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FOR A BETTER URBAN FUTURE

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TELLUS INSTITUTE
for a Great Transition

ICLEI
Local Governments
for Sustainability

COALITION FOR SUSTAINABLE CITIES & REGIONS
IN THE NEW UN DEVELOPMENT AGENDA

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Comments on Selected Habitat III Policy Paper Frameworks

Introduction

The following comments are offered by the Communitas Coalition on selected Habitat III Policy Paper Frameworks dated 31 December 2015. Communitas' core partners are ICLEI-Local Governments for Sustainability (Implementing Partner and HIII accredited stakeholder), UN-Habitat, nrg4SD-Network of Regional Governments for Sustainable Development, and Tellus Institute (Organizing Partner). These comments complement ICLEI's work in the Habitat III preparatory process.

Communitas recognizes that the Policy Paper Frameworks reflect initial attempts to identify the key challenges, identify priority policies, and develop action-oriented recommendations by each of the Habitat III Policy Units. We appreciate that based on comments received and further work on these Frameworks, Policy Papers will be drafted by each Policy Unit.

Guided by Communitas's work program, objectives and expertise, our comments are organized into two sections:

- 1) on **integrated territorial development** focusing primarily on Policy Paper Frameworks 6 – *Urban Spatial Strategies*, 8 – *Urban Ecology and Resilience*, and 9 – *Urban Services and Technology*, with reference to 3 – *National Urban Policies*; and
- 2) on **municipal finance** focusing on Policy Paper Framework 5 – *Municipal Finance and Local Fiscal Systems*.

INTEGRATED TERRITORIAL DEVELOPMENT

Policy Paper Framework 6 – Urban Spatial Planning

- a) This is a strong and coherent Policy Paper Framework that provides clear and specific Priorities and Implementation actions. The recommendation to create an Intergovernmental Panel on Sustainable Urbanization is a particularly innovative and powerful idea.
- b) The recommendation to use national and regional planning to strengthen economic, social and environmental linkages across urban, peri-urban and rural areas is critically important.
- c) In the Challenges section, for the “List of indicators” (d.2.) only two broad standards related to public space are provided, as a comprehensive list of indicators is a major agenda item for this Policy Unit’s final meeting in early February. We suggest the Policy Unit consider the SDG indicators as presented in Annex III - List of proposed Sustainable Development Goal indicators in the Report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators dated 17 December 2015. In particular, urban spatial planning is relevant to the following indicators related to Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable: 11.1.1, 11.2.1, 11.3.1, 11.5.1*, 11.7.1, 11.a.1*, 11.b.1* (Indicators with an * are still under review by the Inter-Agency and Expert Group [IAEG] on SDG Indicators and will be finalized in March 2016). Urban spatial planning is also important for addressing a number of indicators associated with other SDGs, including but not limited to SDG 6: Ensure availability and sustainable management of water and sanitation for all, SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all, SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Policy Paper Framework 8 – Urban Ecology and Resilience

- d) The Priorities section, organized as a “List of key transformations,” uses abstract normative statements and generally lacks the specificity to inform prioritization in planning and policy decision-making processes around urban ecology and resilience. There are many examples of such statements, including: 2.b.1.iv., 2.b.3.vii., 2.b.4.vi., 2.b.4.xi., 2.b.8.i., etc. (In contrast, Policy Paper Framework 6 – Urban Spatial Strategies, identifies a small number of specific priorities).
- e) In the Implementation section, Implementation activities (a.3) also lack the specificity required to inform actions (in contrast, Policy Paper Framework 6 identifies specific implementation actions).

- f) In the Implementation section, the Indicators of success (c.1 and Annex 3) should reference the relevant indicators from SDG 11, especially, 11.5.1*, and 11.b.1*, but also 11.1.1 and 11.3.1. Other relevant SDG indicators include 6.2.1, 6.3.2 and 6.4.2* (* still under review by the IAEG on SDG Indicators).
- g) In the Challenges section:
- the Vision elements seem to focus on the “future city” without ample emphasis on the importance of retrofitting existing cities, which in many respects present greater ecological and resilience challenges.
 - the Vision elements should include land-use planning to ensure “good urban form,” including the use of geospatial tools, and should address informal settlements.
 - the Governance challenges should include “Lack of adequate transparency.”
 - the Policy challenges should include: “Lack of national urban policies (in some countries) and inadequate alignment between national and subnational urban policies.
 - the Planning challenges should include “Need to minimize new informal settlements or the expansion of existing ones.” (This could be linked to [or follow] item iii.)
 - the Infrastructure challenges should mention informal settlements, as these are the most difficult areas to provide infrastructure-dependent services.

Policy Paper Framework 9 – Urban Services and Technology

- h) The Challenges section identifies a coherent set of structural and policy constraints related to urban infrastructure and basic services. Among the important constraints identified are the very high capital costs associated with the development of the infrastructure required to provide basic services such as energy, transport, water and sanitation; the long lifespan of such infrastructure requires long-term planning to avoid sub-optimal lock-in; and the mismatch between local authority responsibility for providing basic services while at the same time lacking political mandates, administrative structures, and financial resources to do so.
- i) One important challenge not mentioned or explicitly addressed is how to provide urban services to informal settlements, often the most difficult places to do so. This issue of informal settlements is strongly connected to Urban Spatial Strategies (Policy Paper Framework 6) as well as Urban Ecology and Resilience (Policy Paper Framework 8).
- j) In the Challenges section, the “Structural and policy constraints” described for Transport and Mobility appropriately includes the important link between land use planning and transport, noting the unnecessary traffic that results from poor planning and urban sprawl. It also points to the problem of subsidies for private motorized transport and the need to internalize external costs.

- k) The Challenges section has a strong emphasis on the energy and transport aspects of urban services (as mentioned in footnote 2 of the Introduction). Challenges associated with other key services such as water and sanitation, health, and waste management should also be identified.
- l) In the Priorities section, the “Targets related to policy priorities” appropriately identifies the SDGs as providing the framework for the general policy objectives related to urban services and technology, specifically mentioning Goals 3: Healthy Lives, 4: Education, 6: Water and Sanitation, 7: Energy, and 9: Infrastructure. Goal 11: Cities and Human Settlements should also be mentioned.
- m) In the Priorities section, the “Targets related to policy priorities” recognizes the strong links between physical infrastructure for urban services and social and environmental conditions: describing urban services as “the physical foundation for a compact, resource efficient, socially inclusive, access-oriented and resilient urbanization.”
- n) In the Priorities section, the “Key transformations” under Transport and Mobility clearly articulates the multiple economic, social, and environmental benefits of efficient mobility, highlighting the advantages of eco-mobility (e.g., non-fossil fuel based public transport) in decreasing cities’ carbon footprints, decreasing air pollution and enhancing public health.
- o) In the Priorities section, the “Key transformations” under Transport and Mobility also recognizes the importance of urban-rural connectivity and the need for mobility services to be provided at the metropolitan level, beyond the administrative boundaries of cities, through collaboration among relevant entities.
- p) In the Implementation section, under “Key actions” for Urban Infrastructure and basic services, many of the sector-wise measures proposed to be part of the New Urban Agenda lack the specificity required to inform actions. Exceptions where more concrete actions are identified include, under Waste Management: “Establish extended producer responsibility schemes that include producers in the financing of urban waste management,” and under Water and Sanitation: “Avoid free of charge extension of water and sanitation systems for real estate developments / establish 100% cost recovery for real estate developments through public-private contracts.”
- q) The Conclusion section rightly identifies that “a revised model of socio-economic governance is required” in order to define and implement the New Urban Agenda. It also recognizes the complexity and integrative challenges of such a mode, and stresses the importance of planning in achieving urban sustainable development.
- r) The Conclusion section identifies a useful set of findings and principles as the basis for a collective agreement on the role of sustainable urbanization within the wider agenda of

sustainable development, reiterates the importance of urban-rural linkages, and identifies five broad integrating “vectors” of change.

MUNICIPAL FINANCE

Policy Paper Framework 5 – Municipal Finance and Local Fiscal Systems.

- a) The paper fails to mention the Financing for Development outcome, notwithstanding the fact that the outcome is slim on text addressing the urban dimension. This could be addressed by an amendment to paragraph two (in bold): “Sound performance of local government **was recognized in the Addis Ababa Action Agenda and** is also fundamental to the achievement of SDG 11, the New Urban Agenda, and the realization of climate change mitigation goals agreed at COP21. Key points include: . . .”
- b) In section 2 on **Priorities** (in bold) -
 - **Borrowing** - Add: Developing effective national regulatory and legal frameworks, which expand and **strengthen** municipal debt markets where risk is appropriately allocated and properly priced
 - **Borrowing** - Add: **Establish or strengthen municipal bond markets, to help subnational authorities to finance necessary investments.**
 - **In Inequality** – Add: **Help the establishment of financial services for the poor, including through microfinance institutions**
 - **In Climate finance** - Add: **Establish a climate/green bond to help implement the SDGs and climate agreements**
 - **In Public-private partnerships** - Add: **Ensure all P3s should have to report on their environmental, social and governance and produce a sustainability impact assessment and strategy for the 3Ps**
- c) In section 3 on **Implementation** (in bold):
 - **Rules of the Game:** - Add: **Sub National and local governments to pass legislation to enable local and sub-national governments to add sustainability criteria to their procurement policies.**
 - **Financial Management** - Add: **New financial instruments and mechanisms are needed both within and outside the formal banking sector to enable financing and development to be inclusive and to reach down to the needs of the community.**