



**WORLD CITIES
REPORT 2016**

ABRIDGED EDITION

URBANIZATION AND DEVELOPMENT

Emerging Futures

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Key Findings and Messages

UN HABITAT
FOR A BETTER URBAN FUTURE

WORLD CITIES REPORT 2016

URBANIZATION AND DEVELOPMENT:
EMERGING FUTURES

Key Findings and Messages

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Foreword

Ban Ki-moon
Secretary-General
United Nations



A handwritten signature of Ban Ki-moon in black ink. The signature is stylized and cursive, reading 'Ki Moon Ban'.

Since the 1996 Habitat II Conference in Istanbul, the world has faced many serious challenges, including rising inequality, increasing insecurity in many places and the widening impacts of climate change everywhere. But we have also made major advances in medicine, life expectancy, information and communications technology, governance and human knowledge. On both the positive and negative sides of this ledger, cities have been a primary arena where change takes place.

As the world has transformed, so have urban areas. Today, cities are home to 54 per cent of the world's population, and by the middle of this century that figure will rise to 66 per cent. While cities face major problems, from poverty to pollution, they are also powerhouses of economic growth and catalysts for inclusion and innovation. With vision, planning and financing, cities can help provide solutions for the world.

This year's United Nations Conference on Housing and Sustainable Urban Development — known as Habitat III — in Quito, Ecuador, is a timely and important opportunity. It takes place as the world embarks on efforts to implement the 2030 Agenda for Sustainable Development, which gives a prominent role to cities. Habitat III is expected to discuss and agree on a New Urban Agenda aimed at enhancing the contribution of cities to sustainable development, and at ensuring that cities are inclusive, safe, resilient and sustainable.

This new World Cities Report presents a number of issues that this New Urban Agenda should address. I commend its analysis and documentation to a wide global audience, and encourage all stakeholders to make Habitat III a success in pointing the way forward in designing and managing cities so that all their inhabitants can enjoy lives of dignity.

Introduction

Joan Clos

Under-Secretary-General,
United Nations Executive Director, UN-Habitat




The world has changed remarkably since the Habitat II Conference took place in Istanbul in 1996. Twenty years appears to be a short span of time, but our ideas, practices, modes of production and consumption, demographic structures, as well as education and health conditions have drastically changed. The way cities are shaped, their form and functionality have also been transformed over these years. Many of these changes have been for the better, but others for the worst.

The growth of the world's cities, from the north to the south, and from the east to the west, is ingrained in a culture of short-term economic benefit and often unbridled consumption and production practices that compromise the sustainability of the environment. The causes may vary according to different contexts, but uncontrolled growth, privatization of public goods, lack of regulations and institutions as well as forms of collective indolence are often the key factors behind a model of urbanization that is becoming highly unsustainable. Urbanization is at the same time a positive force underpinning profound social, political and economic transformation.

Urbanization and growth go hand in hand, and no one can deny that urbanization is essential for socio-economic transformation, wealth generation, prosperity and development. As this Report asserts, the emerging future of cities largely depends on the way we plan and manage urbanization, and the way we leverage this transformative process to 'provide the

setting, the underlying base and also the momentum for global change'¹.

The analysis of urban development of the past twenty years presented in this first edition of the *World Cities Report* shows, with compelling evidence, that there are new forms of collaboration and cooperation, planning, governance, finance and learning that can sustain positive change. The Report unequivocally demonstrates that the current urbanization model is unsustainable in many respects, puts many people at risk, creates unnecessary costs, negatively affects the environment, and is intrinsically unfair. It conveys a clear message that the pattern of urbanization needs to change in order to better respond to the challenges of our time, to address issues such as inequality, climate change, informality, insecurity, and the unsustainable forms of urban expansion.

The Habitat Agenda adopted at the United Nations Conference on Human Settlements (Habitat II) in 1996 was influential in the recognition of the right to adequate housing, sustainable human settlements development in an urbanizing world, and the increased participation of the private sector and non-governmental organizations in the urbanization process. It reinforced the role of local authorities and stirred progress in strengthening fiscal and financial management capacities. However, in general terms, implementation, financing and monitoring have remained major challenges.

1. United Nations (2013) Sustainable Urbanization, thematic think piece prepared for the 2030 development agenda, New York.

The New Urban Agenda that is expected to be adopted at the Habitat III Conference cannot afford to ignore these shortcomings. It should convey a sense of urgency in the implementation of policies and actions that can no longer depend on political schedules or opportunistic moments, but should, instead, be set in clear, well-defined agendas. The New Urban Agenda should adopt a city-wide approach to development with concrete actions, setting out clear funding mechanisms and effective means of implementation and monitoring.

Habitat III and the New Urban Agenda should establish critical connections to the 2030 Agenda for Sustainable Development and other international agreements. The Report is very explicit on the need to ensure a strong convergence among these agendas as a way of complementing and improving the implementation of the Sustainable Development Goals (SDGs), particularly those with an urban component.

The research, data, knowledge, practice and experience of UN-Habitat has facilitated the production of this highly informative Report. Its different chapters collectively present a path to sustainable urban development that the New Urban Agenda must consider.

A set of principles that guide major shifts in strategic and policy thinking are presented to ensure that human rights, the rule of law, equitable development and democratic participation are the bastions of this Agenda. The Report also elaborates on the strategic components that work as a framework for action based on UN-Habitat's three-pronged approach to planned urbanization – an effective and enabling legal and institutional environment, improved urban planning and design and vibrant local economic development.

Finally, the Report expounds the most important levers for the transformative change of cities. These include planned city extensions, planned city infills, land readjustment programmes, basic services and housing plans and public space planning and regulations. The need to put in place a new global monitoring framework to assess how countries and cities implement this Agenda and the urban components of the SDGs is also highlighted in this Report.

The success of the New Urban Agenda is about values, commitments and collective efforts. It is for the Habitat III Conference to steer the 'emerging futures' of our cities on to a sustainable and prosperous path.

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CHAPTER 01

From Habitat II to Habitat III: Twenty Years of Urban Development



Urban areas around the world are facing enormous challenges and changes than they did 20 years ago. Cities are currently operating in economic, social, and cultural ecologies that are radically different from the outmoded urban model of the 20th century. This raises an urgent need to revisit the urban agenda, and to reposition our collective approach to urban development.

This chapter provides an overview of the most important urban issues that played out during the last 20 years. These can be placed into two categories: *persistent issues* and *emerging issues*. The former include urban growth, changes in family patterns, growing numbers of urban residents living in slums and informal settlements, and the challenge of providing urban services in certain parts of the world. Connected to these persistent urban issues are newer trends in the governance and finance of cities: emerging urban issues include climate change, exclusion and rising inequality, rising insecurity and upsurge in international migration.

Key findings

Cities are a gathering force: Since 1990, the world has seen higher shares of its population move to urban areas. Though by no means new, the trend is relentless. Whereas in 1990, 43 per cent of the world's population lived in urban areas, by 2015 the proportion had risen to 54 per cent. In many instances, urbanization has been accompanied by socioeconomic advancement. For instance, Asia which is 48 per cent urbanized and home to 53 per cent of the world's urban population—has become a global powerhouse, generating close to 33 per cent of world output in 2010.

Although large and megacities stand out as the more visible face of urbanization on account of their influence and economic importance, they are not the fastest growing, nor are they hosts to the majority of the world's urban population. Fastest growing are medium and small cities with less than one million inhabitants, which accounts for 59 per cent of the world's urban population. Despite the demographic importance and potential role of such cities, urban



Inequality, exclusion and deprivation creates spatial inequalities and divided cities. Ho Chi Minh City slums by river, Saigon, Vietnam.

Source: kagemusha / Shutterstock.com

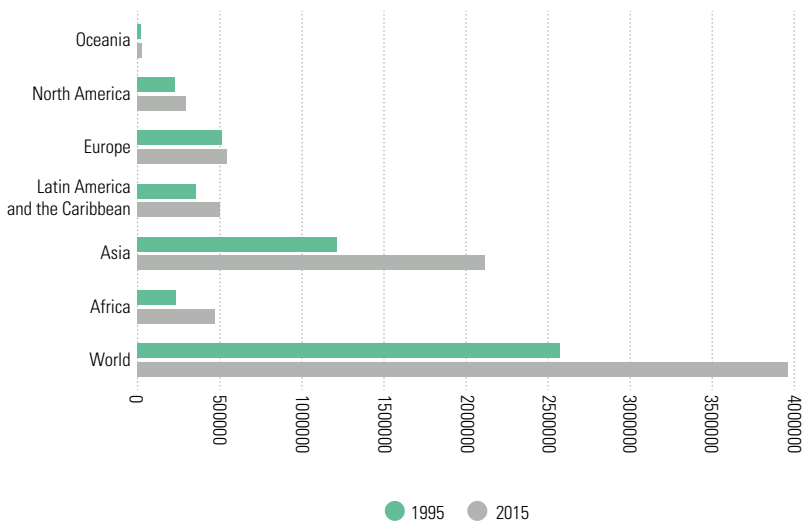
planning efforts in developing countries have so far focused disproportionately on the problems of large metropolitan areas.

Urban governance and finance: In the last 20 years, decentralization has become a political and institutional phenomenon in most countries.

However, in many developing countries, decentralization has not involved adequate financial resources passing down to lower tiers of government. Consequently, municipal finance is not keeping pace with the demand for infrastructure and services. Extensive decentralization is particularly challenging in Africa,

Figure 1: Urban population at mid-year (1995-2015)

Source: Based on United Nations, 2014.



given its history of highly centralized but weak States and extremely limited local revenues.

Overall, decentralization has been an important policy issue over the past two decades. While it has waxed and waned in many countries as central governments have failed to fully relinquish financial control over municipalities even when directed to do so by legislation, cities have emerged with generally stronger financial tools than they had going into the period.

Informal settlements: The challenge of slums is not new; rather, these represent part of the unfinished business of the Millennium Development Goals or part of the ‘old’ agenda that must be addressed by the new one. Recent estimates provided by UN-Habitat show that the proportion of the urban population living in slums in the developing countries decreased from 39.4 per cent in 2000 to 29.7 per cent in 2014. However, the absolute number stood at 881 million in 2014, compared with 791 million in the year 2000. This implies that many countries still have a long way to go in reducing the large gap

between slum dwellers and the rest of the urban population who have adequate housing.

The challenge of providing urban services: Providing adequate infrastructure and basic services is central to the economic performance of fast-growing cities in Asia and Africa. As countries improve economically, so does the proportion of their urban population with access to basic services. However, trend has been uneven regionally, with Sub-Saharan Africa and Southern Asia falling behind in the provision of water and sanitation.

Public management remains the dominant approach to service delivery, and the role of local governments being reinforced since the 1990s by decentralization initiatives. Even though cities may have the legal authority to undertake and manage large infrastructure schemes, many still do not have the human resources, let alone large-scale capital and technical capabilities to keep up with rapid demand.

Cities and climate change: Climate change is one of the key emerging urban issues, with adverse impacts capable of undermining the ability



Many homes in the southern Philippine island of Mindanao do not have potable water.

Source: Asian Development Bank, CC BY 2.0, <https://creativecommons.org/licenses/by/2.0/legalcode>

of all countries to achieve sustainable development. Between 1950 and 2005, the level of urbanization increased from 29 to 49 per cent, while global carbon emissions from fossil-fuel burning increased by almost 500 per cent.

While climate change is a profound global issue, it is also a local issue, as urban areas have a crucial role in the climate change arena. Urbanization brings about fundamental changes in production and consumption patterns, which when associated with dysfunctional urban forms and structure of cities, contribute to higher levels of energy consumption and greenhouse gas emissions.

Cities account for between 60 and 80 per cent of energy consumption, and generate as much as 70 per cent of the human-induced greenhouse gas emissions. Nonetheless, urbanization offers many opportunities to develop mitigation and adaptation strategies to deal with climate change especially through urban planning and design.

Inequality and exclusion: The gap between rich and poor in most countries has never been so wide in 30 years. This urban divide stigmatizes and excludes large groups of the urban population from a socially and economically productive life. One of the physical manifestations of increasing inequality in urban areas is the proliferation of gated communities in the last two decades. In the late 1990s, 40 per cent of new homes in western, southern and south-eastern US were in gated communities. In Latin America and the Caribbean, as well as in Africa, rising crime and inequality are major factors behind this phenomenon. Gated communities often lead to disproportionate and more intense consumption of public space, increasing polarization, privatization of urban space, and segregation between income and social groups.

Upsurge in involuntary migration: The upsurge in forced migration across international borders is an emerging issue which has implications for cities. Today, Syrian refugees comprise the biggest refugee population from a single conflict. While involuntary migration is a global issue, Europe has been at the forefront of large scale involuntary migration in recent years steaming from the conflict in the Middle East. Europe saw the arrival of more than one million

forced migrants and refugees in 2015, a sharp rise compared to 280,000 in 2014. This inflow is occurring against the backdrop of the fight against terrorism, as well as relatively weak labour markets and economic conditions. As a result, insularity, xenophobia, right-wing populism and anti-immigrant parties are gaining ground across Europe. This has led to negative public perception of migrants and refugees.

However, previous experience of refugee crises shows that migrants can, eventually, become valuable contributors to the economic and social development of countries. Europe stands to gain, especially in the face of the threat posed by demographic trajectory of ageing population and low birth rates in many countries. On the other hand, an absence of integration policies can lead to the formation of ghettos and marginalized communities, which could serve as breeding grounds for frustration, disenchantment, vulnerability and even radicalization.



Rising insecurity and urban risk:

Crime and violence as well as risks such as terrorism and urban warfare, disease and pandemics are issues undermining the long-term sustainability of cities. Rapid urban growth and the globalized nature of cities are compounding health risks. The outbreak of Ebola fever in West Africa, and subsequent spread between 2013 and 2015, was particularly virulent in the underserved slums of major coastal cities.

Cities are increasingly becoming targets of terrorism as they provide high levels of visibility and impact on account of their social, political, and economic centrality. Since 2000, the number of deaths from terrorism has increased over nine-fold from 3,329 to 32,658 in 2014. In 2014 alone, the number of deaths from terrorism increased by 80 per cent when compared to 2013—the largest annual increase in the last 15 years.

Over the past few decades, the advancement of digital technologies and the development of the Internet have paved the way for a new kind of risk, cyber insecurity. Over-reliance on digital technology and electronic service delivery has made cities more vulnerable to hacking and cyber-attacks, which are reported to occur as frequently as every thirty seconds and are estimated to cost businesses as much as \$400 billion a year. This, in part, explains





 Rising inequality is one of the challenges of urbanization that has confined many people to poor living conditions. Kibera slum, Nairobi, Kenya.

Source: Julius Mwelu /UN-Habitat

why global spending on cyber security is projected to increase by 8.2 per cent from \$77 billion in 2015 to \$101 billion in 2018, reaching \$170 billion in 2020.

Key messages

A key message emanating from this report is that, **when well-managed, urbanization fosters social and economic advancement**, as is associated with greater productivity, opportunities and improved quality of life for all. Cities create wealth, generate employment and drive human progress as they harness the forces of agglomeration. Cities also offer greater societal freedoms. In the process of urbanization, however, there have been some bumps along the road.

Although urbanization has the potential to enhance prosperity and overall development, **many cities all over the world are grossly unprepared for the multidimensional challenges associated with urbanization**. Many rapidly growing cities keep sprawling, slums are expanding or consolidating, there is increasing poverty and inequality, cities can be very expensive for new migrants, crime can be rife in large cities, as well as the significant contribution of cities to climate change.

The current model of urbanization is unsustainable in many respects:

- Environmentally**, it engenders low density-based suburbanization—largely steered by private, rather than public interest, and facilitated in part by dependence on car ownership; it is energy-intensive and contributes dangerously to climate change.

- D *Socially*, it generates multiple forms of inequality, exclusion and deprivation, which creates spatial inequalities and divided cities, often characterized by gated communities and slums. Cities face growing difficulties in integrating migrants and refugees so that they equitably share the human, social, cultural and intellectual assets of the city, and thus have a sense of belonging.
- D From an *economic* perspective, the current model of urbanization is unsustainable due to widespread unemployment, especially among youth, and a predominance of unstable, low-paying or informal jobs, which create economic hardship, unequal access to urban services and amenities as well as poor quality of life for many.

To effectively address these challenges and take advantage of the opportunities offered by urbanization, **a new approach or new urban agenda is required**. Such new urban agenda offers a unique opportunity to achieve global strategic goals by harnessing the transformative forces of urbanization, and by responding to the major challenges. The new urban agenda should recognize that urbanization as a force on its own, which, alongside other drivers

of sustainable development can be harnessed and steered— through policy, planning and design, regulatory instruments as well as other interventions— to contribute towards national sustainable development.

This new urban agenda should be implementable, universal, rights-based, sectorally and spatially integrative, inclusive, equitable, people-centred, green and measurable. The effectiveness of a new urban agenda will depend on how relevant it is to urban governments and urban dwellers, especially those whose needs are not currently being met. Besides, the new agenda must take cognizance of the delivery failures of the recent decades and prioritize what actions that need to be taken and by whom.

The new urban agenda should promote cities and human settlements that are environmentally sustainable, resilient, socially inclusive, safe and violence-free, economically productive, better connected, and contribute to transformation. This is the vision set out in the 2030 Agenda for Sustainable Development, especially Goal 11: to make cities and human settlements inclusive, safe, resilient and sustainable.

CHAPTER 02

Urbanization as a Transformative Force



Urbanization is one of the most significant trends of the present century, providing the foundation and momentum for global change. The shift towards an increasingly urbanized world constitutes a transformative force which can be harnessed for a more sustainable development trajectory, with cities taking the lead to address many of the global challenges of the 21st century, including poverty, inequality, unemployment, environmental degradation, and climate change.

Over the last two decades, cities have emerged as the world's economic platforms for production, innovation and trade. Urbanization has helped millions escape poverty through increased productivity, employment opportunities, improved quality of life and large-scale investment in infrastructure and services. This transformative power of urbanization has, in part, been facilitated by the rapid deployment of Information and Communications Technology.

Key findings

Productivity in cities: The evidence of the positive link between urban areas and economic development is overwhelming. With just 54 per cent of the world's population, cities account for

over 80 per cent of global GDP. The contribution of urban areas to national income is greater than their share of national population, see Figure 2 and Figure 3. For instance, Paris accounts for 16 per cent of the population of France, but generates 27 per cent of GDP. Similarly, Kinshasa and Metro Manila account for 13 per cent and 12 per cent of the population of their respective countries, but generate 85 per cent and per cent of the income of the Democratic Republic of Congo and Philippines, respectively. The higher productivity of urban areas stems from agglomeration economies or external economies of scale.

Cities and the global economy: Over the last two decades, cities and metropolitan areas have emerged as the world's economic platforms for production, innovation and trade. However, this global connectivity also carries with it concurrent risks, since the wellbeing of cities is greatly influenced by regional and global dynamics. The rapid pace urbanization is often regarded as a bright spot in the midst of the multiple global crises confronting countries. As engines of growth, cities have a key role to play in the economic recovery of countries. In the UK, for instance, cities have been used as instruments to revive the economy by driving growth, providing jobs, supporting investment in critical infrastructure, and granting greater financial autonomy.



Inequality, exclusion and deprivation creates spatial inequalities and divided cities. Ho Chi Minh City slums by river, Saigon, Vietnam.

Source: kagemusha / Shutterstock.com

Cities and employment creation:

Urban areas offer significant opportunities for formal and informal employment. Cities generate a sizeable share of new private sector jobs. Between the year 2006 and 2012, the 750 largest cities in the world created 87.7 million private sector jobs, or 58 percent of all new private sector jobs in their respect 129 countries. In the UK, cities account for 78 per cent of all jobs. In the U.S., metropolitan areas account for 84 per cent of total employment and 88 per cent of labour income. Among African countries, urban employment grew by an average of 6.8 per cent over the last decade—twice more than the national rate of 3.3 per cent. In India, between 2000 and 2005, urban employment grew at a rate of 3.22 per cent compared to rural employment, which grew by 1.97 per cent. Nonetheless, unemployment can be particularly challenging in urban areas, as cities are often associated with a high concentration of unemployed people. About 60 per cent of unemployment in UK, Japan, Korea, Netherlands and U.S. is concentrated in urban areas.

Poverty and urban-rural linkages:

Highly urbanized countries are associated with low levels of poverty. Urbanization has helped millions of people escape poverty through higher levels of productivity, income and employment opportunities, improved quality of life via better education and

health, large-scale public investment and access to improved infrastructure and services among others. Nowhere is this more evident than in East Asia, where increase in urbanization over the last three and half decades has been accompanied by a remarkable decrease in poverty.

Rural areas often benefit from the transformative power of urbanization through increased demand for rural goods, which can have a significant impact on rural poverty. Other benefits from the rural-urban linkages include increased urban-rural remittances, increased rural land/labour ratio and increased rural nonfarm employment.

Role of cities in sustainable development:

As cities represent more than 70 per cent of global energy demand, they play a central role in moving the sustainable energy agenda forward. Sustainable urban mobility, for instance, provides efficient access to goods, services, job markets, social connections and activities while limiting both short- and long-term adverse consequences on social, economic, and environmental services and systems. An evolving transformative trend is the shift away from auto-dependency. Singapore, Hong Kong and Tokyo are examples of cities where the costs of car ownership and use have been set high and planning strategies have emphasized mass transit, walking and cycling. New mobility services and products

such as e-hailing, autonomous driving, in-vehicle connectivity, electrification, and car sharing systems offer multimodal, on-demand transportation alternatives. More compact, better-connected cities with low-carbon transport could help cities save as much as US\$3 trillion in infrastructure investments over the next 15 years.

The transformative power of connected cities: Over the last two decades, the transformative power of urbanization has, in part, been facilitated by the rapid deployment of information and communications technologies, and by a revolution in city data to inform decision-making and propel a global movement to smart cities. The internet has grown rapidly since its inception, spurring enormous innovation, diverse network expansion, and increased user engagement in a virtuous circle of growth. Internet users reached over 3 billion in 2015. The total number of mobile subscriptions towards the end of 2015 was 7.3 billion. For the vast majority of urban dwellers in developing countries, mobile telephony is likely to be the sole tool that ensures connectivity.

The deployment of information and communications technologies in cities supports innovation and promotes efficiencies in urban infrastructure leading to lower cost city services. In some cases, urban economies are able to leapfrog stages of development

by deploying new technologies in the initial construction of infrastructure. Cities like Hong Kong and Singapore are notable examples of economies that were able to make this leap by digitizing their infrastructure.

Key messages

When well-planned and managed, urbanization can significantly improve the economic prospects and quality of life for the majority, drive innovation and productivity, contribute to national and regional development, alleviate poverty and work towards social inclusion. As the 21st century unfolds, cities will play stronger roles as engines of growth and key factors of national development— particularly those cities that become parts of urban configurations such as mega-regions, city-regions and urban corridors.

Realizing the potential gains of urbanization is not automatic; this will depend on how well urban growth and its evolving challenges are planned and managed, and the extent to which the benefits accruing from urbanization are equitably distributed. Formulating the necessary policies including effective urban planning, management and governance is a vital precondition for enhancing the transformative potentials of urbanization.

Figure 2: Share of GDP and national population in selected cities (developed countries)

Source: UN-Habitat, 2011.

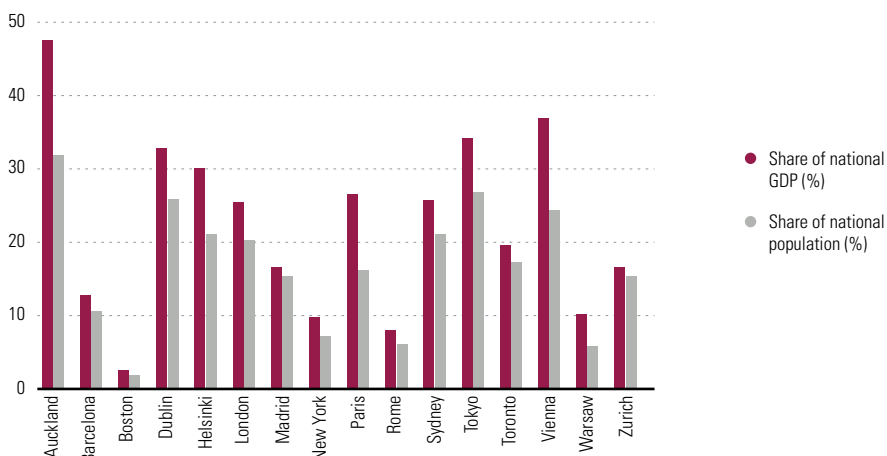
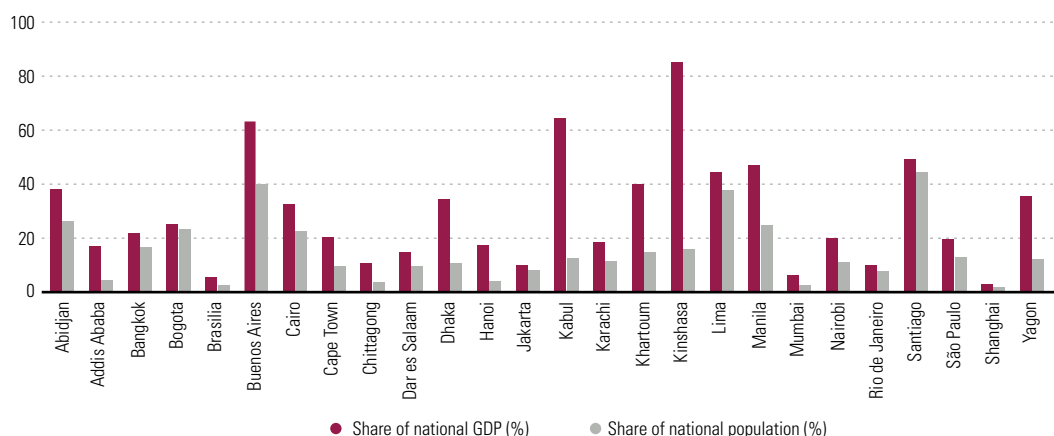


Figure 3: Share of national population and GDP in selected cities (developing countries)*Source: UN-Habitat, 2011.*

Achieving sustainable development is more likely if there is a shift from the dichotomy between urban and rural areas to recognizing and understanding **the urban-rural continuum**. The adequate provision of infrastructure and opportunities in small and medium size cities can promote rural urbanization and contribute to achieving balanced population distribution.

Urban space can be a strategic entry point for cities in driving sustainable development. However, this requires innovative and responsive urban planning that utilizes density, minimizes transport needs and service delivery costs, optimizes land-use, enhances mobility and space for civic and economic activities, and provides areas for recreation, cultural and social interaction to enhance quality of life.

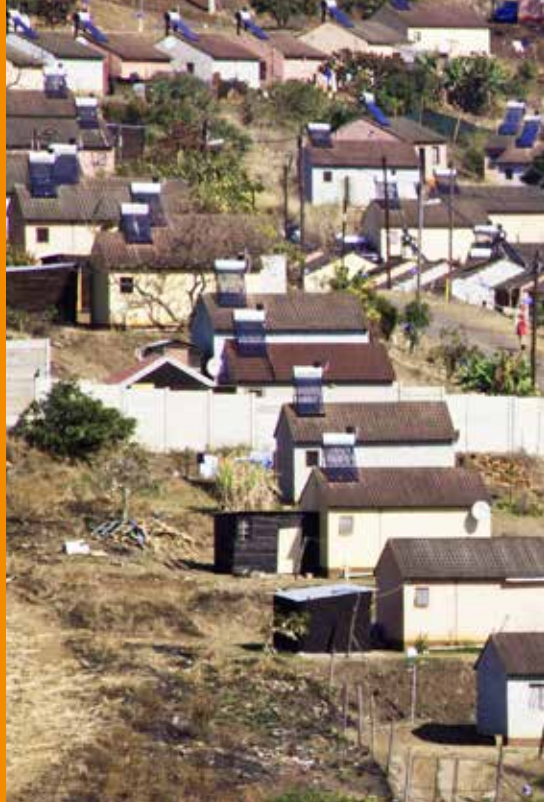
While new spatial configurations play an increasing role in creating prosperity, **there is an urgent demand for more integrated planning, robust financial planning, service delivery and strategic policy decisions.** These interventions are necessary if cities are to be sustainable, inclusive and ensure a high quality of life for all.

Sustainable, resilient and inclusive cities are often the outcome of good governance that encompasses effective leadership; land-use planning; jurisdictional coordination; inclusive citizen participation; and efficient financing. If the world is to achieve its sustainable development goals, and reach targets that range from eradicating poverty and social inequity, to combating climate change and ensuring a healthy and livable environment, global efforts in the transition to sustainable energy are pivotal.

Technology solutions and the effective use of data are providing city leadership with new tools and opportunities for effective change. Smart cities can guide better decision-making with respect to prosperity, poverty eradication, sustainability, resilience, emergency management and effective and equitable service delivery. However, the uneven deployment of ICTs in cities creates a digital divide, which exacerbates inequality within cities. As cities depend increasingly on electronic information and technology for their functioning and service delivery, city leaders should not only avoid an unequal distribution of ICTs but also devise ways to bridge the digital divide.

CHAPTER 03

The Fate of Housing



The sustainable future of cities and the benefits of urbanization strongly depend on future approaches to housing. Housing accounts for more than 70 per cent of land use in most cities and determines urban form and densities, also providing employment and contributing to growth. However, over the last 20 years, housing has not been central to national and international development agendas and this is evident in the chaotic and dysfunctional spread of many cities and towns.

Housing shortfalls represent a challenge that is hard to measure. In 2010, as many as 980 million urban households lacked decent housing, as will another 600 million between 2010 and 2030. One billion new homes are needed worldwide by 2025, costing an estimated \$650 billion per year, or US\$9-11 trillion overall. In addition, shortages in qualitative deficiency are much larger than those in quantity.

Key findings

An enabling approach for some, but disabling for many: Over the past 20 years, the enabling approach has dominated housing policy internationally. Based on market-led principles, it

has encouraged governments to free up the housing-related input markets rather than providing housing themselves. At the same time, the Millennium Development Goals have focused attention on improving safe drinking water and sanitation and improving the lives of slum dwellers.

The housing policies put in place over the last 20 years through the enabling approach have failed to promote adequate and affordable housing. Governments have backed away from direct supply without giving sufficient consideration to the markets and regulatory framework to enable other actors in the process to step forward and provide housing as required. In particular, this was the case for the low-income households in the rapidly urbanizing parts of the world. The reality indicates that, instead, it was middle-class formal home-ownership that has been systematically ‘enabled’— while the ever-growing numbers of poor citizens have been ‘disabled’ from any such access, thereby remaining confined to either informal housing or homelessness. This suggests that long-term international vision and commitment are overdue if housing is to become an integral part of planned urbanization.

The decline of housing as a political priority despite increasing demand: Since the mid-1990s, housing for the poor majority has had



Low cost township houses fitted with solar heating panels in Verulam, Durban, South Africa, 2014.

Source: Icswart / Shutterstock.com

a low priority in most developing countries, as most have reduced their housing activity. Most involvement by governments has been focused on helping the middle class to achieve home-ownership in a formal sector that only they can afford. At the same time, since 1992, international development assistance in housing witnessed a major shift away from pro-poor housing investment, slum upgrading and sites-and-services schemes, to focusing on housing finance, institutional strengthening and shelter-related disaster relief.

Excessive focus on home-ownership speculation: Governments throughout the world have encouraged owner occupation of fully serviced single-household dwellings, suitable for households in developed countries and the growing middle class in transitional and developing countries. There has been no matching encouragement for the type of housing that the majority of poor households can afford—rental or multi-occupied housing.

Housing as a speculative investment: Over the last 20 years, housing has attracted significant speculative investment, driving prices up. In South Korea, housing price inflation of 20 per cent per year attracted capital but greatly reduced affordability. Speculation in housing often leads to high vacancy

rates. In Ireland, there are 14,000 empty dwellings scattered across the Republic, including 700 so-called 'ghost estates'. Most of them now belong to the state through the National Assets Management Agency. In Japan, there were some 8.2 million (or one in seven) vacant dwellings nationwide in October 2013. Such vacant housing is symbolic of wasted prosperity.

Neglect of rental housing: Since 1996, housing supply systems have focused on increasing home-ownership to the extent that affordable rental housing has fallen from favour, and has had little enablement even though a growing proportion of low-income urban households in many countries are renters. Young and low-income households find renting both convenient and affordable. It allows job mobility, provides many women-headed households with accommodation and enables many older people to raise income by renting out rooms no longer needed for a grown-up family.

Increasing reliance on the private sector: As the state has shrunk in so many developing countries, the private sector has been left to take up the initiative in formal housing supply, which in reality mostly provided just for the more profitable and solvent top few per cent of the population, with privileged access to services and in the best location.

The role of the informal sector: At the lower income levels, in developing countries, it is the informal private sector that provides most housing, usually in tandem with informal land subdivisions. Today, the informal sector provides 60-70 per cent of urban housing in Zambia, 70 per cent in Lima, 80 per cent of new housing in Caracas, and up to 90 per cent in Ghana.

Land administration and management: In reality, land market policies over the past two decades have only helped the wealthier groups in most developing countries, driving much of the housing price increases, and raising total housing costs. In Bogotá, for instance, land makes up to half of the cost of social housing. Access to land and dysfunctional urban land markets remain among the most pervasive constraints on the provision of adequate housing. Access to well-located land is an emerging challenge as deployment of large-scale pro-poor strategies is embraced; new low-income housing areas are located too far away from livelihoods and transport costs are prohibitive. A number of countries have postponed or abandoned structural reforms of land and housing laws and regulations, overlooking land as a major input into the provision of housing.

The exclusive nature of housing finance: Finance has focused on mortgages, some-

times incorporating subsidies and directed through government institutions to make them affordable to the middle class. While microfinance has had little effect on housing finance as yet, community-led finance and development has effectively supported the poor in several countries by giving them a voice in the process.

Improving the lives of slum dwellers:

Slums continue to be one of the faces of poverty, inequality and deprivation in many cities of developing countries. The proportion of slum dwellers in urban areas across all developing regions has reduced considerably since 1990, but the numbers have increased gradually. In 2014, 881 million urban residents lived in slums as against 689 million in 1990—representing an increase of 28 per cent over the past 24 years. In 2000, 39 per cent of the urban population in developing countries resided in slums; this declined to 30 per cent in 2014.

Collective action in different parts of the world has shown that living conditions in slums can be improved. The fact that 320 million people were lifted out of slum-like conditions between the years 2000 and 2014 demonstrates that it is possible. Despite the progress made in reducing the proportion of the urban population residing in slums, the time has come to deal decisively with the

Figure 4: Percentage of urban population living in slums (1990-2014)

Source: UN-Habitat, Global Urban Observatory Urban Indicators Database 2015.

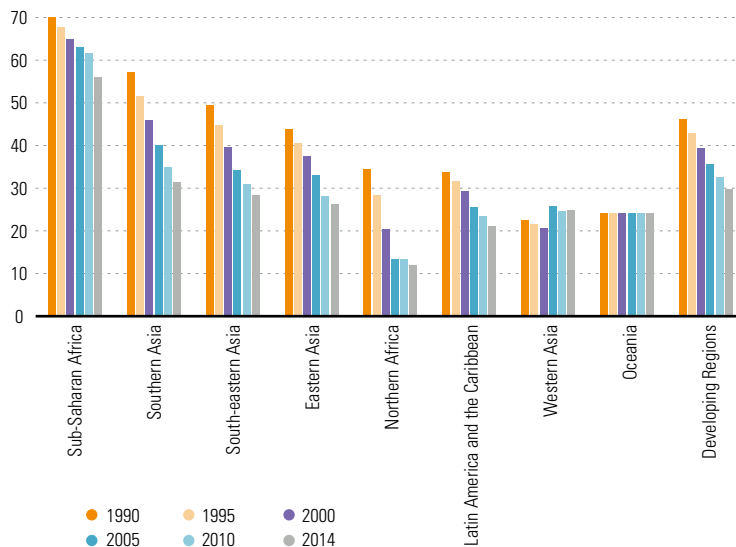


Table 1: Factors impeding housing supply in selected developed countries

Source: Lawson, 2012.

Supply-side issues	Examples
Reduction of low-cost supply	
The sale of social housing for ownership	UK, the Netherlands
Low production of social housing	Australia, Canada, the Netherlands
End of taxation incentives for new investment	Germany, recently the Netherlands
Development	
High cost of land and speculative practices	Belgium, New Zealand, Ireland, the Netherlands, US, Australia
Complex and lengthy planning approval processes	UK, the Netherlands, New Zealand, Australia
Lack/ high cost of infrastructure	UK, the Netherlands, Australia
Non-strategic approach to land use planning and land release	Ireland
Constraints on land release (e.g. urban containment policies)	The Netherlands
Community opposition to residential development and higher densities	UK
Structure and restructuring of housing stock	
A relatively high rate of demolition to new supply and investment in urban renewal	The Netherlands
Conversion of lower-cost rental housing to ownership	UK, The Netherlands, Australia
Oversupply due to major population shifts from economically weak regions	Germany
Urban decay and oversupply of poor quality dwellings	US, France, Germany
Market inefficiency	
High costs of construction	Denmark, Switzerland, The Netherlands
Low rents or expected rates of return from new building development	Denmark, Canada, Switzerland

unfinished business of slums, as implicitly recognized in SDG Target 11.1: *by 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.*

Key messages

If the emerging future of cities is to be sustainable, **a new approach that places housing at the centre of urban policies is required.** In this regard, UN-Habitat proposes a strategy that places *housing at the centre of the new urban agenda* and seeks to reestablish the important role of housing in achieving sustainable urbanization. The strategy seeks to position housing at the centre of national and local urban agendas, and to shift the focus from the simple construction of houses towards a holistic framework for housing development. This would be supported by appropriate regulations, urban planning and finance, at the same time placing people and human rights at the forefront of urban sustainable development.

At the national level, the goal is to **integrate housing into national urban policies and into UN-Habitat's strategic thinking on planned urbanization.** National and local authorities should reassume a leading role in responding to housing needs, encouraging pro-poor market mechanisms and engaging with all stakeholders, especially the poor and vulnerable. At the local level, the importance of housing must be reinforced within appropriate regulatory frameworks, urban planning and finance, and as part of the development of cities and people.

The 'Housing at the Centre' approach will seek to re-establish housing problems and opportunities in the international development agenda in an increasingly strategic manner, and in relation to the emerging urban futures. To reposition *housing at the centre* of sustainable development, this framework proposes a twin-track approach: curative, involving improvements to current housing stock such as slum upgrading; and preventive, involving building new housing stock.

CHAPTER 04

The Widening Urban Divide



Urban history shows us that cities are the sites of innovation. They are the places where new economic ideas crystallize, where heterogeneous groupings of people learn to co-exist as neighbours, and where democratic experiments emerge to make way for previously excluded social groups to be included as genuine decision-makers. Just as cities are sites of new opportunities and inclusion, they can also turn into sites of deprivation and exclusion.

Key findings

Distribution of wealth and opportunities: The recent past has seen an unprecedented increase in wealth accumulated; the world's middle class has grown at a record rate, and income per capita as well as capital and property values have increased considerably in most parts of the world. On the other hand, economic inequalities have widened and incomes have never been as polarized as they have in the past two decades. Opportunities across diverse individual abilities and cultural backgrounds that

historically characterize urban dynamics seem to have stalled in many regions of the world; this is largely because the interactions of interests, concerns, norms and sanctions commonly referred to as 'law' do not work in favour of all urban residents. Today, the world is more unequal than it was twenty years ago: 75 per cent of the world's cities have higher levels of income inequalities than two decades ago.

Marginalization, exclusion and expulsions: Often, too many cities today fail to *make sustainable space* for all, not just physically, but also in the civic, socioeconomic and cultural dimensions attached to collective space. "Expulsions" instead of forms of exclusion are taking place in many countries with social groups who till just a couple of decades earlier were secure participants in formal labour markets; concomitantly, developing and developing countries are experiencing a spurt in informal employment. In Los Angeles City, undocumented workers made up 65 percent for the city's labour force. In the UAE 95 per cent of the labour force in the private sector is made up of migrants. Migrants often lack even the most basic civic rights in host



Karial slum, in contrast to structured housing units to the right. Dhaka, Bangladesh.

Source: UN Photo / Kibae Park

countries, and mature democracies such as those of Western Europe are now facing a serious threat of de-democratization as more and more social groups are excluded from the democratic process.

Income gap is widening: Income inequalities have become a universal concern. The world is not only divided by differentiated access to opportunities, consumption, public spaces and services, education, technology and employment, but more and more by access to income. The gap between rich and poor is increasing in developing countries and emerging economies but also, more surprisingly, in those countries that were considered as the most egalitarian. Latin America and the Caribbean continues to be the most unequal region in the world (Gini coefficient slightly below 0.5 in 2010), compared with Africa's 0.45. Least unequal countries were high-income nations (with Gini coefficients around 0.30), followed by Eastern Europe and Central Asia (0.35). Asia stood in between with a Gini coefficient of 0.4.

Social movements and the fight for justice: Just as cities are sites of new opportunities

Box 1: Global employment vulnerability

Poor job quality remains a pressing issue worldwide. The incidence of vulnerable employment – the share of own-account work and contributing family employment, categories of work typically subject to high levels of precariousness – is declining more slowly than before the start of the global crisis. Vulnerable employment accounts for 1.5 billion people, or over 46 per cent of total employment. In both Southern Asia and Sub-Saharan Africa, over 70 per cent of workers are in vulnerable employment.

In addition to limited access to contributory social protection schemes, workers in vulnerable employment suffer from low productivity and low and highly volatile earnings. There are also significant gender gaps in job quality. Women face a 25 to 35 per cent higher risk of being in vulnerable employment than men in certain countries in Northern Africa, Sub-Saharan Africa and the Arab States.

Source: International Labour Office, 2016.

and inclusion, they can also turn into sites of deprivation and marginalization, as the multiple street protests across the world have shown. Social movements from the 80s marked a clear shift from the class-based struggles of the earlier decades. These movements were not just about socio-economic injustice. They are instead about a cultural injustice, rooted in a struggle for recognition and the positive re-valuation of cultural diversity

Technological innovations: These have resulted in new urban landscapes that would have seemed too futuristic and only remotely possible nearly 20 years ago, at the time of the Habitat II conference. However, instead of bringing together far-flung networks and integrated (if virtual) urban expanses, information and communication technologies (ICTs) instead splinter physical space into highly unequal, fragmented environments.

The poverty trap: The spatial concentration of low-income unskilled workers in segregated

residential quarters acts as a poverty trap, which is characterized by six distinct challenges: (a) severe job restrictions; (b) high rates of gender disparities; (c) deteriorated living conditions; (d) social exclusion and marginalization; (e) lack of social interaction, and (f) high incidence of crime.

Key messages

Cities are the sites of innovation:

They are the places where new economic ideas crystallize, where heterogeneous groupings of people learn to co-exist as neighbors, and where democratic experiments emerge to make way for previously excluded social groups to be included as genuine decision-makers. The heterogeneity, density and diversity of cities, which is what makes them nodes of economic innovation and democratic progress, has to be managed and planned, in the absence of

Poor people are also excluded from social and political life.

The places where they live seem to concentrate numerous disadvantages that end up by reproducing and exacerbating other forms of marginalization and exclusion. Varanasi, India - October 2015

Source: Eduardo L. Moreno



which these very variables that make successful cities can transform them into places of social exclusion and inequality. The high density of people in cities facilitates economic growth through better sharing, matching and learning. It also forces people of different religions, nationalities, ethnicities and sexualities to live and work alongside one another, and in doing so, they get to know 'the other,' leading to a cosmopolitan respect for differences.

The right to the city: The challenge of exclusion from urban civic spaces can be tackled head-on through 'the right to the city,' and a rights-based approach. Local authorities, however, are not in a position to make cities more inclusive all by themselves: it takes coordinated action between local and higher tiers of government. National laws, regulations and policies play an important role in enabling or constraining local actors to achieve inclusive urban spaces.

Metropolitan governance: There is a need for new institutions that have jurisdictional authority over the scale of the problem, while not undermining local democracy. This calls for adequate forms of metropolitan and regional governance that address territorial imbalance and different forms of inequality and exclusion.

Habitat III comes at the right time not only to renew the international commitment to inclusive cities, but to also catalyze a timely dialogue on the new planning theories and practices and necessary policies and actions that can move our urban society in the direction of inclusive cities. Prosperous cities (as defined by the UN-Habitat's City Prosperity Initiative – CPI) make *physical* space for all through land use regulations, planning and housing; *socioeconomic* space for all through facilitating frameworks

as well as decent work opportunities and conditions; prosperous cities also make *civic* space for all through effective recognition of rights and cultural diversity.

The New Urban Agenda must respond to the institutional conditions under which local governments can creatively and pragmatically make urban space more inclusive. It is for new urban policies to harness the benefits that arise from different groups of people living in close proximity to one another, rather than letting these heterogeneous urban conditions combust into intolerance, xenophobia and widening inequalities. If urban environments are to be kept sustainable, more citizen engagement is needed at local level, with some form of institutional recognition for what amounts to a stewardship function in the public interest.

Inclusionary urban planning: Cities are socially produced, and active planning interventions play a key role in creating varying degrees of urban inclusion and exclusion. There is an urgent need for new planning visions, strategies, policies and tools that can transform our planet of cities into a planet of inclusive cities.

New modes of participation: Open cities are planned to bring together different people who vary by class, ethnicity, religion and sexual preference into a dissonant urban space, and it is in this dissonance that people take ownership over their city. Active participation must give residents a genuine voice in decision-making, with due regard for the real-life (time, and other) constraints of public officials. ICTs can support advocacy and empowerment, enabling excluded groups to leapfrog existing barriers and become better integrated within urban society and with more margins to participate.

CHAPTER 05

'Just' Environmental Sustainabilities



Urban development enables human communities to expand the amount of space available to them even as the surface of planet Earth appears to be more finite than ever. This is the apparent paradox that can turn urbanization and environmental sustainability into a workable challenge. Today, climate change has emerged as a central issue in urban agendas. In urban areas, climate change impacts like heat waves, heavy precipitations and droughts can compound one another, making disaster risk management more complex. Faced with extreme events, cities increasingly understand that novel ways are called for to build resilience, in the process contributing to a more equitable environment.

Key findings

Cities face multiple environmental challenges at different scales, from local to global, most pressing being those which affect quality of life. Air and water pollution, poor waste management and degradation of green areas are issues in most large cities around the world, and are particularly extreme in mega-cities of developing

countries. Nonetheless, every city faces specific challenges that will depend on local conditions, such as demography, available resources, the built environment and ecosystems, which may call for different types of trade-offs. There can be no harnessing of the transformative power of cities short of an assessment of their specific effects on the natural environment, one which must extend beyond political and geographic boundaries.

Urban areas face four major environmental challenges: equitable provision of public services; addressing environmental risks, from pollution to climate change; reducing the adverse effects of land transformations on resource use, biodiversity and ecosystems; and responding to the global call for decarbonization and more rational use of resources. Each of these challenges highlights the interdependence of the environmental and the urban health agendas. Further, the ecological footprint of many cities implies that the challenge of urban sustainability cannot be addressed short of a scrutiny of the wider relationships between urban areas and their hinterlands, and of the connection between poverty, urban sprawl and environmental damage. A human rights-based approach to the urban environment



Modern Dutch houses with solar panels on the roof.

Source: Allard One / Shutterstock.com

emphasizes our universal dependence on unadulterated, abundant resources.

Urban areas are emerging as privileged grounds for effective environmental action.

Some cities have already demonstrated that action can be taken against climate change, influencing policy and practice for reduced GHG emissions at the global level. Academia, private corporations, research foundations, philanthropies, community organizations and citizen groups have already demonstrated that together, they are in a capacity to play major roles in delivering urban sustainability. In many cases, these different groups are working together and with government on research, strategies and programmes. A New Urban Agenda with well-combined sets of principles and recommendations can act as a stronger catalyst for new partnerships and a well-managed transition to sustainable urban development. This follows from a realization that urbanization is not a threat or a process to be curtailed: instead, well-managed urbanization can act as a transformative force towards more sustainable societies.

Environmental planning and management are essential to the advent of sustainable cities. This must include planning for resilience

in the face of disasters. Sustainable planning must focus on regulating land transformation, on top of preserving biodiversity. A precondition for any low-carbon city is an evaluation of energy needs and their relation to the built environment, including integration of renewable energy sources in the provision of services to urban areas.

If carefully planned, local environmental action is cost-effective and can span across different sectors in urban areas, including transport, housing, energy systems, water and sanitation, waste management, heritage and biodiversity conservation, and urban sprawl. However, simultaneous consideration of environmental sustainability and social justice requires strong leadership and an integrated perspective on sustainable cities. New ICT technologies have the potential to transform access to service provision and infrastructure management but their effectiveness and impact are poorly understood. Policies inspired by the ‘just sustainability’ principle, for instance, could derive circumstantial though effective support from ICT innovations and social media; the same holds with new business models associated to the ‘sharing economy’, and inclusive infrastructures.

A review of the sustainable development policies and action on the ground that followed the 1992 Rio conference on the environment and development—the Millennium Development Goals, Local Agenda 21, Habitat II and the Sustainable Development Goals, not to mention a proliferation of worldwide city networks—shows that it is by now amply recognized **that it takes good global and effective environmental governance to achieve sustainability – and particularly ‘just sustainability’**. Ensuring justice and equity in the process of environmental planning and management is essential to any just and sustainable city.

Strengthening multi-level governance approaches is essential to achieving low-carbon cities and raising standards of urban resilience in the future. City authorities are well placed when it comes to bringing together various government tiers and stakeholders to design locally tailored solutions for just, sustainable societies. In this vein, national urban policy frameworks are important, and so is the development of participatory, accountable and effective city governance. Integrated planning tools are best supported by long-term processes of public participation, with political activism and formal citizen participation building legitimacy for collective urban policies.

Since Sustainable Development Goals encompass all the major dimensions of humankind’s relationship to physical, social, etc., space, cross-sector partnerships and participatory governance are of the essence at the *local, city level*— and this must be considered as a vital tenet of any New Urban Agenda. Such partnerships must primarily address the needs of underprivileged groups through well-adapted formal or informal arrangements with communities, citizen groups or smaller businesses, and those involving the public and private sector (PPPs) must primarily fully take into account the needs and requirements of the poor, since urban development must benefit *all*, not just the privileged few.

Key messages

A radical change from chaotic, spontaneous to well-managed, planned urbanization is long overdue. The New Urban Agenda must show the governments of this world how to achieve decent prosperity for all. Participatory, sustainable planning and well-adapted legislation have major roles to play if Sustainable Development Goals are to be implemented in every town and city. So have ‘just

Figure 5: Comparison between individual city and national carbon footprints per capita

Source: Sovacool and Brown, 2010.

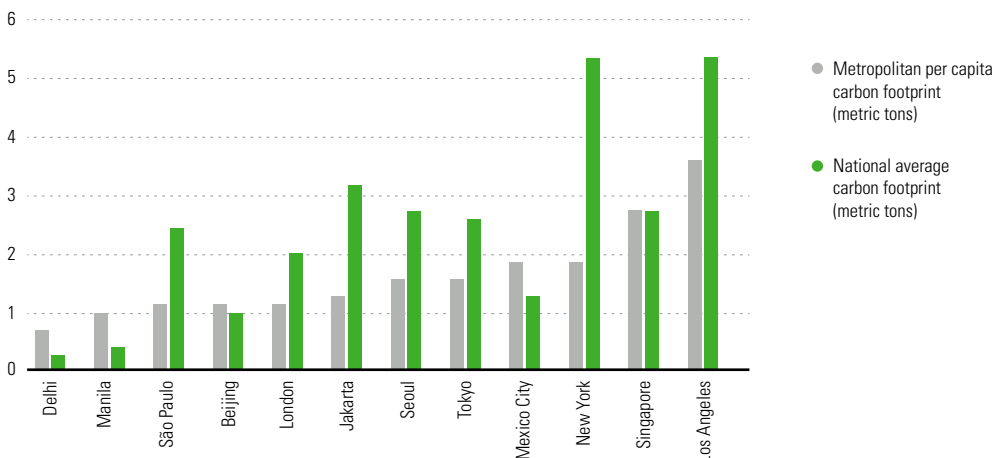


Table 2: National and local environmental planning and management*Source: Adapted from UN-Habitat, 2014; Cities Alliance, 2007.*

Environmental challenges	National level policies	Local level policies
Resource use	Diversification of energy resources Water pricing reform	Infrastructure planning Local environmental education
Environmental risks	Adaptive social protection programmes Public health programmes	Air quality management
Land and related issues	Diversification of agriculture Land management policies and property rights	Physical planning, zoning Infill and brownfield incentives Restrictions on development of vulnerable land Green space zoning Greenbelt boundaries
Decarbonization imperatives	Energy pricing, taxes and subsidies Sustainability and diversification of economic sectors Low-carbon policies	Incentives to increase density Education campaigns

sustainabilities’, to ensure smooth implementation of legal imperatives at the local level. The notion of ‘just sustainabilities’ must be widely diffused across communities, civil society and local authorities, on top of being ingrained in planning and urban management tuition programmes, in order to make it inescapable for anyone dealing with sustainable urban prosperity in the generations to come.

Based on universally-approved SDGs, the UN-Habitat City Prosperity Initiative and recent, on-the-ground experience, the four sustainable pillars of sustainable urban planning emerge as follows:

- ▶ Improved living standards and well-being for all;
- ▶ Meeting the needs of both present and future generations, that is, considering simultaneously intra- and intergenerational equity;
- ▶ Ensuring justice and equity in terms of recognition, process, procedure and outcome; and

- ▶ Recognizing the inherent limitations of local ecosystems and those of planet Earth as a whole.

Substantial opportunities are available for policymakers to mainstream the notion of ‘just sustainabilities’ into planning and policies, in the process challenging dominant, outdated preconceptions while fully taking in specific local ecological constraints. New planning approaches are emerging that offer a range of possibilities to finance environmental action and recognize its valuable contribution beyond purely economic valuation. Public participation is a means to ensure that what matters to citizens - alongside economic growth - is reflected in environmental planning and management agendas.

CHAPTER 06

Rules of the Game: Urban Governance and Legislation



Good quality urban law provides predictability and order in urban development. The quality of human settlements and urban governance affect the quality of life of billions of individuals. Choices made in relation to settlements have tangible positive or negative effects on social justice, good governance, democratic decision-making, economic development, upholding fundamental rights and transparency.

Key findings

At first glance, the Habitat Agenda and associated efforts by the international development community have been extremely influential. Most countries in all regions of the world have embarked on decentralization, often formally enshrined in the principles set out in 1996. However, **results have been highly variable, generally falling short of the ambitions set out at Habitat II.**

Urban law—the broad-ranging collection of diverse policies, laws, decisions and practices that govern the management and develop-

ment of the urban environment— remains a highly segmented and complex field driven by a dynamic where technical objectives in specific fields are considered in isolation from each other, as well as from the institutional, financial and social factors that will determine effectiveness.

The continuation of a legal system that does not fundamentally express the realities of the socioeconomic and political institutional processes that it proposes to regulate (i.e., the realities of its context) generates distortions of all sorts. This phenomenon is frequently reflected in the laws governing physical planning and land development. These include procedures for important elements (such as identification and maintenance of public space, plot design and allocation, the control and economic role of built space and building codes) that consistently fail to produce the physical outcomes that were expected to match economic and social policies. Inefficient or impracticable legislative reforms reflect the dominance of ‘universal’ technical concerns and replication of foreign ‘best practice’ that largely disregard both local circumstances and opportunities for effective review and adjustment.



People enjoying the Riva promenade. This spot has become the city's most important public space. December, 2012, Split, Croatia.

Source: Donatas Dabravolskas / Shutterstock.com

The real action for advancing the Habitat Agenda resides at the local community level in the public, private and non-profit sectors.

Only through effective and properly supported *partnerships* can effective progress be made. This calls for enabling legal frameworks, an active civil society and broad-based participation by ordinary citizens in the affairs of their communities and local authorities. Local authorities are also pivotal to the realization of the broader goals, as reflected in the 2030 Agenda for Sustainable Development.

Various international assessments suggest that the reviewing requirement of the Habitat Agenda has largely remained ineffectual and, where not, only marginal reform has ensued.

Legislative reforms are yet to come and, in most countries, the dispensation of public power remains very similar to what it was at the time of Habitat II, and even earlier periods. In many respects, decision-makers remain unable fundamentally to influence the size, shape and morphology of their cities.

Conventional urban planning has proven singularly ineffective and often complicit in inequality. The number of innovative, locally rele-

vant urban legal frameworks in fields such as physical planning and development control remains remarkably low, particularly by comparison with the needs of cities where institutional and financial resources are scarce. Additionally, planning regulations in developing and transition countries are often too detailed, and inflexible, making compliance such a challenge that people tend to bypass them altogether.

In regard to decentralization, the following two features are essential for it to contribute to economic development irrespective of the substantive democratic dimension: (1) genuine accountability and (2) administrative capacity to implement public policies based on accurate information about local conditions.

Key messages

Good quality urban law contributes to investment, strong economic performance and wealth creation, as it provides predictability and order in urban development from a wide range of perspectives, including spatial, societal, economic and

environmental. Urban legislation has an important role to play: it defines conditions for formal/informal access to land, infrastructure, housing and basic services; lays out rules for planning and decision-making; and promotes improved livelihoods and living conditions as it sets requirements for urban development initiatives.

Legal frameworks are essential to mediate any contests that arise from competing powers. Public law effectively formalizes allocation of powers, responsibilities, functions and funding in any society, and therefore responds to power relationships in order to reach agreed policy objectives.

Legislation has the potential to set effective frameworks for sustainable development, or instead add to inequalities and exclusion. Urban law is necessary to provide a set of rules to mediate and balance competing public and private interests, especially in relation to land use and development: it creates a stable and predictable framework for both public and private sector action, guaranteeing inclusion of the interests of vulnerable groups and providing a catalyst for local and national policy discourse.

Outdated or inadequate urban laws generate inequality as they interfere with the beneficial interactions between resources, abilities and backgrounds that historically create opportunities for all in the cities of the world. On the other hand, good quality laws promote inclusion of vulnerable groups, contributing to poverty alleviation and promote social cohesion.

“The success of the SDGs will be determined to a large extent in the world’s cities.” However, the fundamental prerequisite for this is democratic urban governments endowed with appropriate legal powers, adequate financial allocations and the human capacity to drive a transformation agenda.

Urban legislation must be enforced, not just enacted. It must solve problems instead of creating some more. It must set out clear, unambiguous, comprehensive, reliable and well-circumscribed rules, for the sake of easy, inexpensive implementation and access. Also, it must do so for the longer term. ‘Good’ urban laws need to devise well-adapted

provisions that can systematically entrench a rights-based dispensation focussed on public interest.

In an era where every urban management decision can have far-reaching long-term consequences, it is essential that **political leaders offer vision and direction** on how the tough trade-offs and imperatives will be addressed during their terms of office but within a shared long-term perspective.

Urban governance delivers sustainable development when it is environment-friendly, participatory, accountable, transparent, effective and efficient, equitable and inclusive, and abides by the rule of law. **Effective local governance rests on participatory service delivery planning, budgeting, management and monitoring.** Dynamic, democratic local governance demands a public (policy) commitment to keep spaces for public consultation and planning open to the widest array of interests and opinions. If the full diversity of interests in a given polity is not allowed to contribute to public policies, it is unlikely that planning or service delivery choices will be effective or just. Legal reform must be based on a broad-based dynamic bringing in civil society, whose relevance public authorities must formally recognize when it comes to advancing and consolidating the public interest and entrenchment of human rights in order to facilitate urban transformation. If associated with ongoing mobilization to entrench urban public policies, legal reform is in a better position to support systematic advancement of collective rights, sustainable urban planning, adequate housing, provision of public goods and a balanced, healthy environment.

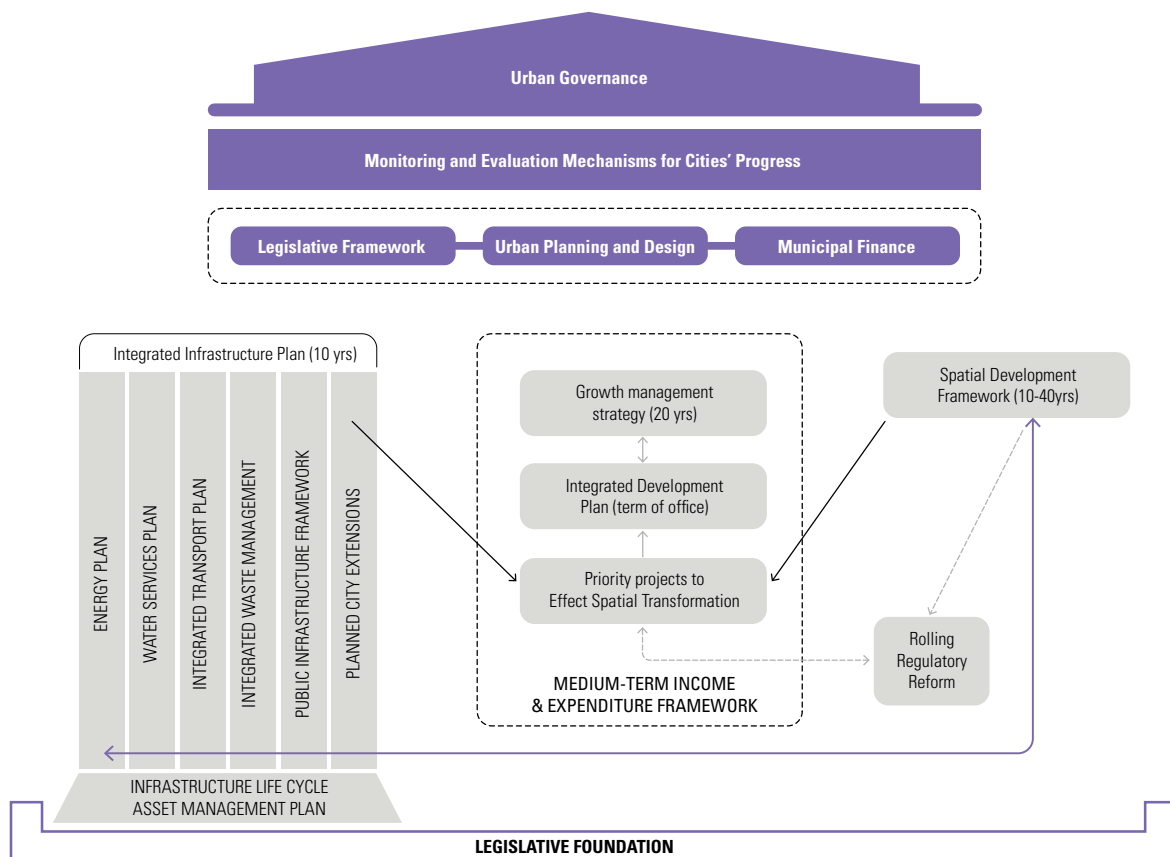
Renewed emphasis is called for on two fundamental legislative principles:

1. *The quality of law*, i.e., ability to perform the functions determined by policy; and,
2. *Policies*, i.e., the ‘prescriptions’ for law and governance, are primarily based on realistic assessments of what a country’s urban development needs are, and what resources and capacities are available to fulfil them.

Local relevance and practicality are the key elements for effectiveness of urban law, together with clear and coherent policy and legislative instructions, selection of appropriate legal instruments, the efficiency of the mechanisms

Figure 6: The institutional components of effective urban governance

Source: UN-Habitat, 2015.



proposed and the proper formulation of the legal instrument. The critical ingredient for successful legal reform is none other than credibility. Credibility is enhanced when laws are culturally resonant and enforceable (with the population deriving a higher sense of 'ownership'). Where legal provisions hold no sway and government cannot enforce compliance, enacting such laws can only be counterproductive.

The New Urban Agenda represents a crucial opportunity to address the policy logjam which previous efforts at decentralization have created,

instead turning them into the continuum of powers and policies it is supposed to be. It is also important to recognize that **a focus on basic, essential statutory and derived legislation** will provide the most effective support to sustainable urban development. Inclusive, sustainable development also requires intergovernmental approaches which, in turn, must be firmly entrenched in sensible, effective public finance mechanisms.

CHAPTER 07

A City that Plans: Reinventing Urban Planning



Cities drive economic productivity and prosperity. As urbanization has advanced, so have global economic output, poverty reduction and social well-being. Yet, unplanned urbanization has also often led to pollution, congestion, segregation, sprawl and other unintended consequences. Working together with professional planners' organizations worldwide, UN-Habitat has promoted a reinvented urban planning with aims of ensuring environmental sustainability, promoting equal access to the benefits cities offer, building safety, health and inclusiveness, engaging public, private and third sectors, as well as facilitating good governance.

Key findings

Advances in urban planning since the 1996 Habitat II conference have made a number of cities more sustainable, with adequate housing for all, but progress has been uneven overall. **Many cities, regions and nations still rely on outdated conceptions of planning**—that are driven from the top

down, that rely predominantly on regulation of land use and urban design, that fail to integrate plans for various scales—often resulting in lopsided, inconsistent implementation.

Wholesale replication of foreign patterns is the more visible manifestation of unsustainable, top-down planning, turning a blind eye to local socioeconomic and cultural conditions. Deliberately or not, the practical implications are exclusionary in terms of space and cost, leaving the poorer segments of the population with no affordable alternative but unsustainable, informal housing and settlements. This has resulted in high degrees of social segregation in cities that previously were more integrated across both demographic and economic lines. This has been the case with some of the urban form and design fashions that were widespread 20 years ago.

The promotion of **planning as an ongoing, sustainable, inclusive process, as opposed to once-and-for-all design of a master vision**, has been central to the reinvention of urban planning in the post-Habitat II era: the “*city that*



Community planning for reconstruction in Yogyakarta, Indonesia.

Source: Nugroho Nurdikiawan Sunjoyo / World Bank, CC BY 2.0, <https://creativecommons.org/licenses/by/2.0/legalcode>

plans” is gradually marginalizing “*the planned city*.” A city that plans moves away from modernist conceptions of planning in favour of planning as communicative process that is politically engaging, inclusive and empowering, strategic and integrated.

While significant progress has been made in the involvement of historically under-represented stakeholders in the preparation of plan documents and decision-making, **comprehensive implementation and monitoring is still often lacking**. In most cases, plan provisions reflecting the contribution of groups devoid of any wealth or power are those least likely to be implemented.

Women have often been left outside of planning decisions. They are not only under-represented among urban decision-makers, but their needs are also typically given insufficient attention in the planning process. Planning frameworks and evaluation systems in most cities and countries are not gender-sensitive.

Built-up area densities have been on a decline around the world, especially in developing countries: from an average 170 persons per hectare

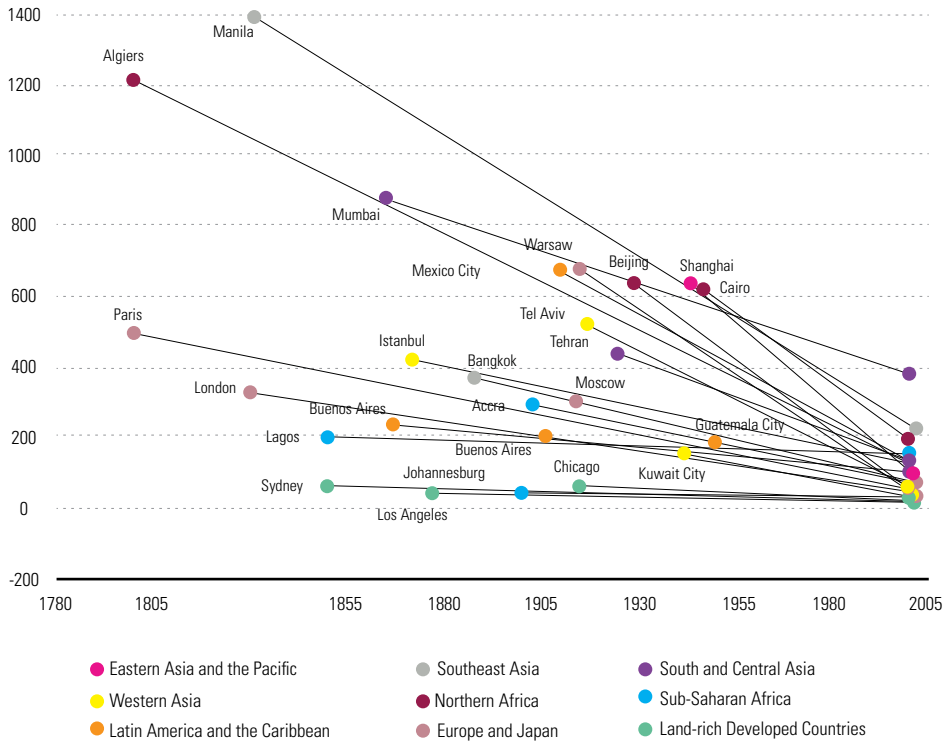
in 1990 to 135 a decade later. A one per cent annual decline in average densities in developing countries is projected to quadruple the urban land area by the year 2050 from 2000 levels.

Public space is not adequately provided in many cities, particularly in developing countries. Often, urban land conversions fail to allocate adequate surface areas to public purposes, with the result that circulation, recreation, and environmental sustainability are not adequately served. A trend toward more private and less public land ownership has also been observed. This is happening, although accessible, well-designed and managed public spaces (urban commons) are increasingly recognized as ‘the vibrant, beating hearts of the world’s towns and cities’: and essential for any city’s public living standards and economy.

Planning capacity is woefully inadequate in much of the developing world. However, planning education is growing substantially, with more than half of the world’s planning schools less than 25 years old; but curricula are often vastly out of date and institutions poorly resourced. While new

Figure 7: Built-up area densities in 25 representative cities, 1800-2000

Source: Angel et al., 2011.



forms of data and cheaper storage have revolutionized the best planning agencies, but proper data for sound planning decisions is lacking in many countries. Land records, in particular, are often missing.

Key messages

Urban planning has the capacity to tackle sprawl and instead promote compact, diverse and contiguous development. Planning tools such as urban growth boundaries, green-belts, urban service boundaries and nodal location of economic activity, have proven effective in a variety of settings.

Plans should make provision for adequate public spaces and street connectivity, both in new developments and through

retrofitting and land readjustment in older, already built-up districts.

Plans should be prepared at various geographic scales, including neighbourhoods, cities, metropolitan regions, nations and supranational regions. These various plans should be integrated in order to support sustainable, coordinated road, transit, housing, economic development and land use across geographic and political boundaries.

Integrated, multi-sectoral planning approaches such as strategic spatial planning have a strong success record and should be used in many more cities and regions. Economic considerations — including fostering human capital and supporting endogenous development—have to be part of good planning. Integrated land and infrastructure planning is essential to sustainable, efficient urban economies.

Table 3: Ratio of registered planners to population*Source: African Planning Association and UN-Habitat, 2013.*

	Population (million) 2011	No of accredited planners	No of planners per 100,000	Year of Estimate
African Countries				
Burkina Faso*	16.97	14	0.08	2011
Ghana	24.97	150	0.6	2011
Nigeria*	162.50	2,333	1.44	2011
Mali*	15.84	50	0.32	2011
Kenya*	41.61	194	0.47	2011
Uganda	34.51	90	0.26	2011
South Africa*	50.80	1,690	3.33	2011
Malawi	15.30	30	0.2	2011
Mauritius	1.28	27	2.1	2011
Tanzania*	46.20	158	0.34	2011
Zambia	13.40	60	0.45	2011
Zimbabwe	12.70	262	2.06	2011
Other countries				
United Kingdom	61.13	23,000	37.63	
United States	304.06	38,830	12.77	2010
Australia	18.97	4,452	23.47	2009/10
Pakistan	173.59	755	0.43	2010
India	1,210.19	2,800	0.23	2011

*Countries that regulate the registration of planning at a national level.

Urban planning should prevent development on disaster-vulnerable and environmentally-sensitive areas: it is for sustainable planning to reduce risks, reduce commuting times and urban carbon footprint, preserve resources, improve access to potable water and provide sound sanitation and waste management.

Planning should promote involvement of, and responsiveness to, diverse populations including ethnic minorities, indigenous peoples, youth, the aged, and women. Planning should also strengthen resilience and reduce vulnerabilities, as clearly stressed in the Sustainable Development Goals.

Education and training for professional planners should be increased both in universities and in less expensive in-service arrangements. Higher education in planning needs more resources and stronger regional and worldwide connections if it is to benefit from broad-based research and devel-

opment. Planners' professional networks must be set up where absent and strengthened where weak. Data assembly and storage for planning purposes should be improved. Cadastral records must be established and adequately maintained in many countries.

Looking across borders for fresh ideas and experience in sustainable urban planning remains entirely legitimate, but **local circumstances, needs and requirements must remain pre-eminent** if sustainable, shared urban development is to prevail as mandated under SDGs. This is why stakeholder participation and engagement, together with sensitivity to global cultural and institutional differences, is of the essence in urban policy and decision-making.

CHAPTER 08

Changing Dynamics of Urban Economies



Cities have been rapidly changing since Habitat II, so are their economies. The dynamics of change are now increasingly determined by the interlinked nature of the global economy and markets, capital flows and information networks. Transitioning to new opportunities is creating problems and opportunities for urban governance, the business sector, individuals and communities. Inflexibility and inefficiency are ruthlessly exposed by poverty, slums and the predominance of the informal economy.

Key findings

Economic activity is based on markets which facilitate trade and the reallocation of resources (labour, capital, and land) from less to more productive sectors, industries, and occupations. Efficiency in the allocation of resources depends on complex linkages and information flows. These linkages and flows between consumers and producers predominantly take place within and between cities and are substantially dependent on the quality, reliability and cost of a city's infrastructure and services and on its legal and regulatory environment.

The on-going spatial concentration of people in cities and towns has created a new economic geography. There has been a dramatic change since Habitat II, with city sizes increasing. The benefits of agglomeration have tended to outweigh the disadvantages and, while the extent varies considerably between cities, the benefits of agglomeration have provided the resources to allow diseconomies of agglomeration to be managed.

Since Habitat II, the challenge arising from the growth of cities has increased in scale and complexity. Economic transformation through the growth of cities has resulted, over the last thirty years, in the greatest improvement in standards of living and poverty in history. Indeed, urbanization and economic development are closely interrelated, as evidenced in high-income countries and more developed regions that have largely completed their urban transitions. As for developing countries, the ability to urbanize and develop their standards of living will substantially depend on their ability to attract capital through mobilizing domestic resources and FDI.

Estimates show that 80 per cent of global GDP is generated in cities. Besides, the world's economically strongest urban centres—



Traders at work along the tracks in Kibera, Nairobi, Kenya.

Source: John Wollwerth / Shutterstock.com

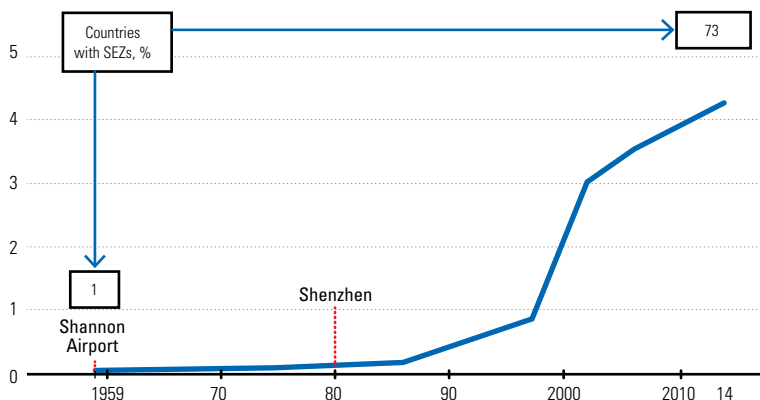
containing 25 per cent of the global population—produce 60 per cent of global GDP. Increasingly, megacities and metropolitan regions have benefited more from globalization than secondary cities and there are significant differences in the GDP per capita of cities across regions. Currently, city GDP growth rates are highest in developing countries predominantly in cities in Asia Pacific regions.

Evidence also shows that port cities, particularly in developing countries, facilitating trade are associated with relatively higher per capita GDP. In some countries, a single city can account for as much as 45 per cent of national wealth creation.

Globalization has eroded the industrial base for secondary cities as businesses and jobs have moved to more attractive locations—leaving

Figure 8: Special economic zones: Number worldwide (000s)

Source: *The Economist*, 2015.



cities with low growth prospects, struggling to attract investment and create jobs in the formal economy. Many secondary cities in developing countries have failed to tie up global or even national linkages and are struggling to accommodate growing populations.

Today, cities are the front line of the emerging sharing economy. **There is rising inequality between economies of large cities, secondary and small cities.** With rapid urbanization, the growth in formal and regulated employment opportunities is not sufficient to absorb the potential migrant labour force. Cities play a significant role in economic growth and in particular, in improving productivity. Efficient cities facilitate the more productive use of resources; thus facilitating in the creation of wealth and jobs.

Key messages

Priority areas of action are needed to improve the functioning of the economic systems of cities;

- ▮ **National urban policy:** A city perspective has become integral to policies and programs for national economic development. It is no longer tenable to adopt a sectoral or country approach to development while ignoring the

complex, system within system dynamics of the urbanization process at city, national and global levels. The link between planning and economic development policies for cities must be integrated across all levels of government.

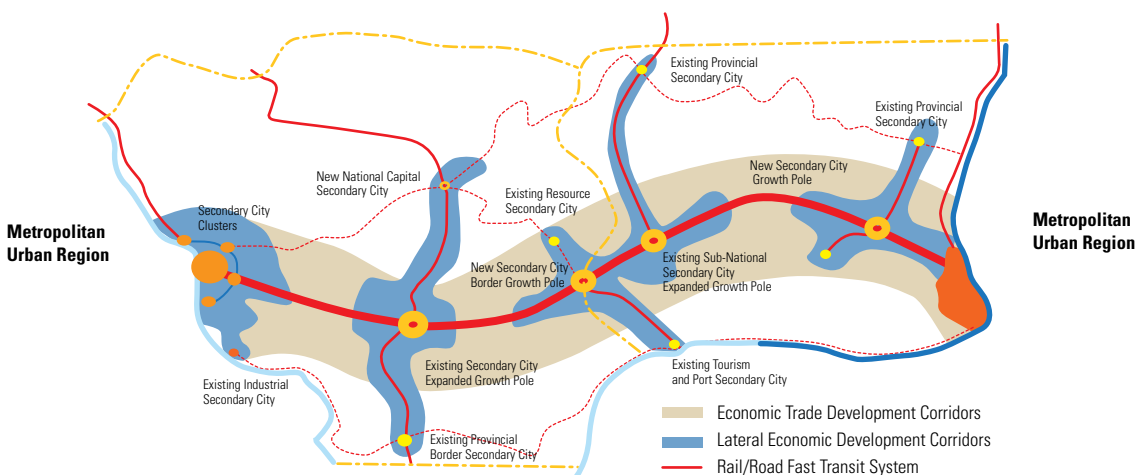
▮ Municipal finance and financing

infrastructure: Cities must be able to do more with fewer resources, and municipal roles are becoming more complex with tasks that go from job generation, productive development policies, social inclusion, and climate change. New models of public sector financing of infrastructure and urban development are needed. Strengthening city finances through the better use of public-private partnerships, local land taxes and user charges and the development of more effective and equitable fiscal equalization arrangements between national and city governments is essential for sustainable development.

- ▮ **City systems:** Economic governance, logistics systems, capital markets, infrastructure, linkages, human resources and uptake of technology are significant factors in urban economic systems. It is important that city governments appreciate in their policies and programs that fixing one aspect of the city's economic system will not

Figure 9: An economic trade corridor incorporating a network of secondary cities

Source: Roberts, 2014.





Garbage collection at a street food market in Milan, Italy.

Source: Paolo Bona / Shutterstock.com

significantly enhance economic performance, productivity, and output.

- Local governments as facilitators of economic development:** Urban government and administration in most advancing economies are moving from a focus on the direct provision of services to city management and its role as a facilitator of service provision. Governments in lesser developed economies need to do the same.
- Improvement to city governance structures:** While cities are facing long-term structural change, city governance arrangements have often changed little and remain a complex mix of national, state or regional, and local government responsibilities. Roles and functions to align with tax and financial bases leaving lower levels of government unable to meet their responsibilities. Improvements in city governance structures are essential.
- Collaborative urban governance:** The linking of Urban policy to economic development is critical to improving the competitiveness and performance of local economies. Collaborative

governance encompasses greater collaboration between public institutions, business, and civil society to achieve more open, transparent and improved decision-making. Urban governance is critical in establishing the environment for investment and economic growth. Developing national urban policies to link cities into a system of networked cities, which are better able to face increasing competition for resources, trade, investment, skills and knowledge, is crucial.

As the world progresses further into the 21st Century, the increasing levels of uncertainty, risks, dynamics and change in the global economy and countries will be felt most in cities. This calls for a new urban economic agenda for cities at Habitat III. The chapter outlines key elements for an agenda for the development of economically sustainable cities. Achieving this economic agenda will be a challenge for all cities. Managing the changing dynamics of cities calls for new ideas, changes in the way we manage the development of cities and their economies, and new forms of urban governance that maximize a city's physical, social, cultural, and economic potential.

CHAPTER 09

Principles for a New Urban Agenda



This Chapter provides an overview of the some of the global paradoxes that point to an urgent need to reframe the global debate and place urbanization and cities on global and national agendas for policy and action. Against this background, it presents a set of principles and objectives, which should form the foundation for a New Urban Agenda. These principles and objectives emerge from a diagnosis of current trends, future dynamics, and growing awareness of challenges and opportunities, which these changes present for the emerging futures of cities.

Key findings

Cities are the platforms for global and local change in the 21st century. Urban landscapes are the spaces of convergence of economies, cultures, political, and ecological systems. Demographic concentration is both an outcome and incentive for growth, migration, trade, and cultural production. Built environments and natural ecologies have become the infrastructure of today's society, shaping encounters, assimilation, resistance, and innovation. Cities are where the economic and social futures of countries, regions, and the world are determined.

Cities have become the sites of structural transformation. The convergence of economic, cultural, demographic, technological and, increasingly, political changes have connected urban areas at all scales while also profoundly changing their configuration. Global flows of people, money, innovation, images, and ideas have changed people's expectations in terms of living standards and the way they anticipate the future.



Cities function in an efficient, equitable, and sustainable manner only when private and public spaces work in a symbiotic relationship to enhance each other. Public spaces like this park in Paris are needed to sustain the productivity of cities, their social cohesion and inclusion, their civic identity, and their quality of life. Paris, France July 2015.

Source: Eduardo L. Moreno

Globalization and urbanization have together facilitated new, more extensive pathways of hope and aspiration. Growing flows of remittances, approaching billions of US dollars, from the Middle East to Asia, from Europe to Africa, and from the United States to Latin America alone every year, have transformed relationships between residence, employment, and citizenship.

Cross-border migratory flows have added to urban population growth and created a new urban diversity within many cities around the world going far beyond the multi-ethnic character of urban areas only a generation ago. Chinese in Dublin, Sri Lankans in Naples, Mexicans in Charlotte or Tajiks in Omaha, US, and many more examples suggest that cities keep attracting wider ranges of diverse peoples, identities, cultures, and networks.

Despite their increasing economic and demographic significance in both rich and poor countries, the role of cities is neither widely understood nor fully recognized in official and public debates. Estimates show that 600 cities now account for about 60 per cent of global GDP, yet cities do not feature in the global economic agenda of the G20 group of advanced and emerging countries. Nor did they feature specifically in most of the national stimulus packages and economic recovery plans following the global economic crisis of 2008.

Key messages

Unless a new urban agenda is given prominence in national policies, the future of many cities will become: i) more unequal; ii) more prone to sprawl and unsustainable spatial forms; iii) less productive due to lack of adequate infrastructure and persistently poor economies of agglomeration; iv) ever more associated with poor living standards for larger numbers, with greater unfulfilled demand for essential services and access to public goods; v) increasingly challenging in terms of provision of adequate infrastructure; vi) at high-risk from ecological and climate

change impacts, with stronger energy demand and reduced potential for curbs on CO₂ emissions, and vii) difficult to govern as institutions become increasingly stretched in the face of growing demands.

The new urban agenda must be based on a set of implementation strategies that move beyond the sector-based approach of the Habitat Agenda. The Habitat III policy document must focus on implementation, building on the targets and indicators agreed by governments under the 2030 Agenda for Sustainable Development, and adopting an integrated, city-wide approach to development.

A set of specific guiding principles forms the foundation for a new urban agenda. These principles emerge from a diagnosis of current trends and future dynamics, as well as a growing awareness of associated challenges and opportunities. These principles lie at the very foundations of the SDGs and inspire their specific goals and targets. These principles must serve as guideposts for urgent structural transformation.

These five principles reflect and call for a specific shift in strategic and policy thinking, as follows 1) Ensuring that the new urbanization model contains mechanisms and procedures that protect and promote human rights and the rule of law; 2) Ensuring equitable urban development and inclusive growth; 3) Empowering civil society, expanding democratic participation and reinforcing collaboration; 4) Promoting environmental sustainability; 5) Promoting innovations that facilitate learning and the sharing of knowledge.

While general and universally applicable, these principles must fit within a wide variety of countries and cities. Regional specificity must be considered in the formulation of a compelling and credible new urban agenda which must be problem-oriented, programmatic and practicable. Sustainable success will necessarily be a direct function of the degree to which the recommendations of the forthcoming new urban agenda are acclimatized to particular local circumstances.

CHAPTER 10

The New Urban Agenda



The diagnosis of cities in the current processes of globalization and national development, and the analysis of the most important transformations since Habitat II provide the basis to define some of the constitutive elements of the New Urban Agenda. This agenda must be bold, forward looking, and highly focused on problem solving with clear means of implementation. It should adopt a city-wide approach to development with concrete strategies and actions, introducing clear funding mechanisms and effective means of monitoring the results. It will seek to create a mutually reinforcing relationship between urbanization and development, with the aim that they become parallel vehicles for sustainable development.

The New Urban Agenda needs to create conditions to support a paradigm shift towards a new model of urbanization that can better respond to the challenges of our time. Issues such as inequality, climate change, informality in the urbanization process and in job creation, and the unsustainable forms of city growth are of pressing importance. The New Urban Agenda needs to respond to these challenges, articulating a set of strategies that transform urbanization in a tool of development.

The New Urban Agenda should establish links to other global agreements and agendas. It should be openly connected to the 2030 Agenda for Sustainable Development to ensure coherent, efficient and inclusive implementation, follow-up, review

and monitoring. It should also facilitate collaboration with the climate change regime.

The agenda needs to promote a structural transformation at the medium term, defining at the same time a set of priorities to guide policies and actions; in this sense, it conveys a sense of urgency; urgency in the implementation of policies and actions that cannot depend on political schedules or opportunistic moments, but in clear and well defined implementation plans.

It should be recognized that any new agenda for action is not written in stone, but will only become alive and meaningful when it is adapted to specific circumstances by the people who will be affected by it.

Based on the principles laid out in the previous chapter, the vision of the new urban agenda can be steered to induce transformative change promoting a new urbanization model that is universal and adaptable to different national circumstances, promotes integration to address the environmental, social, and economic objectives of sustainability, and is based on the principle of subsidiarity with strong participation of local authorities.

The proposed components of the new urban agenda are focused on desired directions of change articulated at national level through a National Urban Policy (NUPs). NUPs aim to amalgamate the disperse energy and potential of urban centres within a national system of cities. They contribute to building



Planned City Extensions can prevent the leap-frogging over vast areas that generates wasteful and speculative areas within the city and results in prohibitive costs for urban services and infrastructure provision in distant places. Bahir Dar in Ethiopia.

Source: Flickr/Al and Marie

linkages between human settlements of different sizes and defining the broad parameters within which the transformative force of urbanization is activated and steered.

Components are frameworks for action to harness the opportunities that urbanization brings. They are part of a “three-pronged” approach:

- i. *Rules and Regulations to strengthen urban legislation and the systems of Governance:* This component aims to promote a clearer – better formulated – and more transparent legal framework for urban development based on accountability, the rule of law and clear implementation mechanisms;
- ii. *Reinvigorating Territorial Planning and Urban Design:* Cities need to reassert control over their destinies, acting on their form, character and functionality. Good urban planning, supported by adequate laws, can make cities more compact, integrated, connected and sustainable;
- iii. *Municipal finance plans to harness the urban economy and create employment opportunities:* The productivity of cities contributes to economic growth and development, generates income, and provides decent jobs and equal opportunities for all through adequate planning, effective laws and policy reforms.

The levers of the New Urban Agenda include specific policies and actions that have the ability to drive transformative change. They include:

- i. *Planned City Extensions* guide urban growth towards areas that are more suited for urbanization, optimize the use of land, create public spaces, and generate economies of agglomeration.
- ii. *Planned City Infills* achieve an urban structure that minimizes transport and service delivery costs, optimizes the use of land and supports the protection and organization of open spaces.
- iii. *Land Readjustment Interventions* increase the supply and reduce the cost of land and housing, rethinking regulations, subsidies and local financial mechanisms.
- iv. *Public Space Planning and Regulations* promote some of the most transformative changes in cities and contribute to equity, civic empowerment and social inclusion.
- vi. *Re-positioning housing at the centre of the New Urban Agenda* as recognition of the prominent role that can play in realizing human rights and as a policy instrument of national development.
- vi. *Expanding Access to Basic Services* based on environmentally sound design for more resilience, less energy consumption and vulnerability for the poor, supported by human rights based approach.
- vii. *A global monitoring framework* to increase the availability and usefulness of data to support decision-making, accountability mechanisms, and the capacity of countries/cities to deliver and report on the New Urban Agenda and SDGs.

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WORLD CITIES REPORT 2016

URBANIZATION AND DEVELOPMENT: EMERGING FUTURES

Key Findings and Messages

The world has changed remarkably since the Habitat II Conference took place in Istanbul in 1996. The way cities are shaped, their form and functionality have also been transformed over these years. The growth of the world's cities, from the north to the south, and from the east to the west, is ingrained in a culture of short-term economic benefit and often unbridled consumption and production practices that compromise the sustainability of the environment. Urbanization is at the same time a positive force underpinning profound social, political and economic transformation. Urbanization and growth go hand in hand, and no one can deny that urbanization is essential for socio-economic transformation, wealth generation, prosperity and development.

The analysis of urban development of the past twenty years presented in this maiden edition of the World Cities Report shows, with compelling evidence, that there are new forms of collaboration and cooperation, planning, governance, finance and learning that can sustain positive change. The Report unequivocally demonstrates that the current urbanization model is unsustainable in many respects. It conveys a clear message that the pattern of urbanization needs to change in order to better respond to the challenges of our time, to address issues such as inequality, climate change, informality, insecurity, and the unsustainable forms of urban expansion.

The Report advocates that the New Urban Agenda— which is expected to be adopted at the Habitat III Conference— should embrace a city-wide approach to development with concrete actions, setting out clear funding mechanisms and effective means of implementation and monitoring. Habitat III and the New Urban Agenda should establish critical connections to the 2030 Agenda for Sustainable Development and other international agreements. The Report is very explicit on the need to ensure a strong convergence among these agendas as a way of complementing and improving the implementation of the Sustainable Development Goals, particularly those with an urban component.

Cover picture: Aerial view of the city of Cairo along the Nile river ©Dereje/ Shutterstock.com

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