Twenty-sixth session
Nairobi, 8–12 May 2017

Draft proceedings of the Governing Council of the United Nations Human Settlements Programme at its twenty-sixth session

Addendum

Annex IV

Summaries by the President of the Governing Council of the dialogue on the special theme of the twenty-sixth session, "Opportunities for the effective implementation of the New Urban Agenda"

1.   At its 5th and 6th plenary meetings, on Wednesday, 10 May 2017, the Governing Council held a dialogue on the special theme for the session, "Opportunities for the effective implementation of the New Urban Agenda". The dialogue comprised an opening session followed by three sessions on the sub-themes of the dialogue, as follows: (a) sub-theme 1: promoting access to adequate and sustainable housing; (b) sub-theme 2: integrated human settlements planning for sustainable urbanization; and (c) sub-theme 3: synergies and financing for sustainable urbanization. The discussion sessions featured a moderator and a panel of speakers, presentations by the panellists, comments from the floor and reactions from the panellists.

2.   Introducing the dialogue, the President of the Governing Council said that the high-level segment and the present dialogue were linked by a common theme in order to facilitate discussion of the outcomes by key stakeholders.

3.   In his opening remarks, the President of the Governing Council highlighted the importance of the New Urban Agenda, which formed a blueprint for the sustainable development of human settlements, and for the future governance and management of cities. The New Urban Agenda represented a paradigm shift, in that it included all three pillars of sustainable development – social, economic and environmental – and gave due prominence to the economic dimension of cities. Such a shift could be characterized by the phrase "reform, perform, transform". In that scenario, administrative, financial and service delivery reforms were necessary for effective performance by urban governance actors, leading to a transformation of the urban agenda. Elements that were needed in order to support and facilitate that process included the decentralization of administrative functions; the devolution of funds, functions and functionaries to local bodies; incentives to motivate reform, and to ensure transparency and accountability; the full participation of citizens and communities in planning and implementation; and revenue generation at all levels, thus raising the standard of service delivery and encouraging tax compliance. In order to access available funds and reassure donors, cities should work to obtain a credit rating, as demonstrated by current practice in India. Financing by international funding agencies should ensure the adequate provision of water supply, sanitation, solid waste management, public transport, energy efficiency and renewable energies. In conclusion, he

emphasized the importance of strengthening the local bodies and of sharing and learning from best practices.

A. Opening session

1. Keynote speech

4.   In his keynote speech, the Executive Director stressed the principal message of the New Urban Agenda – that urbanization generated wealth. There were two main sources of that wealth – value of location, and value of agglomeration. The first referred to the value attached to a particular location in the city, which provided a message to private sector developers in choosing a site for development. It was incumbent upon urban planners to ensure that urban design took the value of location into account. Urbanization thus became a process by which public authorities generated public and private value – it was of fundamental importance to create wealth through urbanization, in order to ensure that investment in urbanization was not wasted. Spontaneous urbanization was therefore a lost opportunity as it was not optimizing the value through the design process.

5.   With regard to the value of agglomeration, it was important to ensure the proximity of the factors of production for economic and other activity to operate efficiently, resulting in a productive engine that added value to the economy, provided that congestion did not collapse the system. Given the time needed for agglomeration to realize its value, the public sector was the main design instrument for ensuring that urban design maximized the benefits of agglomeration. In the meantime, urban sprawl, with segregation of function according to housing, industry, business and other purposes, was placing demands on mobility and compromising efficiency. In that regard, the specialization of the central business district in business and few other uses was a stark example of inefficient urban planning. Relating those concepts to the sub-themes of the present dialogue, it was important to consider the value added by placing housing at the centre of a settlement, and ensuring that housing policy supported such development through the provision of affordable housing; to understand the mechanisms by which urbanization generated value, and thereby ensure that investment was supportive of integrated planning; and to mobilize the global funding available for urban settlements by apprising donors of the value that could be derived from investment and the creditworthiness of the investment. In conclusion, he said that urbanization should not be viewed as undesirable, but as an opportunity to generate wealth and contribute to the economic development of a country.

2. Panellist presentations

6.   The panellists were the Deputy Secretary of United Cities and Local Governments (UCLG), Ms. Emilia Saiz, speaking on behalf of the President of UCLG, Mr. Parks Tau; Senior Director of World Vision International's Global Urban Programmes, Ms. Joyati Das; Manager of the Arcadis NV Shelter Programme, Mr. Bert Smolders; and the Advisor to the Minister of the Environment of Finland, Mr. Jyri Juslén.

7.   Ms. Saiz, in her presentation, said that implementing the New Urban Agenda would provide the inspiration and solutions that would be instrumental in implementing other global agendas, such as the 2030 Agenda for Sustainable Development, the Paris Agreement on climate change and the Sendai Framework for Disaster Risk Reduction 2015–2030. Building on the interlinkages developed between the various stakeholder groups and constituencies throughout the Habitat III process, the New Urban Agenda offered unique opportunities to forge new partnerships between different levels and spheres of government while ensuring the involvement of local communities and academia, among others, in policy formulation, which was key to the more efficient distribution of responsibilities needed to steer clear of the obstacles of the previous 20 years. From the point of view of regional and local governments, the main underlying issues to be addressed were those of subsidiarity and governance, as well as the need to develop new models of municipal financing for achieving sustainable urbanization, which called for collaboration with the international community and with national Governments. She appealed to the latter to consider the matter of subsidiarity and to ensure adequate resources and competencies for local and regional governments to liaise.

8.   Ms. Das, in her presentation, said that civil society had a key role to play in the sustainable cities debate by ensuring that people's views and perspectives were heard and taken into account, especially vulnerable groups such as children. Among the core principles of the New Urban Agenda was to enhance liveability and a critical indicator of that, she said, was child well-being. It was important, therefore, to bring children and urban youth into the debate so as to draw on their intimate knowledge of their neighbourhoods, as in the case of a project in India where young girls in slum communities were mapping those communities and providing the information to the local authorities. What was missing at present, however, was the platform to engage with them and that gap could be

addressed through education and informal dialogue, in particular with street children. In return, children and urban youth could, through their interactions with local governments, learn the principles of sound policymaking in the interest of improved housing development and quality of life. Complementarity and new partnerships with all stakeholder groups, including business and industry, were key to making sure that marginalized groups had their voices heard and no one was left behind.

9. In his presentation, Mr. Smolders said that business and industry recognized that implementing the New Urban Agenda was important as they needed a well-organized urban environment to prosper, to contribute to the platforms generating new developments and to work in partnership with others. Business and industry, he added, had a vital place in cities and in the everyday lives of the people that worked there and it was in their interest for their workers to have access to affordable housing. In addition, he said that sound urban planning was key to preventing slum development as cities doubled in size over the coming decades; that good legislation was needed to ensure that companies played their role; and that there were all manner of creative financial arrangements available for Governments and businesses to meet their respective needs. The key elements for the implementation of the Agenda, in his view, were partnership, sound legislation and a strong UN-Habitat, and he called on the private sector to live up to its responsibility in those regards.

10. Mr. Juslén, in his presentation, described how his Government, after the return of the delegation of Finland from Habitat III in Quito, had developed an integrated approach to implementing the New Urban Agenda that focused on green, smart and inclusive urban development through the promotion of, among other things, decarbonization, resource efficiency, a circular economy and innovative and sustainable public procurement; smart urban transport and energy; and the provision of public services and housing for all in the face of a major influx of immigrants. The national implementation programme was being launched by the Ministry of the Environment and the Ministry of Economic Affairs and Employment and a wide range of partnerships was being considered between municipal and state authorities, academia, the private sector and civil society. Lastly, he mentioned UN-Habitat work with the computer game "Minecraft" as a tool to bring youth on board in planning.

3. Discussion

11. Opening the discussion, Ms. Das said that the technological awareness of the young equipped them as innovators who could swiftly mobilize to spearhead the needed shift in focus from smart cities to smart communities. As such, they were the enablers of sustainable urbanization, good planning, sound governance and participation. Indeed, their comparative advantage in technology could be harnessed in order to scale up efficiency and swiftly share knowledge across communities, cities and nations. In that context, she described a pilot project in Beirut in which youth were employing mobile technology to map the facilities in their neighbourhoods for use in improving urban design and planning processes.

12. Mr. Smolders, speaking of partnerships with particular reference to the private sector, said that the challenge was to ensure that the collaboration was mutually reinforcing for all actors. As evidenced by many partnerships, businesses were more interested in choosing the right partners for achieving their long-term objectives than in making short-term profits. There was much to be learned from the New Urban Agenda and from partners with UN-Habitat, but such knowledge must be disseminated into the real world to ensure inclusivity and reap its gains. He agreed with the suggestion that the private sector should seek to tap the undoubted potential present in informal settlements. In so doing, however, it would require support from Governments and other stakeholders.

13. Ms. Saiz, emphasizing the slogan "local for action", said that the leading role to be played by local and regional governments in bridging divides and also in providing feedback on the implementation of the New Urban Agenda called for a certain kind of dialogue that had not yet been fully developed. She remarked on the crucial relationship between local and regional governments and UN-Habitat, which was the only United Nations entity that recognized them as partners in policy development.

14. Mr. Juslén spoke of agreements of intent as a model for inspiring the implementation of the New Urban Agenda at the local level, saying that such agreements were successfully used in his country to guarantee State funding for large transport projects in metropolitan areas that produced a certain quantity of housing and worked for a denser urban structure. Ways of using those agreements to promote the circular economy and sustainable public procurement were now being explored.

15. One representative said that for African cities it was more important that resources be used to address issues such as access to drinking water, sanitation and decent housing rather than the mobility, energy efficiency and recreational facilities that some participants appeared to prioritize with respect

to the New Urban Agenda; that there was the requisite expertise in Africa for implementing the New Urban Agenda but that the authorities needed assistance in adapting cities to present-day needs; and that the question of land ownership in precarious housing neighbourhoods remained an issue, as access to housing relied on access to land ownership. Lastly he raised the question of whether, in the case of informal settlements, the State should provide the infrastructure upon which local communities could build housing or wait until the housing density had reached such a level that it was necessary to provide the infrastructure.

16. Mr. Juslén, responding to the latter question, said that in Finland the State gave the municipalities the autonomy to launch land-use planning and housing production projects, mainly confining itself to financing metropolitan area-wide transport networks, but the projects were subject to state laws and regulations. Good regulations for land-use planning were needed to guide the planning process.

17. Mr. Smolders said that, in his view, the problem of informal settlements was best addressed before it began, through sound urban planning.

18. Ms. Saiz, on the question of the differing priorities in African cities, said that it was important for each municipality to address those that were specific to its local realities. As to the matter of informal settlement construction in Africa she said that the New Urban Agenda was inspiring local governments to tackle the issue in innovative ways, adding that many African leaders were starting to enter into partnerships with large non-governmental organizations and local communities to that end. Addressing urban informality, she said, was key and the solution, in her view, was co-creation of cities.

19. One representative, supported by another, called on local, national and regional governments to support the work of community-based organizations and stressed that the New Urban Agenda could not work unless local people, especially women, had a central role in decision-making. Welcoming the emphasis in the current discussion on the inclusion of civil society, she said that grassroots communities wished no longer to be seen as beneficiaries and users but as local partners, adding that her organization was currently seeking to engage with the authorities in Lagos, Nigeria, to seek alternative, amicable solutions to the problem of evictions of slum dwellers from their homes.

20. Ms. Das, further to the point about evictions, said that children were badly affected as they found themselves recast overnight as street children and their vulnerability gave rise to protection issues. Marginalized people, to have their voices heard, had to have someone in government who would champion their cause.

21. One representative said that her Government was already working to implement the New Urban Agenda within the framework of its national urban development policies, with a particular emphasis on addressing social inequalities.

22. Another representative, recalling the emphasis in the Habitat III process on financing for smart cities, asked how the dialogue between member States, civil society and the various stakeholder groups, including business and industry, could ensure that economic and technological innovation, which was as important for cities as norms and standards, was taken into account in the high-quality dialogue fostered by UN-Habitat.

23. Mr. Juslén said that the concept of smart cities was still relatively new and that private sector companies should be involved to a far greater degree in defining it; it was in their interest and that of the authorities alike to explore the various ways in which it could be promoted and academia, too, had a role to play in that regard.

24. Mr. Smolders said that information-sharing among partners was key to taking the dialogue to a higher level.

25. The representative of the secretariat, summing up the gist of the various interventions at the current session, said that it could be captured in the words inclusion, innovation and integration. In regard to inclusion, the message had been that cities were attracting all manner of different people and must embrace and create a safe space for diversity, which called for a commitment to stakeholder participation. On innovation, he said that cities had been depicted as crucibles of innovation but the innovation needed nurturing and to be actively deployed to achieve impacts and results. As to integration, examples had been given of vertical integration, across sectors, horizontal integration, across different spheres of governance, and in the work of United Nations entities.

B. Thematic session 1: Promoting access to adequate and sustainable housing

26.   The panellists were Mr. Sadat Mansoor Naderi, Minister of Urban Development and Housing of Afghanistan; Mr. Chris Baryomunsi, Minister of State for Housing; Mr. Jayaselan Navaratnam, Deputy Director-General of the National Housing Department of the Ministry of Urban Well-being, Housing and Local Government of Malaysia, on behalf of Ms. Datuk Halimah Mohamed Sadique, Deputy Minister for Urban Well-being, Housing and Local Government, Malaysia; Mr. Emile-Léonard Ognimba, Assistant Secretary General for Political Affairs and Human Development, Secretariat of the African, Caribbean and Pacific (ACP) Group of States; Mr. David Ireland, Director of the Building and Social Housing Foundation; and Ms. Claire Szabó, Chief Executive Officer of Habitat for Humanity, New Zealand.

1. Panellist presentations

27.   In his presentation, Mr. Naderi spoke of the housing situation in Afghanistan, saying that the provision of housing and services for all was one of the three pillars of the urban national priority programme developed in response to the challenges faced. One of those challenges was to provide affordable housing for low-income groups, for the millions of internally displaced persons and for the many informal settlement dwellers while also taking into account the future demand that would be generated in view of the high proportion of youth in the population. The situation created an opportunity, however, in that the housing construction industry fostered the economic development and job creation needed to promote stability and achieve peace in a post-conflict country. A national housing programme was now being formulated, in partnership with UN-Habitat and the World Bank, and community-based savings institutions had been created to help those otherwise unable to obtain mortgages. There was a need to update the legal framework after 40 years of civil war in the country and, as the main urban policymaking and regulatory body, his Ministry was exploring best practices from around the world to emulate and was counting on its institutional partners to ensure that housing remained a key focus in order to create stability, a sense of ownership and jobs for the country's inhabitants.

28.   Focusing in his presentation on Ugandan housing issues, Mr. Baryomunsi said that the country's housing deficit was projected to increase dramatically on account of the high population growth rate. A new national housing policy had been developed with the aim of providing adequate and affordable housing for all, with efforts under way to translate it into meaningful interventions on the ground for bridging the housing gap. His Government was also channelling more investment into housing, including for the benefit of key workers, and was working with the World Bank to address the lack of affordable home loans by ensuring access to low-interest financing. It was furthermore establishing housing cooperatives and exploring new construction technologies with a view to providing durable housing at lower cost.

29.   In his presentation, Mr. Ireland said that the words of the two previous speakers confirmed that the problem of housing affordability was now global and no longer confined to the Northern hemisphere. As an example of remarkable and innovative schemes for overcoming that problem, he cited community land trusts in which the community owned the land and houses built on it were individually owned. House prices thus remained unaffected by any increase in the land price. In an encouraging sign, the system was now being used in slum upgrading, with informal settlements being turned into community land trusts that enabled the community to raise funds against the value of the land and vastly improve the quality of housing and infrastructure, while still retaining the affordability of the housing.

30.   In his presentation on behalf of Ms. Sadique, Mr. Navaratnam said that housing was treated as a productive sector in Malaysia and low-cost housing had been given the highest priority. The country's national transformation programme had been expanded in scale to satisfy the rise in demand for affordable housing, in which connection it was set to achieve its targets early. The Government had launched a housing development programme, known as PR1MA, and was now working on a national housing policy aimed at providing affordable homes as a public good. It was also absorbing the cost of related infrastructure, including a mass rapid transit system, and developing a centralized national database through which to share full information for planning the country's needs.

31.   Mr. Ognimba, in his presentation, said that the numbers living in inadequate housing and informal settlements, many of them in ACP countries, presented a gloomy picture. The ACP Group of States was thus working to improve the conditions for slum dwellers in its region through the Participatory Slum Upgrading Programme (PSUP), run in conjunction with UN-Habitat and the European Commission, while at the global level it was keen to become part and parcel of the New Urban Agenda. PSUP was focused on achieving the strategic vision articulated in the Sustainable Development Goals, in particular Goal 1, on ending poverty in all its forms everywhere, and Goal 11,

on making cities and human settlements inclusive, safe, resilient and sustainable. It had made progress in working for inclusiveness to overcome the feeling of exclusion experienced by slum dwellers, involving them in ownership and decision-making. Many ACP countries had also improved their own housing policies to make them more inclusive and were tackling the matter of slums as a priority, including with respect to changing the negative perception of slums as illegal. Public and private stakeholders were helping with funding to address the issues surrounding slums, which presented a complex problem requiring continued efforts to resolve.

32.   In her presentation, Ms. Szabó described the work of Habitat for Humanity, recalling that it had built simple decent homes in numerous countries over the past 40 years, and welcomed the New Urban Agenda, in particular for its recognition of decent housing as vital to an adequate standard of living for households and as an integrated platform improving cities. Her organization's commitments to the implementation of the Agenda reflected not only the increasingly complex and intersecting challenges faced the world over but also responded to the recognized need for new partnerships. She explained her organization's part in the collective design and piloting of a new approach to housing development in the small island developing State of Tonga, which she said had much to teach the world about resilience and human potential. Access to adequate and affordable housing increased dignity and prospects, while cities and nations were powered by the energies of human development and endeavour possible only with decent shelter. Her organization looked forward to effective, accountable implementation of the New Urban Agenda and sought to partner with others in building a new urbanized world, with people at the centre and where everyone had a decent place to live.

2.   Discussion

33.   In the ensuing discussion, Mr. Saderi said that Governments should first establish a housing profile, followed by a housing policy and then appropriate laws and regulations. In his country, housing laws were either non-existent or had remained unchanged throughout the decades of civil war and needed modernizing. To that end, the Government would look to other similar countries for inspiration. It should also offer incentives for the private sector to develop housing for the poor. With the right approach, it should be possible create affordable housing for those earning basic salaries.

34.   Mr. Baryomunsi said that all governance structures, from top to bottom, formed part of the solution to housing problems and that they must work together to develop policy and institute legal reforms. Central and local government must take action to provide affordable housing for all socioeconomic classes, including by engaging the private sector and other stakeholders in their endeavours to that end.

35.   Mr. Ireland said with respect to promoting mixed land use and social mixing that private sector involvement and public housing subsidies were worthy aims but also had dangers and limitations. He therefore encouraged ministries to consider non-traditional methods for meeting housing needs, citing the example of a scheme for teaching building techniques to communities who then were able to build their own homes both quickly and cheaply.

C.   Thematic session 2: Integrated human settlements planning for sustainable urbanization

36.   The session was moderated by Mr. Mark Eddo and the panellists for the session were Mr. Humayoun Faiz, Director of the Ministry of Urban Development and Housing of Afghanistan; Ms. Firdaous Oussidhoum, Intermediary Cities Forum, UCLG; Mr. Atsushi Koresawa, Senior Director for Research, Real Estate Transaction Improvement Organization and Adviser to the Ministry of Land, Infrastructure, Transport and Tourism, Japan; Ms. Teresa Boccia, member of the Advisory Group on Gender Issues (AGGI); and Mr. Henk Ovink, Special Envoy for International Water Affairs, Netherlands; and Ms. Aisa Kirabo Kacyira, United Nations Assistant Secretary-General and Deputy Executive Director of UN-Habitat.

37.   Opening the session, the moderator said that the theme of the session was about "joined-up thinking", or an approach that was both vertical and horizontal: vertical in that it involved getting all tiers of government, as well as the various stakeholders, to work together in the planning process, and horizontal in that it connected the ideas and actions of all the players. Planning, he suggested, should be like a net, integrating both vertical and horizontal aspects.

1.   Panellist presentations

38.   In his presentation, Mr. Fayez said that urban planning was a major issue and a valuable tool for sustainable development in post-conflict countries. Stressing the need to plan at the vertical and horizontal levels in a timely manner and to ensure collaborative and cooperative integrated urban planning in countries that were undergoing rapid urbanization, he noted that problems arose when

different authorities were dealing with the same issues in silos. In addition, late and poor planning often led to the expansion of informal settlements, which in Kabul accounted for 70 per cent of the urban area. As a result, and because the inhabitants of those settlements lacked title deeds and therefore did not pay taxes on their homes, the remaining 30 per cent were paying for the urban services of the entire population. Given the need to implement an integrated urban planning approach that involved the public in a consultative manner, he explained that a national higher urban council had been created in Afghanistan for urban planning stakeholders and civil society to work together. Sustainable urbanization was an opportunity for sustainable development when it was properly managed.

39. In her presentation, Ms. Oussidhoum emphasized the importance attached by UCLG to the role played by local governments in localizing and implementing the New Urban Agenda under the Sustainable Development Goals. In that context, UCLG was providing guidance through awareness-raising, monitoring and learning activities to ensure a common approach to such implementation. She stressed that the value of human life was a primary consideration in the work of UCLG and, as representatives of their citizens, local governments must uphold that value in considering what kind of cities they wished to build for their people. Cities were not to be conceived merely as markets for economic transactions but as suitable environments for people's daily lives. It was vital to rethink the approach to cities and, to that end, UCLG had developed tools to guide local governments in their urban planning and work with civil society, municipal officials and elected representatives to realize an integrated vision for these spaces. Describing some of those tools, she stressed, in conclusion, that planning was key to the spatial articulation of the urban agenda and that, without planning, there could be no realization of those visions, no implementation and no monitoring.

40. Mr. Koresawa, in his presentation, noted that, while each country had its own particular planning system, at the local and municipal levels the coverage of planning tended to be the same. At higher levels – regional, provincial and national – planning differed widely, since it was strategic in nature and not geared so much towards implementation. That said, planning at those higher levels was of key importance and Japan was among the few countries that had well-developed and well-coordinated planning systems at all levels of government. Unlike many other developed countries, Japan had relatively recently – within the last 50 or 60 years – progressed from the status of a developing country and its struggle to achieve rapid economic growth and urbanization and to ensure balanced development was therefore well documented, and offered a valuable source of knowledge. The country's experience in that regard had extensively informed the Hyogo Framework for Action and the Sendai Framework for Disaster Risk Reduction. Regrettably, that knowledge was not widely reflected in English-language literature on the subject and its use remained confined to Japanese international technical cooperation projects. He was therefore pleased to report that, at Habitat III, Japan had pledged to establish a new platform for experience and knowledge sharing and had started work to that end with UN-Habitat, the Organization for Economic Cooperation and Development (OECD) and other stakeholders. In addition, Japan proposed, through that initiative, to make further contributions to the implementation of the New Urban Agenda, relevant Sustainable Development Goals and the UN-Habitat International Guidelines on Urban and Territorial Planning.

41. Ms. Boccia, in her presentation, focused on the role of women in urban planning and the measures required for the New Urban Agenda to serve as a framework for the empowerment of women. Noting that urbanization and demographic growth would continue at a rapid pace throughout the twenty-first century, she emphasized the need for urban planning to adapt to the different requirements and roles of men and women and called for a new paradigm that would effectively make cities more equitable. Women were moving from rural to urban areas to seek employment and escape poverty, gender violence and discrimination; however, cultures, value systems, beliefs and development policies and programmes were not changing at the same rate, and gender-based discrimination was still widespread in the social, economic and political spheres. Although studies by UN-Habitat had shown that urbanization was associated with women's prosperity, she said that, in practice, few women actually benefitted from the economic growth of cities. Therefore, in analysing the specific needs of women during design and urban planning processes, it was necessary to have systematic access to disaggregated statistics by gender in order to find the most appropriate solutions and determine the real impact of urban policies.

42. Mr. Ovink opened his remarks by noting the fundamental disconnect between past and future planning policies. Future risks would be increasingly complex, he said, but were also interdependent, calling for a more comprehensive approach. The impacts of risks were particularly interrelated at the city scale, and planning and design were key to addressing them. He listed five key ingredients for turning a long-term comprehensive approach to planning into action: projects, which were ideally innovative and transformative; a plan, to prevent projects from merely being incidents; an inclusive

process that matched global talent with the talent of the places at risk and in development; transparency, which was inclusive and built capacity; and design, which blended everything together, made things actionable, and, most importantly, was inspirational and aspirational. Finally, he said, working in silos was ineffective, and it was sometimes necessary to bypass established ways of doing things. The UN-Habitat urban planning and design labs achieved that by creating a safe place for people to meet, collaborate, improve their understanding and aspirations, and achieve a better level of implementation. The labs were a proven technology; the next step was to replicate them and scale them up through projects in order to start changing policies and planning and investment strategies, and build coalitions. The labs, he concluded, were one way to implement the New Urban Agenda quickly, by bringing the right people together at the right time.

43.   In her remarks, the Deputy Executive Director said that the urban planning and design labs had been shown to be effective in demystifying and simplifying planning as a technical tool, in contexts of both development and crisis. The labs had the advantage of combining spatial planning with a process of engagement, leading participants to think about legislation and governance, as well as the business model. Turning to other points mentioned by some of the panellists, she noted that not everything that happened in cities was under the authority of their mayors, and the national urban policies in the new urban agenda were important because they enabled Governments to engage with local authorities constructively and strategically. On the question of implementation, she noted that the fastest urbanization was occurring in secondary cities that did not have the needed resources and had not captured the attention of the leadership. In those cities in particular, urban-rural linkages were key, and the UN-Habitat *International Guidelines on Urban and Territorial Planning* could help national leaders improve those linkages. Lastly, she turned to the question of informal settlements and slums, saying that while work to date had primarily consisted of reacting to a crisis of urban poverty, the New Urban Agenda would help stakeholders to look beyond that, to plan ahead and think strategically.

2.   Discussion

44.   In the ensuing discussion, responding to a question regarding the role of the private sector, Mr. Ovink noted that the private sector included many players. Academia, for instance, was needed for research that enhanced understanding of vulnerabilities and interdependencies, which led to opportunities for transformative change and capacity-building. The private sector was needed both for its experts and for financing. He added that for successful implementation, it was important to invest in the project development process so as to maximize added value, which often made the difference in project success. That meant putting the right expertise in place from the research stage through to implementation, partnering with everyone to build trust with public and private partners, communities, and individuals, and testing the business case. At the same time, however, current project evaluation capacity needed to be improved so that the business case properly captured the added value generated by an integrated approach that produced innovative, inclusive projects.

45.   One participant said that if the New Urban Agenda was to be more than a political slogan, it was essential to take into account not only infrastructure, housing and transportation, but also aspects like the poverty-stricken population and gender inequalities. He also noted a general tendency to focus on metropolises, and suggested that intermediary cities had to be taken equally seriously if the New Urban Agenda was to ensure that the coming challenges were surmounted. Ms. Oussidhoum concurred, adding that actions taken in intermediate cities had an impact on the entire territory due to their stronger rural-urban links. She also underscored the important role played by the private sector in the development of intermediate cities. Lastly, she drew attention to the first world forum on intermediate cities, to be held in Morocco in May 2018.

D.   Session 3: Synergies and financing for sustainable urbanization

46.   The session was moderated by Mr. Mark Eddo and the panellists for the session were Mr. Michael Nolan, Executive Director, United Nations Global Compact Cities Programme; Mr. Frédéric Vallier, Secretary General, Council of European Municipalities and Regions; Mr. Jean Claude Mbwentchou, Minister, Housing and Urban Development, Cameroon; Mr. Istabraq Al-Shouk, Deputy Minister, Construction, Housing, Municipalities and Public Works, Iraq; Mr. William Britt Gwinner, Head of Global Housing Finance, International Finance Corporation (IFC), World Bank Group; Mr. Carlos Estuardo Barillas Estrada, Ministry of Communications, Infrastructure and Housing, Guatemala; Ms. Jennifer Topping, Executive Coordinator, Multi Partner Trust Fund Office (MPTF Office), United Nations Development Programme.

47.   The moderator opened the session by saying that while the New Urban Agenda offered an opportunity for sustainable urbanization, the financing of its implementation was critical. Much more than developing new forms of financing or mortgages or the right land tenure, that meant applying a vertical and horizontal approach in order to harness both existing and new economic models.

1.   **Panellist presentations**

48.   In his presentation, Mr. Nolan said that finding the right partnerships between the public and private sectors was critical in achieving the objectives of the New Urban Agenda and ensuring sustainable urban development. The Cities Programme, a United Nations Global Compact initiative, had been working for 15 years to form a successful model of partnership development led by cities in collaboration with appropriate private sector organizations with the right vision and necessary governance. Through such partnerships, activities could be scaled up with the support of a wide range of stakeholders at the level of the United Nations and national Governments, with a view to attracting finance. Noting that the majority of investment in cities was private, he said that, for that investment to be used in support of the New Urban Agenda, private sector investment, good governance and sound partnerships were required between the public and private sectors, driven by demands at the city level. Synergies with universities and business schools, investors and organizations that would support the seeding of projects at the appropriate scale were also required. He recognized the model of Scandinavian countries with a long tradition of empowering municipalities as particularly relevant.

49.   Mr. Vallier began his presentation by saying that there could be no development without local development; there could be no local development without investment; and there could be no investment without financing. Noting that in Europe, 70 per cent of public investment was made at the local level and had proven to be a significant driver for development, he said that in the context of the New Urban Agenda, it was necessary to support the empowerment of local governments through financing and partnerships between local, regional and national governments and supranational authorities, such as the African Union and the European Union. As recognized in the Addis Ababa Action Agenda, more investment was required at the local level to deliver the critical public services and infrastructure that were needed to achieve the targets of the Sustainable Development Goals. However, in many developing countries, and particularly in least developed countries, low local government revenues had led to an increase in service and infrastructure gaps and informal settlements, which had thus weakened the achievements of the Millennium Development Goals over the past decade.

50.   In his presentation, Mr. Mbwentchou said that the issues of financing and coordination were crucial to urban development, as they were directly related to land tenure and taxation. Those were matters of great concern for all African countries, including his own, Cameroon, and it was vital to have structures in place to coordinate all financing-related measures and the various sources of financing. Accordingly, following the first United Nations Conference on Human Settlements (Habitat I) in Vancouver, Canada, in 1976, Cameroon had created a ministry for housing and urban planning. Planning, however, had to be performed in an integrated manner, involving other bodies, such as the ministries responsible for economy and urban planning, and for finance. Describing measures applied in Cameroon since that time, he said that new structures had made possible the creation of real-estate initiatives and the introduction of extensive changes to urban planning and management. The State had to make investments and to support local and decentralized authorities, since, pursuant to the country's 2004 act on urban planning, local authorities were the primary stakeholders in urban development. Stressing the importance of international cooperation to the financing of urban development, he noted that, in Cameroon, cities accounted for 65 per cent of the country's gross domestic product, yet they did not benefit to the same extent from their production. It was vital, in the implementation of the New Urban Agenda, for Governments and those involved in urban management to focus on what cities and towns produced and for a change in thinking about cities: cities must also be able to consume, as well as to produce. The prosperity of cities was important also to rural areas and, recalling calls by UN-Habitat for a balance between rural and urban development, he confirmed that, in Cameroon, efforts were being made to rethink its national urban policies accordingly.

51.   In his presentation, Mr. Al-Shouk reviewed his country's exceptional experience in the use of financing to rehabilitate its cities and to repopulate areas affected by conflict. He looked, in particular, at the three northern provinces which had been hardest hit by the activities of the Islamic State in Iraq and the Levant (ISIL), resulting in the partial or complete destruction of towns, the halting of all development, and the wholesale exodus of populations. The provinces lacked administrative regulations and authorities and faced enormous challenges. Following their liberation, rapid planning by the Government was needed to enable displaced persons to return and live in those areas, by carrying out the rehabilitation of infrastructure, water supplies and housing, demining, rubble-clearing and road maintenance. The role of the national Government, working together with the private sector, was key to the success of this endeavour. Integrated planning was required, to involve other countries in the region and international organizations, in accordance with their experience and, in general, to secure the help of the international community. In conclusion, he stressed that valuable lessons were to be learned from that experience of reconstruction.

52.   Addressing the question of synergies and the important aspects of finance in his work, Mr. Gwinner named time and scale as the two main components of synergies in urban development and financing of private and public infrastructure. Financing of the kinds of assets involved, such as road systems and houses, required long-term horizons to allow for 20 to 30-year bonds and long-term loans, he explained. In emerging markets with high inflation and high bank interest rates, most people were not able to undertake long-term borrowing due to the amounts to be paid in interest. It was therefore important to have a macro environment with a sufficiently low inflation rate, to enable most people to borrow in order to buy housing and cities to invest, issue bonds and borrow in the markets. Using Colombia as an example, he underscored the underlying importance of, inter alia, bringing down inflation, creating institutions such as private pension funds that made it possible to issue bonds, and transparency and efficiency in public institution finances. Having a vision from the outset could create synergies over time, he said, with long-term financing and the participation of different levels of government. Regarding the second component, scale, he noted the immense housing demand ahead, particularly in developing economies, and said that partnership with local and national authorities was needed, within a legal and regulatory framework that allowed long-term bonds to be issued and credit to be made available to people with a low income.

53.   In his presentation, Mr. Barillas Estrada pointed out that Guatemala was the least urbanized country in the most urbanized region of the world. His Government aimed to use urbanization as the backbone of its development process and, in so doing, to concentrate investment – both public and private – in secondary cities, as those were the fastest growing and investment was needed to make them more competitive. In response to a question from the moderator, he affirmed the importance and effectiveness of public-private partnerships. Reviewing specific projects mounted in his country, he stressed the need for transparency in analysing projects and their anticipated benefits, with a view to demonstrating how much needed to be invested and what returns there would be for private sector investors. Recognizing that local governments did not have the capacity to invest or even to generate the conditions to attract investment, the national Government was working in a participatory way with local governments in the area of planning, to ensure that they properly understood the link between the rural areas and the economic role of the cities. Lastly, noting that 60 per cent of the Guatemalan population worked in the informal sector and were therefore unable to secure loans for housing, he described an initiative to remedy that situation: a guarantee fund had been set up to encourage financial institutions to grant loans to those in the informal sector and he confirmed that good progress was already being made in that regard.

54.   Ms. Topping began her remarks by saying that the notion of synergy and finance was at the heart of the MPTF Office, which had been set up to look at the design of financial instruments and administration to support efficient and effective multi-stakeholder partnerships. In its work around joint and pooled financing to support such partnerships, the agency had discovered that the design of finance and financial instruments had a powerful effect on collaboration, synergies, effectiveness, transformation, and the type of transformative change that could take place, as well as risk management. Financial instruments specially designed to provide an incentive for collaboration could have a transformative effect by pulling the partners together, and were more cost efficient because duplication was eliminated. Having worked to map the synergetic finance landscape with UN-Habitat, the World Bank Group, the United Nations Global Compact Cities Programme and other partners following the adoption of the 2030 Agenda, the MPTF Office had also determined that while there were initiatives around partnership and investment, there was very little of the type of financing that supported coalition around the common agenda. In the lead-up to Habitat III, the MPTF Office and its partners had therefore taken the opportunity to respond to that gap, and had designed the multi-partner implementation facility for sustainable urban development to support partnerships around the 2030 Agenda and the New Urban Agenda. Responding to a question from the moderator, Ms. Topping indicated that anyone interested in accessing the facility should contact an office of UN-Habitat, the World Bank Group or the United Nations Global Compact Cities Programme.

2.   Discussion

55.   In the ensuing discussion, one participant, noting that the New Urban Agenda recognized that the private sector should play big role and that in her experience the private sector was willing to do so, asked what kind of incentives and regulations were needed for truly inclusive private sector investment, most notably to balance risk.

56.   Mr. Nolan said that the right incentives were needed, ranging from in-kind assistance, skills, data and technology to funding for small and medium-sized enterprises. In terms of incentives, private sector investors were looking for trust and the ability to determine their own role in supporting the development of urban housing, smart city innovation, community connectivity and sustainable infrastructure. The scale of such support ranged from low-cost innovative partnerships to large-scale

urban development and infrastructure. The private sector needed to work collaboratively with Governments to improve cities, which were the driving force of communities and the economy.

57.   In response to a question by the moderator about how to prevent bottlenecks that may hinder the reception of funds, Mr. Vallier said that for local authorities to have the capacity to absorb available funds and to deal with the private sector, they needed to have the appropriate means to establish specific policies and exchange good practices. Emphasizing that certain services could not be delivered through public-private partnerships, he said that there was a need to help cities to identify the services that could be delegated to the private sector or organized in partnership with them, such as energy delivery services, and to evaluate their return on investment, particularly in least developed countries. Cities could be the driving force behind the economic development of a country, but it was necessary to identify the areas in which the private sector could be most effective.

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