2% of the globally collected 165 billion m³ is recycled.

Cities generate over 2 billion tons of municipal waste, this is predicted to double over the next 15 years.

// Over 75% of total global energy generated is consumed in cities, a contribution to over 70% of GHG emissions.

// Nearly one-half of cities are in locations susceptible to flooding. Assessment of the 136 largest world coastal cities, predicts costs resulting from flood events triggered by climate change may exceed USD1 trillion a year.

Issue Summary:

Brief Summary of the main challenges of last 20 years description (knowledge, engagement, policy, operations)

Challenges facing urban infrastructure over the past 20 years have been shaped by a number of factors including: rising demands for services; legacies of under-investment in asset replacement and infrastructure extensions; poor operational management and maintenance; continuing reliance on outdated and inappropriate policies and business models; and increasing proliferation of unplanned and informal settlements. Growing evidence suggests that climate change, poor government governance, regulation, design and implementation of infrastructure is having a profound effect upon population movement, resulting in accelerated movements of people from rural to urban areas.¹

These challenges are not new, but their scope and complexity have been exacerbated by the rapid urbanization of the past 20 years, continuing weaknesses in governance and regulation and the lack of comprehensive long term demand-based planning.

The cost of networked infrastructure systems are related to urbanization patterns, and compact cities provide the most cost-efficient solutions to

infrastructure investment.

More rigorous approaches to demand management and the use of policy and economic instruments to discourage waste and promote balanced investment strategies, including investment at the household, institutional and community level are required.

Rising demands for services have not been matched by financial and institutional capacity to manage infrastructure. Revenue generation from services typically lags behind costs of service delivery. Innovative and inclusive business models are needed, especially models which effectively mobilize investment finance, while involving the private sector and community groups in the financing and management of services. Current approaches to infrastructure planning, investment and management also pose challenges, with increasingly ineffective inter-sectoral coordination, communication, weak understanding of the linkages between infrastructure and urban planning.

Sustainable infrastructure provision is challenged by informal settlements which call for new approaches to urban policies, planning, and infrastructure design, including measures which maximize linkages between infrastructure and local economic development.

Key drivers for action

Rapid urbanization stresses infrastructure and energy systems, however urbanization can also be a powerful force to rationalise infrastructure and improve resource exploitation and delivery of basic services.

// **Policy reform.** In the face of rising demands for services and increasing supply shortfalls, comprehensive reforms of urban infrastructure policies is required.

// **Building viable and well-managed institutions.** Progress has been achieved in the past two decades, however much remains to ensure financial viability and effective management of the institutions responsible for regulation, planning and management of urban infrastructure.

// **Developing effective and integrated infrastructure planning.** Effective infrastructure planning requires a complete mind-set change, all forms of infrastructure should be considered, coordinated and planned to act as 'enabling vehicles' for societal change and development, including the integration of resilience and sustainability. This will enhance the coordinated development of urban infrastructure.

// **Developing new business models.** New business models are now needed to integrate the strengths and capacities of the public sector, private companies, NGOs, and Community-Based Organizations.

// **Creating strategic partnerships to foster and apply technological innovation.** Development of strategic partnerships to bring together researchers, policy makers, decision-makers, infrastructure managers, regulators and knowledge management agencies to effectively target research into the challenges faced and to create platforms for testing, application and dissemination of innovative technologies.

¹ Francesca De Châtel (2014). *The Role of Drought and Climate Change in the Syrian Uprising: Untangling the Triggers of the Revolution*. Middle Eastern Studies, 50:4, 521-535



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

19 TRANSPORT AND MOBILITY

Key words:

unplanned urbanisation, motorisation, air pollution, congestion, safety, public and non- motorised transport, integrated land-use and transport planning, electric mobility.

Key Figures and Facts:

// Population growth, economic development and urbanisation are driving motorisation rates particularly in cities. Worldwide, there are currently 1.2 billion cars, vans, trucks and buses. Rapid motorisation will continue, in particular in developing countries and by 2035, the number of light duty motor vehicles will reach nearly 1.6 billion.

// The transport sector, in 2010, was responsible for approximately 23% of total energy-related CO₂ emissions. Greenhouse Gas Emissions from transport have more than doubled since 1970 - increasing at a faster rate than any other energy end-use sector.

// Annually, 1.24 million people are killed in road traffic accidents which occur predominantly (92%) in low and middle income countries;

// Outdoor air pollution, which is partly caused by transport, was estimated to cause 3.7 million premature deaths worldwide in 2012; predominantly (88%) in low and middle-income countries. Transport also contributes to soil, water and air pollution;

// Traffic congestion causes heavy economic losses due to time and fuel wastage and increased emissions. For example, in the United States, time lost in traffic amounted to 0.7% of GDP, in the UK to 1.2 % of GDP, 3.4 % in Dakar, Senegal; 4 % in Manila, Philippines, 3.3 % to 5.3 % in Beijing, China ; 1 % to 6 % in Bangkok, Thailand and up to 10 % in Lima, Peru where people on average spend around four hours in daily travel.

Issue Summary:

Brief Summary on main challenges of last 20 years description.

Rising GDP has been linked to increasing motorisation and passenger – kilometres travelled per capita. While transport is an enabler of economic activity and social connectivity, a bias in favour of planning for cars rather than people has led to a vicious circle, where roads and infrastructure are built for the ever-increasing numbers of vehicles, further propagating sprawl and increasing congestion, pollution and the frequency of road accidents. Growing disparities have also meant that large sections of the urban poor are compelled to walk long distances, in an increasingly unsafe environment in the absence of safe walking and cycling lanes and public transport. Goods transport is a fundamental component of the urban environment and cities face the challenge of balancing the need to ensure efficiency of goods transport, while minimizing externalities of congestion, emissions, noise and accidents.

A reversal of the paradigm, where people rather than vehicles are at the centre of planning, is necessary.

Such a paradigm considers **accessibility** as the ultimate objective of all transportation; i.e physical access to places and opportunities- to jobs and services and to goods and amenities. The focus in the new paradigm shifts from managing the “supply” side of mobility to managing the “demand side”. For example by promoting mixed-land use planning and more compact cities, trip-lengths can be shortened and transport activity reduced. A sustainable urban transport system then builds on an efficient modal structure consisting of walking, cycling and public transport. Better design of streets and public spaces, and Transit Oriented Design can not only meet the accessibility needs of people but also contribute to the urban economy.

Knowledge of successfully implemented urban mobility solutions can be shared amongst local and national governments to boost the uptake of these strategies. Knowledge also needs to be expanded on how the new paradigm can be implemented in practice. This calls for engagement of cities, civil society, industry and financial institutions in collaborative and operational partnerships in the form of projects. National Urban Policies articulated with the new paradigm in view can provide guidance through sample legislation, e.g on compact city planning and incentives for clean transport.

Key Drivers for Action:

// Integration of land-use and transport planning can improve travel efficiency, inclusiveness, access, effective use of transit hubs and facilitate development of compact cities- all with important results in terms of carbon footprint and quality of life:

// Innovative financing including “value sharing” can be leveraged to support the development of next-generation urban mobility plans and projects;

// The technology revolution including the use of big-data can help countries “leap –frog” to more sustainable mobility options;

// The Urban Electric Mobility Initiative seeks to increase the share of Electric Vehicles in the context of better urban planning and transitioning to clean energy sources can improve access and decouple economic growth from emissions, while reducing the harmful impacts of pollution;

// Improved policies and practices among employers, e.g. guaranteed rides home for employees that carpool, etc.

UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

20 ISSUE PAPER ON HOUSING

Key words:

urbanization, slums, right to adequate housing, inclusive cities, housing at the centre of national and urban policies, security of tenure, affordability, habitability, financial inclusion, densification, well-located housing, sustainability, housing and livelihood, land-use planning, access to land for housing.

Key facts and figures:

// **Global housing needs are growing fast with urbanization.**

The urban population is already above 50% and is expected to rise to 60% by 2030. Every day, as people move to urban centres in search of opportunities, the demand for housing grows. Globally, a billion new houses are needed by 2025 to accommodate 50 million new urban dwellers per year; costs are estimated at USD650million per year, or USD 9 to USD 11 trillion by 2025 (McKinsey, 2014).

// **Access to adequate housing remains a global challenge.**

An increasing number of poor urban dwellers are living in slum conditions, continue addressing their housing needs informally, lacking access to basic services and living space, isolated from livelihood opportunities and vulnerable to forced evictions. In addition, evidence shows that homelessness is increasing both in the developing and developed world.

// **Affordable housing is inadequate and adequate housing is unaffordable.** Nearly half the world's population still survives on less than USD2 a day (United Nations), a grossly inadequate income to afford living and housing. From slum residents to middle-income households, it is estimated that currently 330 million households are financially stretched by housing costs.

// **Housing issues are as litmus test of urban development.**

Housing has not been properly integrated into urban policies in spite of residential land use occupying between 65 and 75% of the surface of a city. Deficient planning and weak regulation have left little room for governments to maneuver against powerful private interests resulting in sprawl, spatial segregation, weakening of social cohesion and further inequalities. Housing issues have had important medium to long-term implications for the development of well-planned, sustainable and inclusive cities and the wider economy.

// **The housing sector accounts for significant energy consumption and can play a crucial role in the sustainability of urban development.**

Households account for about 30% of total worldwide energy consumption. The overall building stock (composed mainly by residences) is responsible for more than 40% of global energy use and one third of global greenhouse gas emissions. The use of local materials and techniques is still ephemeral in spite of their potential to reduce energy consumption and promote local economic development.

Summary:

// Nearly three decades have passed since the 'enabling approach' to housing provision was introduced. Yet the majority of national and local governments are still struggling to meet the housing needs of their respective populations, especially the most poor and vulnerable groups. Significant shifts in policies and approaches were observed in this period and a wide range of practical applications of the enabling principles took place in different countries with mixed results.

// Governments have reduced their role and almost withdrew from land supply, procurement, servicing and even regulation for housing provision. Urban housing has had a low priority in the allocation of national resources in very many countries. There has been a broad shift from conceptualizing housing in terms of social welfare towards housing as a commodity across various scales. Subsidies have been reduced and where they remain, they are often inadequately targeted and unsustainable. The advent of housing policy frameworks more in line with liberalization and less state intervention has essentially resulted in fewer or no social housing opportunities for the poor and vulnerable.

// Private sector engagement has been ineffective in serving the lower-end. Governments, in their role of facilitators, have faced challenges to induce private entrepreneurs and finance institutions to invest in, construct and lend for the poor and community-based initiatives. Developers have focused on the high-end housing. Banks are averse to risking loans for people that cannot be classified as good risk. Housing finance has been essentially promoted through mortgages, restricted to those with formal titles, and aimed at the middle and high income segments rather than the neediest 60 to 80% of the population. Access to finance for the poor majority is limited and expensive. Community-based financial institutions such as financial cooperatives, credit unions and micro-finance institutions have not reached scale.

// People continue addressing their housing needs by themselves, incrementally and often informally. Virtually almost all permanent and serviced housing is procured as an incremental process that takes place over relatively long periods of time. Only a minute segment of any society - that is, the very wealthy - has the resources to purchase outright or construct their dwellings as a one-off event. Incremental housing processes have been one of the most effective means of allowing households to have what they can afford, although often resulting in low quality and inadequate stock.

// Property rights and especially land titling programmes remain too narrow and have not led to the social and economic outcomes sought. While there is considerable evidence of increased tenure security, investment in housing, access to formal credit and municipal revenue have not increased noticeably with the promotion of titles more than they did under other tenure regimes. To date there is no clear evidence of poverty levels being reduced due to the access to formal titles either.

// Governments continue to doggedly pursue homeownership and neglect the importance of rental housing for the poor. Tenants have increased at least in line with urban population growth. The 'rent generation' is also rising as owning a home is out of reach for many low and middle-income earners. Evidence shows that rental housing contributes to enhance residential mobility, improve labour market and livelihood opportunities, accommodates gender, cultural and disability concerns, and strengthens social and economic networks.

// The emphasis on 'enabling the poor to help themselves' has contributed to the acknowledgement of local initiatives and innovations led by organizations formed and run by the urban poor or homeless. Responses have been more focused on local needs and problems, taking account of local ideas and based on local understanding, such as incremental approaches to housing, community planning and savings, microfinance and informal property markets. However, the challenge remains in moving from small-scale local experimental operations to whole structural urban and housing systems changes.

// Knowledge has improved on the ways in which poor people mobilize resources and self-organise to access land and house. We also know more on how housing links with livelihood strategies and urban poverty as well as on the importance of location and spatial accessibility for the poor, that is, the house-work-service triangle. Housing provides increased security, a potential source of livelihood and, if well serviced and geographically located, it allows for inclusion, better living conditions and access to opportunities.

// The failure of housing policies and markets to adequately respond to the variety of housing demands is partly reflecting the significant gaps of information about the needs, socioeconomic conditions and changing population demographics.

Way forward:

// Government to reassume a leading role in the housing sector: long-term, integrated and rights-based policies and responses – housing repositioned at the centre of national and urban development strategies – twin-track approach with curative and preventive policies – regular budgetary commitment – stronger regulation – inclusive land-use policies.

// Right to adequate housing as an imperative for socioeconomic development and inclusion: access to well-located and serviced land for low-income housing – inclusiveness – spatial inclusion – stronger nexus between housing and livelihood – tenure security – housing provision as an engine for employment generation and economic growth.

// Innovation needed: context specific and 'at-scale' housing responses – sustainable and locally-based construction – housing financial inclusion – new approaches to tenure and collateralization – rental housing – incremental housing – assisted self-construction – sites and services – technical assistance.

// Concerted, participatory and coordinated efforts: stronger private sector engagement – acknowledgement of, incentives and support to local and community-based initiatives – meaningful participation – local governance – improved implementation of projects and operational responses.

**UNITED NATIONS CONFERENCE ON HOUSING
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HABITAT III**

21 ISSUE PAPER ON SMART CITIES

Key words:

“e-“(–government, –services, –waste), green growth, green buildings, “smart_” (_government, _grids _urbanization, _urban model), resource efficiency, information and communication technologies (ICTs), quality of life, rights, social inclusion, urban resilience.

Key facts and figures:

// Since Habitat II, urbanization has been rapid. More people now live in cities (1.02 billion more from 2000 to 2014), and new cities have emerged (694 in developing countries from 1990 to 2000).

// Megacities almost tripled since 1990 (from 10 to 28) and expected to grow to 41, while large cities are expected to grow to 63, by 2030. The fastest growing cities are in Africa and Asia, where 90% of the additional 2.5 billion urban inhabitants by 2050 are projected.

// Cities are engines of economic growth, accounting for 75% of a country's GDP. But they also consume around 75% of global primary energy, thus responsible for 50–60% of greenhouse gas emissions.

// Rapid and unplanned urbanization has led to growth of slums, sprawl, housing and infrastructure shortages, social segregation, and exclusion. Accompanied by motorization, it has caused congestion and hazardous air pollution.

// The construction sector has grown rapidly and accounts for one-third of global resource consumption.

// Internet users reached 40% of world population by end-2014, while mobile cellular subscriptions, at 7 billion, approached total world population.

// ICTs support business functions, city logistics and grids, transport, delivery of basic services, environmental management systems, data-driven industries like finance, government operations, and people-to-people interactions.

Issue Summary:

// Urbanization is linked to countries' economic and social transformations, and has driven economic growth and human development.

// Rapid urbanization however is linked also to environmental degradation and hazards (e.g., pollution, high energy consumption, flooding, landslides, water and sanitation issues), socio-economic challenges (e.g., poverty, inequality, informal settlements, safety and security), and increased disaster risks.

// Urbanization trends underline the need for strategic and innovative approaches to urban planning and management in the 21st century. There is growing recognition of ICTs' potential to achieve desired outcomes: high-quality public spaces, well-connected grids, well-designed density, increased resource efficiency, growth with reduced carbon emissions, knowledge creation and management that address emerging needs and risks—the contours of smart sustainable cities.

// Key feature of smart city approaches is the strategic use of ICTs to enhance city operations' efficiencies, inhabitants' quality of life, economies' competitiveness, and cities' resilience. This requires inclusive governance marked by stakeholder engagement – harmonizing public and private sector priorities and ensuring civil society participation, including marginalized and vulnerable groups, in local public decision – making processes.

// Smart city approaches require robust financial planning and investments, thus need to be informed by knowledge anchored in local context. Developing countries where rapid urbanization is projected to continue are best positioned to benefit from smart city approaches, but they need support in building local capacities.

// Smart cities do not rise by themselves; they have to be planned, designed, implemented, and managed effectively, thus require strategic policies. Also, the benefits of smart cities are not automatic; they require strategic thinking about 21st century technological advancements in the sustainable urbanization agenda.

Key Drivers for Action: The Enabling Components of Smart Cities:

// **Strategic policies, legislations, rules and regulations:** ICT-enabled smart city solutions require these to ensure link to development priorities, direct relevance to local context, and focus on sustainability.

// **Innovative, responsive urban planning and design:** Re-evaluate existing approaches and instruments, identify good practices suited to local contexts, ensure alignment with international standards, and promote integrated approaches across government ministries and sectors (transportation and communication networks, green buildings, inclusive and efficient human settlements and service delivery systems, improved air and water quality, disaster preparedness and response toward urban resilience).

// **Robust financial planning:** Financial models need to be well designed, focused on cost-effective and sustainable solutions and conducive to foreign investment.

// **Coherence:** There is need for international consensus on what “smart city” means, and deeper understanding of how approaches labeled as “smart” advance the new urban agenda. The assumption that the application of ICTs in planning, design and management of urbanization and cities will automatically result in improved outcomes needs to be addressed. (A definition by ITU's expert group on smart sustainable cities reads: *“A smart sustainable city is an innovative city that uses ICTs and other means to improve the quality of life, efficiency of urban operation and services, and competitiveness, while ensuring that it meets the needs of present and future generations with respect to economic, social and environmental aspects.”*)



UNITED NATIONS CONFERENCE ON HOUSING AND SUSTAINABLE URBAN DEVELOPMENT HABITAT III

22 ISSUE PAPER ON INFORMAL SETTLEMENTS

Key words:

urban poverty, slums, slum dwellers, inclusive urbanization, urban governance, inequality, environmental injustice, vulnerable groups, participatory planning, integrated and inclusive urban development policies, right to adequate housing, security of tenure, slum upgrading and prevention

Key facts and key figures:

// Informal settlements exist in urban contexts all over the world, in various forms and dimensions and are the most visible expression of urban poverty.

// People living in these informal and often precarious conditions are a) less likely to be prosperous and defined by key inequality indicators, b) situated in precarious locations that are often subject to environmental, climate change and natural disaster impacts and c) spatially and physically segregated from the rest of the urban environment and thus excluded in terms of economic, social, health and educational opportunities.

// Informal settlements come in many forms. The quality of dwellings in such settlements varies from the simplest shack to permanent structures, while access to water, electricity, sanitation and other basic services and infrastructure is usually limited.

// Informal settlements are referred to by a wide range of names and include a variety of tenure arrangements. Slums are considered one of the typologies of informal settlements.

// While conceptions of slums varies globally, UN-Habitat uses the definition that a slum household is 'a group of individuals living under the same roof lacking one or more of the following conditions: 1) access to improved water, 2) access to improved sanitation facilities, 3) sufficient living area (not overcrowded), 4) structural quality/durability of dwellings, and 5) security of tenure.

// Over the past 10 years, the proportion of the developing countries' urban population living in slums has declined from 39% (2000) to 32% (2010).¹ In fact, UN-Habitat estimates that between 2000 and 2010, a total 227 million urban slum dwellers in developing countries experienced significant improvements in living conditions and Target 11 of Millennium Development Goal No 7 has been exceeded by double, the expected result.²

// Despite these gains, however, around one quarter of the world's urban population continues to live in informal settlements and slums.³ Since 1990, 213 million slum dwellers have been added to the global population.⁴

// Furthermore, over 90% of urban growth is occurring in the developing world. An estimated 70 million new residents are added to urban areas each year.⁵ Over the next two decades, the urban population of the world's two poorest regions - South Asia and Sub-Saharan Africa - is expected to double⁶ - suggesting that the absolute numbers of informal settlement and slum dwellers in these regions will grow.⁷

// Poor governance and land management, the inadequate integration of legal, policy and planning frameworks, combined with the limited recognition of informal settlement and slums' potentiality, perpetuate their spatial, economic and social exclusion.

// Although political and financial interests play a significant role in the cause, effect and prevalence of informal settlements and slums around the world, a number of countries have curbed their expansion, improve living standards as well as provided adequate housing for their poorer populations using participatory urban planning approaches (focused on public space and streets), supported by appropriate regulatory and financing mechanisms.

// Evidence suggests that informal settlement and slum residents can effectively contribute to improving their living conditions and that meaningful participatory approaches can successfully support their efforts.

Issues Summary – main challenges:

// Informal settlements and slums are increasingly acknowledged as a **global development priority**. More governments commit and seek assistance to address these neighborhoods and have important lessons to share. Despite this, these settlements continue to be physically disengaged and their informal nature misunderstood and excluded from mainstream urban opportunities.

// **Integrated development policies**, especially that link urban planning, financing and legal components related to informal settlements and slums, need ongoing priority to balance the burdens and benefits of slum upgrading strategies at scale. Policy and planning frameworks that invest in these areas and recognize and integrate them under a human rights banner of no forced evictions, are still to be institutionalized and mainstreamed.

// Efforts to **improve land management practice** and adopt different conceptions of tenure security remain limited despite being acknowledged as fundamental to adequate housing provision.

// The increasing prevalence of informal settlements and slums in peri-urban areas is an emerging issue. Such developments often fall outside formal 'city/town' boundaries and therefore who is ultimately responsible for any action.

// Accurate and available informal settlement and slum data, learning platforms and knowledge sharing across all scales, remain limited and ad hoc.

// Upgrading approaches continue to inappropriately import solutions from other places without adapting operations to the local context and therefore taking full advantage of local knowledge and potentially innovative solutions.

// Informal settlement and slums' location in the poorest and most environmentally vulnerable urban areas continues to threaten city-wide sustainable urban development.

// Specific groups are affected by living in these informal environments. For example, a) Women are vulnerable to many hazards and environmental stressors in these contexts and are also more likely to have very low education levels and higher rates of teen pregnancies, b) Children comprise a significant proportion of informal settlement and slum dwellers and are constantly exposed to a whole range of impacts and c) Youth likewise make up a significant proportion of dwellers in

these areas and are often unskilled and experience long-term exclusion from economic and employment opportunities.

// The effective engagement and capacity building of all stakeholders in these neighborhoods, particularly the most vulnerable, remains ad hoc and often at the whim of individual leadership or strong community activism. Furthermore, communities' limited engagement has prevented the full utilization of their knowledge and resources, reducing the opportunity for self-improvement and their basic entitlement to be engaged.

Key drivers for Action:

Informal settlements and slums can be improved, integrated and prevented by:

// Undertaking upgrading processes in informal settlement and slums that utilize participatory planning mechanisms which coordinate and **engage all relevant urban stakeholders, including the inhabitants themselves.**

// Using **context specific urban planning, legislative frameworks and financing options that recognize the continuum of land and property rights**, prioritize **no forced evictions and integrate these areas into broader urban social and economic systems** (via approaches such as city extension, land readjustment and urban renewal).

// Undertaking **risk-sensitive land use planning** to ensure that urban development does not expose the urban poor to environmental hazards and natural disasters.

// Developing participatory, robust and computerized **data collection and monitoring processes and create learning platforms.**

// **Incrementally integrating governance, finance, legal, urban planning and regulatory frameworks** that balance the burdens and benefits of the urban environment, particularly land and property rights, and avail better government financing options to ensure the sustainable provision of affordable housing, public spaces (especially for streets) and basic services at scale.

// Improving mechanisms that develop **multi-sector urban finance and management partnerships** and **integrate government departments and city wide plans with all urban** (including peri-urban areas).

// **Institutionalizing and integrating** participatory processes, risk management, learning platforms, and monitoring and evaluation approaches to achieve sustainable, inclusive and at-scale urban development.

¹ UN-Habitat (2011). *State of the World's Cities 2010/11*.

² Ibid. The MDG Target 7d is 'to achieve a significant improvement in the lives of at least 100 million slum dwellers'.

³ UN Habitat (2013). *State of the World's Cities 2012/2013*.

⁴ UN-Habitat (2013). *Streets as Public Spaces and Drivers of Urban Prosperity*.

⁵ World Bank

⁶ Ibid

⁷ UN-Habitat (2011). *State of the World's Cities Report 2010/11*.

