



**“Urbanization and Sustainable Development:  
A United Nations System Input to a New Urban Agenda”**

**Executive Summary**

This paper addresses the challenges facing today’s urbanization patterns and the opportunities that urbanization offers. It presents, for consideration by the Preparatory Committee for the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), ten guiding principles and ten key levers of transformative change towards sustainable urbanization as a United Nations system input to a ‘New Urban Agenda’, the expected outcome document of Habitat III. It also proposes a multi-stakeholder partnership based on the UN-Habitat World Urban Campaign platform for the implementation of a ‘New Urban Agenda’.

Urbanization is one of the most important global trends of the 21st century. It is a transformative force that can be harnessed to enhance economic growth, productivity and development in general, including wealth and state-building. However, today’s most common urbanization patterns are not sustainable environmentally, socially, politically and economically. They present a number of challenges to ensuring equitable access to urban basic services, including water, sanitation, health, education, and social services as envisioned in the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development.

The many opportunities of urbanization today could be the basis for harnessing its transformative force and activating a pattern of urban growth that could positively impact other spheres of national development. Ten guiding principles could steer the vision of such a new urban agenda and induce transformative change:

(a) Promoting a new urbanization vision that is universal and adaptable to different national circumstances and that is based on the key urbanization challenges and opportunities shared by all countries.

(b) Promoting a new urbanization vision with mechanisms and procedures that respect, protect and promote human rights and social justice.

(c) Promoting equitable urban development and inclusive urban growth, which entails bringing equality and non-discrimination considerations, including gender equality, to the centre of urban development.

(d) Promoting integration in the implementation of a new urbanization vision in order to address the environmental, social and economic objectives of sustainability, which have many inter-linkages, including rural-urban linkages that need to be addressed in a balanced and equitable way, as well as the concerns of different levels of government, including local governments.

(e) Promoting the empowerment of civil society, meaningful participation and consultation in decision-making processes, expanding democratic participation and reinforcing multi-stakeholder partnerships and collaboration.

(f) Promoting green cities and environmental sustainability, which involves establishing a critical connection between science, environment, industry, economic growth, resource use, urban planning and governance.

(g) Promoting urban metabolism as a cornerstone of urban planning and management and a fundamental aspect of urban resilience.

(h) Promoting solutions that work for fragile cities to reduce the vulnerability and enhance the resilience of urban populations in fragile cities most at risk to multiple and interlocking natural and human-made crises.

(i) Promoting innovations that facilitate learning and the sharing of knowledge, which entails the creation of supportive learning, science, technology and innovation policies as well as development of capacities.

(j) Promoting a global data revolution for effective, results-based, implementation and monitoring of the New Urban Agenda at the local, national and global levels.

The proposed New Urban Agenda should represent a paradigm shift towards a new vision of urbanization that can better respond to the challenges of our age. Ten key levers of change, adaptable to different circumstances, may be considered. The first five levers deal with the strategic conditions for sustainable urban development. Of the other five, three address the needs of urban households (the deliverables of sustainable urbanization), while two are about other fundamental requirements.

1. *Developing and implementing national urban policies*: This lever amalgamates the dispersed energy and potential of urban centres within a national system of cities and towns. It helps to establish the role and responsibilities of cities and towns in national development, including rural development, to coordinate the work of different sectors and tiers of government, to establish the incentives for more sustainable practices, and to allocate resources accordingly.

2. *Strengthening urban legislation and systems of governance*: Laws, institutions and systems of governance in line with states international obligations and bound by human rights and the rule of law shape the operational principles as well as the stability of organizational structures and institutional and social relationships that underpin the process of urbanization, including guarding against corruption.

3. *Harnessing the urban economy, creating employment opportunities and improving existing working conditions for all*: Many urban areas and regions require economic regeneration, cluster development and industrial zone strategies; productivity plans, employment generation and income-growth programmes, including some targeted at youth and women; as well as sustainable transport.

4. *Strengthening municipal finance*: This lever is about realigning fiscal authority, responsibility and revenue sharing, i.e. achieving the right balance between different levels of government; improving systems of revenue collection; designing new financial mechanisms; and improving budget management and transparency.

5. *Reinvigorating territorial planning and urban design*: New planning methods and systems can contribute to changing the city's structure, form and functionality towards more compact, integrated and connected and sustainable solutions, such as densification, social diversity and mixed land uses, climate change mitigation and adaptation, sustainable use of natural resources, as well as adequate and safe public spaces, including vibrant streets.

6. *Promoting universal and equitable access to quality and affordable basic services*: A new urban development vision supporting the SDGs will promote universal and equitable access to quality and affordable health and education services, clean water and sanitation, sustainable energy and transport and nutritious food, as well as basic income security, and socio-economic safety nets and other social services, especially for people living in poverty, including those living in rural areas close to cities and towns, i.e. in urban-rural regions.

7. *Promoting adequate housing for all income categories of urban residents*: This requires equal access to land for different social groups; prioritizing sustainable, energy efficient housing for the most in need; effective land-use plans; adequate legal and institutional frameworks; sustainable building technologies; predictable financial mechanisms for affordable housing; and recognition of housing as a place of work. Housing can contribute to the realization of human rights and to growth through backward and forward linkages.

8. *Strengthening gender equality and women's empowerment*: National and local governments are encouraged to develop their capacity to integrate a gender perspective into all their urban policies and programmes so as to promote gender equality and the empowerment of women and to improve the welfare and rights of all women and girls.

9. *Placing culture at the heart of sustainable urban development*: Integrating culture in urban development policies will contribute to efficient management of urban change. Leveraging creativity and cultural diversity will foster social cohesion and promote job opportunities in culture and tourism related activities.

Strengthening the understanding of the socio-cultural context of urban spaces will also enhance their liveability and contribute to urban regeneration.

10. *Promoting resource efficiency and circular economy at city level*: More efficient delivery of urban services, including management of resources flowing to, from, and within cities can contribute to more sustainable patterns of consumption and production.

The proposed guiding principles, levers of transformative change and multi-stakeholder partnership could be the basis of a UN system-wide approach to the implementation of the cities and human settlements dimension of the 2030 Agenda for Sustainable Development, especially Goal 11, ‘Make cities and human settlements inclusive, safe, resilient and sustainable’, and the outcome of Habitat III. They could also constitute a framework for cooperation and showcasing of UN work on urban issues in a way that demonstrates UN policy coherence in the area of sustainable urbanization.

## **I – Introduction**

1. This paper addresses the challenges facing today's urbanization patterns and the opportunities that urbanization offers. On the basis of these, it presents, for consideration by the Preparatory Committee of the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), ten guiding principles and ten key levers of transformative change towards sustainable urbanization as a UN system input to the 'New Urban Agenda', the expected outcome document of Habitat III. It also proposes a multi-stakeholder partnership for the implementation of a 'New Urban Agenda'.

2. It is important to state, at the outset, that the proposals contained in this paper do not seek to establish a blueprint. Instead, the proposals constitute a new vision and general principles of sustainable urbanization (guiding principles and levers of transformative change) that need to be contextualized and adapted to different settings.

## **II – Urbanization can drive economic growth and development, yet the prevailing urbanization patterns are not sustainable**

3. At the beginning of the 19th century, only 2 per cent of the world's population was urban. By the beginning of the 20th century, the percentage had increased to 10. During the first decade of the 21st century, a historic milestone was reached when the population living in cities and towns exceeded 50 per cent of the global population, thus making urban centres the dominant habitat of humankind. Urbanization continues to increase, with 60 per cent of the world's population expected to live in cities by 2030 and nearly 70 per cent by 2050 (see Table 1). Most of this growth, at least 90 per cent, will take place in low-income countries, some of which are currently fragile states plagued with recurrent conflicts.

### **Box 1. Urbanization and socio-economic transformation**

'Urbanization' may be defined as a process of change from rural to urban ways of living, in physical-spatial, social and economic terms. It is the process by which towns and cities are formed and increase in number and size as more and more people begin living and working in central areas defined as 'urban'. The word 'urban' is defined differently from country to country, but the criteria used for such definitions are usually population size, population density, and proportion of population in non-agricultural occupations, with clear thresholds being given for each criterion.

The process of urbanization is associated with fundamental demographic, economic and social transformations. Demographically, urbanization is a result of three processes: rural-to-urban migration; growth of the internal population of towns and cities; and official reclassification of 'rural' settlements to 'urban'. In physical-spatial terms, urbanization is the emergence and multiplication of comparatively large, dense and permanent agglomerations. Economically, urbanization involves the geographical or spatial concentration of non-agricultural productive activities such as industrial production/manufacturing and services, facilitated by agglomeration economies. Socially, and behaviourally, urbanization entails significant changes in ways of living, including from customary (or traditional) to bureaucratic ways of socio-political organization. Whereas urbanization offers many positive impacts for health, education, water and sanitation, urban settings also create or accentuate risk factors for health (such as for chronic diseases and spread of infectious diseases). It was, in fact, the outbreak of waterborne infectious diseases that directly led to the emergence of urban planning in 19th century Europe.

Urbanization is thus related to more intensive production and consumption patterns, as well as levels and rates of socio-economic activities, growth and development. Furthermore, it refers to cognitive processes; the changing of mindsets in ways that profoundly influence social development and innovation. The transformative force of urbanization is driven by these physical-spatial, social, behavioural, political and economic changes. Its potential strength is related to both the level and rate of urbanization in this wider context.

4. The rapidly increasing dominance of urban areas places the process of urbanization among the most significant global trends of the 21st century. But urbanization is not simply a demographic or spatial phenomenon.<sup>1</sup> Rather, it is a force which, if effectively steered and deployed, offers opportunities for more sustainable growth and wellbeing of populations. In urban areas, there are co-benefits brought about by many factors, including economies of agglomeration and of scale. Urbanization can help the world to overcome some of the major global challenges, including poverty, inequality, poor health, environmental degradation, climate change, fragility and conflict, to name just a few.

Table 1. Global urban population distribution

Region	Urban population Millions			Proportion of total population living in urban areas (%)			Urban population rate of change (% change per year)	
	2010	2020	2030	2010	2020	2030	2010-2020	2020-2030
World Total	3486	4176	4900	50.5	54.4	59.0	1.81	1.60
Developed countries	930	988	1037	75.2	77.9	80.9	0.16	0.48
North America	289	324	355	82.1	84.6	86.7	1.16	0.92
Europe	533	552	567	72.8	75.4	78.4	0.35	0.27
Other developed countries	108	111	114	70.5	73.3	76.8	0.33	0.20
Developing countries	2556	3188	3863	45.1	49.8	55.0	2.21	1.92
Africa	413	569	761	40.0	44.6	49.9	3.21	2.91
Sub-Saharan Africa	321	457	627	37.2	42.2	47.9	3.51	3.17
Rest of Africa	92	113	135	54.0	57.6	62.2	2.06	1.79
Asia/Pacific	1675	2086	2517	41.4	46.5	52.3	2.20	1.88
China	636	787	905	47.0	55.0	61.9	2.13	1.41
India	364	463	590	30.0	33.9	39.7	2.40	2.42
Rest of Asia/Pacific	674	836	1021	45.5	49.6	54.7	2.14	2.00
Latin America and the Caribbean	469	533	585	79.6	82.6	84.9	1.29	0.94
Least Developed Countries	249	366	520	29.2	34.5	40.8	3.84	3.50
Other developed countries	2307	2822	3344	47.9	52.8	58.1	2.01	1.70

Source: UN-Habitat, *Global Report on Human Settlements 2011: Cities and Climate Change*, Earthscan, London, 2011, p. 3.

5. Evidence shows that very few countries have ever achieved sustained economic growth, rapid social development and gender equality without urbanizing. The transition from low- to middle-income country status is almost always accompanied by a transition from a predominantly rural to a predominantly urban economy, a process often based on accumulation from the primary sector.<sup>2</sup> Urbanization is a force that has changed ways of thinking and acting, ways of using space, lifestyles, governing and solving disputes, social and economic relations, and consumption and production patterns. It has been a driving force behind profound social, cultural and political change, including state-building, although inequalities remain a substantial barrier to development in many cities, especially within developing countries (see Box 1). In many societies, urbanization has been the locus of much of their creativity and inventive spirit, and the bulk of their economic activity. It is estimated that urban areas account for about 70 per cent of the world's gross domestic product and a similar percentage of new job creation. Thus, urbanization has generated economic growth and prosperity, as well as the demand for inclusion and protection for many, including in post-conflict and transition contexts.<sup>3</sup> In short, urbanization can be a powerful driver of development. Moreover, when health, education and other social services are managed well in urban settings, inequalities are addressed, and coordination with urban planning is maximized, the potential to achieve other development outcomes is great. This was recognised by the Open Working Group on Sustainable Development Goals and later integrated into the 2030 Agenda and the Sustainable Development Goals as a stand-alone goal, i.e. Goal 11, on cities and human settlements: **“Make cities and human settlements inclusive, safe, resilient and sustainable”**.

<sup>1</sup> Urbanization has long been seen as a process of socio-economic and behavioural transformation. See Wirth Louis, “Urbanism as a Way of Life”, *The American Journal of Sociology*, Vol. 44 No. 1, July 1938, pp. 1-24.

<sup>2</sup> Commission on Growth and Development, 2008.

<sup>3</sup> UN-Habitat, Concept Paper, World Urban Forum 7, 2014.

**6. However, urbanization has generally followed a pattern that is unsustainable:**

a. *Environmentally*, with its combination of fossil fuel use and heavy dependence on the motor car; more intensive production and consumption patterns; extensive urban peripheries that often consume inordinate amounts of land, resources, and in many cases protected natural areas (largely steered by private, not public interest<sup>4</sup>); and with increasing impacts of natural disasters and outbreaks of communicable diseases. Extensive urban sprawl in different cities of the world is causing environmental degradation and the depletion of natural resources, including the availability of arable land, thereby increasing per capita rates of resource use and greenhouse gas emissions as well as air pollution, leading to significant premature deaths and other impacts on health;

b. *Socially*, with exclusive forms of urban development that add to unequally distributed income and wealth generation, discrimination in law and in practice, as well as spatial inequalities, creating divided cities in the form of wealthy gated communities that are in sharp contrast to slums or poor areas with little or no access to basic municipal services. Different forms of poverty and marginalization and the increase of income inequality are exacerbated by speculative land and housing markets. Growing difficulties in integrating migrants and other groups of urban dwellers and in sharing the human, social, cultural and intellectual assets that urban centres offer create racially, ethnically and/or socially fragmented areas. Insensitive planning and lack of accessibility of urban infrastructure, facilities and public services contributes to barriers that prevent women in general and groups such as people living in poverty, persons with disabilities and older persons from participation as both agents and beneficiaries of urban development. Silo approaches to urban challenges have led to inefficient urban laws, policies and programmes. The contribution and the opinions of urban dwellers, especially people living in informal settlements, minorities or homeless people, are, in many circumstances, not considered in urban processes;

c. *Politically*, with the continuing domination of traditional modes of representation and leadership which tend to concentrate power in the hands of the economic and social elites and to disenfranchise large sections of the urban population that cannot access the formal political system — a process not limited to urban areas only. If cities are also where new forms of social organisation and civic participation mostly thrive, these are often not able to challenge the existing power structure within the formal structures of grievance management — when they do not reinforce it instead — and as a result, cities remain prone to tensions between groups for the control of power, money and identity that more and more often degenerate into outright conflict and violence. The rights to information and meaningful participation are, in many countries, generally absent from urban decision-making processes; and

d. *Economically*, with the incessant increase in the cost of living which is prohibitive for many, forcing them to move to distant peripheries far removed from places of employment, further increasing their expenditure on transport, thereby limiting the urban advantage. Widespread under- and unemployment and different forms of unstable and low-paid jobs, informal income-generating activities and improper working conditions create additional economic restrictions, unequal access to basic services and amenities, and poor quality of life for many.

7. Despite the fact that urbanization has the potential to make towns, cities and city regions more prosperous and countries more advanced, many urban centres, both in the developing and the developed world, have found themselves unprepared in the face of current spatial, demographic, social, political and environmental challenges.

**III – The challenges associated with development are exacerbated by poorly planned and managed urbanization**

8. Urbanization, and particularly the city, historically has been associated with intrinsic attributes that generate positive dynamics for development and change. However, poor planning, discrimination, the absence of effective governance and legal frameworks, fragile institutions, low capacity of local authorities to finance, operate and deliver essential physical and social infrastructure and services, weak coordination mechanisms of different levels of government and across different sectors, as well as of rural-urban linkages, among other factors, have intensified the challenges associated with urbanization. Today the most pressing challenges include:

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<sup>4</sup> UN-Habitat, *State of the World's Cities Report 2012-2013: The Prosperity of Cities*, Earthscan-Routledge, London, 2012.

a. *Large scale urban poverty in many countries*: While poverty has fallen dramatically at the global level, urban poverty and inequality are growing challenges in many countries.<sup>5</sup> The lack of an agreed definition of urban poverty and the inconsistency of official data make it difficult to assess precisely the current extent of urban poverty worldwide; yet, studies at country level show that urban poverty is becoming more prevalent in many countries, partly because the expected improvement in quality of life has failed to materialize for many rural to urban as well as international migrants. Urban poverty is characterized by low incomes, low levels of access to housing, water, sanitation, education and health services, as well as hunger and malnutrition. Although hunger and malnutrition are often framed as rural problems, and urban poverty levels in the developing world are, on average, lower than rural levels, urban food insecurity is a growing issue. Urban food prices are usually higher than those in rural areas and urban dwellers have often only limited access to social protection systems such as safety nets. Urban livelihoods are highly dependent upon monetary income, and therefore upon regular income for their food security, making the poorest households especially vulnerable to internal and external economic factors outside their control. This is also true of energy and water, as lower-income urban households and people living in informal settlements spend a larger percentage of their income to cover their costs. Moreover, the lack of disaggregated data masks the significant differences in health outcomes between the wealthiest and poorest quintiles in urban areas;<sup>6</sup>

b. *The steady increase in the number of slum dwellers*: In many countries, urban expansion has often been characterized by informality, illegality and unplanned settlements, especially in developing countries (see Table 2). Above all, urban growth has been strongly associated with slum growth, which is primarily due to a lack of appropriate planning and affordable housing as well as low incomes.<sup>7</sup> In fact, the world's estimated 828 million slum dwellers suffer in varying degrees from poor sanitation, inadequate access to clean water, food insecurity and malnutrition, poor health, crime, unemployment, insecure tenure and threats of eviction, overcrowding and poor quality housing. Slums are, in fact, the physical manifestation of urban poverty. Slum growth affects women, children and members of other disadvantaged social groups disproportionately, often because they experience greater difficulty in accessing resources and services tailored to their needs as well as decision-making opportunities.<sup>8</sup> Continuing population growth, including migration into urban centres — caused by economic factors, natural disasters and conflicts, combined with the lack of appropriate responses and sustained solutions — is likely to increase the number of the urban poor and slum dwellers, whose shelter needs are not given adequate attention by municipal authorities, in spite of their provision of much needed labour to urban industries and high-income homes.<sup>9</sup> Moreover, continued lack of access to health services, safe drinking water and sanitation further exacerbate the cycle of poverty;

Table 2. Percentages of slum dwellers in developing regions

Major region or area	Percentage of urban population living in slums (per cent)						
	1990	1995	2000	2005	2007	2010	2012
Developing regions	46.2	42.9	39.4	35.6	34.3	32.6	32.7
Sub-Saharan Africa	70.0	67.6	65.0	63.0	62.4	61.7	61.7
Latin America and the Caribbean	33.7	31.5	29.2	25.5	24.7	23.5	23.5
Eastern Asia	43.7	40.6	37.4	33.0	31.1	28.2	28.2
Southern Asia	49.5	44.8	39.6	34.2	31.9	31.0	31.0
Western Asia	22.5	21.6	20.6	25.8	25.2	24.6	24.6
Oceania	24.1	24.1	24.1	24.1	24.1	24.1	24.1

Source: UN-Habitat, Global Urban Indicators Database, 2012.

<sup>5</sup> According to the World Bank, the number of the world's poor living on less than \$1.25 a day decreased from 1.9 billion in 1990 to 1.3 billion in 2008. However, updated economic projections by the IMF and the World Bank indicate that an estimated 970 million people will continue to live on under \$1.25 a day in 2015, equivalent to 15.5 per cent of the population in the developing world. Shaohua Chen and Martin Ravallion, 2012.

<sup>6</sup> WHO and UN-Habitat, *Hidden Cities: Unmasking and overcoming Health Inequalities in Urban Settings*, WHO Centre for Health Development, Kobe, and UN-Habitat, Nairobi, 2010: [http://www.who.int/entity/kobe\\_centre/publications/hiddencities\\_media/who\\_un\\_habitat\\_hidden\\_cities\\_web.pdf?ua=1](http://www.who.int/entity/kobe_centre/publications/hiddencities_media/who_un_habitat_hidden_cities_web.pdf?ua=1), accessed 16 September 2015.

<sup>7</sup> UN-Habitat shows that the absolute number of the world's slum population is not decline; on the contrary, the figure has been rising from 650 million in 1990, to 767 million in 2000 and to 863 million in 2012. UN-Habitat, database, 2014.

<sup>8</sup> See UN-Habitat, *State of the World's Cities 2012-2013: Prosperity of Cities*, op. cit.

<sup>9</sup> It is estimated that in the next 15 years the world's slum population will grow by around 7 million every year. Ibid.

c. *Concentration of multiple forms of poverty, vulnerability and marginalization in cities*: In addition to income poverty, there is an emerging concentration of overlapping forms of social exclusion and marginalization within some pockets in developed country cities<sup>10</sup>: infrastructure-poor, immigrant poverty, young people at risk, vulnerable women headed households, and vulnerable elderly, among others.<sup>11</sup> Many of these forms of poverty and marginalization stem from unemployment and under-employment, the decline of economic bases in decaying cities, low incomes, absence of traditional safety nets and lack of or weak social security systems, all of which are often physically manifested in segregated urban neighbourhoods, including those in which international migrants are concentrated, a phenomenon that is present in many cities in both the global south and the global north.<sup>12</sup> Marginalization, along with consequent vulnerability and poverty, directly affect people living with disability, people living in poverty and a number of other population groups, further driving inequality, as evidenced by analyses of social determinants of health.<sup>13</sup> Unemployment is one of the greatest challenges facing youth globally. Today there are more young people without work than ever before. Estimates of the proportion of unemployed 15-24-year-olds are close to one-third in many regions and countries, representing one of the most pressing problems in the world's cities and towns. In 2014, the global youth unemployment rate was 12.7%, compared with the overall unemployment rate of 5.9%. During the next 15 years, 600 million more people will join the global labour market, most of those will be urban youth in developing countries. These new entrants to the labour market will be competing with the existing 200 million unemployed and 550 million working poor;

d. *Rising inequality in urban areas across the world*: Inequality has become a universal concern. Differentials in access to opportunities and basic services, income, consumption, location, safety and security, information and technology, as well as gender-based and other forms of discrimination and stereotypes, are now the norm, not the exception. For the majority of the world's population, income disparities are today bigger than they were a generation ago.<sup>14</sup> Urban income inequalities intersect with other forms of inequality in the social, political, legal (in terms of both discriminatory laws and access to justice), spatial<sup>15</sup>, cultural and environmental spheres, reinforcing the deprivation faced by many groups and individuals based on gender, age, race, ethnicity, sexual orientation, location, disability and other factors.<sup>16</sup> Moreover, inequality is an important risk factor for crime and victimization. Meanwhile, many people's aspirations have risen due to greater access to information, resulting in social dissatisfaction and malaise;

e. *Decreasing levels of human security and increasing health gaps in cities*: Poverty, social deprivation, poor access to health, education and other social services, inadequate housing and crowded living conditions, increasing food and nutrition insecurity, problems with water safety and availability, inadequate sanitation and solid waste disposal services, air pollution, traffic congestion, road safety, criminal violence, epidemics of both communicable and non-communicable diseases, as well as occupational health problems and accidents at work, are some of the factors associated with human insecurity in general and ill-health in particular that affect the population of many cities in the world today. The close proximity of people living in the environmentally poor conditions typical of many cities — especially in informal slum areas with insufficient access to health services — increases the risk of and vulnerability to maternal mortality, infectious diseases such as HIV/AIDS and tuberculosis (TB) and vaccine-preventable diseases. The rates of HIV and TB infection are typically higher, and many health indicators are significantly worse in the poorest communities in urban areas as compared to those with higher-incomes. This is a result of extreme poverty, overcrowding, lack of housing, unaffordable or inaccessible health services and education, increased vulnerability and physical insecurity, stigma and discrimination, as well as separated families. For example, in all regions of the world, cities and other urban settlements bear a large and increasing share of the global HIV burden (see Figure 1). In sub-Saharan Africa, it is estimated that almost half (45%) of people living with

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<sup>10</sup> In Europe, 17 families out of 100 were considered at risk of poverty in 2007. López M. Eduardo, "Addressing New Forms of Poverty and Exclusion in Europe", European Commission, World and European Sustainable Cities, Insights from EU Research. 2010.

<sup>11</sup> López M. Eduardo, 2010. Ibid.

<sup>12</sup> Sharkey Patrick, "Stuck in Place: Urban Neighborhoods and the End of Progress Toward Racial Equality" Chicago, University of Chicago, 2013.

<sup>13</sup> WHO, Closing the gap in a generation: Health equity through action on the social determinants of health, xxx: [http://www.who.int/social\\_determinants/thecommission/finalreport/en/](http://www.who.int/social_determinants/thecommission/finalreport/en/).

<sup>14</sup> The Economist, 2012. UN-Habitat estimates that more than two thirds of the world's population lives in cities where income inequality increased since 1980's. UN-Habitat, 2014.

<sup>15</sup> Poor urban planning increases inequality in cities by limiting job opportunities, aggravating gender disparities, intensifying crime, limiting the access to public goods and reducing forms of social capital. UN-Habitat, CAF, "Construcción de ciudades más equitativas: políticas públicas para la inclusión en América Latina", 2014.

<sup>16</sup> UN Open Working Group, 2013, Post-2015 Development Agenda, New York.

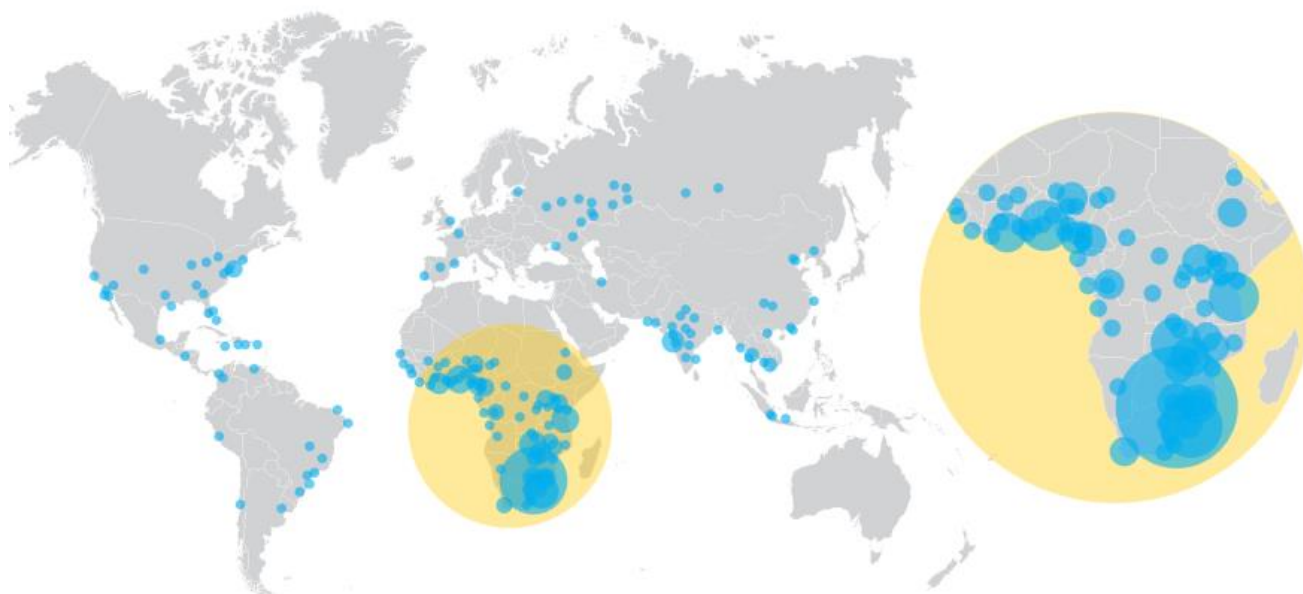


HIV in 2014 were residing in urban areas.<sup>17</sup> Differentials in income quintiles affect many aspects of health outcomes: less life expectancy as well as deaths from water borne and non-communicable diseases. Marginalized communities are often hindered from providing the levels of education, health and social protection services that are required for the healthy and safe development of children. In addition, substance use disorders often erode further the already limited human and social capital of individuals and their families in such communities. These health gaps are growing despite unprecedented levels of global wealth, knowledge and health awareness.<sup>18</sup> Increased pressure on health care systems and basic services that often do not keep up with increasing demand and do not respond to changing demographic and epidemiological transitions is part of the problem;

f. *The speculative nature of housing and related markets:* Housing plays a fundamental role in national economic development, having a multiplier effect on employment, income generation, investments and savings. However, a massive rise of subprime mortgage lending in the USA, partly driven by speculative behaviour and inadequate regulation of credit and financial markets, led to a sudden increase in defaults and collapse of several financial institutions, triggering the financial crisis that started in 2008 and spread globally through the contagion effect made possible by interconnected financial markets. Millions of people in a number of countries, mostly developed, faced foreclosure while at the same time millions of houses were left abandoned, underutilized or vacant.<sup>19</sup> Speculative behaviour in land, housing and financial markets in many countries has contributed to the endless expansion of cities, gentrification, rampant land sub-divisions, poor street and infrastructure connectivity and unsustainable consumption of land, resources and energy. Even more, decades of neglect of public housing, state intervention and the failure of the private market to produce an adequate number of affordable homes for all parts of the population has resulted in the polarization of cities, weakening of social cohesion and further inequalities. Policy perspectives have often considered housing, land, water and sanitation (alongside health, education or justice) as mere commodities, instead of recognizing their social functions;

Figure 1. Urbanization and HIV

World map of 200 cities with the greatest estimated number of people living with HIV, 2013



g. *Women face discrimination in the context of urbanization, poverty and violence:* On the one hand, women living below the poverty line, especially those living in slums,<sup>20</sup> tend to concentrate in the low-wage, low-skilled and often home-based jobs in the informal sector, and non-core jobs.<sup>21</sup> Moreover, women in poor communities do not enjoy the same rights to infrastructure and adequate housing. On the other hand, urban women living in poverty experience a higher degree of insecurity and vulnerability to violence as they are more likely than women

<sup>17</sup>UNAIDS, Cities Report, 2014.

<sup>18</sup>WHO, UN-Habitat, “Hidden Cities: Unmasking and Overcoming Health Inequalities in Urban Settlements”, Switzerland, 2010.

<sup>19</sup>López M. Eduardo and Zeltia Blanco, “Ghost Cities and Empty Houses: Wasted Prosperity”, *American International Journal of Social Science*, Vol. 3, No. 2, 2014.

<sup>20</sup>Almost one billion people live in slums without basic services and social protection according to UN Habitat, *State of the World's Cities 2012-2013: Prosperity of Cities*, op. cit.

<sup>21</sup>Urbanization, gender and poverty. Technical briefing. UNFPA in association with IIED, March, 2012.

from higher income groups to become victims of violence, including sexual violence, both in the public space, including the work place, and within the household, and they are more vulnerable to human trafficking;

h. *Pressure for more infrastructure with associated non-efficient resource use*: In developing countries — where the second urbanisation wave is well under way — cities are facing the need to invest on a massive scale in new urban infrastructure to meet the rapidly growing needs of expanding urban populations and economies. It is estimated that 60% of the built infrastructure required to meet the needs of the world's urban population by 2050 still needs to be constructed.<sup>22</sup> That infrastructure should, first and foremost, serve the people living in cities; and, furthermore, the only way that infrastructure could be developed is by the active participation of markets and the private sector. A very dynamic system is therefore emerging in which the characteristics of cities are affecting and are getting affected by individual, institutional and corporate decisions and choices. While the decisions of institutions are emerging through policies, the decisions and choices of individuals are emerging through lifestyles and the decisions of corporations through market behaviour. A new urban agenda should recognize this complexity and offer a framework of solution-driven approaches that could bring together all these actors, their processes and the impacts of individual and institutional decision-making;

i. *High costs to the natural environment*: Increasing urbanization, often over the most productive agricultural land, produces particular environmental challenges associated with intensive land uses, higher resource and energy consumption, and rising difficulties in ensuring efficient and sustainable food systems as well as flows of goods and people. Although urban areas are now home to about half the world's population, they occupy only 2.8% of the world's land area. When cities are not well planned and managed, environmental health hazards increase, ecosystems are disrupted or damaged, air and water pollution aggravated and natural resources depleted. While the concentration of people and economic activities creates localized pressure on the environment, it can also help reduce others, as will be seen later under the section on opportunities offered by urbanization;

j. *The urban risks of climate change and natural hazards*: As the world becomes predominantly urban, the international debate on climate change is intensifying, and this is not coincidental. It is now widely accepted that urbanization brings about fundamental changes in production and consumption patterns, which when associated with a dysfunctional urban form and structure of cities, contribute to higher levels of energy consumption<sup>23</sup> and greenhouse gas emissions.<sup>24</sup> (see Figure 2) Cities are both victims of and contributors to climate change. It is estimated that cities currently contribute between 37 and 49 per cent of the world's total greenhouse gas emissions and it is projected that, by 2050, cities will be responsible for more than 70 per cent of global greenhouse gas emissions.<sup>25</sup> Cities account for much of the air pollution burden, which WHO estimates causes seven million premature deaths per year.<sup>26</sup> There is, therefore, an urgent need to promote low carbon development and efforts to decarbonize specific sectors of economic activity at the city level. Also, coastal cities are increasingly vulnerable to extreme weather events resulting from climate change. In the coming decades, climate induced extreme events are expected to increase manifold.<sup>27</sup> The World Bank projects that, in cities in developing countries, the number of people exposed to cyclone and earthquake risks will more than double between 2000 and 2050.<sup>28</sup> The increased density of urban populations is also a key risk factor for increased transmission and worsening impact of communicable disease outbreaks, such as the Ebola virus in West Africa and influenza epidemics across the world. Human life and economic losses in urban areas caused by climate change induced and other natural disasters are a result of the high concentration of population and economic activities, as well as of the high levels of vulnerability of people living in poverty, whose residential areas are frequently located on hazardous land, such as industrial waste sites, floodplains, riverbanks and steep slopes. This in turn is exacerbated by poor urban planning and disaster prevention measures as well as inadequate infrastructure;

k. *Displacement and marginalisation*: Conflicts, forced evictions and land grabbing and, to an extent, natural disasters are displacing growing numbers of people, both those who are internally displaced (IDPs) as well as

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<sup>22</sup> UNEP IRP.

<sup>23</sup> Globally, with a population share of just above 50 per cent, cities concentrate between 60 to 80 per cent of energy consumption, and generate as much as 70 per cent of CO<sub>2</sub> emissions.

<sup>24</sup> Between 1950 and 2005, the urban population grew from 29 per cent to 49 per cent of the global population, while global carbon emissions from fossil-fuel burning increased by almost 500 per cent. UNEP, "*Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication*", 2011.

<sup>25</sup> IPCC, 2014.

<sup>26</sup> [http://www.who.int/topics/air\\_pollution/en/](http://www.who.int/topics/air_pollution/en/).

<sup>27</sup> IPCC, 2014.

<sup>28</sup> World Bank, 2013.

refugees, into urban areas. Over sixty per cent of refugees, the majority of whom are women and children under 18 years old, for example, now live in towns and cities as opposed to in camps.<sup>29</sup> IDPs and refugees in urban areas encounter many of the same challenges as the local urban poor, with difficulties in accessing the services and opportunities needed to meet their basic food security, nutrition, housing, education and other rights. Large influxes of IDPs and refugees into already congested urban areas also raise serious protection concerns and pose significant challenges to the stability of food systems in affected areas. The sizable displacements into urban areas combined with the mobile nature of urban IDP and refugee populations can create tensions with host communities, which are sometimes ignited or worsened by political discourses. Refugees face additional challenges due to their refugee status. In many countries, there is no legal framework for safeguarding the rights of refugees living outside of camps in urban settings, and the institutional arrangements in towns and cities that are needed in order to provide for their basic needs are often inadequate. Furthermore, the dependence upon regular income for food purchase in contexts where refugees are often not permitted to legally work leaves them especially vulnerable to food insecurity as well as harassment, intimidation and discrimination. Yet refugees contribute to the social, economic and cultural fabric of their host communities. They should really be seen as rights-holders, contributors and partners in the development of cities. Refugees can become key players in city development, growth, resilience and sustainability as bridges between country of asylum and origin, with skills and resources and acting as transnational traders, business partners and investors. Displacement in cities is also caused by forced evictions and gentrification, leading to further ghettoization of the most vulnerable.

l. *Cities are becoming a terrain for violent conflict and crises*: More than 1.5 billion people live in countries affected by state fragility and violent conflict.<sup>30</sup> Fragile states often have the highest rates of urbanization, partly due to the massive population movements from rural to urban centres caused by conflicts. They often experience extraordinary pressures on urban basic services and infrastructure, including housing, food security and nutrition, water and sanitation, as well as health and educational facilities, while lacking the necessary institutional capacity to respond to the demands. They also experience immense pressure to generate jobs and other forms of livelihood. In addition, they are unable to deal with the grievances and conflicts that arise from the lack of services and livelihoods. Many cities are failing to manage the socio-cultural heterogeneity within their populations, nor are they promoting social cohesion in any appreciable ways. Cities that were previously socially and culturally mixed evolve into highly divided urban spaces after conflict, at all levels, making effective urban governance even more difficult to achieve. The demand for services from informal settlements also causes the privatisation of services that the state is unable to deliver and can cause further tensions. In addition, the visibly increasing inequalities in income, wealth and access to services and opportunities in urban centres, and the absence of alternative means of securing livelihoods, all create the kinds of tension that can easily result in violent conflict, including over access to resources. In some cities, the use of urban renewal programmes by public authorities as justification for demolishing informal housing and businesses and shutting down of urban spaces where people can express their opinion and exercise their rights to free speech has often resulted in violent conflict between communities and authorities. Moreover, the largely informal character of urban growth in these countries and cities erodes the legitimacy of the state, creating along with other factors an environment prone to crime and other types of violence not related to conflict. Together, these factors give rise to a new understanding of fragility, where risks and vulnerabilities are concentrated at the city level<sup>31</sup>;

m. *Cities are generating unprecedented levels of multi-layered crime and violence*<sup>32</sup>: Violence can take a multitude of forms in urban environments, including armed violence, extortions, robberies, drug and human trafficking, sexual or gender-based and domestic violence, and the criminal depredation of urban spaces and infrastructure, among other forms of violence. It is perpetrated by numerous actors, including gangs, organized criminal groups, armed individuals and militias, as well as state security and law enforcement agencies. Urban violence has become a major impediment to economic growth and has catastrophic social consequences. Urban violence is also deeply gendered: across all societies, young males are the most common perpetrators, as well as victims, of urban violence; yet, the proportion of women suffering from urban violence as direct victims keeps increasing. Crime and violence affect overwhelmingly the most deprived urban communities, where city governments and law enforcement agencies have often abandoned their public security role, while richer sections of society resort to private security provision, often operating outside of legally-defined boundaries<sup>33</sup>; and

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<sup>29</sup>UNHCR, Global Trends, 2014, <http://www.unhcr.org/55672e69.html>.

<sup>30</sup>OECD estimates that by 2050, 50 per cent of the world's poor will live in such contexts.

<sup>31</sup>de Boer, J., "Resilience and the Fragile City," *Stability: International Journal of Security and Development*, April 2015.

<sup>32</sup>Only in 2010, 18,167 homicides were recorded in Central America, mostly in urban areas, according to UNDP. This equates to, on average, a rate of some 42 homicides per 100,000 inhabitants, a value that is similar to, or greater than, that of most contemporary armed conflicts.

<sup>33</sup>UN-Habitat, *Global Report on Human Settlements 2007: Enhancing Urban Safety and Security*, Earthscan, London, 2007.

n. *Rapid urban development is generating corruption*: In recent decades, corruption arising from rapid urban development has increased.<sup>34</sup> “Corruption is the abuse of power for private gain”<sup>35</sup> or “...the misuse of entrusted power (by heritage, education, marriage, election, appointment or whatever else) for private gain”<sup>36</sup>, and applies to both the public and private sectors. The UN Convention Against Corruption<sup>37</sup> contains no general definition of corruption, but rather, a list of wrongful acts to be criminalized under the national legislation of state-parties. These include: bribery of national public officials (Article 15); bribery of foreign public officials and officials of public international organizations (Article 16); embezzlement, misappropriation or other diversion of property by a public official (Article 17); trading in influence (Article 18); abuse of functions (Article 19); illicit enrichment (Article 20); bribery in the private sector (Article 21); embezzlement of property in the private sector (Article 22); laundering of proceeds of crime (Article 23); and obstruction of justice (Article 25). Corruption in urban development is a result of inadequate governance systems. It often manifests itself in the manipulation of public sector procurement systems in major infrastructure projects, thus diverting resources from wider social development for the benefit of those engaged in kick-back payments, bribes and other illicit practices. This often results in lower quality of infrastructure projects, paid for at a higher price, amidst ineffective or even in the absence of monitoring and accountability mechanisms. Urban-based corruption is sometimes in the form of theft or grabbing of public land. Thus corruption results in the denial of the basic rights of ordinary urban residents, including access to land and housing. Bribes are sometimes paid in order to evade urban planning and design standards as well as building regulations, resulting in ill-planned and hazardous urban environments. A common result of this latter practice is the collapse of mutli-storey buildings, usually still under construction. Moreover, corruption is a common phenomenon when dealing with housing and land, speculation, urban renewal and forced evictions in many cases.

9. All these urban challenges are exacerbated by the inefficient form and function of many cities, and the failure to create locally appropriate legal and institutional structures to promote integrated and long-term sustainable urban planning, management and governance. Indeed, poorly planned and managed urbanization — that translates into low densities, excessive separation of land-uses, mismatch between infrastructure provision and residential concentration, and inadequate street networks, among other problems — diminishes the potential of using economies of scale and agglomeration. This causes high transaction costs, loss of opportunities in production and delivery, labour shortages, poor generation of jobs, and various other negative externalities that have adverse effects on the growth and prosperity of cities. Balanced urban and rural development is also essential to ensure positive synergies between urban centres and rural areas.

#### **IV – The opportunities offered by urbanization go beyond urban space**

10. The **opportunities that exist can be used to harness the transformative force of urbanization** and to activate a pattern of urban growth that can positively impact other spheres of national development. The outcome document of Rio+20, *The Future We Want*, recognizes that, “... if they are well planned and developed ... cities can promote economically, socially and environmentally sustainable societies”.<sup>38</sup> More recently, and as mentioned earlier, Member States have recognised the important role of urbanization in sustainable development through the inclusion of a stand-alone goal (Goal 11) on cities and human settlements in the 2030 Agenda for Sustainable Development. Sustainable urbanization offers a number of avenues for overall sustainable development as described below.

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<sup>34</sup>Benito et. al., 2015.

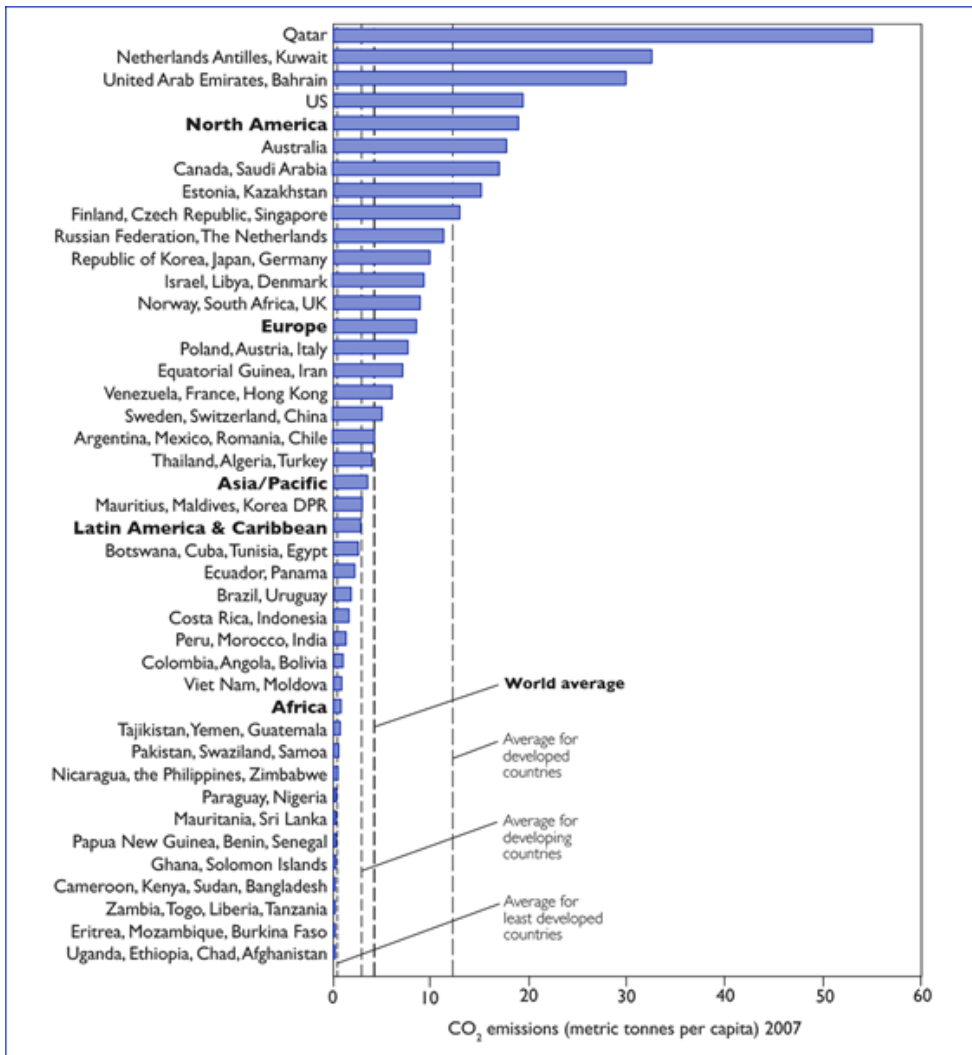
<sup>35</sup>Benito et. al. *ibid.*, p. 2.

<sup>36</sup>Saxion University website: <http://www.corruptie.org/en/corruption/what-is-corruption/>.

<sup>37</sup>UNCAC, 2005.

<sup>38</sup>United Nations, “The Future We Want”, 2012.

Figure 2: The higher the urbanization level the higher the GHG emissions — CO<sub>2</sub> emissions per capita in selected countries



Source: UN-Habitat, 2011, op. cit., p. 45.

a. *Cities have agglomeration benefits that reduce costs of infrastructure and socio-economic services, drive innovation, as well as enhance business development and job creation:* Higher densities that characterise urban settlements combine, through agglomeration and scale economies, greater productivity and innovation with lower costs and reduced environmental impacts, to deliver the benefits of urbanization more sustainably. Well planned and managed cities are in a position to maximize these agglomeration benefits. Investment in infrastructure, including in transport, energy, water and sanitation, as well as in economic and social services such as banking, retail and marketing facilities, as well as schools and public health services, clinics or hospitals, is critical. In fact, well planned urbanization is a cost-effective means of extending infrastructure as well as social and economic services across the entire nation, thus improving the living standards, productivity and overall wellbeing of the whole population;

b. *Cities are becoming prominent players in the global arena:* Increasingly, cities are identified as the locus for change and the venue where policies and actions are mobilized. Cities have been able to forge new linkages among actors and offer innovative solutions that have been included in national agendas with greater possibilities of influencing regional and global development. Many of the new partnerships and networks that advocate for key global issues, such as security, resource management, environmental protection, human rights and sustainability, are created in and by cities (see Annex 1)\*<sup>39</sup>;

\* All annexes referred to in this paper are contained in document [CEB/2016/HLCP31/CRP.1/Add.1](#).



c. *Urban local governments have emerged as key institutional drivers of city/regional growth*: Increasingly, their work, vision and solutions transcend local political confines and exert regional and global influence. Urban local governments today are generally more decentralized, have greater autonomy, flexibility and creativity, including in service delivery, and have stronger interdependence with national and other territorial levels of government.<sup>40</sup> Representative local governments interact regularly with society in the implementation of the urban development agenda, frequently through more creative means such as the increasingly common use of e-governance solutions — a process that has contributed to bringing more balanced territorial development and roles among the public, private and non-governmental sectors and other tiers of government. With adequate infrastructure and legal frameworks in place, locally institutionalized partnerships between government, industries and other actors can lead to considerable growth and contribute to the realization of the human rights of urban inhabitants;

d. *Increased contribution of cities to national economic growth*: Cities presently account for 70 per cent of the world's gross domestic product (GDP): some 55 per cent of GDP in low-income countries, 73 per cent in middle-income countries, and 85 per cent in high-income countries. In spite of the relatively weak global economic growth since the beginning of the latest financial crisis in 2008, many developing countries have witnessed high economic growth rates of over 7 per cent per year since 2010, and most of this growth is concentrated around industrial activities of towns and cities, often enhanced by increasing inputs from rural areas. At the same time, most employment opportunities are in urban and peri-urban areas, generating further potential for growth and prosperity. This can be further enhanced by improving the working conditions of the urban workers. Recent empirical evidence suggests that cities, as the main sources of industrial and high-technology employment, can, in fact, be pathways out of poverty. One of the main reasons why poverty has declined significantly in some countries, such as China, is because of urbanization (with accompanying industry-focused growth strategies) and, due to the large numbers involved, this has contributed to the overall decline of world poverty (see Annex 2);

e. *Cities are and have always been centres of change and innovation*: The concentration of people, resources and activities in cities favours the development of creative systems, thought and action driven by education and learning, innovative milieus, knowledge-creation mechanisms, knowledge-sharing networks and new technological developments that contribute to social development and prosperity. The creative capital of cities has been a catalyst of productivity, particularly in generating local solutions, which have a major role to play in urban transformation. Innovative social and institutional arrangements can contribute to the enhancement of equity, social inclusion and gender equality; improvement of decision-making; more accountable means of carrying out service delivery; more influential civic interest groups; as well as change of the ways of doing business and of using resources. Technological innovations, especially those in the realm of information and communication technologies (ICTs), can help to change the urban space in terms of connectivity, proximity and distance, as well as to improve connectivity with both proximate and more distant rural hinterlands.<sup>41</sup> Annex 3 gives an overview of the role of science, innovation and technology. Additionally, information and communication technologies (ICTs), in general, can play an important role in sustainable urbanization and in making cities 'smarter' and more sustainable. However, it is important to note that research, innovation and entrepreneurial dynamism, including in the informal sector, must be supported by enabling science, technology and innovation policies, as well as an enabling business and investment environment, without which the creative potential of cities will not be unlocked. This requires investment in the framework conditions that allow for new thinking, welcome participation and reduce obstacles that deepen the inequality of opportunities among different groups of society. For example, entrepreneurship training can enhance the employment opportunities of urban youth (see Annex 4). Innovation boosts can also be achieved through smart industrial policies that provide spaces in urban areas such as industrial or science parks, allowing industries to cluster, thus fostering a basis for inter-industrial knowledge exchange and technology learning. Industrial and science parks as well as special economic zones can stimulate productivity, innovation and growth of local industries, and also increase foreign direct investment and related technology exchange with globally more advanced economies. They can also drive transformative structural changes, including the bundling of public services in urban areas; greater efficiency in the use of limited government funding for infrastructure; and generation of jobs and incomes;

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<sup>40</sup> Report of the Special Rapporteur on adequate housing on the role and responsibility of local government in the realization of the right to adequate housing — <http://www.ohchr.org/EN/Issues/Housing/Pages/AnnualReports.aspx>; Report of the Human Rights Council's Advisory Group — <http://www.ohchr.org/EN/HRBodies/HRC/AdvisoryCommittee/Pages/LocalGovernmentAndHR.aspx>.

<sup>41</sup> UN-Habitat, 2012. Op cit.

f. *The important role of culture*: Culture, as a factor of social cohesion, inclusiveness and mutual understanding as well as an economic vector, notably through cultural rights, heritage and creative industries<sup>42</sup> (with impact on land use, building techniques, planning, high value know-how and tourism), is increasingly recognized as an asset for the sustainable management of change in the context of development policies. Cities hold much of humanity's tangible and intangible cultural heritage and are places of extraordinary expressions of cultural diversity, including in the food industry (see Annexes 5 and 6);

g. *Urban areas are increasingly connected*: Cities are more and more interconnected, not only through their physical infrastructure such as transportation, power and communication facilities, but also to "distant and multiple locations through financial capital, resource flows and commodity chains".<sup>43</sup> The landscape of urbanization is rapidly changing, affecting the scale, rate, location, form and function<sup>44</sup> of human settlements. Cities that are better connected with each other and with the rest of the world can add to productivity growth and more effective and accessible service delivery through agglomeration effects, particularly when combined with smart industrial policies, thus opening up opportunities to enhance human well-being and prosperity. However, cities and towns must also ensure that their citizens equally benefit from agglomeration factors — that networks of roads and infrastructure reach low income settlements, that urban spaces also provide the poor with productive opportunities and that regulations allow them to be service providers as well. By being physically, socially and economically connected, the expected growth in cities can be better distributed among all stakeholders, including low-income communities;

h. *Some cities are merging into new, dynamic regional spatial configurations*: In some parts of the world, both large and small cities are merging to create urban settlements on a massive scale. These new configurations can take the form of mega-cities, urban corridors and city-regions (see Annex 7). These forms seem to act as nodes where global and regional flows of people, capital, goods, research and science, services and information combine and commingle, resulting in faster economic and demographic growth than that of the countries where they are located. These new configurations are increasingly connected spatially and are functionally bound by their economic, socio-political and environmental linkages. They offer the possibility of reinventing mechanisms of governance, and play an increasing role in the creation and distribution of prosperity far beyond their own specific geographic areas, including in their rural hinterlands;<sup>45</sup>

i. *Higher interdependence between rural and urban areas*: The geography of rural, urban and peri-urban space is changing. Complex interactions are taking place, influencing social and environmental transformations at the interface of rural and urban areas, including flows of people, products/goods, food, money, information, environmental and other services and waste.<sup>46</sup> The urban-rural linkages approach that integrates urban and rural and focuses on the rural-urban nexus, in contradistinction to a conventional view of urban versus rural, is gaining more acceptance. In this approach, cities can, with the right policy environment, stimulate growth and development in rural areas and be vehicles for job creation and poverty reduction, while at the same time rural areas are the source of ecosystem services that cities require, as well as of the food and other agricultural inputs they need for both nutrition and industrial production. The provision of strategic infrastructure, basic services and amenities in rural areas and service centres, including for smallholder farmers, and better urban-rural interconnectivity and flow of information have the potential of contributing to the creation of economic opportunities, reduction of rural communities' vulnerability, enhancing the prospects for equity and promoting regional and national sustainability;

j. *Adequate housing brings an opportunity for social, economic and spatial integration*: More than half of city space is composed of residential areas. Appropriate urban planning policies and programmes geared toward the fulfilment of the right to adequate housing for all contribute to efforts by countries to comply with their international obligations. Along with appropriate urban design, housing can contribute to increasing densities and enhancing economies of agglomeration. The housing sector can improve social integration, urban safety and security and enhance quality of life when housing is affordable, built to provide adequate protection from weather elements, equipped with adequate services and amenities, and linked to proximate livelihood opportunities — all of these in the context of the progressive realization of the right to adequate housing. It can also stimulate the construction sector, generate healthy and safe jobs and promote local economic development through backward and forward linkages. Housing is not only a place for living, but often also a place of work, especially in the cities and towns of

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<sup>42</sup> Special Edition of the 2013 Creative Economy Report: *Widening Local Development Pathways*, 2013.

<sup>43</sup> Urbanization and Global Environmental Change, "Sustainable Cities and Human Settlements in the SDGs", 2013.

<sup>44</sup> Ibid.

<sup>45</sup> UN-Habitat, *State of the World's Cities Report: Bridging the Urban Divide*, Earthscan, London, 2010.

<sup>46</sup> UN-Habitat, 2010. Ibid.

developing countries. Well-designed housing units favour spatial integration that in turn reduces land and energy consumption and diminish the cost of infrastructure provision, including public and non-motorised transport;

k. *Tourism increasingly constitutes a significant component in the economy, social life and the geography of many cities*: Tourism can help reduce poverty and support sustainable development in cities. It creates not only economic opportunities for local residents, but can also be an important tool for transforming the urban landscape and improving the worldwide reputation of individual cities. Tourism, if carried out in a sustainable and accountable way, is also an important means for the rejuvenation of cities through infrastructure improvements, creation of a skilled labour force, stimulation of local business entrepreneurship, attraction of other industries and services, and creation of local amenities and recreational facilities. The regeneration process not only builds a quality visitor experience but, if benefits are equally redistributed, also safeguards and enhances the quality of life for the local community (see Annex 8 and also Annexes 5 and 6). Within this context, urban land-use plans and management policies must give full consideration to the needs of tourism development, including the spatial distribution of tourism attractions, promotion of accessibility of tourist destinations and the conservation of natural and cultural heritage;

l. *New comprehensive human rights-based approach to urbanization*: Human rights are advancing in cities, including with regards to adequate housing, tenure security and water and sanitation. The respect for all human rights and the right to an adequate standard of living, including the right to food, the right to safe drinking water and sanitation, the responsible governance of tenure, gender equality and women's empowerment, the rule of law, and the overall commitment to just and democratic societies for development was reaffirmed in the outcome document of Rio + 20.<sup>47</sup> Likewise, key documents drafted as inputs to the post-2015 development agenda stress that new goals and targets “need to be grounded in respect for universal human rights”<sup>48</sup> and based “on the values of equity, solidarity and human rights.”<sup>49</sup> A human rights-based approach to urbanization and the progressive realization of human rights in the city is also gaining more traction in many cities and countries<sup>50</sup>. A significant challenge to the full enjoyment of human rights in urban areas is the rise of racism and discrimination. Multiple forms of racism, discrimination, xenophobia and intolerance have emerged in cities, leading to the marginalization, exclusion and exploitation of groups and individuals. The increasingly important role played by city authorities in combating discrimination, through their proximity to populations, their autonomy, networks and resources, is crucial to the development of effective solutions. Collaboration and exchange between cities through initiatives such as the International Coalition of Cities against Racism can further enhance urban action to combat discrimination,<sup>51</sup>

m. *Urbanization offers many advantages for women's social and economic growth and their equal participation and rights with men*: On the social front, greater cultural diversity found in urban areas can provide an enabling environment to deconstruct social norms, entrenched gender stereotypes and traditions or customs that hold women back and perpetuate gender discrimination against women, girls and youth in general. Furthermore, cities may offer better social and infrastructure services, such as water, transport, education and health services, including sexual and reproductive health, and this is where women can more easily access information facilities and communication technologies as well as opportunities for practicing sports, recreation and cultural activities. On the economic front, there are growing opportunities in cities for women to engage in highly paid professional jobs or dynamic sectors such as manufacturing and services. Women's equal access to productive resources and decent jobs is critical not only for their empowerment and for furthering the gender equality goal, but it also has positive multiplier effects for a range of key development goals, including poverty eradication. Women's economic empowerment has proven to generate both micro-level efficiency results through increased household productivity and macro-efficiency, as evidenced by the positive correlation between indicators of gender equality and economic growth;<sup>52</sup>

n. *Urbanization offers many opportunities to deal with climate change and disaster risk reduction*: Cities are well positioned to assess their risks and vulnerabilities, and to develop mitigation and adaptation strategies through appropriate urban planning and design, building regulations and materials as well as construction technology, including in the retro-fitting of both buildings and infrastructure (see Annex 9 and also Annex 1) and initiatives such as the WHO Safe Hospitals Index. Policies that promote compact cities with higher densities and more mixing of

<sup>47</sup> United Nations, 2012. Op. cit.

<sup>48</sup> United Nations, Realizing the Future We Want for All, Contours for the Post-2015 Development Agenda, UN Task Team Report, 2013a.

<sup>49</sup> United Nations, the Secretary-General Report *A Life of Dignity for All*, 2013.

<sup>50</sup> Urban Jonsson, “Promoting Human Rights-Based Approach and Sustainable Development”, UN-Habitat, 2014.

<sup>51</sup> [www.unesco.org/shs/citiesagainstracism](http://www.unesco.org/shs/citiesagainstracism).

<sup>52</sup> UN DESA (2009). World Survey on the Role of Women in Development. New York, United Nations.



residential and commercial uses can certainly contribute to climate goals because of reduced per capita rates of resource use and greenhouse gas emissions, and can also bring a number of co-benefits. For example, reducing car transport and increasing access to public transport and bicycle paths will reduce morbidity and mortality due to air pollution. Ecocity design and smart sustainable city approaches can also achieve the same results (see Annexes 10 and 11). The economies of scale, as well as proximity and concentration of enterprises and innovation in cities, or agglomeration economies, make it cheaper and easier to take actions to minimize both emissions and climate hazards. Implementing the many provisions of the Sendai Framework for Disaster Risk Reduction as they relate to cities can reduce the impact of disasters. Green growth through increasing use of renewable energy, growth in environmental industries such as solid waste management and recycling industries, as well as the decoupling of urban growth from resource use can have positive impacts on climate change. Well planned and managed urbanization offers significant opportunities for disaster risk reduction and management, climate resilience and lessening of the vulnerability of people living in poverty. In this regard, it is important to promote and support green jobs;

*o. Well-planned and managed urbanization offers many opportunities for increasing collaboration between urban planners, health and non-health sectors to reduce health inequalities and increase wellbeing.* Acting on health inequities requires an understanding of their nature and distribution, causes, engagement of communities in collecting and interpreting data, as well as prioritization of actions. Undertaking exercises to bring together urban planners, health and non-health city departments increases the opportunity to collectively plan and act to reduce a number of inequities as well as create synergistic action for each sector. The WHO Urban Health Equity Assessment and Response Tool (Urban HEART)<sup>53</sup>, used in over 60 countries, along with an Urban Health Index<sup>54</sup>, rely on core sets of indicators across sectors to map disaggregated patterns across neighbourhoods, and diseases or conditions. Acting on inequities requires concerted action as reflected in recent reports by the WHO-UN-Habitat ‘Hidden Cities report’, UNICEF’s ‘2012 State of the World’s Children Report’<sup>55</sup>, Save the Children’s ‘2015 Urban Disadvantage and Maternal Health Report’<sup>56</sup>, the ‘2014 UNAIDS Cities Report’<sup>57</sup> and the ‘2015 World Migration Report’.<sup>58</sup> Changes in the built and social environments have demonstrable impacts on reducing many non-communicable and infectious diseases, improving environmental conditions, and reducing injuries. Leadership shown by cities as diverse as New York, Liverpool, Seoul, and Cape Town through engaging urban planners and health professionals, have resulted in successes in areas such as reducing obesity, tobacco use, as well as cases of tuberculosis.

*p. Cities show strong potentials for establishing the basis of positive state-building dynamics:* Cities in ‘failed states’ may be easier to fix than the states in which they are located. The political dynamics of running a city are more favourable than those of a whole fragile country. In most countries, cities’ compact size and blurring of cultural and other identities make elections of city governments more a test of competence and pragmatism in urban governance than a contest between different ethnic, religious-based or ideological narratives as found at national level. In many countries, officials at city-level can be held more easily accountable than those in central government. The concentration of elites (political, social, intellectual and economic) means also the capacity to challenge the bargains on which political settlements rest when these are not sustainable. Cities in post-conflict settings can become critical spaces for institutionalized forms of political debate and participation that help build inclusive institutions for managing conflict and transitional justice mechanisms; and

*q. Urban violence can be successfully addressed by tackling its root causes and through integrated preventative strategies:* Despite high levels of armed violence, encouraging results can be seen in the reduction of such violence in certain urban communities. Multi-stakeholder and multi-disciplinary initiatives at the city government level have resulted in the design of city community-based security and social cohesion plans that extend the reach of law enforcement, improve response to criminal incidents and include close cooperation with civil society to prevent armed violence (see Annex 12). These initiatives also tackle different dimensions of urban life that are critical to creating safer environments, including urban design for crime prevention, job-creation, education, health, addressing cultural needs and access to justice. They are also reinforced by programmes to reduce violence in the domestic and educational spheres. Violence prevention becomes closely linked to urban planning and how greater social diversity can be generated through transport, services, housing and economic policies that break ghettoization dynamics.

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<sup>53</sup> Urban Health Equity Assessment and Response Tool (Urban HEART). Kobe: World Health Organization; 2010 ([http://www.who.int/kobe\\_centre/measuring/urbanheart/en/](http://www.who.int/kobe_centre/measuring/urbanheart/en/), accessed 16 September 2015).

<sup>54</sup> Urban Health Index. Kobe: World Health Organization; 2015 ([http://www.who.int/kobe\\_centre/measuring/innovations/urban\\_health\\_index/en/](http://www.who.int/kobe_centre/measuring/innovations/urban_health_index/en/), accessed 16 September 2015).

<sup>55</sup> [http://www.unicef.org/sowc/files/SOWC\\_2012-Main\\_Report\\_EN\\_21Dec2011.pdf](http://www.unicef.org/sowc/files/SOWC_2012-Main_Report_EN_21Dec2011.pdf).

<sup>56</sup> [http://www.savethechildren.org/site/c.8rKLIXMGIp14E/b.8585863/k.9F31/State\\_of\\_the\\_Worlds\\_Mothers.htm?msource=wenlpstw0515](http://www.savethechildren.org/site/c.8rKLIXMGIp14E/b.8585863/k.9F31/State_of_the_Worlds_Mothers.htm?msource=wenlpstw0515).

<sup>57</sup> [http://www.unaids.org/sites/default/files/media\\_asset/JC2687\\_TheCitiesReport\\_en.pdf](http://www.unaids.org/sites/default/files/media_asset/JC2687_TheCitiesReport_en.pdf).

<sup>58</sup> <http://www.iom.int/world-migration-report-2015>.

## V – There is a need for a UN system-wide approach to sustainable urban development

11. To effectively address the above-mentioned challenges and take advantage of the opportunities of urbanization, **the United Nations, in its role as the ‘guardian’ of the international development agenda, requires a coherent and coordinated approach to urbanization.** This approach should recognize urbanization, including the industrialization process that often accompanies it, as a force on its own, which, alongside other drivers of development such as agriculture and rural development, can be harnessed and steered through policy, planning and design, regulatory instruments as well as other human actions to contribute towards national sustainable development. Moreover, the challenges posed by urbanization have global ramifications that, if not addressed adequately, could jeopardize chances of achieving sustainable development. It is therefore necessary to shift cities and towns onto a sustainable development path.

12. Urbanization, as a process, affects the whole continuum of human settlements: from rural villages and service centres, through small and medium-sized towns, to cities and megacities. Urbanization can contribute to a positive dynamic of rural transformation through the equitable and balanced provision of improved physical infrastructure, access to modern energy, social and economic services. The whole continuum of settlements contributes in different ways to national growth and sustainable development.

13. Habitat III offers an excellent opportunity for the UN system organizations to reflect on the role of urbanization in sustainable development and to come up with a system-wide approach that is guided by the content and spirit of international human rights instruments, including on women’s rights, gender equality, and the rights of the disabled. Similarly, dialogue on the implementation of the 2030 Agenda for Sustainable Development is crucial to developing a shared perspective on sustainable cities and human settlements, for discussing the challenges and opportunities that urbanization offers and for synergistic implementation of the Sustainable Development Goals. These global frameworks and discussions, as well as the work of the High Level Committee on Programmes, are excellent platforms for forging agreement on a new vision of sustainable urbanization and the main principles and characteristics that a sustainable city should have, including the mechanisms that are needed to induce a drastic change towards sustainable urbanization. However, this UN consensus should also be informed by the views of other stakeholders, especially cities and local authorities, as well as civil society.

14. **The UN system and the international community recognize the importance of and high priority that should be accorded to transformative change.** This is a critical juncture at which the dynamic forces of urbanization must be used to make a giant leap towards sustainability. It is clear that continuing along the current patterns of urbanization is no longer an option. Cities and towns can play a greater role in the sustainable development agenda, and for that they need to be better understood and integrated into the changing global discourse on sustainable development. The UN can ride the wave of change by promoting a ‘new urban agenda’ in order to match the world’s evolving development goals and meet the current and emerging urban challenges. The ‘new urban agenda’ should promote sustainable cities and other human settlements that are environmentally sustainable and resilient; socially inclusive, safe and violence-free; economically productive; and better connected to and contributing towards sustained rural transformation. Such a vision should be fully in line with the goals of the 2030 Agenda for Sustainable Development, most particularly Goal 11 on cities and human settlements, and should enable the advancement of the underpinning principle of equity.

15. For this New Urban Agenda to induce transformative change in cities and countries, both developed and developing, it needs to give explicit attention to both **the principles** that can guide this change and the **levers** to support the pursuit of the new urbanization vision. In other words, the New Urban Agenda needs to address the longer-term, structural and social factors, including beliefs and behaviours that hinder the possibility of transformative change, using clear guiding principles. It also needs to respond to existing challenges and opportunities to promote sustainable urban development through appropriate levers of transformative change.

16. **Ten guiding principles** can steer the vision of such a new agenda towards transformative sustainable development: universality, human rights, equity, integration and synergy, democratic participation, environmental sustainability, learning and sharing of knowledge, promotion of urban metabolism, promotion of solutions that work for fragile cities, and data revolution.

*i. Promoting a new urbanization vision that is universal and adaptable to different national and local circumstances:* Work towards ensuring universality of the new urban agenda, given that the key challenges of urbanization are shared by all countries. Some of the shared challenges are increasing urban poverty and inequality, high levels of unemployment and underemployment, especially among the youth, climate change and

increasing vulnerability to disasters, as well as urban-based social and political upheavals. The new urbanization vision should promote co-benefits and sharing of solutions to these challenges and of ways to take advantage of the opportunities that urbanization offers, within the context of north-south and south-south cooperation, and of the normative role of the UN. Global urban networks such as United Cities and Local Governments (UCLG) and C40 Climate Leadership Group, facilitated by new information and communication technology, could play an important role in promoting universal urbanization principles. It will be important for this universal agenda to be adaptable to different national priorities and urbanization levels.

*ii. Promoting a new urbanization vision with mechanisms and procedures that respect, protect and promote human rights and the rule of law:* Ensure that both the desirable outcome (sustainable cities and other human settlements) and the process to achieve this outcome take account of the content and intent of international human rights instruments. That process should be guided by an equitable vision of urban development which addresses a number of basic rights, including access to: decent work; diverse, safe and nutritious food; adequate and affordable health care; adequate housing; clean water and adequate sanitation; education; basic social services and socio-economic safety nets; protection from crime and violence (safety and security); transparent institutions and justice systems; as well as participatory public decision making mechanisms. It should also be guided by international instruments such as those on persons with disabilities and on the promotion of gender equality and empowerment of women and girls, in line with the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the Beijing Declaration and Platform for Action. Pursuit of an equitable vision of urban development will contribute to the progressive realization of human rights in urban centres and the expansion of open and inclusive democratic spaces as well as of opportunities and prosperity for all urban residents. The advancement and justiciability of all human rights, including economic, civil, social, cultural and political rights as well as enhanced protection from crime and violence, is essential for development and poverty eradication, and requires responsive, accountable and legitimate public institutions guided by the rule of law, including at the local level.

*iii. Promoting equitable urban development and inclusive urban growth:* Transformative change can occur when equity considerations, including gender equality and the prioritization of the needs of the most vulnerable, are brought to the centre of urban development and guide informed decision-making that enhances the lives of all city dwellers.<sup>59</sup> This can happen when all levels of government and development partners adopt equity-based approaches, not only for legal and ethical reasons, but also because they realize these approaches are cost-effective.<sup>60</sup> In particular, the promotion of access to adequate housing and urban basic services is essential to building ‘cities for all’, as it enables all urban dwellers to live and participate in a meaningful manner within their towns and cities. This also requires moving away from the commodification of housing, land and services to the recognition of their social value. In addition, urban processes leading to inequalities and marginalization, such as unbridled speculation over housing and land, unaffordability of basic services and gentrification, need to be addressed.

*iv. Promoting integration and synergy in the implementation of a new urbanization vision:* Fully sustainable urban development and potential co-benefits cannot be achieved without integration and synergistic action in urban planning and management so as to address, simultaneously, the environmental, social and economic dimensions of sustainability. This will ensure that different sectoral objectives, such as those on land and housing, environment, transport, water and sanitation, health, education, industry and employment, are addressed simultaneously because of their many inter-linkages. This is also necessary for eliminating duplication and waste in investment in the different sectors. Spatially, the new urbanization vision should address rural-urban linkages in a balanced and equitable way, the regional impacts of towns and cities and the multi-level governance and planning requirements of urban development within the context of metropolitan regions, urban-rural regions and other emerging configurations such as urban corridors. Integration also entails joint, or coordinated, planning and implementation by different agencies at the local, regional, national and global levels. In this context, the empowerment and participation of local governments and other levels of subnational government is crucial. For the UN system organizations, this implies joint planning and implementation of development assistance in the area of sustainable urbanization, especially at the national and municipal levels.

*v. Promoting the empowerment of civil society, expanding democratic participation and reinforcing collaboration:* Empowering civil society, expanding democratic participation and reinforcing collaboration enables transformative change, leading to a strong and well-organized civil society; equal and balanced participation between men and women, young and old; as well as deliberate inclusion and participation of marginalized groups, such as people living in poverty, persons with disabilities, indigenous peoples, migrants, minorities and other historically excluded groups. Inclusion and participation may also be achieved by upholding

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<sup>59</sup> UN-Habitat, Concept Paper, World Urban Forum 7, 2014.

<sup>60</sup> United Nations, Realizing the Future we Want for All, op cit.

and promoting cultural diversity. This requires new avenues for political organization, social participation and the expression of cultural diversity, so as to influence decision-making and change policy outcomes for the benefit of the majority. It also requires an effective local platform that allows for genuine and efficient collaboration between different levels of government and interested groups, including civil society and the private sector, and that is capable of steering urban growth towards a more sustainable path. In particular, community media should be used to enhance public debate and participation fostered by international standards that respect freedom of expression and journalistic independence.

*vi. Promoting green cities and environmental sustainability:* Transformative change occurs when a critical connection is established between individuals and communities, science, environment, industry, economic growth, urban planning and governance with regards to issues such as land and resource use, energy systems and consumption, pollution, rural-urban linkages, material flows, industrial development, land fragmentation, disaster risk reduction and climate change, and when urban development brings co-benefits. The need to integrate green growth considerations, ‘decoupling’ of urban growth from increased resource use and its environmental impacts, greening of urban centres and peri-urban areas, green training of urban enterprises and workers, and environmental strategies in long-term urban planning and management of cities<sup>61</sup> are fundamental aspects of this guiding principle.

*vii. Promoting urban metabolism as a corner-stone of urban planning and management and a fundamental aspect of urban resilience:* Cities are subject to complex dynamics caused by the process of urban metabolism which itself provides the necessary framework to understand the interactions of natural and human systems within a specific space. Within this dynamic environment, the ability of cities to develop in a sustainable way as well as the resilience of cities to withstand the impacts of natural and social evolution and change depend predominantly on the flow and efficient management of resources. This flow of resources at the city level is furthermore affected by: (i) the behaviour of economic agents; (ii) the consumption patterns of individuals and organizations (public and private); (iii) the nature of stakeholders’ participation in decision making; and (iv) systems of infrastructure (both “soft” and “hard”) and technology. This is why how cities manage their resources has a critical impact both on the global and local environment, as well as on the well-being of the urban population that benefits from using the resources and, at the end, on the ability of the cities to develop in a sustainable way. Cities need to set specific targets to use resources more efficiently and formulate plans to achieve this and provide an enabling framework to spur resource efficiency as well as micro and city level innovations.

*viii. Promoting solutions that work for fragile cities:* Over the past 40 years, the urban population in lower income and fragile countries has increased by an astonishing 326 per cent<sup>62</sup>. With these growth rates projected to continue, it is certain that the humanitarian crises of tomorrow will be more urban than rural and it is also certain that, today, the urban centres of fragile and conflict-affected countries are some of the world’s most vulnerable zones.<sup>63</sup> To be effective, humanitarian, peace building, and development actors need to develop effective and feasible gender-responsive options to reduce the vulnerability and enhance the resilience of urban populations in fragile cities most at risk to multiple and interlocking crises. National and municipal governments in these contexts are demanding tools such as for preparedness and early warning systems to be able to respond to these overlapping risks. Yet, current responses are limited and international organizations, such as the World Bank and the United Nations, remain ill-equipped to assist. To change this reality, the United Nations University and the World Bank are collaborating in a project on *Resilience and the Fragile City* funded by the UN-World Bank Fragility and Conflict Partnership Trust Fund. This project will develop frameworks to accurately understand vulnerability and resilience in disaster and violence prone cities and identify feasible and practical solutions that can reduce the vulnerability and enhance the resilience of urban populations most at risk to multiple and interlocking crises.

*ix. Promoting innovations that facilitate learning and the sharing of knowledge and developing capacities:* Transformative change, whether in urban or rural areas, depends on social and institutional innovations that facilitate participatory learning. It happens when a supportive learning environment and supportive science, technology and innovation policies are established, people’s and institutions’ capacities are developed, including

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<sup>61</sup> UNEP, Integrating the Environment in Urban Planning and Management, Cities Alliance, 2013.

<sup>62</sup> IDMC 2014.

<sup>63</sup> de Boer, John, “Resilience and the Fragile City”, Stability: International Journal of Security and Development, April 27, 2015 available at: <http://www.stabilityjournal.org/articles/10.5334/sta.fk/>.

those of the private sector and industries, and appropriate tools are employed; and when long-term collective, collaborative and cumulative learning is connected to knowledge in support of the achievement of desirable outcomes and the monitoring of goals and targets. Educational as well as scientific and cultural institutions are integral to this process, as well as to the future of cities, in particular because of the opportunities they offer young people seeking a better life.

x. *Promoting a global data revolution*: For the effective and results-based implementation of the New Urban Agenda, with the above-mentioned guiding principles providing direction, and within the framework of Goal 11 and other goals of the 2030 Agenda for Sustainable Development relevant to urbanization, there will be a need to put in place a global monitoring mechanism with clear indicators, adaptable to the national and sub-national levels, that provides a general framework for periodic assessments of the different dimensions of urbanization and the state of cities and towns, including all forms of inequity. Furthermore, the development of human rights indicators at city level is an important tool for assessing progress and addressing accountability in urban areas. It is important that data collected on these aspects of urbanization is disaggregated by age, gender, location, income, ethnicity, etc., and that it be collected in a participatory manner. In addition, alternatives to traditional data gathering, including those generated by communities (like participatory enumerations) and the civil society should be encouraged. This will allow cities and towns, countries, and the international community to measure progress and identify possible setbacks and constraints, thus pre-empting unintended developments.

17. The New Urban Agenda can only be successful in achieving its objectives if these ten guiding principles actively underpin and structure urban growth and development, and if they functionally and operationally guide the way urban societies function.

## VI – A ‘new urban agenda’ for transformative change

18. **The proposed New Urban Agenda should represent a paradigm shift towards a new urbanization vision** that can better respond to the challenges of our age, optimizing resources to harness future potentials. This new agenda should be universal, rights-based, sectorally and spatially integrative, inclusive, equitable, people-centred, green and measurable. It should also have the possibility of articulating different scales, from the neighbourhood to the global level, and diverse human settlements, from the rural village and rural service centre, through the small and medium-sized town, to the city and megacity.

19. **The contours of the New Urban Agenda should revolve around major issues that are linked to urban sustainability.** A number of levers of change, or effective means, could be deployed to effect the adoption of a new urbanization approach that could have an impact on the sustainability of national development. In this manner, the New Urban Agenda should make a critical connection between urban sustainability and sustainable development at large.

20. Ten key levers of change are presented here as a UN system input to the New Urban Agenda, the document expected to come out of Habitat III. These levers, which may help to achieve the desired outcomes of sustainable urbanization and sustainable development in general, need to be adapted to different circumstances, as there is no one-size-fits-all solution. More specifically, these levers of change have to be adapted and refined locally, nationally and regionally, taking into consideration the needs and specific circumstances of cities and towns, and the level of peace, state-building and development of the countries where they are to be deployed.

21. Once deployed, the levers may increase economic productivity and enhance equitable growth, improve the rights and wellbeing of the population, improve inclusion, gender equality and accountability in urban governance, and create multiplier effects that spread across space and through different types of human settlements — from remote rural villages and rural service centres, through small and medium-sized towns, to cities and megacities. Their effective implementation will determine the actual form and content of urbanization, in the process steering urban growth, influencing land-use markets, forming the basis for managing public spaces and other common goods, and identifying opportunities for multi-disciplinary and cross-sectoral solutions. Fundamentally, the transformative agenda needs to focus on all people and to maximize their engagement.

22. The proposed **ten levers of transformative change** are described in the paragraphs below. When cities are not well-planned and governed, and when municipal finance systems as well as the urban economy are weak, addressing all of the economic, social and environmental needs and challenges highlighted earlier in this paper cannot be done effectively. Effective urban planning, governance, including legislation, and municipal finance systems, as well as a strong urban economy are the foundation of sustainable urbanization. Together, they constitute strategic conditions for sustainable urban development. The first five levers of transformative change address these strategic conditions. The remaining five levers address the needs of urban households (the

deliverables of successful urbanization), gender equality and women's empowerment as well as sustainable use of resources at the city level, all of which are critical to transformative change.

*i. Developing and implementing integrated national urban policies:* This lever amalgamates the dispersed energy and potential of urban centres within a national system of cities and spatial or territorial planning. It establishes synergetic connections between the dynamics of urbanization and the overall process of national development, recognizing the importance of fostering mutually reinforcing rural-urban linkages and leveraging the rural-urban nexus for development<sup>64</sup> It builds linkages between sectors, defines the broad parameters within which the transformative force of urbanization is activated and steered, coordinates the work of different tiers of government (local, regional and national), establishes the incentives for nudging economic and social agents towards more sustainable practices, and provides a framework for the allocation of resources accordingly.

*ii. Strengthening urban legislation and systems of governance:* Laws, institutions, regulatory systems, and systems of governance bound by human rights and the rule of law integrate a composite set of factors which embody the operational principles, as well as the stability of organizational structures and institutional and social relationships that underpin the process of urbanization. Laws, policies and governance systems must address all relevant economic, social and cultural rights, as well as guard against corruption<sup>65</sup>, crime and violence; must not discriminate in substance or in practice; and must reflect the inputs of the population and should be equitable, ensuring that efforts are geared towards the most in need so as to avoid reinforcement of inequalities. With respect to corruption, it is important to put in place or strengthen anti-corruption frameworks for urban development projects — financed from both public and private sector funds — that may illicitly extract resources from ordinary citizens and exacerbate the situation of vulnerable groups, especially in terms of their access to housing, water, sanitation, health, education and other basic rights and services. This requires implementation of enhanced preventive mechanisms that guarantee transparency and accountability, including mechanisms for the active participation of civil society and the private sector in monitoring the implementation of urban public projects. Balancing regulations with incentives provides potential “win-win” opportunities for urban planning and development. These governance elements provide the medium through which the transformative force of urbanization is nurtured and deployed. This lever creates the normative basis for action and realization.

*iii. Harnessing the urban economy, creating employment opportunities and improving existing working conditions for all:* This lever refers to the very foundation of urbanization and the basis for socio-economic transformation and accumulation. To provide adequate employment, reduce poverty and generate enough taxes to fund public infrastructure and services, cities must be economically productive. Many urban areas and regions therefore require gender-responsive economic regeneration and renewal programmes, cluster development and industrial zone strategies, as well as access to safe, affordable, accessible and sustainable transport for all. Others also require productivity and structural diversification plans, knowledge sharing and technology learning platforms, as well as employment generation and income-growth programmes for vulnerable groups, including some targeted at youth and women as well as at newly arrived immigrants. These can have positive multiplier effects in various development areas, especially when redistributive mechanisms are put in place, including extension of public spaces and public procurement for people's livelihoods. Adequate gender-responsive urban design maximizes agglomeration economies that are needed to develop the local urban economy and reduce the inequality of opportunities among different groups of society.

*iv. Strengthening municipal finance:* This lever is about realigning fiscal authority and responsibility, i.e. achieving the right balance between different levels of government (municipal, subnational/regional and national) in terms of fiscal authority, responsibility and revenue sharing; improving systems of revenue collection; designing new financial mechanisms; and improving budget management and transparency, including through capacity-building and institutionalization. It is also about the proper use of the urban space, legal mechanisms and taxation instruments that reinforce capacities of local authorities and land-value sharing strategies. It also refers to innovations in financing, including through endogenous local solutions, leveraging the statutory role of planning to mobilize public and private resources and enhancing local government credit-worthiness and accountability.

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<sup>64</sup> (IFAD, ‘Leveraging the Rural-Urban Nexus for Development’, IFAD Post-2015 Policy Brief 1, Rome, not dated — <http://www.ifad.org/pub/post2015/english/1.pdf>).

<sup>65</sup> UN Convention Against Corruption, 2005.

v. *Reinvigorating territorial planning and urban design and optimizing agglomeration economies*: New planning methods and systems can contribute to changing the city's structure, form and functionality towards more compact, integrated, connected and sustainable solutions that optimize agglomeration economies. They can also contribute to the resilience of cities and environmental sustainability of urban activities, including the conservation and use of biodiversity and ecosystem services inside and outside the city. Cities that increase densities (where these are low), promote enterprise linkages, provide adequate logistics infrastructure, adopt environmentally sound production and consumption methods, encourage social diversity and mixed-land uses, foster inclusiveness, protect commons, consider the possible impacts of climate change induced and other natural hazards, and that promote adequate and safe public spaces as well as vibrant streets can better address current urbanization challenges. So too can re-establishing joint gender-responsive urban planning and public health initiatives, as well as initiatives with other sectors. As urban centres do not exist independently from their surroundings, with the constant and in some cases reciprocal flows of people, goods, natural resources and services between urban centres and their rural hinterlands, territorial planning at the urban region level is necessary for sustainable development.

vi. *Promoting universal access to quality basic services*: An urban development vision with adequate policies and institutional frameworks aiming at fulfilling States national and international obligations, including social protection systems or safety nets, for promoting universal access to urban basic services, such as sustainable and affordable housing, nutritious food, water and sanitation, health care coverage, education and training facilities, and basic income security, especially for urban dwellers living in poverty, including those living in rural areas close to cities and towns (i.e. in urban-rural regions), is another lever of change. It requires integrated and gender-sensitive planning, innovative solutions for sustainable energy services, adequate financing and investments, effective partnerships with the private sector and all relevant stakeholders, technological support that promotes green economic and industrial development, resilience and climate change considerations, and a scheme that retrofits and rehabilitates existing infrastructure. Basic services and infrastructure strategies, including green infrastructure, transport and mobility, need to be people-centred and to be clearly articulated to housing programmes and land-use plans, as well as to prioritize vulnerable and marginalized groups. For the latter to happen, urban policy makers need to understand the patterns and causes of inequities (including poverty), the needs of and risks faced by people living in poverty and marginalized populations, and their solutions, to seriously consider their rights, safety and well-being at work and at home, as well as to appreciate their contribution to cities.

vii. *Promoting adequate housing for all income categories of urban residents*: This lever considers re-positioning housing as a pillar of sustainable urban development in such a way that it contributes to building cities that are economically viable, environmentally sustainable and socially inclusive. It requires an understanding of housing which goes beyond viewing it as a mere commodity and which recognizes its social function, as well as its link with other rights such as security of tenure and employment. It requires equal access to land for different social groups as well as men and women, without discrimination and prioritizing the most in need, effective land-use plans, adequate legal and institutional frameworks, sustainable building technologies, responsible construction industries, and predictable financial mechanisms for affordable, habitable and accessible housing, all of which should also take into account that housing is often a place of work (home-based enterprises). This contributes to the progressive realization of the right to adequate housing as a component of the right to an adequate standard of living.

viii. *Strengthening gender equality and women's empowerment*:<sup>66</sup> National and local governments should develop and strengthen their capacity to integrate a gender perspective into all their urban policies and programmes so as to promote gender equality and the empowerment of women and to improve the welfare and human rights of all women and girls. Efforts should be made to effectively collect urban data disaggregated by gender and age, and to eliminate all forms of gender-based discrimination and violence through prevention measures. Specific attention should be given to women's and girls' safety in private and urban public spaces. In particular, cities should develop approaches and standards for city-wide implementation of gender mainstreaming in all areas, including the design of public spaces, housing, transportation and street lighting. Increasing the voice and participation of women in urban public life is vital for ensuring that women's issues are taken into consideration in urban development agendas.

ix. *Placing culture at the heart of sustainable urban development*<sup>67</sup>: Integrating culture and cultural rights in urban development and/or urban regeneration policies contributes to efficient management of change in cities towards more sustainable social, economic and human development through improved understanding of the

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<sup>66</sup> Based on UN-Habitat Governing Council resolution 24/4, "Gender equality and women's empowerment to contribute to sustainable urban development", 19 April 2013.

<sup>67</sup> [UN Resolutions 65/166 \(2010\) and 66/208 \(2011\) adopted by the General Assembly on culture and development.](#)

socio-cultural context of urban spaces. It also contributes to better job-creation opportunities, social cohesion, education and promotion of cultural diversity. Sustainable and resilient cities are those which preserve their urban heritage as a factor of social identity, safeguard their intangible cultural heritage and the collective memory as factors of identity and dialogue among communities, and promote the creative industries and the creative economy, at the same time understanding the dynamism and evolution of culture, partly through international migration. Raising awareness on respect for diversity in urban spaces, free from all forms of discrimination, should be a core concern of city-level authorities. Placing culture at the heart of sustainable urban development provides a solid baseline for better understanding of each socio-cultural context and is a means for ensuring better linkages between local and global needs.

*x. Promoting resource efficiency and circular economy at city level:* More efficient delivery of urban services, including management of resources flowing to, from, and within cities can contribute to more sustainable patterns of consumption and production. Promoting sustainable lifestyles in urban areas and fostering behavioural change can reduce environmental impacts and have cross-sectoral influences (e.g. on buildings, tourism, food, procurement, etc.). To this extent, a circular economy could help cities realise the potential of resource efficiency. A circular economy at the city level is not only about recycling but also about reusing, remanufacturing, recovering, repairing and refurbishing. One of the best pathways to operationalize a circular economy at the city level is by establishing new markets of a sharing economy. Such an economy is based on product-service systems, sharing and swapping practices that decouple ownership of an asset from its use, while reinstalling social interactions and trust within a community of people having similar interests. Sharing practices and models are typically less resource intensive, as fewer products are produced to provide the same service to more people. New markets, new interactions and new lifestyles will emerge from sharing practices.

## **VII – Implementing the new urban agenda through multi-stakeholder partnership**

23. Promoting integration in the implementation of a new urbanization vision in order to address the environmental, social and economic objectives of sustainability, which have many inter-linkages, is one of the ten guiding principles suggested earlier in this paper. Integration requires not only a shared vision of sustainable urbanization among the different UN system organizations, but also partnership in the implementation of that vision.

24. In response to a directive of the HLCP to pilot issue-based platforms and coalitions within the on-going efforts on forging a common vision of urbanization and its contribution to sustainable development, the ideas below suggest a way forward in fostering multi-stakeholder engagement in support of actions to achieve Goal 11 of the 2030 Agenda for Sustainable Development and the expected outcome of Habitat III — a New Urban Agenda. More specifically, suggestions are made on how the World Urban Campaign (WUC), anchored at UN-Habitat, could be used for this purpose as an implementation platform. A brief historical description of the WUC is made first, followed by concrete proposals on how the Campaign could be strengthened by including the participation of UN system organizations.

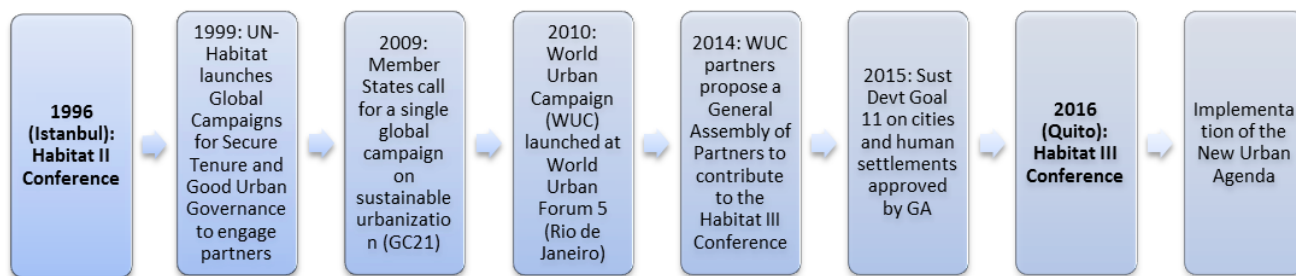
25. The need for a concerted and coherent approach to urbanization has been a concern to UN-Habitat, particularly since the Habitat II Conference (Istanbul, 1996), resulting in an inclusive Habitat Agenda, calling for partnerships and the enablement of non-State actors to achieve sustainable urbanization. This strong demand was addressed by a number of projects and accompanied by global campaigns to engage non-governmental partners to jointly advocate on sustainable urbanization and create synergies between urban stakeholders. Two global campaigns were launched in 1999 focusing on urban governance and secure tenure, anchored at the country level. The concept of a single forward looking strategic campaign was later expressed by Member States at the 21st session of UN-Habitat's Governing Council (2007) calling for a single platform to promote engagement and provide coherence on sustainable urbanization issues. In 2009, a single campaign — the Global Campaign on Sustainable Urbanization, renamed World Urban Campaign — was launched to bring together urban stakeholders in order to elevate urban policies, sharing tools and campaigning on themes related to sustainable urbanization. Since its launch, the WUC is part of UN-Habitat's work programme and budget and is governed by a Steering Committee, composed of UN-Habitat partner organizations, acting as an advisory body to UN-Habitat's Executive Director, supported by the WUC Secretariat, based in UN-Habitat's Division of External Relations.



26. The WUC has played an essential role in the mobilisation of urban stakeholders towards Habitat III. At its 24th session in April 2013, UN-Habitat’s Governing Council requested the Secretary-General of the Habitat III Conference to strengthen the WUC and support national urban campaigns<sup>68</sup>. In particular, the Governing Council called upon the Secretary-General to continue engaging all Habitat Agenda partners and new partners in the WUC in order to identify and collect good practices that could contribute to the New Urban Agenda and to support national urban campaigns and their communication and outreach activities so as to contribute to national preparations for Habitat III. Policy dialogue, advocacy and consensus building on urbanization issues have been the key strengths of the WUC, best illustrated by ‘The City We Need’ process launched in March 2014, which is meant to build a global manifesto in order to provide compelling messages and recommendations towards the Habitat III Conference and the New Urban Agenda. During 2015-16, a total of 27 Urban Thinkers Campuses<sup>69</sup> were organized by WUC Partners and coordinated by UN-Habitat in order to contribute to the content of ‘The City We Need’, a key outcome document to be finalized and shared by the WUC through various channels and media before the end of March 2016.

27. In April 2015, WUC partners launched a special initiative, the General Assembly of Partners (GAP), conceived as a global deliberative device for non-governmental partners to negotiate a global ‘partners’ position towards the Habitat III Conference. The GAP is composed of fourteen Constituent Groups: Local and sub-national authorities, Research and Academia, Civil Society Organizations, Grassroots organizations, Women, Parliamentarians, Children and Youth, Business and Industries, Foundations and Philanthropies, Professionals, Trade Unions and Workers, Farmers, Indigenous people, and Media. Proposed by an array of partners united by the WUC, the GAP represents an innovative process, building on the legacy of the Habitat II Conference. In December 2015, Member States expressed their appreciation to the Secretary-General of Habitat III for “... his support for the work of the General Assembly of Partners for Habitat III, as a special initiative of the World Urban Campaign, in supporting and improving stakeholders’ engagement in and contributions to the preparatory process for Habitat III and the Conference itself”<sup>70</sup>.

Figure 3: Origin and evolution of the World Urban Campaign



28. At the national level, the WUC is meant to be operational through national urban campaigns. National campaigns have been initiated and launched (in India, Iran, Mexico, Egypt and Saudi Arabia), and are meant to mobilize stakeholders on urbanization issues towards the preparation of the Habitat III Conference and beyond, on the implementation of national urban strategies derived from the New Urban Agenda. Beyond the Conference, national campaigns can potentially become implementation platforms on issue-based initiatives and can be considered instrumental in the implementation of SDG Goal 11 on cities and human settlements.

29. Given its history and impact so far, the WUC constitutes a sound basis for a broader multi-stakeholders partnership for the implementation of the New Urban Agenda and the Sustainable Development Goals and targets related to urbanization. In particular, the WUC may be considered as the host platform for UN agencies to interact with non-State actors through policy dialogue and joint advocacy in order to define and launch issue-based initiatives and concrete alliances. For the current group of WUC partners, the introduction of UN entities would bring a new legitimacy to the platform, conferring a higher level of credibility as a global hub on urbanization.

30. For UN entities, the use of the WUC as a host platform presents several advantages:

<sup>68</sup> Resolution 24/14 on ‘Inputs for and support to the preparatory process of the Third United Nations Conference on Housing and Sustainable Urban Development’ (Habitat III).

<sup>69</sup> Urban Thinkers Campuses have engaged more than 4,000 participants from 1,200 organizations from 80 countries.

<sup>70</sup> GA Seventieth session (15 Dec 2015 ) — Agenda item 21: Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat) — Report of the Second Committee.

- (i) An extensive outreach of committed stakeholders and their networks engaged on urbanization issues at the global and national level;
- (ii) An organized platform with its own brand and identity ([website](#), [newsletter](#), [social medias](#) and outreach tools) to articulate joint advocacy activities, campaigns and initiatives;
- (iii) A total of 136 entities and networks organized in a structured partnership around a Steering and a Standing<sup>71</sup> Committee of Lead partners, its Associate partners, Members and Sponsors managed by a Secretariat;
- (iv) The basis for country level issue-based initiatives using national urban campaign processes;
- (v) A lot of experience in consultative processes, such as the Urban Thinkers Campuses, through which UN entities could join hands to promote and define issue-based initiatives with other stakeholders.

31. For UN entities to ensure a relevant, concrete and catalytic role in the WUC, they would need to define their status in the current governance of the campaign. A UN WUC Steering Group could be established to define the policies, actions and initiatives of UN entities jointly. The UN WUC Steering Group could be represented through a seat in the WUC Standing Committee. However, UN entities joining the WUC would join as Lead Partners of the WUC Steering Committee where they would have a distinct role (for examples, UNICEF as Lead UN Partner on children friendly cities issues, ILO as Lead UN Partner on decent work in cities, and ITU as Lead UN Partner on the use of information and communication technologies in cities).

32. On the WUC road map towards Habitat III, the UN WUC Steering Group could be established and launched at the third session of the Habitat III Preparatory Committee in order to allow interaction before the Conference, in particular through an exchange on the respective papers on ‘Urbanization and Sustainable Development: An Input to a New Urban Agenda’ prepared by the HLCP and ‘The Future We Want — The City We Need 2.0’ drafted by the WUC partners.

## VIII – Conclusion

33. Urbanization is vital for delivering sustainable development, not only because the urban areas of the world are expected to absorb almost all future population growth, but because they have the potential to concentrate economic activities and influence social change. They also have the ability to reduce ecological footprints (by densification), connect to rural and natural environments and create system-based solutions.<sup>72</sup> The New Urban Agenda should respond to the differentiated needs, challenges and opportunities of cities in developed and developing countries. It should contribute to ‘fixing’ the urban space in its form, structure and functionality so as to positively influence social change in various development domains.<sup>73</sup>

34. As this paper has shown, urbanization has the potential to help the world to overcome some of its major challenges, including poverty, inequality, environmental degradation, violent conflict, poor health and climate change. However, uncoordinated interventions (by different actors) that are not based on a broadly shared vision and guiding principles can inadvertently contribute to forms of urbanization that are not sustainable, such as: the unnecessary spatial expansion of cities, the development of communities at densities that are too low, a mismatch of infrastructure investment and productive activities, allocation of resources and investments that may contribute to the generation of further inequalities, and the entrenchment of conflict-inherited urban governance systems that aggravate societal divides rather than facilitate reconciliation and state-building. Thus, the New Urban Agenda should provide guiding principles for promoting an overall spatial framework for sustainable urban development that addresses a number of essential physical and environmental aspects, such as: designing compact cities, protecting public spaces and the commons and making them safer, enhancing street connectivity, and encouraging well-designed urban layouts, favouring social diversity and inclusiveness as well as mixed land-uses. The New Urban Agenda should also include the guiding principles for promoting sustainable social and economic development within urban centres as outlined above.

<sup>71</sup> The WUC Steering Committee is composed of 42 Lead Partners having MOUs with UN-Habitat from which 9 Partners compose the Standing Committee. The Steering Committee elects its Chair and co-Chair every two years during the World Urban Forum.

<sup>72</sup> ESDN, “*Mapping Urban Sustainability in Europe and Beyond*”, case Study 15, 2014.

<sup>73</sup> UN-Habitat, “The Spatial Fix”, Think Piece for Habitat III, 2013.

35. The New Urban Agenda should bring about sustainable urban development, which is essential for national sustainable development, as its expected outcomes extend well beyond urban areas. From an economic perspective, the New Urban Agenda should support more efficient economic and industrial growth through better allocation of land and other resources, as well as through greater connectivity, economic diversification and strategies for creating employment and improving working conditions for all. From a social perspective, the New Urban Agenda should put urban dwellers at the centre of urban development. It should promote shared prosperity with equitable access to the benefits of urbanization, underpinned by a rights-based approach, with concomitant protective laws and institutions. This requires active protection and promotion of the human rights of all urban inhabitants, which in turn will generate stability and support to the authorities. This also includes socio-economic safety nets that guarantee equal access to basic urban services, as well as practical actions designed to add value: e.g. employment-generation through public services, combating corruption and child labour as well as support to youth in risky sectors. From an environmental perspective, the agenda should protect natural resources, ecosystems and biodiversity at local and global levels, and promote climate change mitigation and adaptation as well as building of resilience, allowing present and future generations to live in sustainable cities. Cities that are environmentally sustainable, socially inclusive, free from all forms of discrimination and violence-free, economically productive and resilient can genuinely contribute to national development, prosperity, gender equality and sustainability.

36. This paper has proposed ten levers of transformative change that can help countries to maximise the contribution of urbanization to economically, socially and environmentally sustainable development. The first five levers deal with effective urban planning, governance, including legislation, and municipal finance systems, as well as the urban economy. Together, they constitute strategic conditions for sustainable urban development. The remaining five levers address the needs of urban households (the deliverables of successful urbanization), gender equality and women's empowerment as well as sustainable use of resources at the city level, all of which are critical to transformative change and sustainable development.

37. Finally, in addition to being a UN system input to the preparatory process for Habitat III and its expected outcome document, a New Urban Agenda, this paper could be the basis of a UN system-wide approach to assisting countries and municipal authorities in implementing Goal 11 (Make cities and human settlements inclusive, safe, resilient and sustainable) and other relevant goals of the 2030 Agenda for Sustainable Development. It could also be the basis of a framework for cooperation among UN system organizations, especially at the local and national levels, on sustainable urbanization issues. In this way, it could facilitate the systematic inclusion of urbanization in United Nations Development Assistance Frameworks. In addition, it could provide a framework for UN system organizations to showcase their work on urban issues in a way that demonstrates UN policy coherence on sustainable urbanization, which is likely to increase the interest in and support to urban development among international development partners, especially at the country level. Further to this, a multi-stakeholder partnership for the New Urban Agenda, based on a revamped World Urban Campaign, is proposed. For this to work, the vision, guiding principles and levers of transformative change proposed in this paper should be in the consciousness of as many UN system Funds, Programmes and Specialized Agencies as possible and be reflected in their work programmes, and it is hoped that they will be integrated into the outcome document of Habitat III.