



## CEB High-Level Committee on Programmes

CEB/2014/HLCP-27/CRP.4

26 February 2014

High Level Committee on Programmes  
Twenty-Seventh Session  
ECLAC HQs (Santiago) (Room Raúl Prebisch)  
17-18 March 2014

Item 4 – A New UN Urban Agenda

### Issues Note By UN-Habitat

#### **I. Background**

1. At the beginning of the 19<sup>th</sup> century, only 2% of the world's population was urban. By the beginning of the 20<sup>th</sup> century, the percentage had increased to 10. During the first decade of the 21<sup>st</sup> century, a historic milestone was achieved when the global population living in cities and towns reached the 50% mark, thus making urban centres the dominant habitat of humankind.
2. One of the most outstanding aspects of the current urbanization process is the fast rate at which it is taking place in developing countries. In 1950, the number of people living in urban centres was slightly higher in the developed nations (58.5% or 426.9 million) than in developing countries. Today, 70% of the world's urban population lives in developing countries. Moreover, of the close to 200, 000 new urban dwellers that are being added to the world's urban population every day between 2012 and 2015, 92% or about 171,000 will be born in a developing country.
3. The rapidly increasing dominance of cities as the habitat of humankind places the process of urbanization among the most significant global trends of the twenty-first century. But this is not simply a demographic phenomenon. Rather, it is a force which, if effectively steered and deployed, can potentially help the world to overcome some of the major global challenges at present, including climate change. Economic historical studies have long established that there is a positive correlation between urbanization and development, and, throughout history, urbanization has been, and continues to be, a source rather than simply an outcome of development.
4. Thus urbanization can be used as a powerful tool for transforming production capacities, income levels and living standards in developing countries. This requires decision makers to shift their mindset towards viewing urbanization as a tool for development, rather than as a problem alone. At Rio+20, Governments recognized the opportunities offered by urbanization when they stated:

We recognize that, if they are well planned and developed, including through integrated planning and management approaches, cities can promote economically, socially and environmentally sustainable societies. (Paragraph 134 of the Rio+20 outcome document, "The Future We Want")

5. If cities and towns are to play their proper role as drivers or engines of national economic and social development, however, a number of challenges facing urban centres today have to be addressed effectively. These include: firstly, the demographic challenges of rapid urbanization (including the rapidly increasing demand for urban basic services in developing countries), shrinking cities, ageing and increasing multicultural composition of cities; secondly, the environmental challenges of climate change and cities' excessive dependence on fossil fuels (including dependence on the car for mobility), urban sprawl, unplanned peri-urbanization and the increasing spatial scale of cities; thirdly, increasing socio-spatial challenges, especially urbanization of poverty, as well as social and spatial inequalities; fourthly, the economic challenges of uncertain future growth that the recent global financial crisis has engendered, as well as increasing informality in urban activities; and finally, institutional challenges related to governance and the changing roles of local government.

6. To effectively address the above-mentioned challenges and take advantage of the opportunities of urbanization, the UN system requires a coherent approach to the phenomenon of urbanization. That approach must articulate the contribution of urbanization to sustainable national development, as well as the main characteristics of a "sustainable city" that the UN system should promote in the next few decades. The third United Nations conference on housing and sustainable urban development (Habitat III) offers an excellent opportunity for UN system organizations to reflect on the role of urbanization in sustainable development and to come up with a system-wide approach.

7. The General Assembly, through its resolution 66/207, paragraph 2, decided "... to convene in 2016, in line with the bi-decennial cycle (1976, 1996 and 2016), a third United Nations conference on housing and sustainable urban development (Habitat III) to reinvigorate the global commitment to sustainable urbanization".

8. The Assembly, through its resolution 67/216, paragraph 6, also decided that:

- (a) The objective of the conference will be to secure renewed political commitment for sustainable urban development, assessing accomplishments to date, addressing poverty and identifying and addressing new and emerging challenges, and that the focus of the conference will include, but will not be limited to, the theme "Sustainable urban development: the future of urbanization", to be discussed and refined during the preparatory process;
- (b) The conference will result in a concise, focused, forward-looking and action-oriented outcome document, which shall reinvigorate the global commitment to and support for housing and sustainable urban development and the implementation of a "New Urban Agenda".

9. In addition, through the same resolution, paragraph 11, the General Assembly encouraged "...effective contributions from and the active participation of all relevant stakeholders, including ... relevant United Nations funds and programmes, the regional commissions and specialized agencies, the international financial institutions and other Habitat Agenda partners, at all stages of the preparatory process and at the conference itself..."

10. The present document proposes an inclusive and coherent process for defining a New United Nations Urban Agenda, taking advantage of the Habitat III preparatory process, in line with paragraph 11 of General Assembly resolution 67/216. The High Level Committee on Programmes (HLCP) provides an effective framework for this kind of UN system-wide contribution, given its focus on system-wide policies or approaches to specific subjects through time-bound processes.

11. Section II highlights the contribution of urbanization to sustainable development. Section III presents the proposed parameters of collaboration of UN system organizations within the Framework of the HLCP, in particular: a coherent UN system input to Habitat III, policy coherence in the post-2015 era, and showcasing of UN work in the area of sustainable urbanization designed to improve both the quality of urbanization and its contribution to development.

## **II. Urbanization and Sustainable Development**

12. Poverty reduction and social sustainability of development cannot be achieved without addressing the basic needs of the billions of poor urban dwellers, such as access to adequate housing, clean drinking water, sanitation, domestic energy and transport, healthcare and education. Although the world has made progress in reducing poverty since 2000, inequality is rising in the cities of both developing and developed countries. In developing countries, slums, which currently accommodate close to 1 billion people, are the physical manifestation of urban poverty and inequality. About 2.5 billion and 1.2 billion people worldwide lack access to safe sanitation and to clean drinking water respectively. Fewer than 35% of the cities in developing countries have their wastewater treated. It is therefore evident that achieving socially sustainable development will require serious action to reduce urban poverty and inequality, especially in light of the increasing concentration of humanity in towns and cities.

13. The contribution of cities to national economic growth and to economic sustainability in general is now very important. Cities currently account for 70% of the world's gross domestic product (GDP) – 55% in low-income countries, 73% in middle-income countries and 85% in high-income countries. In spite of the relatively weak global economy since the beginning of the financial crisis in 2008, many developing countries have witnessed high economic growth rates of over 7% since 2010, and most of this growth is concentrated in towns and cities. Well-planned small towns and service centres also play an increasingly important role in providing the physical, social and economic infrastructure necessary for rural development, while urban centres of all sizes provide markets for rural produce. Towns and cities currently provide huge opportunities for investment to both the private and public sectors, especially in developing countries, including in pro-poor housing and basic services such as clean drinking water, adequate sanitation, energy and transport. More fundamentally, towns and cities can and must be purposefully used by Governments as effective instruments and drivers of national economic growth.

14. Turning to environmental sustainability, it is now known that cities, mostly in the developed world, contribute up to 70% of the world's total greenhouse gas emissions, largely because industrial production and construction activities are concentrated in urban areas. Many recent studies have also shown that urban planning and design in both developed and developing countries has followed the post-Second World War modernist model. This has produced sprawling urban areas, many in the form of megacities, hypercities and large metropolitan regions and urban corridors that are energy inefficient and environmentally unsustainable. In developing countries, rapid urbanization has resulted in uncontrolled peri-urbanization, most of it informal. It

is therefore clear that environmental sustainability cannot be achieved without serious and concerted action at the city level.

15. The various actions necessary to address all of the above-mentioned threats to sustainable development and to take advantage of the opportunities offered by cities will ultimately have to be implemented at the local level by local authorities. It is for this major reason that local authorities should be recognized as key players in sustainable development.

16. The New United Nations Urban Agenda must therefore address all three pillars of sustainable development by, firstly, paying attention to the basic needs of the billions of poor people concentrated in towns and cities, especially in the slums of developing countries; secondly, promoting the economic role of cities in sustainable national development and recognizing the economic opportunities that they offer; and, finally, recognizing the role of sustainable urbanization in addressing global environmental challenges such as climate change, unsustainable energy consumption and disaster risk.

### **III. Parameters of Collaboration within the Framework of HLCP**

17. With rapidly increasing urbanization, towns and cities will be the locus of an increasing concentration of sustainable development activities involving most, if not all, UN system organizations. The UN should therefore have a common system-wide approach to sustainable urbanization. The following parameters of collaboration among UN system organizations, within the framework of the HLCP, are proposed.

#### **A) Developing a coherent UN system input to Habitat III**

18. In the light of General Assembly resolution 67/216, paragraph 11, the HLCP, under the leadership of UN-Habitat and through a UN system-wide consultative process, could formulate a UN system-wide input to the preparatory process for Habitat III. The input could be in the form of a policy paper on “Urbanization and Sustainable Development: Towards a New United Nations Urban Agenda”. It is likely that the Preparatory Committee for Habitat III (Habitat III Prepcom) will start discussions on a draft of the outcome document of Habitat III, “A New Urban Agenda”, at its second meeting in April 2015, to be held in Nairobi, Kenya. It would be useful if the UN system could provide its substantive input to the draft of “A New Urban Agenda” at this meeting of the Habitat III Prepcom. The policy paper could explain the role of urbanization in sustainable development, and also propose ideas on the main characteristics of a sustainable city that UN system organizations could jointly promote from the perspectives of their different mandates.

#### **B) Ensuring policy coherence in the post-2015 era**

19. Habitat III will be the first UN international conference to be held following the adoption of a Post-2015 UN Development Agenda / Sustainable Development Goals. The proposed HLCP policy paper on “Urbanization and Sustainable Development: Towards a New United Nations Urban Agenda” could be the basis of a UN system-wide approach to the implementation of the sustainable urbanization dimensions of the Post-2015 UN Development Agenda. It will be important to ensure coherence among UN actors involved in key dimensions of sustainable urbanization, including those in the areas of climate change; urban planning, design and management; water, sanitation and urban health; energy and urban mobility; disaster risk

reduction; migration; industrialization and urban job creation; as well as local government and financing – many of which are already under consideration by the HLCP. This document could also be the basis of a framework for cooperation on these and other urbanization issues among UN system organizations.

C) Showcasing the work of the UN on urban issues

20. The proposed HLCP policy paper on “Urbanization and Sustainable Development: Towards a New United Urban Agenda” could also provide a framework for UN system organizations to showcase their work on urban issues. Demonstrating policy coherence on these issues is likely to increase the interest in and support to urban development among international development partners, especially at the country level.

#### **IV. Proposed Timeline**

21. The timeline proposed below is closely linked to the preparations for Habitat III:

- (1) UN-Habitat to lead consultations among UN system organizations on draft terms of reference for a time-bound HLCP Working Group on A New United Nations Urban Agenda: February to first week of March 2014.
- (2) Presentation and endorsement of proposed terms of reference for a Working Group on A New United Nations Urban Agenda: 27th Session of the HLCP, 17-18 March 2014, Santiago, Chile.
- (3) Development, by the HLCP Working Group on A New United Nations Urban Agenda, of a draft policy paper on “Urbanization and Sustainable Development: Towards a New United Nations Urban Agenda”: March – September 2014.
- (4) Discussion of a draft policy paper on “Urbanization and Sustainable Development: Towards a New United Nations Urban Agenda” and endorsement of policy recommendations to the CEB by the HLCP: 28th Session of the HLCP, October 2014, date and venue TBD.
- (5) Presentation, for decision, of UN system-wide policy recommendations on “A New United Nations Urban Agenda” to the CEB: 2nd Regular Session of the CEB, 20-21 November 2014, Washington D.C.
- (6) Presentation of UN system-wide policy recommendations on “A New Urban Agenda” to the Habitat III Prepcom (as a UN system-wide input to the draft outcome document of Habitat III): 2nd Meeting of the Habitat III Prepcom, April 2015, Nairobi, Kenya.

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