

CHAPTER 10

The New Urban Agenda

QUICK FACTS

1 The diagnosis of cities with respect to 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 key elements of the New Urban Agenda.

POLICY POINTS

1 The New Urban Agenda must be forward looking, and 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.

2 The agenda conveys a sense of 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.

3 The new agenda will seek to create a mutually reinforcing relationship between urbanization and development, with the aim that they become parallel vehicles for sustainable development.

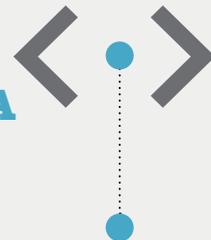
4 The New Urban Agenda should establish links to other global agreements and agendas and to be clearly connected to the 2030 Agenda for Sustainable Development.

5 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.

NEW URBAN AGENDA

- > Must be **BOLD**, forward thinking and tightly focused on problem solving
- > It should have clear means of **implementation**
- > Adopt a **city-wide** approach
- > Propose **concrete** strategies and actions
- > Create a **mutually reinforcing** relationship between urbanization and development
- > **Support** a paradigm shift
- > Devise **well-activated** set of strategies
- > Transform **urbanization** into a tool of **development**
- > Constitute a framework of **cooperation**
- > Convey a **SENSE OF URGENCY**

NEW
URBAN
AGENDA



SUSTAINABLE
DEVELOPMENT
GOALS

Build on **ACTION PLANS,**
STRATEGIC GOALS of 2030
Development Agenda

5 GUIDING PRINCIPLES FOR THE NEW URBAN AGENDA

4 COMPONENTS

- > National Urban Policies
- > Rules and Regulations
- > Territorial planning and Design
- > Municipal Finance

7 LEVERS

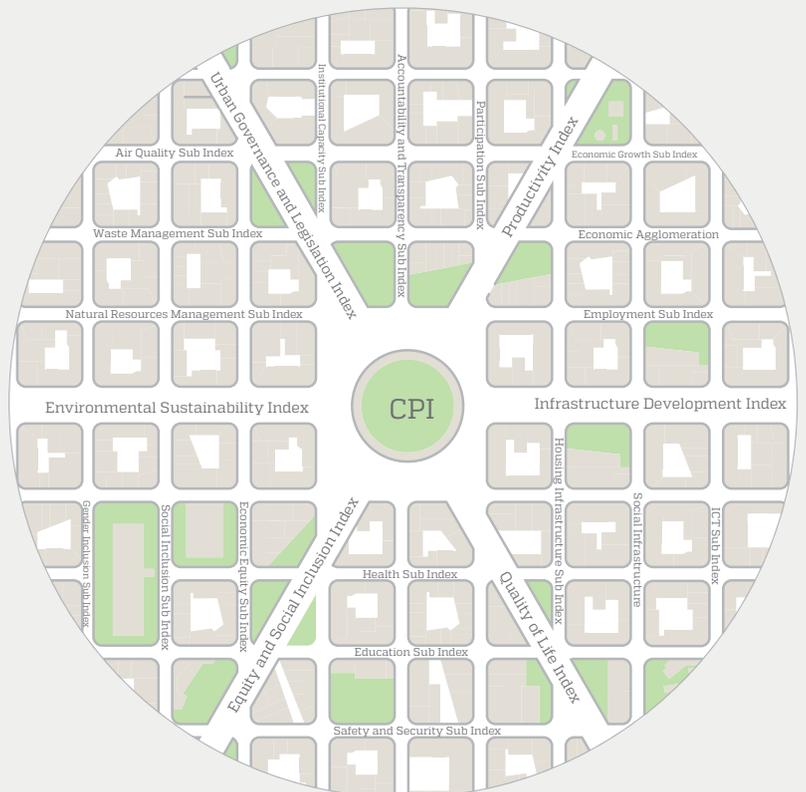
- > Planned city extensions
- > Planned city infills
- > Land readjustment
- > Public space planning and regulations
- > Housing at the centre
- > Access to basic services
- > Global monitoring framework



SUSTAINABLE CITIES

UN-Habitat's City Prosperity Initiative (CPI)

- > Monitoring and Reporting NUA + SDGs
- > Systemic approach to the city
- > Incorporate new analytical tools (SPATIAL INDICATORS)
- > Multi-scale decision - making



Unsustainable imbalances between geography, ecology, economy, society, and institutions are making the “emerging futures” of too many cities unpromising. Rapid demographic and spatial growth, coupled with the expansion of economic activities and the environmental footprint of cities, have triggered dynamics which public institutions are unable to manage effectively.



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While in some cities, for some people, former New York City Mayor Bloomberg’s “urban renaissance” is occurring, for most of the world this is absolutely not the case. Urban policy failure has been spectacular in its visibility and devastating in its impacts on men, women and children in many cities. Passive (or “spontaneous”) urbanization as a model has proven to be unsustainable. As noted in previous chapters, there are too many people living in poor quality housing without adequate infrastructure services such as water, sanitation, and electricity, without stable employment, reliable sources of income, social services, or prospects for upward social mobility. Prosperity was once described as a tide that raised all boats, but the impression today is that prosperity only raises all yachts.

As indicated in Chapter 9, *Stocks* of all kinds are being depleted faster than the *flows* (or novel stocks) being created to replenish. In developed countries, the stocks of infrastructure are deteriorating for lack of maintenance and in many cases, obsolescence, with New York City alone having more than 1,000 miles of water pipes more than a century old. Similar conditions can be found in European cities. In addition, efforts to protect the environment have failed to stop water and air pollution, and substantially reduce solid waste. As for developing countries, they often lack the stock of housing and infrastructure that would meet the basic needs of urban populations, as shown in Chapter 3. This is certainly true in Africa and South Asia. Such shortfalls can also be found for some specific kinds of infrastructure such as potable water, the marginal cost of which is increasing in most cities in both developed and developing countries. Lack of sanitation is all-too visible in many cities.

The spatial extent of many cities, both in developed and developing countries, has grown on average two to three times more than their population worsening urban sprawl and mobility. As stated in Chapter 7 of this report, concomitant to urban expansion, population densities have been dramatically reducing thereby compromising economies of agglomeration and delivery of infrastructure and public goods. In developing countries, urban spatial expansion is often highly informal and poorly

laid out, without appropriate road infrastructure, sustainable housing or adequate public space.

While the unsustainability of this type of urban growth and the incidence of these problems vary across cities, scarcity and deprivation are not to be found solely in one sector, such as housing: instead, they cut across sectors and have negative effects at the household, community, and city-wide levels. Of particular concern is the fact that the patterns of deprivation observed in slums in the South just like various forms of exclusion and marginalization in the North, are cumulative and reinforcing, resulting in deepening poverty and intra-urban inequality (as discussed in Chapter 4), and the phenomenon has become inter-generational as well. Spectacular examples, such as the collapse of Detroit, US, or the *banlieues* outside Paris, show that these problems generate patterns of cumulative causality frequently resulting in high youth unemployment, frustration, crime, and violence.

These dynamics reflect the inadequacy of existing stocks of services and a lack of job opportunities in the face of an ever-growing flow of unsatisfied demand. Neither markets nor public policies are working effectively to provide the goods, infrastructure, social services, and employment for increasing urban populations. In some cases, like housing, both market and public policy solutions are ineffective, as suggested by the thousands of empty apartments designed and built without regard for other dimensions of urban life and with poor concern for affordability.¹ Gaps in infrastructure result in damages to urban ecologies, including the pollution of air, land, and water, while also generating emissions, which contribute to climate change.

This chapter presents the key elements of what a **New Urban Agenda** could comprise within the broader global goals of sustainable development and structural transformation. The diagnosis of cities in the current processes of globalization and national development, together with an analysis of the most important transformations since Habitat II, provide the basis from which some of the constitutive elements of this agenda can be defined. The underlying principles, as elaborated in Chapter 9, provide a firm foundation for the agenda, with clear guidance and recommendations.

The New Urban Agenda must be bold, forward looking, and tightly focused on problem-solving with clear means of implementation. This major programmatic docu-

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ment should establish links to other global agreements and agendas,² with explicit connections to the 2030 Agenda for Sustainable Development in order to ensure consistent, efficient and inclusive implementation, follow-up, review and monitoring.³ Building on the achievements and shortcomings of the 1996 Habitat Agenda, which was more prescriptive and sector-based, the outcome document of the Habitat III conference should adopt a city-wide approach to development with concrete strategies and actions, setting out clear funding mechanisms and effective means of monitoring the results.

The New Urban Agenda must seek to create a mutually reinforcing relationship between urbanization and development, the aim being that they become joint vehicles for sustainable development.⁴ The agenda should also facilitate collaboration with international arrangements and mechanisms regarding climate change.⁵

In this sense, the New Urban Agenda must set out the conditions needed to support a paradigm shift towards a new (i.e. positive) 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 urban expansion, are all of pressing importance. The New Urban Agenda must respond to these challenges, devising a well-articulated set of strategies that will transform urbanization into a tool of development at city and country level. Implementation of the agenda must add value and promote shared prosperity within a framework of human rights. Although the primary focus must be on medium-term structural transformation, it will be for the agenda at the same time to identify a set of priorities to steer policies and actions in the immediate future; in this sense, the New Urban Agenda must convey a sense of urgency—the urgent implementation of policies and actions can no longer depend on political schedules or opportunistic moments, but instead it should be set in clear, well-defined agendas.

Genuine progress is in order — every single day, and starting now.⁶ As experienced every single day by too many urban dwellers around the world, these issues cannot wait. Cities are in trouble and need change. The New Urban Agenda must respond to the critical challenges facing cities today, including the positive, transformative force of urbanization with all the great opportunities it can bring. A properly designed and implemented New Urban Agenda can help steer cities away from spontaneous, unsustainable, inefficient, costly and outdated patterns of urbanization. The New Urban Agenda can generate strings

of mutually reinforcing effects which have the capacity to change the character of cities, contributing to a positive urban structural transformation.

In turn, this dynamic process can activate a pattern of urban growth that can positively impact other spheres of national development.

The New Urban Agenda must also constitute a framework for cooperation and accountability in a way that favours much-needed local, national and international policy consistency in the area of sustainable urbanization. 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.

The New Urban Agenda must be both a proposal and an incitement: on top of identifying priority areas for urgent policy and action; it must elicit national and local engagement, with governments and civil society concurring along the following line: “This is *our* collective business. We will take these suggestions to heart and see how they can be addressed in our own institutional and cultural circum-

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Box 10.1: The New Urban Agenda - defining features

- Perceived as universally applicable.
- Flexible, i.e. acknowledging differences among regions, countries, and cities, demonstrating how those differences can be addressed by a similar set of objectives and strategies.
- Convey a sense of urgency and at the same time propose medium-term structural changes.
- Link normative objectives to concrete commitments and actions which can act as catalysts of positive change.
- Engage governments and public opinion, together with civil society and non-government organizations, for the sake of a broad-based, shared agenda with global advocacy.
- Pass the test of common sense, and use globally understood images and narratives.
- Combine the objectives of building prosperity for everyone, while focusing special attention on the most needy. In this sense, the Agenda must combine poverty-fighting, productivity, equity, and environmental sustainability, and stop well short of suggesting that there can be trade-offs between them.
- Based on a global monitoring mechanism, adapted to national and local conditions, that provides a general framework for periodic assessments of the various dimensions of urbanization and their impacts.
- Linked to Goal 11 and other SDGs indicators and targets that include an urban component

Progress will also depend on the commitment of local and national governments with regard to defining baselines, benchmarks and specific targets

The route to progress goes through urban areas

The new agenda must define the general conditions for local collaborative development and functional linkages across territories

stances.” Some local resistance— to the substance of the agenda and the assertion that adopting these priorities will be positive for all countries— should be welcomed. This is because the issues addressed are simply so important for nations and cities that the solutions cannot be left for international organizations to identify. Adoption and implementation is, above all, a *local political process* requiring local political agreement and engagement.

An important consideration in agenda-setting is the fact that there is no “blank slate” on any of the issues to be addressed. This is not an exercise in scientific discovery of a new disease or a new remedy. Rather, it is above all a reflection on the way cities have developed over centuries, and how their present conditions and governance are affecting the future prospects of cities, nations, and the world in the medium and long terms. This recognition of the importance of history is critical both to a proper understanding of the starting point, and to asking the central questions: Where do we stand now? Where do we need to go? How can we do it? Choosing a historical starting point is also critical to any later assessment of the success of a new urban agenda. How far countries and cities advance in the suggested direction will depend on their own specific starting points, reflecting institutional capacities, material resources, and the political mandates for change which their respective polities are ready to support.⁷ Progress will also depend on the commitment of local and national governments with regard to defining baselines, benchmarks and specific targets, and to measuring progress in implementation of this agenda, identifying possible setbacks and constraints.

The New Urban Agenda starts from a single fact: the Earth is not flat, it is urban. This fact reflects the historical reality that countries have not improved socioeconomic development and welfare without urbanizing. The *route to progress goes through urban areas*, which are the sites of enhanced productivity, creativity, cultural and scientific innovation, and political democracy. Historically, urbanization has been seen as an effective defence against poverty in rural areas, and it is also for the New Urban Agenda to enhance two-way connections instead of driving wedges between cities and rural areas through policies and actions. As the Habitat III Issue Paper on *Rural-Urban Linkages* states: “urbanization is a process that profoundly reshapes peri-urban and rural areas and has the ability to both positively and negatively affect their economies, inclusiveness and sustainable development,”⁸ the new agenda must define the general conditions for

local collaborative development and functional linkages across territories. While a single agenda cannot be uniformly applied to all countries, the fact that urbanization is a transformative force (Chapter 2) cannot be denied. What it means practically, and the way it is approached locally, will necessarily vary. In this sense, it is useful to remember that island- and land-locked states, countries with significant rural populations and with other specificities will necessarily have different development strategies. One size cannot fit all.⁹

10.1

The Components of a New Urban Agenda

As mentioned before, the New Urban Agenda must focus on implementation, building on the action plans and strategies of the 2030 Agenda for Sustainable Development. If it is to be genuinely transformative, the agenda must rely on the key principles presented in Chapter 9 and include a set of concrete components and levers for change.

- The **key principles** of the New Urban Agenda can be understood as normative directions for the transformation of cities, enabling these to achieve sustainable goals as elaborated below, while also specifically contributing to the achievement of the 2030 Agenda for Sustainable Development and its 17 specific Goals as agreed by the United Nations. These principles have been formulated in the light of the transformative shifts promoted by the 2030 Agenda to guide development programmes at country and city levels. They do not stand alone as isolated principles, but are rather informed by several broad-based international agreements and declarations.¹⁰ These principles respond to the questions: What is the direction of transformation? Where is it going? How does it connect to the world that we want?
- The **components** of the New Urban Agenda are focused on desired directions of change for urban areas in the context of national development. These



The Yerevan-Gyumri highway is an important road in Armenia and is part of the North-South Road Corridor. Rural-urban linkages has an impact on inclusiveness and sustainable development.

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

focus points are largely at the city level, although they are combined together through national urban policies. The key strategic components are considered as “development enablers” that can be thought of as frameworks for action in response to the multiple challenges raised by the often chaotic forces of urbanization; and also, at the same time, as frameworks for action to harness the opportunities that the same urbanization brings. The New Urban Agenda highlights three development enablers, which are jointly referred to as a “three-pronged” approach: (1) rules and regulations; (2) urban planning and design; and (3) municipal finance mechanisms. Along with national urban policies, these three development enablers underpin planned urbanization and they can generate cross-the-board sustainable urban development. The components overall respond to the question of **what** needs to change.

- ▶ The **levers** of the New Urban Agenda include the specific policies and actions required to effect change. Levers are considered as “operational enablers” that aim to bolster particular aspects of transformation in cities through key strategic interventions. Levers support cities in their efforts to implement concrete actions, laying the foundation for improved vertical integration across different tiers of government.¹¹ The five proposed operational enablers include: (1) planned city extensions; (2) planned city infills; (3) land readjustment interventions; (4) public space regulations; and (5) the monitoring of the New Urban Agenda. It is for public authorities to adapt these operational enablers to their respective circumstances. When implemented, these enablers result in better outcomes for patterns of land use, inequality reduction, and improvements in urban form, increasing compactness and walkability.

Obviously, the core issues of the 1996 Habitat Agenda—adequate housing for all and basic service delivery—remain on the table, as the numbers of people worldwide living in slums or in inadequate housing continue to grow.¹² Interventions in these two

areas are also considered as “operational enablers”, but they must be reframed within an overall picture of city-wide interventions. Together, these seven enablers are the “how” in this process.

10.2

Key Principles of the New Urban Agenda

The principles set out in Chapter 9 provide the conceptual underpinnings for the New Urban Agenda. Aspects such as democratic development and respect for human rights should feature prominently, as should the relationship between the environment and urbanization.¹³ Similarly, the new agenda must pay critical attention to equity, safety and security of everyone, regardless of gender, origin, age or sexual orientation. Risk reduction and resilience will also play prominent roles in this agenda. Likewise, the new agenda must emphasize the need to figure out how a global monitoring mechanism can be set up to track progress on all of these issues and concerns.¹⁴

The agenda itself rests on five principles that reflect five broad shifts in strategic and policy thinking:

1. ensuring that the new urbanization model includes 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 par-

The levers of the New Urban Agenda include the specific policies and actions required to effect change

The new agenda must emphasize the need to figure out how a global monitoring mechanism can be set up to track progress

Cities require priority high-level attention in national development strategies, both in macro-economic and social policy terms

National Urban Policies contribute to building linkages between human settlements of various sizes

NUPs are essential tools through which governments can facilitate positive urbanization patterns to support sustainable development and the prosperity of cities

- participation and reinforcing collaboration;
4. promoting environmental sustainability;
 5. promoting innovations that facilitate learning and the sharing of knowledge.

In addition to these five guiding principles,¹⁵ the vision of the New Urban Agenda can be broadened and deepened to induce transformative change by considering these other elements:

- ▶ Promote a new urbanization model that is universal and adaptable to diverse national circumstances and that is based on the key urbanization challenges and opportunities shared by all countries.
- ▶ Promote integrated implementation of a new urbanization model in order to address the environmental, social, and economic objectives of sustainability, which have many interlinkages, as well as the concerns of various tiers of government.
- ▶ Promote smart, greener cities, with adequate use of technology, which involves establishing critical connections between science, the environment, economic growth, urban planning, and governance.
- ▶ Promote a principle of subsidiarity that entails a process of re-arrangement of State institutions, involving transfers of responsibilities and resources (Chapter 6) to the lowest reasonable level.¹⁶
- ▶ Promote a global data revolution for effective, results-based implementation and monitoring of the New Urban Agenda at the local, national, and global levels.

10.3

The Components of the New Urban Agenda

The principles listed above suggest, in general terms, what should be changed. Their generality, however, means that they would be largely unobjectionable to most governments and interested civil society groups. They point to a direction of change, but stop short of suggesting what needs to be changed, how, or in what time frame. The answer to the “what” question lies in the specific

components of the new urban agenda, which are elaborated below in some detail.

Adopt and implement national urban policies

The first suggested component of a New Urban Agenda is the adoption and implementation of national urban policies. The term can mean many things, but foremost in current global and national policy contexts is the recognition that cities require priority high-level attention in national development strategies, both in macro-economic and social policy terms.

Inclusion of National Urban Policies as one of the Policy Units for Habitat III and as a proposed indicator for Goal 11 of the SDGs comes as a recognition of the crucial role they have to play in any sustainable urban development agenda.

National Urban Policies (NUPs) are considered as fundamental “development enablers” that aim to amalgamate the disjointed energies and potential of urban centres within national systems of cities and as part of strategic territorial regional planning. NUPs can establish synergetic connections between the dynamics of urbanization and the overall process of national development, recognizing the importance of fostering mutually reinforcing rural-urban linkages and leveraging the rural-urban nexus for development. National Urban Policies contribute to building linkages between human settlements of various sizes and defining the broad parameters within which the transformative power of urbanization is activated and steered. These policies also enhance the coordination of various tiers of government (local, regional and national), establishing the incentives for nudging economic and social agents towards more sustainable practices (Chapter 6).¹⁷

A NUP is defined as “a coherent set of decisions derived through a deliberate government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive, and resilient urban development for the long term.”¹⁸

NUPs are essential tools through which governments can facilitate positive urbanization patterns to support sustainable development and the prosperity of cities. Some of the key attributes of NUPs¹⁹ are:

- ▶ the definition of national development priorities that can bring more harmonious regional and territorial

urban development, balancing social, economic and environmental concerns;

- ▶ the provision of guidance on the future development of the national urban system and its spatial configuration, supported by specific plans, tools and means of implementation;
- ▶ increasing the numbers and coordinating the involvement of diverse stakeholders, various levels and areas, with more public and private investments and the possibility of more effective allocation of resources across the national territory;
- ▶ the implementation of better combined, transformative solutions in key regional and urban development areas such as urban mobility, urban energy, infrastructure development, etc.;
- ▶ combining together the other three key urban “development enablers”: legal frameworks, planning and design, and municipal finance, which can be better and more effectively coordinated, both horizontally and vertically through NUPs.

A truly comprehensive national urban policy would effectively consider all of the policies and activities to be undertaken in cities, or would have an effect on them

However, it is important to acknowledge that designing and implementing NUPs can involve some problems or challenges. First, not many national government institutions have the expertise and authority to understand the direct and indirect impacts of public policies on cities. Pre-eminent government departments (e.g. interior, economics and finance) often fail to appreciate that the ministries of energy, education, health, transport, or public works have major impacts on urban areas. Expertise in this sense requires a broad-ranging institutional view on the way the public sector as a whole affects urban processes, well beyond housing and basic services, to the framing of the economy and society. This implies that, to start with, a national authority must have the capacity to take stock of all of these impacts at the urban level as well as the authority to play a coordinating function across ministries. The National Economic and Social Development Board of Thailand (1990s) and the diagnosis conducted by the Ministry for Regional Development of the Czech Republic (2014) prior to the implementation of NUPs, are significant examples of this.²⁰

A second challenge for governments is to determine what should be included and what is to be left out in a NUP, and which level of government should be responsible for each activity. In other words, what is

to be the substance of a national urban policy, and how should it be deployed? A truly comprehensive national urban policy would effectively consider all of the policies and activities to be undertaken in cities, or would have an effect on them. This would start with assessing the impact on cities of macro-economic policies, patterns of infrastructure investment, and social policies, for example, asking where would public expenditure go, with what expected effects, and what kinds of economic and employment multipliers might be generated. Or, how would national credit policies affect the high demand for credit in urban areas and the competition between loans for housing or the construction sector versus other productive sectors?

These are complex issues which require an understanding of economics and finance, as well the characteristics of investment in manufacturing as well. What this means, in practice, is that governments in all countries must place urban policy at the core of the highest levels of policy analysis and debate if the sophistication and complexity of these issues is actually to be appreciated and government policies are to be properly coordinated. One approach to this substantive challenge, therefore, is to develop a set of analytic tools, much like those in environmental impact assessment, which would be directly brought to bear on national development policies in order to evaluate the probable effects of specific policies and programmes on urban areas.²¹ These might include spatial assessments of the likely impact of policies on intra-urban equality.²² Rather than focus on the evaluation of impacts of policies and programmes *after* implementation, much more attention should be devoted *upfront* to understanding the probability of impacts *before* adoption of policies and programmes. A national urban policy is an excellent tool or strategy not just for resource allocation across cities but also to redress spatial inequalities.

Rules and regulations: Strengthening urban legislation and systems of governance

Laws, institutions, regulatory mechanisms and systems of governance bound by the rule of law all integrate a composite set of factors which embody the normative and operational principles, organizational structures and institutional and social relationships that underpin the process of positive urbanization.²³ Encapsulated under the

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The establishment of adequate rules and regulation systems that respond to real needs, actual capacities and available resources

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notion of Rules and Regulations, they constitute the second component of the New Urban Agenda. This “development enabler” aims to promote a clearer — better formulated — and more transparent legal framework for urban development. The emphasis lies on the establishment of adequate rules and regulation systems that respond to real needs, actual capacities and available resources that can provide a solid, forward-looking framework, to guide urban development²⁴ — a framework that is based on accountability, the rule of law, clear implementation mechanisms, and can be continuously enforced as part of efforts to harness the transformative force of urbanization.

Urban policies, from national (NUPs) to very local levels (neighbourhoods and districts) depend on laws and regulations as the primary framework for action, implementation, monitoring and evaluation. Lack of clear legislative frameworks can act as one of the major impediments to effective design and implementation of these policies, standing in the way of “positive urbanization.” Still, more often than not local and national governments formulate policies without appropriate legislative support, or without the capacities to enforce and regulate existing legal instruments.²⁵

Taking into account the intricacy of the urbanization process and the plethora of legal instruments, this second component must identify the key elements that can assist cities to become more prosperous and sustainable. Cities can adopt essential elements of laws that are grounded in sustainable processes and systems, and move on to more elaborated arrangements and legal instruments as management and governance institutions mature. These elements include: (1) regulations related to the public space, (2) establishment of development rights, (3) the building codes governing the quality and standards of buildings, and (4) adequate street and plot layouts.²⁶

These essential regulatory elements “have the power to shape the form and character of the city by playing an essential role in the implementation of urban plans.”²⁷ They are necessary to make cities sustainable, otherwise overabundant laws, regulations and standards can become so complex that they represent a negative externality for decision-making. With clear mechanisms and processes and well-defined responsibilities and coordination mechanisms, rules and regulations can expand to other key development areas, including, *inter alia*: (a) municipal finance (i.e. tax collection, property tax, prop-

erty registration and land value capture and sharing); (b) environmental sustainability regulations (protection of natural assets and biodiversity, land use planning, impact assessment regulations, waste management, air and water quality); (c) urban governance (decentralization and local autonomy laws, empowerment of citizens and public participation rules, accountability mechanisms) and (d) equitable access to opportunities (laws facilitating wealth redistribution, protecting commons and ensuring provision of public goods)— to name just a few.

Rules and regulations must have a clear objective and sound coordination mechanisms. They must be adapted to any country’s and city’s specific needs, resources and capacities and be enacted according to specific circumstances. Rules and regulations must allow for evolution and adaptation over time, but with clear checks and balances to prevent elites and powerful interest groups capturing or using them for their own benefit.²⁸

Another dimension of this issue is the substance of urban regulations themselves. Since the 1990s, extensive research in many countries on urban regulations such as building codes, zoning, environmental rules, and others suggests that many urban regulations are out of date. Some reflected colonial heritage, others were biased in favour of middle- and upper-income groups, while others still generated perverse economic incentives for private (as opposed to public) investment in housing and other services.²⁹ This goes to show that reform of urban regulations is an important lever for change. Such reform can also strengthen existing institutional functions such as land value capture through property taxation and other measures.

As an urban development enabler, rules and regulations provide security and stability for residents, promote social and economic inclusion, legal certainty and fairness in the urbanization process. Laws, rules and regulations must not discriminate in substance or in practice (“just sustainabilities”, Chapter 5), ensuring that benefits are geared towards those most in need so as to avoid reinforcement of inequalities and exclusionary processes. Balancing regulations with incentives provides the framework through which the transformative force of urbanization is nurtured and deployed. This component creates the normative basis for action and advancement.

This second component (rules and regulations) of the New Urban Agenda goes to the core of the

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issues raised above in relation to national urban policies. While some of the issues are substantive, as suggested, the absence of effective national urban policies is also a result of weak legislation namely, failure to recognize the complexity of the relationships and interdependencies of policies and programmes, which are important dimensions of urban governance. For instance, in many low-income countries, for lack of autonomy and managerial capacity at the local level public health is managed directly and exclusively by the relevant central government department, without any regard for the important role of local management of environmental sanitation—which, somewhat paradoxically, makes it unlikely that major national urban health goals can be achieved locally. The laws establishing the institutions of government, at the national, state, and local levels, should reflect a multi-level institutional understanding which helps to strengthen complementary forms of supervision and responsibility (Chapter 6) working as a continuum, not in conflict. These forms should reinforce institutional responsibilities rather than promote competition among various tiers. Inconsistencies across the public institutions involved in urban affairs are there for all to see, demonstrating that effective political governance is founded on sound legislation in the first place.

Effective urban governance should acknowledge that a narrow definition of local responsibility and competency is a recipe for disaster, because municipalities need to be involved in a direct way in issues ranging from building codes to environmental regulations, from public information to public investment, from community consultation to financial accountability, etc. If economic and social impacts occur in actual spatial arenas—on specific blocks on streets, in neighbourhoods, in public places, as well as in the city centre—the jurisdiction of local governments should be as large or as small as these sites may be. In a participatory governance framework, this is also essential for democratic accountability.

Legislation affecting governance, therefore, should ask what kind of governance is to be encouraged. What kinds of local institutions do national legislators wish to establish? What are the expectations for the performance of these institutions? Do they expect local public institutions to spearhead urban transformation—or are they satisfied with business as usual and incremental change? These are important questions, because as earlier chapters in this report suggest, the challenges faced by a New Urban Agenda call for urgent policy reform and action.

These issues take on real significance in the debates about metropolitan governance in which multiple municipalities must decide whether and how they will work together (Chapter 6). The metropolitan level is particularly interesting, because this is where any spillover effects and externalities which go beyond municipal jurisdictions and have effects on a larger scale, are to be addressed. While many countries have been unable to withstand what might be called “the metropolitan imperative,” only very few have actually been able to obtain the benefits of coordinated planning, regulation, and investment.

Reinvigorating territorial planning and urban design

Against today’s problematic urban background, the challenge of territorial planning and appropriate urban design is much greater than at any time in history. As noted in Chapter 9, urban areas operate in a context of changing geographies, ecologies, economies, technologies, institutions, and culture; all of them interacting, and with great imbalances among them. In both developing and developed countries, cities keep allowing a passive, spontaneous model of urbanization that is unsustainable in a variety of ways, as indicated in Chapter 2. Many have found themselves woefully unprepared in the face of the spatial and demographic challenges associated with urbanization, not to mention those of an environmental nature and climate change.³⁰

In various cities, urban planning has been instrumentalized by property developers and other economic and political stakeholders. These approaches either respond to the interests of the better-off, or they focus only on strategic economic interventions in specific spaces, all of which tends to create enclaves of prosperity. Urban planning also can all too easily be turned into a technical exercise (see Chapter 7) that overlooks the fundamental need to steer and control urban expansion (i.e. positive urbanization as conducted by “the city that plans”), instead creating cities where existing plans or regulations are ignored, and sustainability cannot be achieved.³¹

Analysis of the most important dimensions of the urbanization process clearly shows that cities must reassert control over their own destinies, acting on form, character and functionality, through a reinvented urban planning (as discussed in Chapter 7). The proposed third component of the New Urban Agenda aims to respond to this structural transformation for the sake of shared prosperity and harmonious, sustainable development. Proper urban planning,

The laws establishing the institutions of government, at the national, state, and local levels, should reflect a multi-level institutional understanding

Cities must reassert control over their own destinies, acting on form, character and functionality, through a reinvented urban planning

supported by adequate laws, can make cities more compact, integrated, connected and sustainable.

Well-planned cities can optimize economies of agglomeration, increase densities (where needed), generate mixed land uses, promote public spaces with vibrant streets, and encourage social diversity— all critical elements of sustainability.³² A new legal framework that is based on the public interest and relies on effective institutions and adequate urban plans will be in a better capacity to protect the “commons,” integrate environmental concerns, promote social inclusion and facilitate rural-urban interactions. This city-wide integrated response puts urban authorities in a better position to optimize existing resources and harness the potentialities of the future.

City-wide integrated response puts urban authorities in a better position to optimize existing resources and harness the potentialities of the future

A revived form of urban planning and design is a “development enabler” that responds to the imperatives of urban expansion, extending across various scales of intervention, from small neighbourhood to city to metropolitan forms of government to manage ever-expanding urban areas. The New Urban Agenda should respond to all these local urban contexts with appropriate policy instruments and actions (Box 10.2).

As a constituent of the New Urban Agenda, urban planning aims to “reinvent” the 21st century city model in the sense of a more sustainable approach that has the power to raise densities, reduce energy consumption in transport and other infrastructure, and bridge the urban divide with strategic interventions. It is clear that various forms of inequality, large environmental footprints and suburban sprawl all conspire against sustainable urban development. Urban planning interventions in areas such as planned city extensions, planned city infills, land readjustment programmes and public space regulations and projects are key levers to effect transformative change.

Urban planning aims to “reinvent” the 21st century city model in the sense of a more sustainable approach that has the power to raise densities

The list of instruments in Box 10.2 summarizes the shifting understanding of context and the expanding scale of the arena for action. Yet, this shift has not gone far enough. For example, if generating urban employment is a major objective, then it is for macro-economic policy to stimulate consumption, activating urban economic multipliers within specific geographies. This means targeting opportunities to low-income households living in slums, mobilizing the informal sector where multipliers work most rapidly, and doing all of

the above within denser, more environmentally aware urban areas. It is important for the New Urban Agenda to recognize that the activities taking place in any city are more important determinants of urban form than generally assumed. This is why this important type of link should not be left to chance or serendipity. Instead, it must be designed by intention, and urban planning and design plays a fundamental role in this respect.

Some observers of internationally-supported urban assistance projects have remarked that some projects seemed to want the context more closely to resemble the projects, rather than the projects actually relating to the real world. This criticism seems appropriate again today, given the number of “new city” projects which in many regions seem to emulate the modernist designs of Le Corbusier, i.e. “vertical” cities of skyscrapers and urban highways. Rather, lessons from several decades of policy practice and programme assistance should be reflected in the design of urban extensions and infill projects in existing cities and towns. In this respect, public authorities can learn from the experience of international development assistance and, more positively, carefully selected best practice. In all projects, context matters, and in every case, context wins in the end. Indeed, the resilience of local contexts to exogenous threats and changes is at the very core of definitions of sustainability.

The example of planning and design for new urban extensions is important, because experience demonstrates that individual initiatives should not “projectize” the city (i.e. impose self-contained architectural and functional patterns without any regard for context), but rather embed extensions in existing urban ecologies, infrastructure networks, and institutional frameworks. If people are to live in urban extensions, these must feature reliable services such as waste collection, schools and clinics, adequate security with police and street lighting, to name a few requisites. A successful urban extension will be one where “urban density is understood as a public good” and where proximity and accessibility of housing, employment, and services are primary criteria for design. The fact that many housing projects in Mexico City, New Delhi, or São Paulo remain vacant exposes them as isolated sector projects, not “urban extensions.” Therefore, the “urban” imperative must be followed at every scale: from neighbourhood, to city, to region.

Box 10.2: Planning instruments and the notions of context and scale

Context has influenced planning instruments, but instruments have also reinforced new definitions of contexts. Instruments as varied as master plans, projects, strategic investment plans, urban policies and contracts have implicitly and explicitly addressed the issue of context.

Master Plans - The use of master plans in the 20th century reflected the perception that urban areas could be ordered, planned, and managed through conscientious arrangement of space. These plans were largely of a spatial nature, as reflected in their colourful presentations in which distinct colours represented distinct uses. These were essentially two-dimensional plans aiming at dynamic representations of urban growth and change while in fact they were more frequently static. Master plans explicitly required professionals and the citizenry alike to fit their aspirations and their desired physical forms into the patterns they set out. The plan was the context. Whatever lay “outside the plan” was, indeed, out of mind. In many urban areas, what was outside the plan was by definition also illegal and thereby subject to demolition by public authorities.

Projects - Within the physical framework of the master plan, designated sites were approved for projects. Sites came with specific boundaries and linkages to other parts of the plan. Projects were intended to embody the physical objectives of the plan in built urban forms, whether those were housing, infrastructure, or social services. Projects were by definition narrowly circumscribed and often ignored what lay on the perimeter and/

or periphery of the site. Such typical oversights included the dynamic pressures of the land market, eligibility for access to land, at what price, and the way individual sites contributed to the broader urban form. The context of the project was deliberately excluded in maps where neighbouring areas were often coloured white, as though nothing stood there or, if anything, it had no material bearing on what was included in the project.

Strategic Investment Plans - emerged in the 1990s. These plans linked together a number of projects acting as instruments aimed at addressing a broader set of urban issues. In some sense, these strategic investment plans were the first step towards recognizing the city was a “space of flows,” implying that the projects were intended to help in directing, channelling, and managing these to ensure that basic needs were met. Investment Plans included objectives such as public transport efficiency, or promotion of “integrated development” of both housing and residential infrastructure, along with so-called productive investments such as industrial parks or factories. Strategic investment plans acknowledged that the urban area was larger than a project area, that some spaces deserved higher priority than others, and that “strategy” meant making choices in a spatial context.

Policies and Regulations - These were meant to guide urban behaviour, not just to allocate investment resources as was often the case in projects and strategic investment plans. Policies would shift attention to desired outcomes— needs and requirements— on an assumption that stakeholders would abide

by certain rules of behaviour for design, construction, and use. The challenge, therefore, was to determine which rules might encourage behaviour in specific directions and what were the so-called “enabling conditions” required for desired outcomes to be achieved.

Market-Oriented Policies - These were an important variant of policy itself. The difference lay in the assertion that market-oriented policies were intended to affect not only individual entities, both corporate and otherwise, but the whole pattern of behaviour of all entities, both individually and collectively. Context, in this sense, meant not only spaces, sites, and flows, but also all the interactions between entities which in turn contributed to determine supply, demand, and price. Such policies were, for example about “land”, not “sites”, reflecting policy focus on efficient allocation and assembly of land for various economic purposes. The assumption was that market-oriented policies bore on everything within a specified geographical area. Yet they failed to recognize that their outcomes would necessarily organize spaces, sites, and flows in any particular shape or location, except to assert that these relations would somehow maximize individual welfare, and in so doing, also maximize collective welfare. Advocates of these policies saw the city as “urban growth machines”, focusing more on maximizing individual returns in property or business, while ignoring their adverse consequences for the environment or society at large.

Sources: Castells, 1989; Logan and Molotch, 1987.

a much higher amount of policy-maker attention to the role of urban economies is a critical component of any new urban agenda

Adequate urban planning and design maximizes agglomeration economies, creating the sustainable densities required to develop the local urban economy and reduce inequality of opportunities among different groups of society

Municipal finance: Harnessing the urban economy and creating employment opportunities

As noted above, a much higher amount of policy-maker attention to the role of urban economies is a critical component of any new urban agenda. Since cities concentrate ever-higher shares of national populations and production, urban productivity deserves priority policy attention from national and local governments and local residents must keep it in mind, too.

This fourth suggested component of the New Urban Agenda refers to the very foundation of urbanization, as the locus of change and interactions, and the basis for transformation and accumulation. The productivity of cities contributes to economic growth and development and generates income, providing decent jobs and equal opportunities for all through adequate planning, effective laws and policy reforms.³³ Many urban areas and regions require economic regeneration and renewal programmes, strategies for cluster development and industrial zones, as well as access to safe, affordable, accessible and sustainable transport, as recommended by SDGs.³⁴ Proper connectivity and adequate infrastructure are also needed.

The most productive cities benefit from comprehensive economic and structural diversification plans, knowledge-sharing and technology-learning platforms, as well as employment generation and income-growth programmes for vulnerable groups, including newly arrived immigrants. These can have positive multiplier effects in various development areas, especially when redistributive mechanisms are put in place, including: extension of public spaces, provision of public goods, and job-creating public procurement. Adequate urban planning and design maximizes agglomeration economies, creating the sustainable densities required to develop the local urban economy and reduce inequality of opportunities among different groups of society.

The current worldwide shortage of jobs reflects long-standing poor industrialization in developing countries and more recent industrial restructuring in more advanced economies.³⁵ With the growing share of urban-based economic activities in GDP, the economic performance of cities should be understood as a nationwide macro-economic issue. The productivity of cities must be enhanced by higher investments in infrastructure, sound contractual and legal frameworks, human capital formation, adequate and affordable lending mechanisms, and

urban forms that are more conducive to economies of agglomeration through better design.

Macro-economic performance is highly dependent on local economies. It was noted many years ago that “an inefficient Cairo meant an inefficient Egypt.” This image could be extended not just to large cities in any country but also more and more to any country’s *system* of cities. However, for cities to be productive, competitive and efficient, they need sound financial planning that integrates proper budgeting, revenue generation and expenditure management.³⁶ More productive cities are able to increase production with unchanged amounts of resources, generating additional real income that can raise living standards through more affordable goods and services.³⁷

Sound business and financial plans can generate the revenues required to support better urbanization which, in turn, can be a source of further value generation. Local authorities can reap some of the benefits of this process that translates into higher land and property values than can be captured by various taxation mechanisms to enhance municipal revenue. For that purpose, adequate financial frameworks and governance systems must be in place, including: (i) the capacity of a municipality to finance and deliver infrastructure plans; (ii) effective institutions, with clear roles and adequate human and financial capacities; (iii) fiscal mandates and capacity to raise revenues, e.g. through land and property taxes; (iv) regulatory support and clear legal frameworks that guarantee accountability and transparency in the use of the resources.³⁸

Municipal finance requires innovative strategies like public-private partnerships (PPPs) and land readjustment schemes that can leverage additional resources to cope with constraints on public sector resources. Land readjustment generates value, enabling both municipalities and landowners to share the profits derived from changes in land use and more rational planning. For the purposes of the New Urban Agenda, land readjustment counts as an “operational enabler.”

All these strategies and actions are important first steps towards more productive urban economies. Necessary as they are, more is needed. Myriad actions can be taken to ensure that the conditions for productive economic activity are in place. Some of these actions can be well-illustrated by a comparison between Bogotá (Colombia) and New York (US) both cities where 90 per cent of businesses employ fewer than 10 and 20 staff respectively.

In Bogotá, the numerous *empresas* are too

small to benefit from economies of scale, and low profitability constrains wages and capital expenditure on machinery and technology, let alone advertising. Whether formal or informal, these businesses lack the infrastructure, equipment, access to materials and markets which any firm of any size anywhere needs to expand—and create higher quality jobs. The net result is low employment generation in the Colombian capital as a whole, the bulk being in the informal sector. This was confirmed by findings of UN-Habitat’s City Prosperity Initiative recently implemented in 23 Colombian cities.³⁹ Technical assistance and strategic, temporary subsidies would enable smaller firms to overcome these obstacles, leveraging them into higher efficiency and breaking the current cycle of low productivity: this is an effective policy to consider. Recent research also confirms that expansion of road and connectivity networks in Colombia has positive effects on urban economies.⁴⁰

In contrast, economic expansion in New York has occurred over the last decade through proliferation of start-up firms with fewer than five staff, with high levels of technology and a competitive focus on high value-added services including innovation and design. As noted earlier, over 90 per cent of New York businesses employ fewer than 20 staff; but since 2001, 67 per cent of new firms employ fewer than five. High-end New York firms are now mostly located in Brooklyn where fixed costs are lower than in Manhattan, turning New York into “the second Silicon Valley” of the US. Given those firms’ recent creation, productivity is relatively high, all of which reflects low barriers to entry and access to inputs. Critical to this 21st century technological industrial revolution is the high level of education of these mostly young new entrepreneurs.

Another critical dimension of urban productivity is the role of urban form. Economies of agglomeration and proximity significantly reduce costs and facili-

Urban form creates opportunities in terms of population and infrastructure density, availability of production sites, better connectivity, and access to essential productive inputs

Box 10.3: Strengthening municipal finance

As dynamic sites of exchange between stocks and flows, cities must increase revenues to finance public expenditures to put in place building, operating, and maintenance of services such as infrastructure, environmental services, health, education, and security, while also producing public goods such as clean air, unpolluted water, and public space. As suggested in Chapters 4 and 9, many cities experience growing concentrations of private income and wealth, but this is accompanied by a decline in, and depreciation of, public resources and assets. Short of public revenues, cities will face serious challenges on the way to prosperity.

The challenge of strengthened municipal finance lies in the conundrum which urban dynamism is up against these days – and more than ever in the face of urbanization: cities must provide the stocks of durable assets (decent housing, infrastructure, public buildings, together with serviced trading, factory and storage sites, public buildings) needed to accommodate and support over time the never-ending flows of abilities and skills (from physical strength to top-level research) brought about by “urbanization”

– with the constant interplay among these resulting in urban prosperity for all. Those stocks—fixed, durable assets expected to last for 50 to 80 years—are best funded through long-term financing instruments.

Higher incidence of climate change effects and extreme weather events has highlighted the importance of these municipal finance issues. In northern cities with cold climates, the extreme freezing temperatures of recent years have resulted in many infrastructure failures, with burst water mains, cracks in bridges, pavements and highways, and accelerated depreciation. In 2014, over 300 municipalities in the Northeast US experienced these kinds of infrastructure failures ascribed to extreme cold weather. At the same time, coastal cities in both developed and developing countries face the prospect of flooding and sea-level rise. Urban areas in low-lying Bangladesh are already feeling the effects of flooding on low-income communities. One local study in Dhaka revealed the increased importance of “safe storage” in these homes, leading to a re-design of houses to meet these new needs.⁴³ This widespread and shared issue is

likely to become a critical priority for all coastal cities over the next 50 years, suggesting that any mitigation strategy must include saving resources for these purposes. In 2012, the Government of the Netherlands approved a 100-year plan for annual savings in order to be able to face disasters in a not so distant future.

In contrast, rapidly-growing cities and towns in developing countries face another set of problems, including ever-higher demand for water and the need to go farther and deeper to find quality, abundant resources, which together contribute ever-higher marginal costs. The financing of water supply is therefore an urgent need in most developing countries. Similarly, the financing of sanitation, particularly in Africa, is a critical priority, yet the short-term cost of water-borne sewerage systems seems prohibitive for most countries. The financing of ICT is also a key priority for cities to increase connectivity that can enhance human well-being and prosperity. Innovative municipal finance solutions, such as value-capture, can improve the prospects of developing necessary infrastructure in specific urban areas, reducing spatial inequalities.

Levers for the New Urban Agenda include specific policies and actions with the potential to drive transformative change

Planned City Extensions can prevent the leap-frogging over vast areas that generates wasteful and speculative areas within the city

PCEs can optimize land use and deploy adequate public spaces and streets, generating the economies of agglomeration that are needed for job creation and economic growth

tate commercial transactions (Chapter 8). Urban form creates opportunities in terms of population and infrastructure density, availability of production sites, better connectivity, and access to essential productive inputs; urban form can also impose costs which affect the quality and pace of growth of urban economies. Cities with long commutes will hinder labour force access to available jobs, reducing productivity as in Buenos Aires, for instance, or Ciudad Juarez, Mexico.⁴¹ Traffic congestion and attendant air pollution constrain economic productivity in Bangkok, which costs the Thai economy a measurable GDP loss every year. The cost of serious air pollution has become increasingly recognized in Beijing and Delhi. These issues have received increasing academic and policy attention as urban areas have grown in spatial terms.⁴² De-densification, as mentioned earlier, also reduces the potential for economies of agglomeration and proximity.

10.4 Levers for the New Urban Agenda

Levers for the New Urban Agenda include specific policies and actions with the potential to drive transformative change. These levers act as “operational enablers” in support of the development of a new urbanization model. While the guiding principles and components of the New Urban Agenda aim to address longer-term, structural factors, including practices, beliefs and behaviours, these levers respond to today’s challenges and opportunities, and call for key specific interventions.

Seven levers of change are suggested to be considered in the New Urban Agenda to help achieve the desired outcomes of sustainable urbanization. These levers must be adapted to the whole variety of urban circumstances, as there is no “one-size-fits all” solution. This is why they must be designed at both local and national levels, taking into consideration the needs and specific conditions of every cities and town, and the degree of development of the countries deploying these levers. The seven proposed levers are the following: (i) planned city extensions; (ii) planned city infills; (iii) land readjustment interventions; (iv) public space regulations; (v) basic

service delivery; (vi) adequate housing for all; (vii) a global monitoring framework for the New Urban Agenda.

Planned city extensions

Over the last 20 years, many cities around the world have expanded to distant peripheries far beyond initial or formal limits, with high degrees of fragmentation and vast interstitial open spaces.⁴⁴ In this process, densities have dramatically reduced, affecting cities’ capacities to generate economies of agglomeration and preventing them from realizing the potential that urbanization offers.⁴⁵ Many cities have expanded without any adequate urban street layouts (poor structures of nodes and connections) and inefficient (if at all) integration to the city.

Cities, particularly in developing countries, are bound to expand ever farther to accommodate the needs of nearly 75 million people who will be added to their population every year over the next 20 years. Even in a positive scenario of densification, cities will still require vast areas of land to respond to the spatial needs of these populations.⁴⁶

Planned City Extensions (PCE) are powerful levers of change that can help public authorities to respond to projected urban growth in an orderly manner. Otherwise, cities will continue to expand through inefficient land use patterns and ever-longer commutes, and correspondingly ever-higher energy consumption. 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.

PCEs are best deployed in large areas of vacant land on urban fringes, where the potential for development is higher. When deployed next to existing neighbourhoods, these planned extensions offer urban dwellers the possibility to live, work, rest and play in close proximity to consolidated urban areas. This first lever of change contributes to more efficient and sustainable development patterns steering urban expansion towards areas that are more suited for positive urbanization. When developed at the scale required to respond to future population needs, PCEs can optimize land use and deploy adequate public spaces and streets, generating the economies of agglomeration that are needed for job creation and economic growth.⁴⁷ These interventions are cost-effective and have great potential to prevent slum formation and reduce unplanned development, while reducing the social, economic and environmental costs of urban sprawl.

Planned City Extensions are to be developed in



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

a progressive manner according to local, institutional and financial capacities. They must come together with proper legal instruments to manage urban and peri-urban land, assess compensation, create public spaces, and regulate mixed land uses. Successful interventions overpower land speculation, contribute to lower land values, reduce city footprints and lessen pressure for development of environmentally sensitive areas.

Planned city infills

Many cities across the world feature vast quantities of open, fragmented spaces with an urban fabric that is made of disconnected patches and large areas of vacant land. Poor planning systems, wasteful and disorderly urban expansion, land speculation, and various forms of sprawl are the main factors behind such fragmentation. Both built and natural environments are affected by these practices that work against environmental sustainability and the ecology of open spaces inside cities.⁴⁸ Various other cities suffer from unused or undeveloped areas that often include vacant lands, or properties in undesirable locations or in prime areas that are prone to speculation.

Planned City Infills (PCI) can act as effective remedies to these problems in cities with low densities, various forms of segregation, poor connectivity and inefficient use of existing infrastructure. This is a very powerful lever for change indeed, which, by “filling up space gaps”⁴⁹ achieves an urban structure that reduces transport and service delivery costs, optimizes land use and helps preserve and organize open spaces.⁵⁰ Infill development contributes to the higher or sustained population densities that are needed to deploy and maintain public

spaces and green areas, community services, public transport, retail trade and affordable housing.⁵¹ These strategic interventions provide benefits in terms of improved street life, economic viability, proximity and walkability.⁵²

Through the New Urban Agenda, planned city infills have the potential to transform central and middle urban areas into vibrant places for a more intense community life, as existing vacant sites and underused areas are (re)developed or re-used.⁵³ PCI is a major alternative to produce housing solutions that meet the needs of current and future residents, keeping costs down while adding to the variety of available options.⁵⁴ These interventions can take the form of area densification, brownfield development, building conversions or transit-oriented developments.

Local authorities can implement urban infill projects at relatively low costs through a fresh look at the rules, regulations and ordinances affecting urban development in these areas, such as targeted code changes, land readjustment protocols, zoning bylaws that govern lot coverage, and the height and grade of buildings. These projects provide the foundation for public and private investments and for more complex future interventions that improve accessibility for the urban poor. PCI can enhance local revenue collection through higher local taxation, through land value capture and sharing that is accrued by these interventions.

Land readjustment

One of the major impediments to equitable urban development is lack of affordable serviced land, i.e. land with connections to the city and equipped with

Planned city infills have the potential to transform central and middle urban areas into vibrant places for a more intense community life

PCI can enhance local revenue collection through higher local taxation, through land value capture and sharing that is accrued by these interventions

If well conducted, land readjustment can turn into a significant financing mechanism, enabling public authorities to capture part of the land values they release

Land readjustment can play a central role, shifting from sector-based interventions on land and housing to broader land use management and city planning

appropriate infrastructure and services.⁵⁵ Historically poorly designed plots, compounded by various forms of land speculation, have resulted in fragmented and unconnected urban fabrics.⁵⁶ These suboptimal forms have, in turn, resulted in random development, inadequate urban layouts, with cloudy land rights and insecure tenure in numerous cases. All these elements have caused chronic shortages of land, especially for the urban poor⁵⁷ reducing the efficiency of the city.

Land readjustment can act as a crucial lever of change to “fix” the form and function of a city, rebuilding key strategic areas and “repackaging” them, as it were. These interventions increase supply and reduce the costs of land and housing, and are opportunities to review regulations, subsidies and their potential effects.⁵⁸ If well conducted, land readjustment can turn into a significant financing mechanism, enabling public authorities to capture part of the land values they release.⁵⁹ Whatever land readjustment may be called (land sharing, land pooling or land replotting), the tool enables local government to develop new areas and reorganize others—in the process remedying any planning-related shortcomings and better balancing the benefits.⁶⁰

For the purposes of the New Urban Agenda, land readjustment can play a central role, shifting from sector-based interventions on land and housing to broader land use management and city planning, as a means of achieving planned, equitable and efficient urban development. The possibility to build appropriate infrastructure and improve residential densities with better locations for transport systems enhances the prospects of boosting labour markets and jobs.⁶¹

This type of intervention can run into various problems, though: land-owners’ engagement, technical expertise, time-consuming processes, ineffective dispute resolution instruments, and lack of reliable land evaluation mechanisms.⁶² However, land readjustment is a century-old technique that is gaining more and more traction. Several countries and cities are adopting and adapting this technique in order to accommodate a variety of legal frameworks and public-private relationships.⁶³ Many others are improving the legal tools to assist with this process.

These public spaces – specifically streets, boulevards and public open spaces – are needed to sustain the productivity of cities, social cohesion and inclusion

Cities can operate in an efficient, equitable, and sustainable manner only when private and public spaces work in a symbiotic relationship, enhancing each other

Land readjustment can be considered as a major lever of change for the New Urban Agenda, one that can bring better development outcomes. Once land-owners realize that they have the right to participate fairly and equally in this process, they are readier to assemble plots for unified planning and servicing as part of plans for adequate roads, sewerage and other infrastructure requiring ample public space.⁶⁴ Higher levels of efficiency, safety and quality of life will be achieved in the process and land property values will be enhanced.⁶⁵ Local authorities will be in a position to capture land value increases for the benefit of the public good, with the proceeds going to additional infrastructure and public facilities.⁶⁶

Public space planning and regulations

Cities can operate in an efficient, equitable, and sustainable manner only when private and public spaces work in a symbiotic relationship, enhancing each other.⁶⁷ However, in the last 20 years since Habitat II, there has been a tendency to enclose common areas, reduce or privatize public spaces and deplete them through unsustainable practices. In many cities, even long-established public spaces such as parks and open areas are under threat from development. The most common public space, street surface areas are being reduced in newly urbanized areas of both developed and developing countries.⁶⁸ It is not only that the share of the public space is cut down, but also the very notion of the public realm. Fortunately, there is also a clear tendency in recent years to recognize public spaces as important factors behind the prosperity of cities.⁶⁹ More and more residents and decision-makers recognize those spaces as a public common good with the capacity to define the cultural, economic and political functions of cities.

The planning, design and regulation of public spaces jointly provide a fundamental lever of change for the New Urban Agenda. This lever recognizes that these public spaces – specifically streets, boulevards and public open spaces – are needed to sustain the productivity of cities, social cohesion and inclusion, civic identity, and quality of life.⁷⁰

Public spaces must be designed and planned in every detail for prospective users, keeping the public good in mind.⁷¹ Public spaces must be distributed across the city as a fundamental component of equity and social



➡  Youth activities in Mexico City. Public spaces have a capacity to define the cultural, economic and political functions of cities.

Source: Augustin Ramos Martínez / UN-Habitat

inclusion.⁷² Quality must be put first for both design and materials, at the same time preserving the special character of the various locations. Well-designed public spaces encourage not just alternative mobility (walking and cycling) but first and foremost various positive social and economic interactions. Some of the most transformative changes in cities are indeed happening in public spaces, but it takes a consistent legal framework for this to happen, with clearly defined land and occupation rules that encourage a mix of houses, building types, blocks and street patterns, as well as rules for access to, and enjoyment of, these spaces, particularly for the most vulnerable citizens.

Access to, and use of, public open spaces is also a first, physical though highly symbolic, step toward civic empowerment and greater access to institutional and political spaces. Well-designed and well-maintained streets and public spaces result in lower crime and violence. Public space can make cities to work better, changing people's lives and the image of the city. More generally, residents find it easier to project themselves out on more amenable urban environments, generating a sense of civic sharing and belonging for current and the next generations that must be nurtured for the purposes of participatory governance.⁷³

Re-positioning housing at the centre of the New Urban Agenda

Housing lay at the core of Habitat II strategic recommendations, particularly the statement affirming the right to adequate and affordable housing for all and the recognition of housing as an important component of local and national economic development. Progress has been made since 1996, as over 100 countries have included housing in constitutional rights and millions of people now live in adequate conditions. The importance of issues such as security of tenure, affordability and accessibility has been better recognized and they have been integrated under various forms into the 2030 Agenda for Sustainable Development.

However, millions of people still live in slums, informal settlements and inadequate housing (Chapter 3). Housing has become more of a speculative asset and it has been at the centre of a global financial crisis, with strong adverse effects on wellbeing and exacerbated inequalities.⁷⁴ A lot of what went wrong in cities is related in one way or another to housing and it is widely recognized that the patterns and policies in this sector have contributed to many of today's fragmented, unequal and dysfunctional urban areas.

Repositioning housing as part of a renewed approach to urban form and sustainable development constitutes an important lever for the New Urban Agenda. This comes as a clear recognition of the prominent role that housing can play in widespread fulfilment of human rights and as a policy instrument of national development.⁷⁵ Urbanization and access to housing together offer a unique opportunity for growth and prosperity.

This lever of change aims to place housing “at the centre” of national and local urban agendas. Governments at all levels must shift from simply building houses to a holistic framework for housing development that abides by the fundamental principles of sustainable urban development.⁷⁶ This new approach re-establishes the crucial role of housing, stimulating the economy, reducing poverty and promoting inclusion, while also responding to climate change challenges.

The components of the New Urban Agenda—urban planning and design, rules and regulations, the urban economy—must be connected to well-defined housing strategies which, in turn, are linked to the other levers of change, particularly Planned City Extensions and Planned City Infills. With support from systemic and institutional reforms as well as long-term policies and finance, and coupled with affordable land and adequate infrastructure, housing can re-establish people at the centre of urban life, stimulating economic growth and supporting territorial transformations that maximize affordability, improve the prospects of better located employment and facilitates spatial inclusion - all of these being fundamental elements of the sustainability agenda.

Governments at all levels must shift from simply building houses to a holistic framework for housing development that abides by the fundamental principles of sustainable urban development

Housing can re-establish people at the centre of urban life, stimulating economic growth and supporting territorial transformations

Basic services and infrastructure development, including transport and mobility, must be people-centred, with clearly-defined links to land-use plans and housing programmes, with the main focus on vulnerable and marginalized groups

Expanding access to basic services

A central lever for change in the New Urban Agenda is expanded access to basic urban services. While much of this Report highlights the continuing demand for such expanded access for growing urban populations (and mostly for low-income households), the very meaning of basic services themselves must change as well. This change involves much more focus on environmentally sound design, reducing waste and energy consumption, and integrating services into higher density settlements. This will require more bundling of services, as well as new ways to save energy and to reduce greenhouse gas emissions in cities.

Provision of water supply and sanitation remains essential for healthy urban life and productive employment. As noted earlier, the increasing marginal cost of urban water supply in most cities in the developing world points to the urgent need for more efficient use and conservation of the resource. At the same time, sanitation remains a critical priority. Together, these services represent essential building blocks for more resilient cities, while reducing the vulnerability of the poor.

Basic urban services requires integrated, human rights-based (especially gender- and disabled- sensitive) planning, innovative solutions in the face of climate change, adequate financing and investments, effective partnerships with the private sector and all relevant stakeholders, technological support that promotes a “greener” economy, and retrofit and rehabilitation schemes for existing infra-

structure. Basic services and infrastructure development, including transport and mobility, must be people-centred, with clearly-defined links to land-use plans and housing programmes, with the main focus on vulnerable and marginalized groups.⁷⁷ Prioritizing basic service and infrastructure delivery must feature in any long-term economic and social development and environmental protection strategy. Provision of these public goods must feature high in the New Urban Agenda, considering that the most prosperous and harmonious cities are those that have vastly improved the range and quality of their infrastructure for the benefit of residents and businesses alike.⁷⁸

A global monitoring framework for the New Urban Agenda

This last lever offers a real opportunity for change. Governments must pay more attention to how, when, and with which standards⁷⁹ they measure issues such as accessible and sustainable transport, adequate and affordable housing, inclusive urbanization, universal access to safe public spaces, and many other important urban targets that are strongly connected to the New Urban Agenda.

The need to enhance the availability and usefulness of data to support decision-making and the accountability mechanisms for delivering and reporting is part of the data revolution efforts required to ensure that “no one is left behind.”⁸⁰ The New Urban Agenda offers the possibility to put in place a new global monitoring framework to assess how countries and cities are progressing in the implementation of this Agenda and achievement of SDG targets. This monitoring and reporting mechanism must ensure the continued engagement of stakeholders and enhance the



Trams waiting in front of the central station in Amsterdam the Netherlands. A reliable, people-centred transport system is key for sustainable urbanization.

Source: Steve Photography / Shutterstock.com

Box 10.4: The CPI: Measuring sustainable urban development.

Data and metrics are essential if any public authority is to deliver on the promise of sustainable development for all. Governments, at all levels, must collect social, economic and environmental data and information to substantiate decision-making, including reliable spatial data. Despite considerable progress in recent years, whole groups of people remain outside statistics and important aspects of people's lives and city conditions are still not measured. For residents, this can lead to denial of basic rights, and for cities, the likelihood that they are not taking full advantage of the transformative potential which urbanization offers.

In 2012, UN-Habitat devised a specific tool to measure the sustainability of cities, which was subsequently transformed into a global

initiative (the City Prosperity Initiative, CPI). The CPI provides both a metric and a framework for policy dialogue, giving cities and governments the possibility to devise indicators and baseline information, often for the first time. The CPI also helps to define targets and goals that can support the formulation of evidence-based policies, including the definition of city visions and long-term plans that are both ambitious, and measurable.

Today, the CPI is implemented in more than 400 cities across the world, producing reliable, relevant and timely data in critical areas of sustainable urban development. The CPI uses a policy framework based on the principles and components of what can constitute the New Urban Agenda, supporting the formulation of transformative interventions

aiming at sustainability and shared prosperity. Recently, the CPI has been adapted to integrate SDG Goal 11 and other urban indicators in the same monitoring platform. Adoption of the CPI enables national and local governments to use a common platform for comparability. This platform proposes a systemic approach to city planning and development, providing a single composite value that can be disaggregated by components of the new agenda or by specific SDG targets. The CPI sets global and local benchmarks, together with baseline data and information, that are needed to support the formulation of more informed policies.

Sources: United Nations, 2012; Sustainable Development Solutions Network, 2015; UN-Habitat 2016a.

Agenda's inclusiveness, legitimacy and accountability.⁸¹

Reviewing the effective implementation of the principles and components of this urban agenda, including the results and impact of the levers for change, requires a sound monitoring framework that can be adapted to national and local contexts. This framework allows for periodic assessments of the various dimensions of urbanization and the overall conditions of cities. Still, it is for governments to define the scope, frequency and form of the monitoring and reporting, enabling policy-makers to measure progress and identify areas for improvement, including capacity-building needs. Such monitoring will also enable public authorities to identify potential setbacks and constraints, thus pre-empting unintended consequences. In order to avoid overload and duplication in national and local monitoring and reporting, including the potential for double counting, it is recommended to adopt common metrics and methodologies with a unified global platform.

UN-Habitat's City Prosperity Initiative (CPI) puts cities in a strong position to devise a systemic, local approach to current issues, incorporating new analytical tools based on spatial indicators. The CPI works as a support for multi-scale decision-making, connecting the city with the region and the overall country. This global monitoring framework has been adapted to facilitate integration of the forthcoming New Urban Agenda with the

SDGs, putting cities in better positions to address the environmental, social and economic components of sustainability (Box 10.4).

Activation of the six levers of change identified above can only generate powerful rippling effects and multipliers. These will significantly change the form, patterns, and many stocks and flows which provide cities with their historical foundations - and their dynamism today. Each lever of change involves thinking differently about urban areas, reforming laws and institutions, and unleashing economic, social, and political energies to contribute to social transformation. Appreciating the need for change and identifying the many problems and challenges which cities face is not enough.

This is the global background against which any reinvention of cities must occur. The need is for a "reset" or "spatial fix":⁸² an acknowledgement that the status quo is no longer valid, that urban space is crying out for proper, democratic management, and that a global commitment to a number of basic, shared principles is the best way for countries and the world over to get a grip on the unique historical opportunity urbanization is opening up for brighter, more prosperous and sustainable futures for all. Clearly, much of this "reset" can only

Data and metrics are essential if any public authority is to deliver on the promise of sustainable development for all

Each lever of change involves thinking differently about urban areas, reforming laws and institutions, and unleashing economic, social, and political energies to contribute to social transformation

It is for the Habitat III conference to steer the “emerging futures” of our cities on to a sustainable, prosperous path

start with cities; but then, these being the focal point of domestic economies, it is for national governments to make sure that urban prosperity radiates across whole countries through well-organized rural-urban linkages. Short of this, both urban and rural areas will find themselves mired into increasingly intractable poverty and socioeconomic tension. This is why the frame for effective action on urbanization is not just the city, but the nation as a whole.

For this to happen, governments, international organizations, bilateral aid and civil society must recognize the transformative power of cities and their unique capacity to generate new forms of economy, with greater sensitivity to the environment, culture, and social life. Such recognition assumes that innovation is not only necessary, but that it is not going to happen if not actively inspired and managed, encouraged and supported. For governments, adopting urban policies means that they accept that the world consists not just of national macro-economies, but also of urban areas, with many different sizes, forms and characters. This is why today we stand at a Galilean

moment. The Earth is not flat. It is urban. If we do not recognize that the settlement down the road is related to where we live, we shall all suffer, and unnecessarily so.

However, the challenge for the New Urban Agenda is not, however, only about perception. It is also about values. As suggested in the major global shifts identified by the United Nations (see Chapter 9), the fundamental challenge lies in the values the governments of this world will opt for in a collective effort to set shared priorities and the degree of urgency with which they are to address them. We must recognize that this is no longer 1976, or 1996, but 2016. In some cities, the sand in the hour glass has already dropped through the hole. The many examples of challenges facing cities are like canaries in the coal mine. They are footprints of our future, warning us of the world to come and imploring us to do better. It is for the Habitat III conference to steer the “emerging futures” of our cities on to a sustainable, prosperous path. This is about our children and grandchildren. We have no choice but to act— now!

Notes

- UN-Habitat, 2013a; López and Blanco, 2014.
- Particularly with regard to the 2030 Development Agenda, the Addis Ababa Action Agenda (AAAA), the Paris Agreement and the Sendai Framework for Disaster Risk Reduction (Schreiber et al, 2016).
- United Nations, 2016.
- Citiscopie, 2015.
- Schreiber et al, 2016.
- Kotter, 2008.
- Acemoglu and Robinson, 2014.
- United Nations, 2015m.
- Chenery, 1973.
- Schreiber et al, 2016
- Ibid.
- As recognized by the “city goal” (i.e., No 11) of the SDGs, and particularly Target 11 “by 2030, ensure access for all to adequate, safe and affordable housing and upgrade slums.”
- Citiscopie, 2015.
- Ibid.
- These principles are adjusted from the document ‘Urbanization and sustainable development: Towards a New Urban Agenda’, UN-Habitat, 2014d.
- Schreiber et al, 2016.
- UN-Habitat, 2014d.
- UN-Habitat, 2015k.
- Ibid.
- UN-Habitat, 2015k.
- An interesting perspective on this issue was suggested by Annik Osmont, a French anthropologist, who wrote a book arguing that the World Bank’s “sites and services” and slum upgrading programmes in Burkina Faso, Côte d’Ivoire, Mali and Senegal had much less effect on those countries than the macro-economic adjustment programmes which the countries had been encouraged to adopt (Osmont, 1995).
- Research on the spatial distribution of public expenditures in cities is scarce (Cohen and Dario, 1994).
- UN-Habitat, 2014 a.
- UN-Habitat, 2014 b.
- UN-Habitat, 2015k.
- UN-Habitat, 2014e.
- UN-Habitat, 2016d.
- A UN-Habitat survey on inclusion conducted in 27 cities in Asia (10), Africa (7) and Latin America (10) showed that a majority of respondents believed that the rich political elites and civil servants benefited the most from urban reforms (69, 71 and 59 per cent, respectively) followed by politicians and bureaucrats (61, 77 and 39 per cent, respectively) UN-Habitat, 2010a].
- Regulatory floor area ratios in Mumbai, for instance, resulted in lower than needed densities, which in turn raised land and housing prices. This example demonstrates how rules governing housing occupancy can have major consequences on urban density reduction (Angel, 2000).
- UN-Habitat, 2013a.
- Ibid.
- UN-Habitat, 2014d.
- UN-Habitat, 2016a.
- SDG, Goal 11, Target 11.2 *Accessible and Sustainable Transport Systems for all*.
- World Bank, 2013a.
- UN-Habitat, 2016d.
- UN-Habitat, 2013a.
- UN-Habitat, 2016d.
- ONU-Habitat, 2015.
- Ibid.
- Prud’homme et al, 2004; Dillinger, 1992.
- Angel et al., 2011; Angel and Blei, 2015; Jenks et al., 2008.
- Jabeen, 2014.
- A recent study on land policies found that between 1985 and the year 2000, the world urban population grew from 1.8 to 2.7 billion, a 50 per cent increase, while urban land cover expanded, on average, from 13,000 to 33,000 hectares per city, or a 153 per cent increase (Angel et al., 2011).
- UN-Habitat, 2016a.
- At present densities, this would translate into over 80,000 sq km of land that must be added to cities in the next 10 years, over 60 per cent of which in medium-size cities (UN-Habitat, 2014)c.
- UN-Habitat, 2013a.
- Angel and Civco, 2012.
- Sustainable Cities Institute, 2016.
- UN-Habitat, 2014f.
- Sustainable Cities Institute, op. cit.
- UN-Habitat, 2014f.
- The City of Sacramento, 2016.
- The City of Portland, 2016.
- UN-Habitat, 2016c.
- Metu, op. cit.
- UN-Habitat, 2016c.
- Lincoln Institute of Land Policy, 2007.
- Metu, op. cit.
- Ibid.
- Satterthwaite, 2016.
- Metu, op. cit..
- Ibid.
- UN-Habitat, 2016c.
- Bangkok Metropolitan Administration, 2012.
- Lincoln Institute, op. cit.
- UN-Habitat, 2015l.
- UN-Habitat estimates that, on average, new expansions reduce by 30 to 40 per cent the land surface allocated to streets in comparison to the land allocated to streets in consolidated or historic areas. UN-Habitat, 2013d.
- UN-Habitat, 2013a.
- UN-Habitat, 2015l.
- Burden, 2016.
- Vancouver Public Space Network, 2016.
- Burden, op. cit..
- UN-Habitat, 2013f.
- United Nations, 2015l.
- UN-Habitat, 2015c
- UN-Habitat, 2014d.
- UN-Habitat, 2013a.
- The Guardian, 2016.
- United Nations, 2014
- Schreiber et al, 2016.
- UN-Habitat, 2013g.