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A NEW URBAN AGENDA

Public Hearing of the Committee on Economic Cooperation and Development (AwZ) of the German Bundestag on the subject of 'Urbanization'

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Today 54% of the world's 7 billion population or 3.8 billion people live in urban areas. By 2050, this percentage will grow to 70% with 6.3 billion people living in cities.

For most of human history, urbanization occurred in parallel with development. However, today we are observing a new process worldwide: a very high rate of spontaneous, unmanaged urbanization, including among rapidly developing countries, which poses difficult challenges. Current urbanization patterns are resulting in a third of all urban populations or nearly 1 billion people living in slums and informal settlements with, in many cases, limited access to services, employment and political engagement.

This is a critical developing country challenge since over 90% of all new urbanization is occurring in less developed countries of principally sub-Saharan Africa and Asia. Most of this growth will not be in megacities but in small and medium-sized towns which do not always have the technical capacity and/or authorities to manage this growth.

Greater Interdependence between Rural and Urban Areas. Complex interactions between these smaller cities and their peri-urban and rural areas call for a new approach that focuses on the urban-rural nexus, in contrast to the traditional view of urban versus rural. In this new interpretation of interdependence, cities are drivers of change in rural areas and vehicles for job

creation and poverty reduction, at the same time, rural areas are the source of goods and services that cities require including food and other agricultural inputs for nutrition and industrial production. Well-planned small towns and provision of strategic infrastructure in rural areas with better urban-rural interconnectivity can maximize the creation of economic opportunities, including off-farm employment and higher incomes; reduction of rural communities' vulnerability and enhancing prospects for equity for the region as a whole.

Social sustainability of development and poverty reduction cannot be achieved without addressing the basic needs of the billions of poor urban dwellers, such as access to adequate housing, clean drinking water, sanitation, domestic energy and transport, healthcare and education. Although much progress has been made in overall poverty alleviation, inequity and inequality is rising in both developing and developed countries. In developing countries, slums, are the manifestation of urban poverty and inequality. Renewed efforts to extent more and high quality infrastructure and housing to reduce urban poverty and inequality are required to achieve socially sustainable development.

Economic sustainability is largely dependent on the contribution of cities to national economic growth. Cities today contribute from 70-85% of a country's GDP and this rate increases with urbanization. Cities play this role because of the economies of agglomeration, connectivity of the factors of production, centers of technological innovation and knowledge sharing. Towns and cities must be prioritized by governments as drivers of national economic growth through public and private sector investment to achieve economic sustainability.

With respect to environmental sustainability, cities contribute up to 70% of worldwide greenhouse gas emissions due largely to the concentration of industrial and construction activities. In developing countries, rapid urbanization has resulted in uncontrolled peri-urbanization, most of it informal. In some parts of the world, both large and small cities are merging to create mega-cities and city-regions which are resulting in faster economic and demographic growth than that of the countries where they are located. However, in all these urban contexts, environmentally sustainable development will only be achieved through new forms of governance, innovative planning for concentration and densification to avoid sprawl, new models of transport with less dependence on private vehicles and new forms of building materials with more efficient use of power.

A New Paradigm for Sustainable Urbanization - A New Urban Agenda

The sustainable development agenda is clearly unfinished business when it comes to urbanization and cities. The Millennium Development Goals addressed cities in a very limited way through only the environmental rubric focused on slum upgrading. Although the MDG target for slum upgrading was met, focusing only on sectoral aspects of urbanization, such as slum upgrading, cannot deliver sustainable urbanization. We need more structural measures to achieve sustainable cities and human settlements.

There is growing recognition of the need for a more robust and multi-dimensional approach to urbanization. Indeed, this new view is reflected in the Rio+20 Outcome document, *The Future We Want*, which cites that 'if urban areas are well planned and developed, cities can promote economically, socially and environmentally sustainable societies.' It is also reflected in the draft Sustainable Development Goals of the September 2014 Open Working Group report to the U.N. General Assembly which calls for a specific goal to 'Make cities and human settlements inclusive, safe, resilient and sustainable.'

UN-Habitat believes that a paradigm shift with a new model of urbanization is required in order to better respond to the urban challenge in both developed and developing countries. The upcoming Third International Conference on Housing and Sustainable Urbanization or Habitat III in 2016 as well as the on-going dialogue on Sustainable Development Goals offer fortuitous opportunities to advance sustainable urbanization and its contributions to social, environmental and economic sustainability of development.

In order to contribute to this global paradigm shift toward sustainable urbanization, UN-Habitat proposes a New Urban Agenda structured on nine key levers of change that can be adapted to different country circumstances:

1. Develop and implement national urban policies to amalgamate the potential of urban centers within a national system of cities and towns, while fostering rural-urban linkages, for sustainable development. Such policies with incentives will help to coordinate the roles, responsibilities and allocation of resources to different levels of government managing urbanization of both cities and their surrounding areas.
2. Strengthen urban legislation and governance so that laws, institutions and governance systems are in line with international obligations and bound by rule of law to shape the operational principles, institutional structures and social

relationships that underpin the process of urbanization. Laws, policies and governance systems must not discriminate but be equitable and ensure that the needs of the urban poor are addressed to overcome inequalities. A participatory approach to definition of laws and practice of governance which includes the urban poor and other disadvantaged groups is essential to ensure their responsiveness to urban needs.

3. Harness the urban economy, by creating employment opportunities and improving existing working conditions for all as the foundation of sustainable urbanization. Urban areas and their regions require economic regeneration, cluster development and industrial zone strategies and sustainable transport. These can have positive multiplier effects in various development areas, especially when redistributive mechanisms are in place. Some interesting initiatives:

Johannesburg South Africa took advantage of its business and retailing cluster as well as cultural attractions to promote economic development and job creation. Municipal bonds for capital investments are an essential component of its financial and development planning.

Medellin, Colombia's Metrocable system and rapid bus transit is a high-impact innovation to connect relatively disadvantaged neighborhoods to the rest of the city to better access economic opportunities, thereby addressing some of the root causes of urban violence and crime.

Rabat Morocco's light rail system is bridging the city's social, economic and spatial divide. The system's 39 stations aim to bring public transport to two million people living in Morocco's greater Rabat-Sale area to maximize employment opportunities and access to services.

4. Strengthen municipal finance by realigning fiscal authority and responsibility by achieving the right balance between levels of government, revenue sharing including improving revenue collection, new financial mechanisms and improving budget management and transparency. Enhancing local government creditworthiness and accountability are critical for new approaches to mobilizing public and private resources for infrastructure investment. A good intervention:

Bangalore India is one of the fastest growing cities in Asia and among the most sought-after cities in India thanks to its thriving information technology industry. It attracts high levels of talent and investment because of its good labor relations, investor-friendly policies and quality educational and research institutions and telecommunications connectivity.

5. Reinvigorate territorial planning and urban design to guide urban functionality towards more compact cities, their densification as appropriate, optimizing economies of agglomeration, fostering inclusiveness and social diversity, security of tenure, mixed land uses, territorial planning including to reinforce urban-rural connectivity, and climate change mitigation and adaptation. An important element is integrating resilience planning and disaster risk reduction into city management and infrastructure design to bolster cities' resilience to natural disasters. Some positive examples of proactive management of urban growth:

Lami, Fiji, as an indicative small island developing state city, has undertaken community-based vulnerability and adaptation assessments. These have allowed existing settlements to take remedial protection action and mainstreaming climate change into urban planning for future settlements.

Ouagadougou, Burkina Faso implemented a progressive program of urban land restructuring. The goal was to implement a series of planned city extensions that anticipated and guided urban growth before it consolidated into spontaneous settlements.

Medellin, Colombia is using planning and land readjustment to regularize tenure security among informal settlements as a step toward more formal status.

6. Promote universal access to quality basic services through innovative policies and institutional frameworks with gender sensitivity for clean water and sanitation, sustainable energy, essential health care, nutritious food, education and training, basic income security and socio-economic safety nets. An important consideration for these policies and institutions is the targeting of resources to the urban poor, including for upgrading slums and informal settlements.

The city of Sao Paulo Brazil is on a path to transform its challenges of inequality and settlement informality. The city is addressing its slum and informal community upgrading financing needs through control of building and land value sharing schemes.

7. Promote adequate housing for all income categories to reposition housing as a pillar of sustainable urban development. It requires ensuring access to land with tenure security for all social groups, environmentally sustainable land-use plans, sustainable building technologies, predictable financial mechanisms for affordable housing and recognition of home-based

enterprises. This contributes to the right to adequate housing as a component of the right to an adequate standard of living.

Portland Oregon, USA has joined with its regional government in establishing an urban growth boundary and implementing a climate change plan. Due to progressive land use codes including city infill housing development and strong policy action, greenhouse gas emissions have decreased 15% despite a 25% growth in population.

8. Strengthen gender equality and women's empowerment by integrating a gender perspective into urban policies and programs to promote gender equality and to improve the welfare and rights of women and children. Cities should develop approaches and standards for city-wide implementation of gender mainstreaming in all areas, including design of public spaces for women and girls' safety, housing, transportation and street lighting. Increasing the voice and participation of women in urban public life is vital for ensuring that these issues are taken into consideration in urban development agendas.

9. Place culture at the heart of sustainable urban development by integrating cultural considerations into urban development policies to reinforce social cohesion with cultural diversity. Sustainable and resilient cities preserve their urban heritage as a factor of social and community identity. Incorporating cultural awareness in the sustainable development process ensures better understanding of the social-cultural context of communities and the heightens the appropriateness of interventions.

In order to effectively steer this a new urban agenda and induce transformative change, eight guiding principles are important. These include: (1) promoting a new urbanization model that is universal while adaptable to country circumstances; (2) respecting, protecting and promoting human rights; (3) promoting inclusive urban growth with equity and non-discrimination including gender equality; (4) addressing the inter-linkages of the environmental, social and economic objectives of sustainability with due concern to the different levels of government; (5) promoting the empowerment of civil society and expanding democratic participation; (6) promoting green cities and environmental sustainability by establishing critical connections between science, environment, economic growth, urban planning and governance; (7) promoting innovation, knowledge sharing and capacity-building; and (8) promoting a global data revolution for effective, results-based implementation and monitoring of the new urban agenda at global, national and local levels.