

POLICY STATEMENT



**Dr. Joan Clos**

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

Nairobi, 08 May 2017

Your Excellency Venkaiah Naidu, Minister of Housing and Poverty Alleviation and Urban Development of India, and President of the 26<sup>th</sup> Session of the Governing Council of UN-Habitat,

Distinguished Members of the Bureau of the 26<sup>th</sup> Session,

Honorable Ministers and Heads of Delegations,

Mr. Chairman of the CPR, High Commissioner James Kimonyo of Rwanda,

Your Excellences, Ambassadors, Permanent Representatives and Members of the Diplomatic Corps,

Members of the Independent Panel for the Assessment of UN-Habitat, appointed by Secretary General Antonio Guterres,

Honorable Mayors and Representatives of Local Authorities,

Distinguished Partners of UN-Habitat,

Dear colleagues, ladies and gentlemen,

I am pleased to hereby present you with my Policy Statement for the Twenty-sixth session of the Governing Council of UN-Habitat.

Before that, I would like to extend my sincerest congratulations to the newly elected Governing Council President, Honorable Minister Venkaiah Naidu, and to the new Bureau.

Welcome to UN-Habitat. We are looking forward to working with you in in the implementation of the New Urban Agenda, in a crucial moment for the future of UN-Habitat and the future of world urbanization.

I would like to thank again the commitment and extraordinary contributions of the outgoing Bureau and President.

Mr. President,

Ladies and gentlemen,

The preparatory process for Habitat III was an opportunity for a deep and insightful analysis of the evolution of urbanization over the last twenty years.

Humanity has continued urbanizing at fast pace, with 55 per cent of the world's total population living in cities in 2016.

Satellite imagery reveals an even bigger share of the world's urban population not captured in official statistics due to the fragmentation of municipal boundaries.

So the *de facto* urbanization of metropolitan and peri-urban areas suggests a more accurate urbanization figure of over 60 per cent.

In China, urbanization has been extensively documented and studied these past two decades.

There, the dual process of industrialization and urbanization has driven a process of growth, innovation and job creation.

Hundreds of millions of people now live in cities, and have been lifted from poverty not only in urban areas but also in rural settings.

Today, most urban growth is taking place in developing countries.

Africa, and especially Sub-Saharan Africa, is expected to lead the rate of urbanization in the next twenty years.

Excellences,

Twenty years ago, the process of rapid urbanization typically took place in societies earning around US \$2000 per capita.

Now urbanization is triggered at around US\$800-1000 per capita, due to accelerated globalization, the evolution of IT technology and other factors.

Yet this premature and rapid urbanization occurs in environments that lack adequate tools to address the challenges of urbanization.

UN-Habitat has prepared a representative global sample of cities with more than 100,000 inhabitants that statistically represent the urban world in 2010, as you can see in the screen.

A detailed analysis of this sample has shown the trends in urbanization over the last decades.

The main findings, among many, demonstrate that land consumption for urbanization is outstripping urban population growth, leading to city sprawl and a decreased density of urban dwellers per urban area (km<sup>2</sup>)

This form of development is a challenge to sustainable urbanization, since it increases the cost of services per capita, and therefore, urban economic sustainability.

It also increases energy consumption because of greater demand for mobility, which in turn impacts environmental sustainability.

Furthermore, urban sprawl and low population density disperses populations into segregated neighborhoods, which erodes social sustainability.

Mr. President,

Excellences,

The last decades have seen a decreased in the use of adequate urban planning and design exactly where cities are growing most, leading to a rise in slums and unplanned areas.

The study also shows that access to affordable housing presents a tremendous challenge worldwide with population in both the developed and developing world being unable to get access to an adequate and affordable house

Urban inequality has increased, reducing the capacity of urbanization to promote general wellbeing.

According to the OECD, “The gap between rich and poor is widening in developing countries and emerging economies but also, more surprisingly, in those countries that were considered the most egalitarian”.

More than two-thirds of the world’s population lives in cities that are more unequal today than 20 years ago.

Our world is not only divided by varied access to opportunity, consumption, public spaces and services, education, technology and employment, but more and more by access to income opportunities.

Mr. President,

Excellences,

There is a disproportionate impact on the young.

Increased unemployment, a dominant feature of the post-industrial economic model has led to social discontent and political unrest giving birth to social

movements such as the demonstrations and revolts in the Arab world that began in 2011.

In both the developed and developing world, the inequality gap threatens social cohesion in cities and human settlements.

These facts have informed the New Urban Agenda.

The Issue Papers and Policy Papers published for Habitat III in Quito, Ecuador were supported by three years of analysis from a broad scope of urban professionals and stakeholders.

The most recent knowledge framework denotes the main urbanization challenges we face in the coming decades.

Excellences,

Following the work of Rio+20: *The Future We Want*, the Agenda 2030 for Sustainable Development, and in particular Goal 11 of the SDGs, has highlighted the relationship between good quality urbanization and development.

In a sense, this is a relatively new paradigm; although the link between urbanization and development has been known for many years, the specific contribution of urbanization to increased prosperity was not clearly analyzed until recently, primarily through the work of geographic economists.

Critical to this transformation towards a post-industrial, service sector economy is the new role of cities as places where substantial economic value is generated, and thus greater wealth.

This can be scientifically explained.

Mr. President,

Excellences,

Economies of agglomeration encourage a general increase in productivity due to the proximity of elements of production.

However economies of agglomeration are more vital to developing than to developed countries, which rely less on physical proximity to spread information and knowledge.

Recent studies, like the one of the World Bank, show how critical urbanization is for wealth creation.

Equally important is the relationship between urbanization and climate change.

The effect of urbanization on fossil fuel consumption is a massive environmental challenge in many parts of the world.

Urban dwellers tend to consume energy ten-fold more than rural dwellers.

A radical commitment to the de-carbonization of energy worldwide is vital, at a time when urbanization is increasing and people use more energy per capita.

Climate change promises a future of extreme events like droughts, floods and long-term sea-level rise, if action is not taken now.

Mr. President,

Excellences,

The New Urban Agenda, following the Sendai conference, has incorporated lessons learned from urban crises and how we might overcome them.

The New Urban Agenda advocates a radical commitment to three fundamentals of urbanization, which are:

1. Urban legislation and the rule of law
2. Urban planning and design
3. Sound financial tools for proper urbanization

Without these three fundamentals, there is no real chance of generating the accelerated urbanization process and its transformative capacity that our urban epoch demands.

To cement these three fundamentals, the New Urban Agenda calls for committed and strong cooperation between central and sub-national levels of government, using the framework tool of national urban policy.

The Central government is critical to the quality of urban outcomes.

It sets the rules of the game on decentralization, the power of local authorities, and the financial tools to deploy for urbanization.

In rapidly urbanizing countries, a National Urban Policy is indispensable for an efficient governmental coordination of the urbanization process.

Affordable housing also contributes to generate economies of agglomeration.

When people live close to work and opportunity, in well-planned and affordable areas, urbanization is obviously more efficient.

But efforts to put housing at the centre of urbanization can only be attained with good quality urban design that addresses over-crowding, access, congestion, and contamination.

Unfortunately, recent urbanization is heading in the opposite direction.

Peripheral mass housing schemes segregate those who can least afford it from work, opportunity, and social and cultural space.

Single use zoning for offices, shopping malls or gated communities, has reinforced an urban model heavily dependent on long-distance mobility.

Only urban planning can reverse those unsustainable trends.

Meanwhile, the number of slum dwellers worldwide is still growing.

Perhaps counter-intuitively, mobilizing finance is not an insurmountable challenge.

Excellences,

Throughout human history, urbanization has always cost less than the value that it generates.

Although it requires initial capital, in due course it can be repaid.

The real challenge is to share that value, and to allocate sufficient resources to keep the urbanization process going.

Every context and level of development can establish its own model of value sharing, guaranteeing that the urbanization process is an economic win-win exercise for all.

The greater challenge is achieving the political consensus necessary for such a committed process.

The Addis Ababa Action Agenda on Financing for Development recognizes urbanization as a value-generating process, an accelerator of development, and an endogenous source of wealth.

Recognition of this reality has inspired some countries to request for UN-Habitat's technical support to accelerate their substantive urban improvement process.

UN-Habitat is also exploring tri-angular linkages with development banks and cities in order to find new methods to finance urbanization.

After all, urbanization is at least as much an investment as it is a cost.

Mr. President,

Ladies and Gentlemen,

As part of these strategies, UN-Habitat is implementing the 2014-2019 Strategic Plan with a focus on the fundamentals of urbanization, in order to better serve the real current requirements of Member States and cities around the world.

The establishment of the matricial organization, composed of seven sub-programmes, five regions and four cross-cutting issues creates an efficient and flexible mechanism.

With this approach, resources are assigned to every project in the most productive manner, breaking down silos and building coordination between normative and operational activities.

The four priorities of the Strategic Plan have further transformed UN-Habitat processes.

The first results are already visible, with the robust evolution of the portfolio of projects and the increase in the proportion of urban planning and design activities in the overall portfolio.

UN-Habitat will need to continue this transformative strategy until the main principles of the Strategic Plan are fully implemented.

In order to fulfill the ambitious programme of the New Urban Agenda, the Agenda 2030 for Sustainable Development, the urban climate change challenge and the city resilience agenda, an enhancement of UN-Habitat is required, as noted by the New Urban Agenda.

The countries and cities most in need of support are the Least Development Countries. In order for UN-Habitat to help meet those needs, an enhanced Regular Budget financed model is required.

UN-Habitat should also improve its operational model, in order to increase its efficiency and continue its delivery of more-with-less and higher levels of productivity.

This, ladies and gentlemen, requires rules and procedures adapted to field operations.

UN-Habitat is now further refining its expertise to support the implementation of the New Urban Agenda, consolidated into the comprehensive strategies of the proposed Action Framework for Implementation of the New Urban Agenda (AFINUA).

The quadrennial periodic review in 2022 will be the first major opportunity to evaluate these strategies, which, with the World Urban Forums in 2018 and 2020, will enable regular fine-tuning of the tools required to achieve the outcomes envisaged in the New Urban Agenda.

I wish you very successful deliberations