

The Global Challenge of Urbanization

Trends Analysis

City Prosperity Initiative

Action Planning for Cities
Oriented by the SDG 11 and Supported by the City Prosperity Index

May 2017

UN HABITAT
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International Urban Training Center
Training Leaders for a Sustainable Future

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UN HABITAT Mission

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The United Nations agency for cities with the mandate emanated from the Habitat Agenda (1996) and various resolutions of the UN General Assembly

1. Sustainable urban development
2. Adequate shelter for all



Normative Mandate

Making Knowledge,
Evidences, Guidelines and
Recommendations

UN-Habitat, the United Nations agency for **human settlements**, helps the **urban poor** by **transforming cities into safer, healthier, greener places** with better opportunities where everyone can live in dignity.

UN-Habitat works with **organizations at every level**, including all spheres of government, civil society and the private sector to **help build, manage, plan and finance sustainable urban development**. Our vision is **cities without slums** that are liveable places for all, which do not pollute the environment and deplete natural resources.

UN-Habitat's seven focus areas

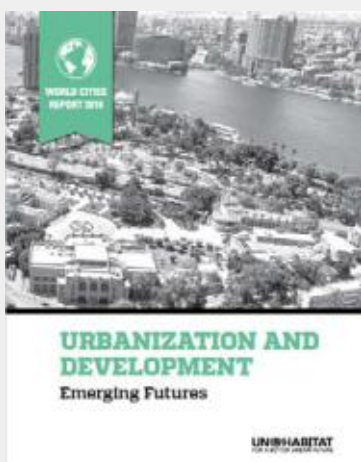


UN-Habitat addresses its mandate through the 2014-2019 Strategic Plan. The plan outlines seven focus areas





World Cities Reports 2016



A Global Sample of Cities made of 200 cities



Source: UN-Habitat Global Urban Observatory



Major challenges of urbanization

- **Extreme urban poverty,**
- **Poor living conditions for slum dwellers,**
- **Constraints on productivity due to inadequate infrastructure, and**
- **Risks due to natural disasters and climate change**



Rising inequality is one of the challenges of urbanization that has confined many people to poor living conditions. Kibera slum, Nairobi, Kenya.
Source: Julius Mwelu / UN-Habitat

Source: World City Report 2016

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Urbanization as an opportunity for sustainable development

Cities offer various opportunities for sustainable development

Job Opportunities

- Starting point of virtuous cycle of employment, income, improved labor power and more job opportunities → Reduce inequalities

Economies of Scale in Infrastructure Provision

- Public transportation
- Water and sewerage system
- Electricity and internet connection
- Serviced land and public rental housing
- Education and healthcare facilities

Suitability of System-Based Approaches

- Local planning and community participation
- Financing infrastructure and housing for the urban poor

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Urbanization as a Transformative Force

“Urbanization has helped millions escape poverty through increased productivity, employment opportunities, improved quality of life and large-scale investment in infrastructure and services”

Figure 2: Share of GDP and national population in selected cities (developed countries)
Source: UN-Habitat, 2017

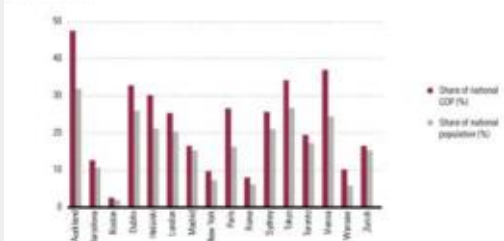
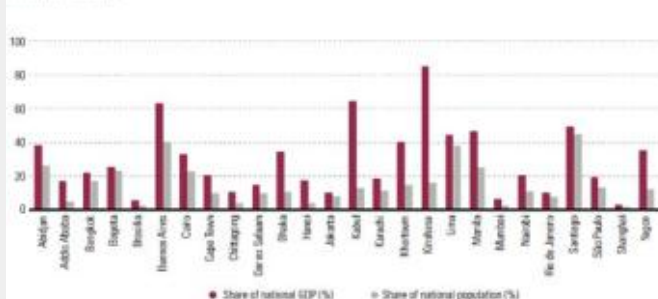


Figure 3: Share of national population and GDP in selected cities (developing countries)
Source: UN-Habitat, 2017



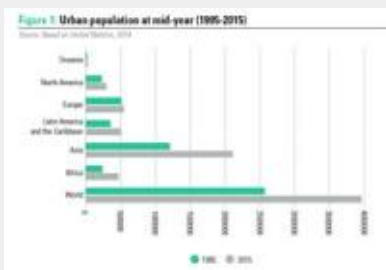
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World Urbanization Prospects

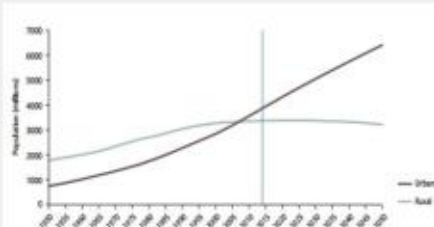
- World's urban population is projected to increase from 3.9 billion in 2014 to 6.3 billion by 2050, adding 2.4 billion people to the cities.
- World's urbanization rate will increase from 54% to 66% between 2014 and 2050.

Urban population at mid-year
1995-2015



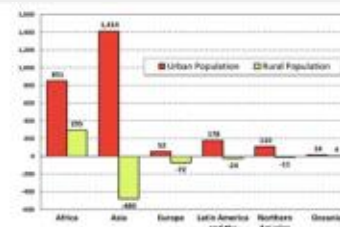
Source: World City Report 2016

Urban and rural population of the
world
1950 and 2050



Source: World Urbanization
Prospects (United Nations, 2014)

Projected Changes in urban and rural
population by major regions between
2011 and 2050 (millions)

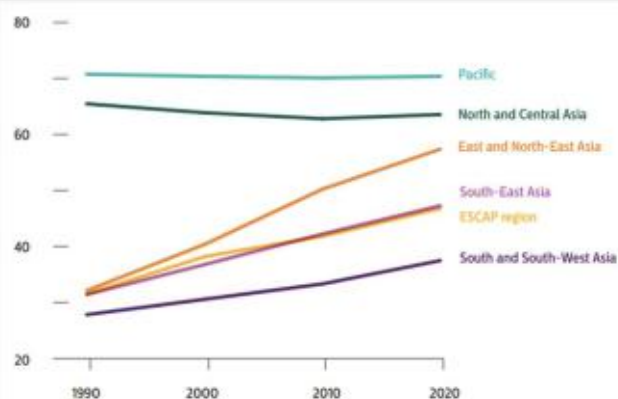


Source: World Urbanization
Prospects (United Nations, 2012)

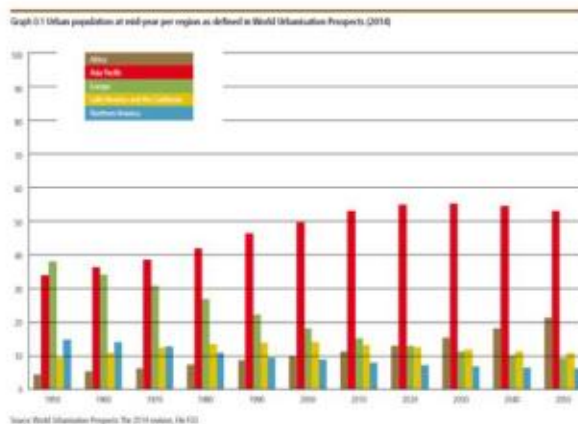
Urbanization Prospects in Asia-Pacific

By 2018, expected **more than 50% of population** live in cities

Global implications: **55% of the worldwide urban population** was living in Asia and the Pacific in 2014.



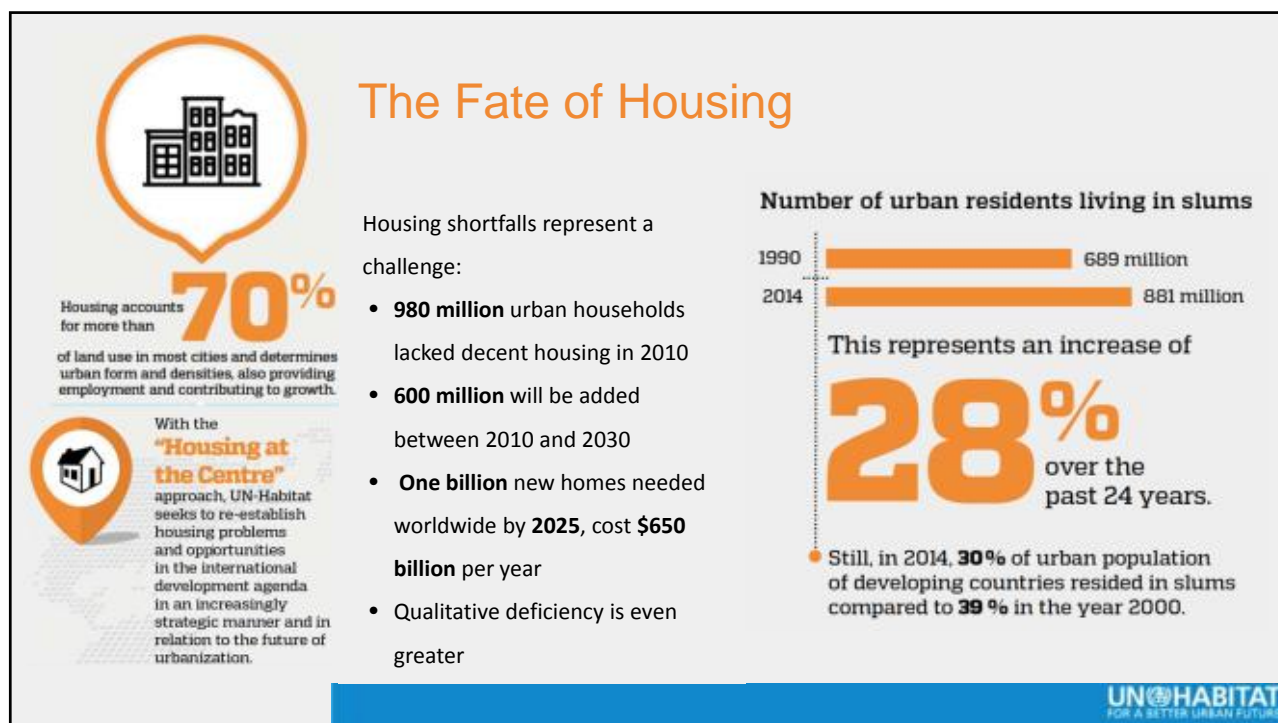
Source: Urbanization Trends in Asia and the Pacific (UN ESCAP, 2013)



Source: The State of Asian and Pacific Cities 2015 (UN-Habitat and UN ESCAP, 2015)

Four features of the global urbanization trends

1. Demographic growth
2. Inequality
3. Low density growth and
4. Urban informality (slum formation)



The Widening Urban Divide

75%

of the world's cities have higher levels of income inequalities than two decades ago.

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



There is an urgent need at this juncture for new planning visions, strategies, policies and tools that can transform our planet of cities into a planet of inclusive cities.



Occupy Wall Street, Ferguson, Baltimore, Gezi Park are all **PROTESTS** against **EXCLUSION**



OVER

46%

are in vulnerable employment accounting for 1.5 billion people globally

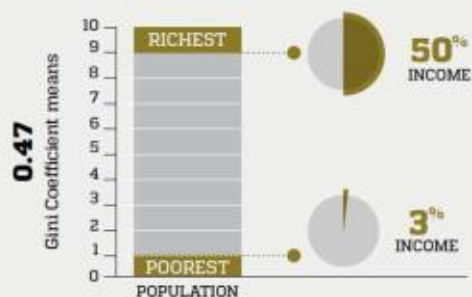
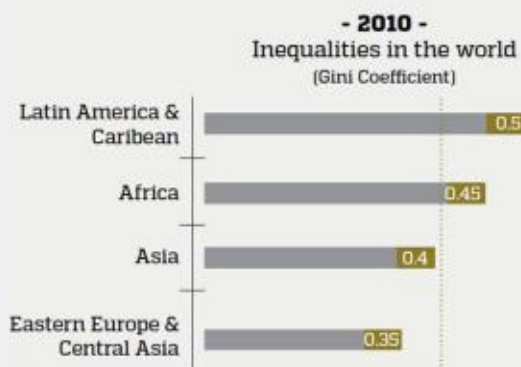
63%

Africa's labour force is trapped in vulnerable employment

Source: The World Cities Report 2016 (UN-Habitat, 2016)

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The Widening Urban Divide



Source: The World Cities Report 2016 (UN-Habitat, 2016)

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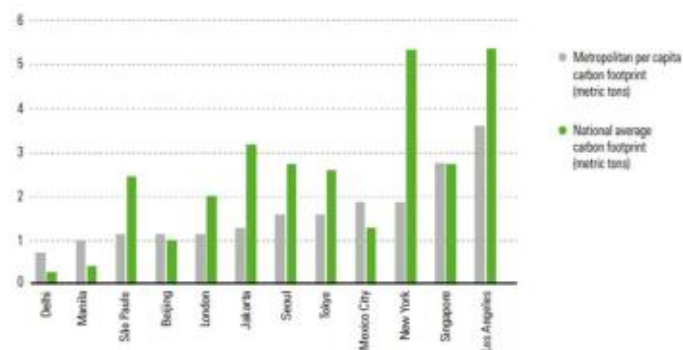
“Just” Environmental Sustainability

QUICK FACTS

1. By 2030, energy and water demand increased by 40 and 50% respectively
2. Solid waste management shares of 30 to 50% of municipal budgets (in less developed countries)
3. In urban areas, climate change impacts can compound one another, making disaster risk management more complex.
4. Innovative ways are called for to build resilience, in the process contributing to a more equitable environment

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

Source: Sovacool and Brown, 2010.



Source: The World Cities Report 2016 (UN-Habitat, 2016)

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“Just” Environmental Sustainability

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

Table 2: National and local environmental planning and management

Source: Adapted from UN-Habitat, 2014; Cities Alliance, 2007.

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

Source: The World Cities Report 2016 (UN-Habitat, 2016)

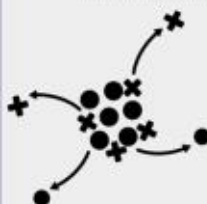
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Rules of the Game: Urban Governance and Legislation

QUICK FACTS

1. Inefficient or impracticable legislative reforms
2. Planning regulations in developing and transition countries are often **too detailed, and inflexible**
3. Genuine accountability and administrative capacity to implement public policies

Decentralization



1. **Administrative Decentralization** > **PLANNING +MANAGING** is transferred from Central Government to Local (Delegation)
2. **Political Decentralization** > Delegation of political power, authority and resources
3. **Fiscal Decentralization** > Redistribution of resource form central to subnational government
4. **Devolution** > Political and fiscal decentralization
5. **Deconcentration** > Territorial redistribution of central power

Source: The World Cities Report 2016 (UN-Habitat, 2016)

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Rules of the Game: Urban Governance and Legislation



Urban Law provides rules to
MEDIATE and **BALANCE**
competing interest



Urban governance

delivers **sustainable development** when it is:

- > environment-friendly
- > participatory
- > accountable
- > transparent
- > effective and efficient
- > equitable and inclusive
- > abiding by the rule of law



Ineffective decentralization

reasons:

- > weak legal framework
- > lack of political will
- > poor capacity for implementation
- > under-resourced local authorities
- > poorly trained personnel
- > inadequate political representation

Source: The World Cities Report 2016 (UN-Habitat, 2016)

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QUICK FACTS

1. Mostly rely on **outdated modes of planning**
2. **Cities are sprawling**, and as such, densities are dramatically declining. In developing countries, a one percent decline in densities per year between 2000 and 2050 would quadruple the urban land area.
3. **Not gender-sensitive**; consequently, women are often left outside of the planning process and decisions.
4. **Planning capacity** is grossly **inadequate** in much of the developing world.

A City that Plans: Reinventing Urban Planning

Planning capacity varies greatly across the world



The Planned City

- > reflects only the views of national leadership
- > no local input
- > favouritism and nepotism
- > distorted priorities

Source: The World Cities Report 2016 (UN-Habitat, 2016)

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QUICK FACTS

1. **Megacities and metropolitan regions** have benefited more
2. **Inadequate urban infrastructure and services** hamper economic growth and activities
3. The **benefits of agglomeration** tend to **outweigh the drawbacks**
4. **Formal employment has not catch up** with the rapid urbanization of cities, thus exacerbating urban social and economic inequality.

Changing Dynamics of Urban Economies

Changes impacting cities' economies since Habitat II include:

1. global economic conditions
2. ageing and (mainly in developing countries) rapidly growing populations
3. technological innovations particularly in transport, communications and data processing
4. sharper policy focus on environmental sustainability and climate change



Source: The World Cities Report 2016 (UN-Habitat, 2016)

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Changing Dynamics of Urban Economies

1990 • The United Nations Human Development Index increased globally by almost **18%** • 2013

37% Reduction in the global population of people living in extreme poverty from **1,959 million** in 1990 to around **900 million** in 2012.



10% Estimated decline to **702 million** expected in 2015, largely due to massive efforts by China and India.

Urban populations in **low-income** countries are projected almost to triple, increasing by over **500 million**.



Property tax, as an efficient source of local revenues, represents less than

3-4%

of local revenues in most developing countries, compared with

40-50%

in cities in Australia, Canada, France, UK and US.

In various cities in developing countries, the **informal economy** is the main area of **production, employment and income generation**. It ranges from

25-40%

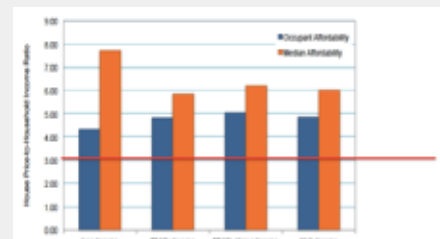
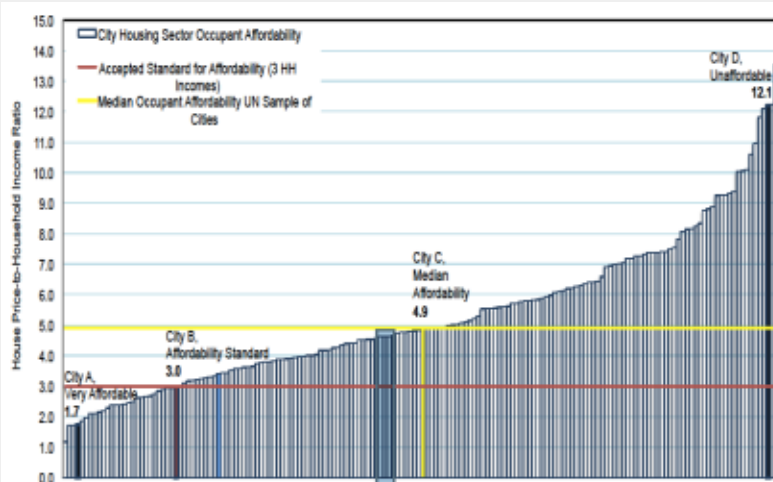
of GDP in developing economies in Asia and Africa, with the share in non-agricultural employment between

20-80%

Source: The World Cities Report 2016 (UN-Habitat, 2016)

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Access to housing through ownership is largely unaffordable (in the Global Sample of Cities)

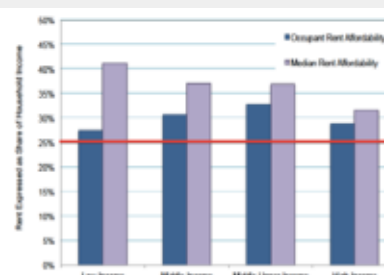
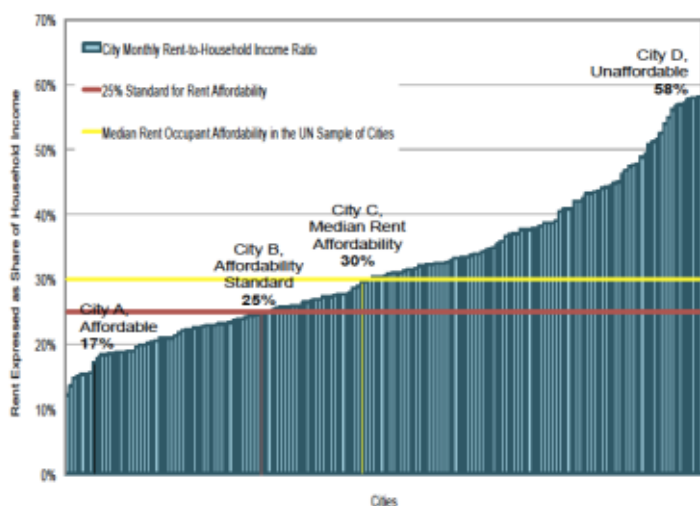


A housing unit in any city regardless of GDP is UNAFFORDABLE (more than a ratio of 3.0)

Source: UN-Habitat Global Urban Observatory

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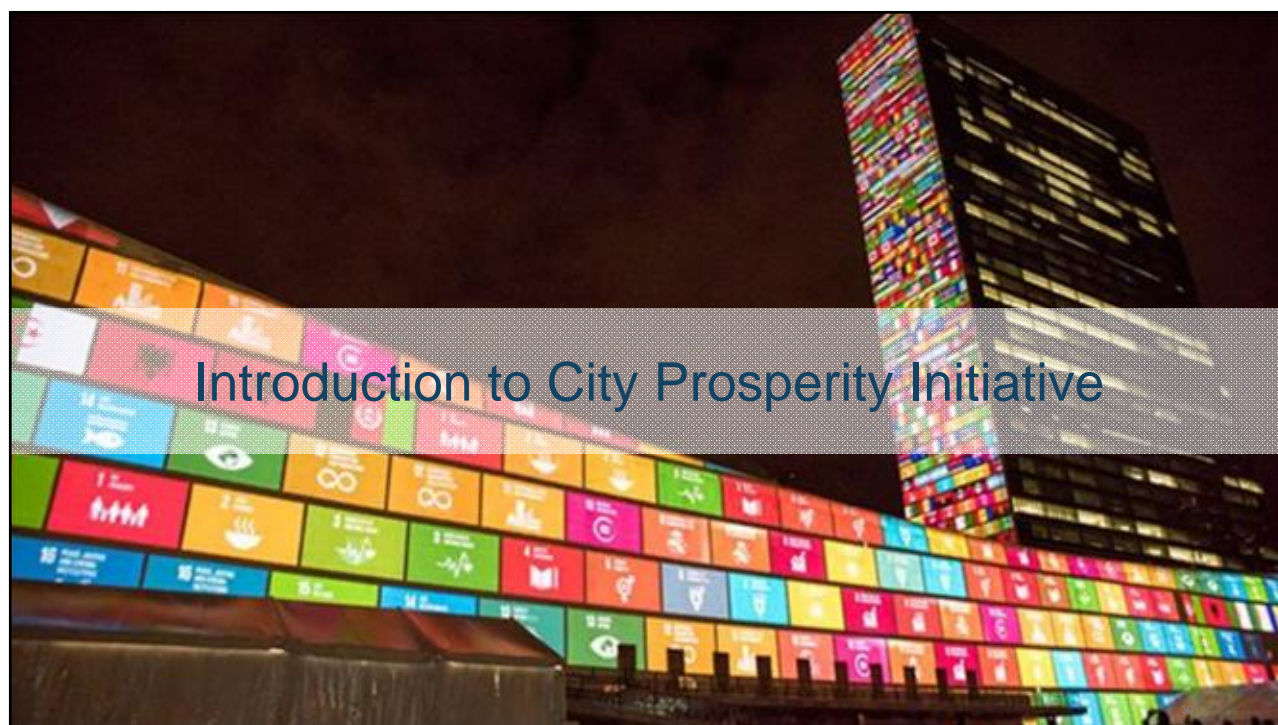
Accessing to housing through rental is also largely unaffordable



Rental housing in any city regardless of GDP is **UNAFFORDABLE** (more than 25% threshold)

Source: UN-Habitat Global Urban Observatory

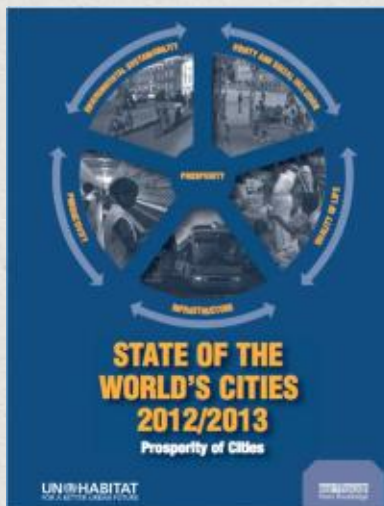
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City Prosperity Initiative

How do we measure the performance of cities and the outcome of public policies?

How do we measure sustainability in cities?



UN-Habitat is adapting the City Prosperity Initiative to SDGs structure

The new CPI framework is **integrating all the indicators of Goal 11** and a selected number of other SDG indicators that have an urban component

Countries that decide to use the CPI will be able to **identify, quantify, evaluate, monitor and report on progress** made by cities and countries, towards SDG Goal 11 in a **more structured manner**

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Defining Urban Prosperity

Protection of commons and provision of Public Goods

- Success
- Wealth
- Thriving conditions
- Well-being
- Opportunity

A sense of general and individual socioeconomic security for the immediate and foreseeable future, which comes with the fulfilment of other, non-material needs and aspirations.

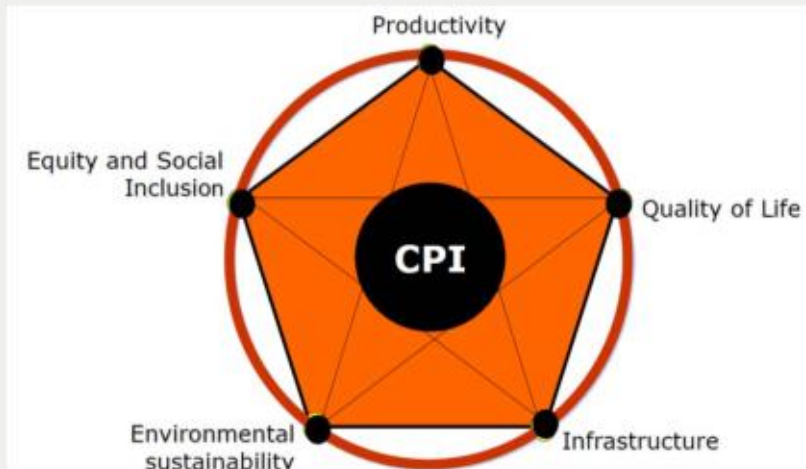
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City Prosperity Initiative

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



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Objectives of the Initiative

MEASURE

by producing critical mass of data and information

UNDERSTAND

the factors that generate or inhibit prosperity

CHANGE

by formulating policies, strategies and actions

INFLUENCE

the national developments of policies

Photo: Copyright 2010 Drew Altizer, Financial Times. Sc

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