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**Dialogue on the special theme for the second session of
the United Nations Habitat Assembly**

A sustainable urban future through inclusive and effective multilateralism: achieving the Sustainable Development Goals in times of global crises

Report of the Executive Director on the special theme of the second session of the United Nations Habitat Assembly

Introduction

1.   The present report was prepared for the second session of the United Nations Habitat Assembly of the United Nations Human Settlements Programme (UN-Habitat Assembly), the main legislative body for global urban policymaking, to articulate the Executive Director's position on the special theme "A sustainable urban future through inclusive and effective multilateralism: Achieving the SDGs in times of global crises". The report examines the role of enhanced multilateralism in furthering key policy priorities and associated enablers in the implementation of the New Urban Agenda as a road map for attainment of the Sustainable Development Goals in times of global crisis.

2.   The report has five sections. Section I outlines the global context in which we are faced with cascading crises and are not on track to achieve most of the Sustainable Development Goals, necessitating renewed multilateral responses. Section II provides concrete pathways for enhanced multilateral action along five key policy priority areas – housing, climate, urban crisis, localization of the Goals, and the urban economy – that offer opportunities to accelerate the implementation of the New Urban Agenda to make progress towards the achievement of the 2030 Agenda for Sustainable Development, the Paris Agreement, and other global agendas. Section III discusses four critical enablers that can support progress on the five priority areas through more effective and inclusive multilateral cooperation. Section IV outlines the contribution of UN-Habitat to four opportunities for supporting Member States in inclusive and effective multilateralism. Finally, section V articulates the recommendations that emanate from multilateral engagement by the United Nations Human Settlements Programme (UN-Habitat) and outlines the structure of the UN-Habitat Assembly dialogue on the special theme.

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* HSP/HA.2/1.

I. Global crises demand urgent action in urban areas

3. Hit by multiple crises, the world is sliding backwards instead of accelerating towards the achievement of the Sustainable Development Goals. More people and places are being left behind as the ripple effects of various shocks threaten communities globally. Multidimensional inequalities continue to deepen between and within countries and territories, fuelling the increasing breakdown of the social contract, instability and conflicts. In his address to the General Assembly in September 2022, the Secretary-General of the United Nations clearly said that the ongoing crises threatened the very future of humanity and the fate of our planet.

4. Acknowledging these multiple crises, in his report to the General Assembly, *Our Common Agenda,* the Secretary-General called for a stronger, more networked and inclusive multilateral system to ensure that multilateralism remains relevant and effective. His vision reaffirms the role of States as key actors in the multilateral system but, equally, emphasizes that complex crises cannot be overcome by States alone. In *Our Common Agenda*, he suggests that open, participatory, peer-driven and transparent systems, geared at problem-solving and hearing the voices of all the relevant actors can be realized through the participation of local State and non-State actors in global affairs. Occupying the frontline of these multiple crises, cities have the potential to harness multilateral actions to enable urgent, transformative change towards greener, more equitable and healthier environments.

5. In response to the Secretary-General's call for a rekindled debate on global public goods, it is the position of UN-Habitat that well-planned, safe, accessible, affordable and liveable cities for all should be recognized as a public good. The New Urban Agenda provides a framework, built on inclusive and effective multilateral systems, to accelerate the implementation of the 2030 Agenda, the Paris Agreement and other global agreements using the transformative potential of sustainable urbanization. Recognizing viable cities as a public good and promoting the New Urban Agenda as a framework to achieve this ambition, are crucial in the light of recent global crises, including the cost-of-living crisis, the coronavirus disease (COVID-19) pandemic, wars and conflicts, and natural disasters, that have wiped away earlier gains made towards the achievement of the 2030 Agenda.

6. Given the central role of sustainable urbanization in humanity's future, the United Nations continues to elevate this policy imperative of advancing sustainable urbanization policy. The role of local action in closing the gaps in progress in the attainment of the Goals up to 2030 is critical. Accordingly, in preparation for *Our Common Agenda*, the Secretary-General established the United Nations Task Force on the Future of Cities to identify mechanisms for engaging local governments in intergovernmental and national planning processes, and to enable those governments to better implement human rights obligations, advance climate action and sustainable urbanization, and respond to global crises. A total of 20 United Nations entities participated in the Task Force, which was chaired by UN-Habitat, and the Global Task Force on Local and Regional Governments. The Task Force noted that subnational governments could enhance the effectiveness of the current multilateral system as they were often closer to the on-the-ground implications of global challenges, acted innovatively and quickly and, due to their direct connection to citizens, benefited from high levels of trust and legitimacy. It further noted that cooperation among local governments was frequently based on pragmatic problem-solving, thereby fostering collective action.
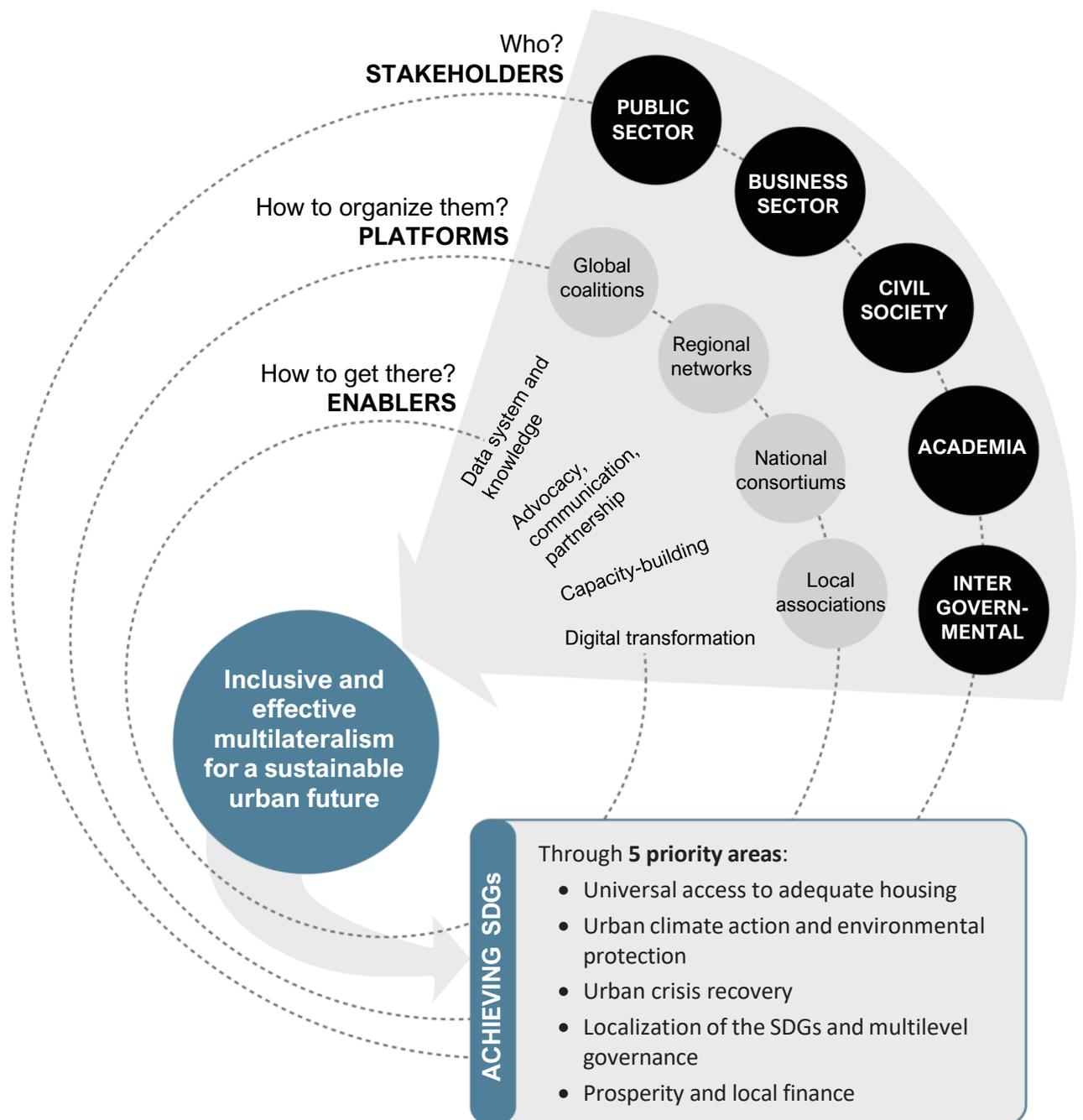
7. As was recommended in *Our Common Agenda*, the Secretary-General's advisory group on local and regional governments is currently being established to enable representatives of national Governments, the United Nations system and local governments to further concretize the range of mechanisms to engage local governments.

8. The month of April 2022 marked a milestone in addressing multiple urban sustainable development issues through multilateral action as the President of the Economic and Social Council (ECOSOC) convened a special meeting on sustainable urbanization to review the 2022 quadrennial report of the Secretary-General on progress in the implementation of the New Urban Agenda.[1] Drawing upon the special meeting of ECOSOC, the President of the General Assembly subsequently convened a high-level meeting on the implementation of the New Urban Agenda. A total of 83 Member States delivered statements, joined by constituencies represented on the President's Advisory Committee on Sustainable Urbanization, established to elevate the New Urban Agenda, namely associations of local authorities, grassroots organizations, professional associations, private industry and the United Nations system, including regional economic commissions.

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[1] A/76/639–E/2022/10.

9.   As captured in the President's summary and annex of actions, Member States affirmed their commitment to the New Urban Agenda as a framework to achieve the Sustainable Development Goals and other global agendas. They committed to advance actions on adequate housing with basic services and inclusive planning; climate mitigation and adaptation and environmental sustainability; urban crisis reduction and recovery; Sustainable Development Goal localization and multilevel governance; and sustainable financing for infrastructure and urban basic services. What follows is an examination of the role of multilateralism in furthering these critical policy priority areas.

Inclusive and effective multilateralism to achieve the Sustainable Development Goals

Who?
STAKEHOLDERS

How to organize them?
PLATFORMS

How to get there?
ENABLERS

PUBLIC SECTOR

BUSINESS SECTOR

CIVIL SOCIETY

ACADEMIA

INTER GOVERN-MENTAL

Global coalitions

Regional networks

National consortiums

Local associations

Data system and knowledge

Advocacy, communication, partnership

Capacity-building

Digital transformation

Inclusive and effective multilateralism for a sustainable urban future

ACHIEVING SDGs

Through **5 priority areas**:
- Universal access to adequate housing
- Urban climate action and environmental protection
- Urban crisis recovery
- Localization of the SDGs and multilevel governance
- Prosperity and local finance

II. Advancing inclusive and effective multilateralism for impact on priority areas

10.   Local action is indispensable for global progress, whether to address inequalities, combat climate change or advance peace and security. During the high-level meeting on the implementation of the New Urban Agenda, local and regional governments addressed Member States, who in turn acknowledged their integral role in multilateral processes and committed to strengthen support to localization and move towards more effective and inclusive multilateralism. These commitments will require stronger involvement of local and regional governments and non-State actors in process design, implementation and monitoring. National Governments need to be supported to put in place multilevel governance, policy and financing partnerships and related capacities to ensure that cities are enabled to play their part at the local, national and global levels.

11.   Connecting the multilateral system to local urban action can enhance sustainable long-term policies at the national and global levels and respond to communities' priorities – reinforcing the social contract in the five priority policy areas outlined below.

A. Achieving universal access to adequate housing

12.   The right to adequate housing is internationally recognized and underpins the achievement of most of the Sustainable Development Goals. Beyond four walls and a roof, adequate housing requires individuals and households to have universal safe and stable access to energy, water and sanitation, transportation, schools, employment, healthcare, green spaces and other social services. Security of tenure is intrinsic to adequate housing. As the world continues to urbanize, the demand for adequate housing – in locations that are affordable and safe, and well connected to urban opportunities and social networks – increases exponentially.

13.   While a comprehensive international declaration on adequate housing exists, there is need for stronger multilateral and inclusive platforms for its implementation, exploiting the full potential of housing as an engine for well-being, socioeconomic development, and for realizing a new social contract based on housing for all.

14.   The past decades have witnessed a relative disengagement of national Governments from housing policies, while local governments have fallen short of capacity to meet the growing demands for housing. Private interests and investments have filled the gaps left by weak public sector capacities, but have mostly failed to address housing for low-income and marginalized groups. The situation is worsened by the transformation of housing as a speculative form of financial investment for global capital markets. This, together with the increased dominance of interconnected and trans-border financial markets and weak financial regulations, has disconnected housing from its social function of providing people with a place where they can live in dignity, stability and security.

15.   The overall tendency in past decades has been to frame the housing crisis as a supply-side problem that can be addressed simply by investing in the production of housing units. However, the rising number of housing units which remain vacant globally demonstrate that this is not the case.

16.   Without a holistic consideration of the contribution of adequate housing to social protection and welfare systems, crucial opportunities to meet social policy goals through housing programmes are lost. Adequate housing must be addressed through holistic policies to harness the potential of housing to deliver social, economic and environmental benefits, including improved living and working conditions for low-income and marginalized groups, inclusive urban planning and design, mixed-use compact neighbourhoods, low-carbon buildings, and adaptive re-use of existing buildings. Housing policy that is embedded in an integrated city-wide planning framework is a potent tool to address spatial inequality.

17.   There is currently no comprehensive mechanism in place to monitor the delivery of adequate housing. Target 11.1 of the Sustainable Development Goals does not capture all the components of adequate housing. In many countries, disaggregated local data are not collected due to the lack of technical capacity and absence of legislation that allow and require it. Homelessness is currently not systematically reported on due to a lack of an internationally agreed definition of the term. There is thus a clear need for inclusive multilateral platforms to ensure that accountability systems are in place for all housing stakeholders with regard to the gradual realization of the right to adequate housing. Through the facilitation of data collection, thereby strengthening benchmarking, monitoring, capturing and translating success, an inclusive multilateralism would ensure that systematic efforts in enhancing universal access to adequate housing lead to measurable results. In addition, the real estate industry should be encouraged to join the Guiding Principles on Business and Human Rights mechanism.

18.   Governments can act as market shapers, directing the economy towards housing as a right rather than an asset, instead of intervening only in cases of market failures. Inclusive multilateral platforms would allow for coordination among countries and between different levels of government on aspects of the housing crisis highlighted by human rights bodies and universal periodic reviews. This would provide national jurisdictions with effective financing models and policy design and implementation options. It would also help in adapting relevant policy tools to the local context and strengthening the knowledge and institutional capacity of all the housing stakeholders.

B.   Urban climate action and environmental sustainability

19.   Cities are key in delivering climate solutions and halting the destruction of natural habitat. Some 70 per cent of cities are already dealing with the effects of climate change. The consequences of climate change have deep environmental, social and health impacts on the urban population, on women and children, older persons, persons with disabilities and marginalized groups.

20.   Multilateral environmental agreements, such as the Paris Agreement, the Glasgow Climate Pact, and the Sharm-El-Sheikh Implementation Plan have increasingly highlighted the importance of cities for climate action, recognizing the need for multilevel and cooperative action beyond national level engagement. At the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, the first-ever ministerial meeting on urbanization and climate change at a session of the Conference of the Parties was convened, with delegates from over 60 Member States in attendance, representing a significant step forward by national Governments in aligning multilateral urban and climate action. Similarly, at its fifteenth meeting, the Conference of the Parties to the Convention on Biological Diversity adopted the Global Biodiversity Framework, which includes the first global target on conserving and planning green and blue spaces in urban areas, and endorsed the Plan of Action on Subnational Governments, Cities and Other Local Authorities for Biodiversity.

21.   The latest report by the Intergovernmental Panel on Climate Change (IPCC) report has highlighted the role of cities and communities as critical for responding to the climate crisis. At the twenty-seventh session of the Conference of the Parties to the Framework Convention on Climate Change, national Governments pledged their support for the first urban initiative led by the President of the Conference of the Parties, namely the Sustainable Urban Resilience for the next Generation (SURGe) initiative, which is dedicated to enhancing urban climate action through multilevel governance, and multi-stakeholder engagement and delivery. In 2022, the Group of Seven, the Group of 20 and the Commonwealth Heads of Government emphasized the importance of cities, urbanization, and multilevel climate action for sustainable development.

22.   National Governments are committed to strengthening the urban content in national climate policies. By 2022, 64 per cent of updated nationally determined contributions (NDCs) had at least moderate urban content, compared to 60 per cent in 2016–2017. The number of NDCs with strong urban content rose from 14 to 24 per cent in the same period.

23.   However, the current multilateral system is insufficient to deliver and accelerate urban environmental sustainability actions and scale up good practices from the local to the global level – there is currently no credible pathway in place for limiting global warming to 1.5˚C. Cities are inadequately and inconsistently anchored in the Paris Agreement. Current national climate frameworks lack a mandate for structural engagement with cities and their networks, and with non-State actors involved in the process of the Conference of the Parties to the Framework Convention. Alongside the increasing integration of urban content in NDCs, a strong delivery mechanism is needed for transforming policies into action and allocating funding for implementation to the regional and local levels.

24.   National policies and market mechanisms continue to limit financial flows into cities. Only around 10 per cent of current climate investments reaches the local level – far off the investment needed for a transition to a climate-resilient, climate-mitigating, climate-adapting and nature-positive infrastructure. Local governments often have limited capacity to carry out environmentally sound development planning and implementation using inclusive processes. However, decentralizing access to finance to subnational actors without adequate capacity can lead to negative outcomes, for instance for natural resources and marginalized communities. Climate finance needs to be structured in a way that also addresses unwanted impacts, such as the commodification and undermining of vital ecological systems and services, the processes of green gentrification and spatial exclusion, and the externalization of risk to particular social groups and geographies.

25.   International environmental negotiations and agreements must systematically anchor the role of cities in, for example, the ministerial meetings at future meetings of the conferences of the parties. Investment in urban and territorial climate-sensitive infrastructure that also addresses adequate housing, pollution and the other planetary crises must become a common global priority while fulfilling the needs of the most marginalized communities.

C.   Strengthening urban crisis recovery

26.   As crises increasingly have an impact on cities, multilateral frameworks and instruments supporting recovery need to adapt further to this reality and recognize cities, local governments and urban stakeholders as key protagonists to overcome crises and sustain peace. Cities, local governments and communities are demonstrating that, if sufficiently empowered, they can induce transformative shifts in recovery that result in more sustainable development.

27.   The multilateral system needs to invest more in foresight studies of the impact of global crises on our human settlements. As called for at the eleventh session of the World Urban Forum, multilateral actors need to put the science, research and data on the future of urban crises at the fingertips of local governments to help them to mobilize the political will and resources required for action at scale, shifting fundamental policies and practices to accelerate progress.

28.   Global crises and growing inequalities are inducing large-scale displacement and migration to urban areas. In cities where capacity and resources are already strained, such migration can lead to increased segregation, the growth of informal settlements, lack of affordable housing and strained basic services that ultimately give rise to heightened social tensions and sharpened inequalities.[2] Over time, cities have demonstrated that migration, if well planned and managed, can drive positive growth and development, as recognized also in the New Urban Agenda (para. 28).[3] The challenge lies in dealing with the acute shocks of rapid displacement, requiring policy, planning and financing instruments to create the necessary absorption capacity while respecting the rights of migrants, refugees and asylum seekers, and fostering social cohesion.

29.   A better understanding of changing urbanization patterns, induced or accelerated by displacement and migration, can support proactive urbanization strategies and investments that help to stabilize populations while promoting growth. The Secretary-General of the United Nations, in the Action Agenda on Internal Displacement, recognized that internal displacement is an increasingly urban phenomenon. Cities should be seen as a rich ecosystem that can, if adequately resourced, contribute to the resolution of displacement challenges. Such proactive urbanization strategies involve more effective multilevel governance, focusing on security of tenure, urban planning and land management, and access to finance. Fiscal transfers from national to local governments to support service delivery need to be based on actual population figures and their spatial distribution, including displaced persons, refugees and migrants, rather than outdated census data.

30.   The course correction by multilateral actors and national governments from a rural to a tailored response to complex urban crises, has been slow. At the policy level, both the New Urban Agenda, the Global Refugee Compact and the Global Migration Compact provide the foundation for new and more integrated ways of responding to population movements across the world. Local governments, their associations and networks can help deliver on these global agendas if they are given a role in the design and implementation of responses and are included in tailored multilateral mechanisms. Local non-governmental organizations and community-based organizations must be part of the localization of humanitarian response to support government actions. Networks, such as the Global Alliance for Urban Crises, are advocates and convenors in that regard within the multilateral system.

31.   Multilateral crisis response and recovery efforts have focused on supporting national Governments with assessments and with national recovery frameworks. However, national-level actions need to be complemented by urban frameworks that support recovery from the ground up. Urban recovery frameworks support the implementation of recovery interventions by clarifying institutional and multilevel governance arrangements, policies and plans, coordination mechanisms and financing instruments. Together with the Urban Profiling Toolbox, an area-based integrated assessment tool,[4] these lay the foundation for longer-term urban resilience. Successfully used in urban recovery in several cities in the Syrian Arab Republic, Lebanon and Iraq, the urban recovery framework is a tool that works across the humanitarian-development-peace nexus. It helps in the

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[2] Available at strategic_plan_2020-2023.pdf (unhabitat.org), pp. 45 and 46.

[3] Available at nua-english.pdf (unhabitat.org).

[4] For more information on urban recovery frameworks and the Urban Profiling Toolbox see https://unhabitat.org/sites/default/files/2021/03/toolbox_v11.pdf.

implementation of the New Urban Agenda in crisis settings and thus in accelerating the fulfilment of other global agendas.

D. Localization of the Sustainable Development Goals and multilevel governance as drivers for change

32.   Sustainable Development Goal localization refers to the process of transforming the Sustainable Development Goals into reality at the local level in a manner that is coherent with national development frameworks and community priorities. It is where the local meets the national and the global in a two-directional, mutually reinforcing process for development action, at once empowering communities and creating an enabling environment for local and regional governments.

33.   Cities and local and regional governments have made great strides in establishing effective Sustainable Development Goal localization processes contributing to the global movement on sustainable development. This has happened predominantly through peer-to-peer collaboration between cities and their associations. Localization has been translated into (a) awareness-raising and community participation; (b) data innovation, monitoring and reporting; (c) Sustainable Development Goal mainstreaming into strategic planning and policy formulation; (d) Sustainable Development Goal-aligned budgeting and financing; and (e) innovative partnerships across sectors and levels of governance. UN-Habitat, along with other parts of the United Nations system and other international partners, has supported the localization movement since the very endorsement of the 2030 Agenda and the first voluntary local review by the city of New York in 2018. The localization movement has positioned local and regional governments within multilateral processes, thereby greatly amplifying their voice and agency. The integrated support of UN-Habitat to Sustainable Development Goal localization, anchored in the Global Urban Monitoring Framework, voluntary local reviews, and the Sustainable Development Goals Cities (SDG Cities) support cycle,[5] is being delivered through local projects, country programmes and international partnerships. In addition, UN-Habitat co-leads the Local2030 Coalition, a United Nations system-wide platform to support Sustainable Development Goal localization (see section IV).

34.   Cities have generated significant local knowledge and innovation that has informed efforts by national governments and international organizations to implement the 2030 Agenda. For instance, by establishing the Committee on Citizen Participatory Budget System, the city of Suwon, Republic of Korea, is enabling citizens to participate in project development funds allocation at the city level. The voluntary local review of the state of Hawaii, United States of America, builds on the Aloha+ Dashboard, an open-data and multi-stakeholder platform showcasing co-ownership and social mobilization supported by a community's shared vision. The city of Bogota, Colombia, is advocating for the "caring city", integrating strategies for women's empowerment in urban planning and service provision by creating "caring blocks." The voluntary local review of Greater Amman, Jordan, set new standards in terms of being evidence-based, inclusive, participatory and actionable. It is also one of the first voluntary local reviews to utilize the Global Urban Monitoring Framework.

35.   Localization and multilevel governance represent a pathway to promote coherence among domains of policy, integration across sectors, collaboration among societal actors and among all spheres of governance, and continuity of development action beyond single-term mandates and short-term political agendas. Multilevel governance systems vary from country to country – as do the nature of the economy of different cities and their roles in the territorial continuum. A recent study by UN-Habitat identified different degrees of advancement based on the level of institutionalization and multilevel cooperation. In Finland, multilevel governance has become more effective through connecting the country's voluntary national review with the voluntary local reviews of the cities of Helsinki, Espoo and Tampere. This has enhanced cooperation between State, local state and non-State actors and increased the financial and legal support to cities localization efforts. The strategic partnership between Finland and UN-Habitat is now inspiring other cities and national Governments.

36.   To be inclusive, the multilateral system needs to consider all the components of society and spheres of government. Anchoring the multilateral system in localization processes and empowering local governments and networks of grassroots organizations, professionals and academia can enhance long-term policies at the national and global levels and respond to community priorities, thereby rebuilding the social contract.

37.   Despite the unprecedented progress made in acknowledging the centrality of localization, much remains to be done. Collaborative and normative frameworks and adequate resources to support localization processes are missing. To accelerate the implementation of the Sustainable Development

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[5] Available at https://www.sdg-cities.org/.

Goals worldwide, the multilateral system must promote virtuous cycles connecting evidence to policymaking, planning, financing and programmes of action. The SDG Cities initiative builds a foundation for these virtuous cycles and their enablers.

E. Generating prosperity and local finance

38. The economic importance of cities cannot be overemphasized. The World Bank and United Nations bodies estimate that more than 80 per cent of global gross domestic product (GDP) is produced in cities. Achieving effective, inclusive and sustainable urbanization is thus one of the most direct ways of fostering economic development. However, sustainable urbanization as a driver of prosperity and economic development has only recently started being reflected in international and national economic development policies. Well-planned, safe, accessible, affordable and liveable cities for all are still far from being recognized as a global public good.

39. Achieving such cities for all requires harnessing the power of urbanization to establish the right mix of land uses and to promote investment strategies that address historical inequalities between regions within countries. At the municipal level, this will involve generating endogenous revenue for public investments in infrastructure and basic services and implementing redistributive policies to ensure that the wealth produced in cities results in shared prosperity and environmental sustainability.

40. All three of the Habitat conferences held since 1976,[6] as well as the New Urban Agenda and the Addis Ababa Action Agenda, call for additional resources to leverage the economic potential of cities. Despite these calls, financing for sustainable urbanization, and for the implementation of the Sustainable Development Goals more broadly, is in crisis, leading to unmet urban investment needs and subsequently to unequal, congested, polluted, badly maintained and expensive cities that deter investment, and disenfranchise marginalized minority and lower-income groups. The investment gap maintains structures of discrimination and blocks the national development gains available in the sustainable urbanization process.

41. To address the financial gap experienced by cities, decision makers need to recognize the importance of financing for urban development within frameworks for national development, foreign direct investment and overseas development assistance. National Governments need to devolve to subnational governments the authority to collect revenue and invest in human capital, institutional arrangements and regulatory frameworks to enable local governments to mobilize endogenous sources of revenue. They also need to provide fiscal transfers to under-resourced subnational governments, including in small, intermediary and rapidly growing cities, based on strong oversight mechanisms to ensure that additional financial resources are effectively coordinated and result in positive development outcomes.

42. In our predominantly urban world where inequalities are rising, proactive innovative planning and long-term urban and territorial investment management are essential mechanisms to reduce poverty and inequality, and to accelerate the achievement of other Sustainable Development Goals. Cities, especially those that are growing rapidly, can harness the benefits associated with increased economies of agglomeration provided they reform their planning systems as set out in the New Urban Agenda and in the International Guidelines on Urban and Territorial Planning. These benefits are brought about by the right planning and design choices in relation to density, mixed use and connectivity. Cities need to be enabled to assess financial impacts and enforce safeguards, with the support of the multilateral agreements and international benchmarking. This is critical since without, for example, conditionalities to maximize the public value of public investments, both private and public investments can increase inequalities and cause negative externalities, such as environmental degradation, while failing to deliver the expected outcome and disincentivizing inclusive local financing options.

43. In the past decade, there has been renewed bilateral investment in corridor development and transportation infrastructure, particularly in the global South. Local governments need better capacities to set in motion virtuous multilevel processes whereby they utilize a variety of available funding and financing modalities, and bundle, sequence and strategically coordinate these modalities for the benefit of local economies and equality.

44. Multilateral institutions are well placed to facilitate efforts by countries and cities to harness the power of sustainable urbanization for transformative change. However, this approach will require better coordination frameworks that integrate the policy advisory services of the United Nations and

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[6] United Nations Conference on Human Settlements (Habitat I) in 1976, United Nations Conference on Human Settlements (Habitat II) in 1996, United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in 2016.

lending instruments of the multilateral development banks and regional financial institutions. Coordinated multilateral action can also mitigate land speculation and incentivize cities towards a more equitable distribution of resources. Such action can also create favourable conditions for global capital markets and domestic financial institutions to support the matching of projects in cities with private finance, and can enable own source revenue-related data to be shared across cities.

45.   Ultimately, an inclusive multilateralism needs to facilitate adequate financial flows for urban development from a variety of sources, based on transparent data and impartial local impact analyses. The success of urban financing and investment should be measured not only in terms of productivity, but also by their impact on equality, inclusion and environmental quality, in line with territorial and social progress as defined in the New Urban Agenda.

III.   Furthering key enablers of sustainable urbanization through inclusive and effective multilateralism

A.   Data systems and knowledge

46.   The evidence base for tracking global urban trends to inform policy responses remains weak. National reporting on the implementation of the New Urban Agenda has also been inadequate, as detailed in the report on progress in the implementation of the New Urban Agenda (HSP/HA/2/5). Tackling these challenges requires multilateral cooperation and investments given the complexity of revolutionizing city and urban data and indicators and the scale of the task. The Global Urban Monitoring Framework endorsed by the Statistical Commission is a step in the right direction, providing a coherent entry point to track progress simultaneously for the implementation of the New Urban Agenda and the attainment of Sustainable Development Goal 11 and of the urban-related targets of the Goals. It allows for a common approach to monitoring the core dimensions of urban development globally as a basis for joint policy direction and action. Through multi-country cooperation on enhancing the availability of Goal 11 indicators, including through the inter-agency expert group, most of the 12 indicators of the Sustainable Development Goals are now categorized under tier II, with three under tier I.[7] In addition, building Member States' capacities to effectively utilize the urban agenda platform would provide an opportunity for consistent and continuous national reporting and trend analysis on the New Urban Agenda.

47.   City monitoring has also been enhanced with global agreements on how to define cities, urban areas and rural areas allowing for the production of comparable data for various urban-related Sustainable Development Goal targets and global urban monitoring indicators. This global level approach to measuring sustainable urbanization is enabling systematic global monitoring and reporting of the performances of the systems of cities. As at 2023, a total of 40 countries are being supported to retrofit their urban data and produce metrics using the global city, urban and rural definitions. The results of this exercise show that many countries are more urbanized than previously thought, which, in turn, highlights the need for a review of the existing urban and rural development strategies to ensure an informed alignment with the pattern of urbanization.

B.   Advocacy and partnerships

48.   Current urban challenges require systemic changes beyond the capabilities of individual States, cities, industries or organizations. Such changes are possible when stakeholders unite and demand action, as has happened in the advocacy on climate change, which has won the hearts and minds of many and translated into a call to action to save the natural and human habitats. A similar urgency and united action are needed to prioritize the implementation of the New Urban Agenda.

49.   UN-Habitat partnership platforms and events, such as the World Urban Forum, Urban Agenda Platform, World Urban Campaign, Urban October and the UN-Habitat Stakeholder Advisory Group Enterprise (SAGE) offer powerful opportunities for joint advocacy and rich dialogues, and help to bridge the communication gap among the diverse constituencies of the New Urban Agenda. Continuous policy dialogues and exchanges on effective solutions contribute to shared visions and build consensus in support of inclusive multilateralism in times of global crisis. For example, at the first session of the UN-Habitat Assembly, in 2019, over 200 stakeholders developed and adopted the

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[7] To facilitate the implementation of the global indicator framework, all indicators are classified by the Inter-agency and Expert Group on Sustainable Development Goals into three tiers based on their level of methodological development and the availability of data at the global level. Please visit the United Nations Statistics Division website https://unstats.un.org/sdgs/iaeg-sdgs/tier-classification/ for more information.

New Stakeholder Compact for the New Urban Agenda, which aims to strengthen multi-stakeholder partnerships and priorities.

50.   To make diverse groups act decisively on the challenges of sustainable urbanization, it is important to learn to build the communication strategies and public engagement capacities of local government and urban professionals. Campaigns to raise awareness on key topics using convincing stories, data demonstrations and credible evidence help to engage and catalyse action. The Urban Thinkers Campus led by the World Urban Campaign and other interactive events, such as Urban Listening Labs or Urban Studios, have proven to be powerful in connecting interest groups and collecting inputs.

C.   Capacity-building

51.   All the stakeholders involved in the management of urban areas are challenged by global development trends. They require access to innovative, agile, resilient and contextually relevant approaches to managing and shaping cities. However, there is a daunting gap in urban planning capacity in the regions that are rapidly urbanizing. While developed countries have one planner for every 1,000–3,000 people, developing countries typically have just one planner for every 80,000–100,000 people. Addressing this local level capacity gap is a priority for realizing the New Urban Agenda. Simultaneously, the capacity needs of secondary and intermediary cities regarding urban data and analysis, evidence-based policymaking, inclusive participatory processes and own source revenue management, must be addressed.

52.   The UN-Habitat capacity-building strategy identifies strengthened engagement with knowledge and training institutions as well as universities as an enabler for increased and innovative capacity-building. Indeed, higher education and professional training are of paramount importance in increasing the capacities of urban professionals, particularly where immediate and adapted response is needed.

53.   Digital transformation offers a unique opportunity to leverage innovation in the way we design and transfer essential information and knowledge, or to enhance peer-to-peer learning through collaborative and learning tools. Knowledge needs to be co-produced through participatory research and learning with diverse communities, ensuring inclusive bottom-up approaches based on human rights, gender quality and community empowerment.

54.   Making practical and innovative knowledge more accessible to countries, cities and communities will enable them to find relevant and cost-efficient solutions to the challenges they face. At the eleventh session of the World Urban Forum, held in Katowice, Poland, conversations with members of the academic community highlighted the need to increase the consideration of regional diversities in knowledge-sharing and research.

55.   Multilateral knowledge-sharing platforms can play a leading role in identifying capacity gaps and developing large-scale capacity-building programmes that provide adapted tools and skills to urban stakeholders. For example, UN-Habitat is partnering with the Commonwealth Sustainable Cities Initiative to implement a call to action on sustainable urbanization, looking at ways to bridge the capacity gap in support of the Declaration on Sustainable Urbanization adopted by Commonwealth Heads of State in 2022. The initiative involving 56 countries is informed by the findings of a survey on the built environment professions that evidenced a critical lack of professional capacity in many rapidly urbanizing Commonwealth countries.

D.   Digital transformation – systems and processes

56.   Digital connectivity, technologies and data have become increasingly important in multilateral affairs. Digital transformation is now considered one of the world's megatrends, along with climate change and urbanization. Digital threats have also become an important part of global security challenges.

57.   In 2018, the Secretary-General convened a High-level Panel on Digital Cooperation to recommend ways in which the international community could work together to optimize the use of digital technologies and mitigate the risks, which coalesced in the Panel's final report "The age of digital interdependence." In 2020, the Secretary-General, in his report entitled "Road map for digital cooperation: implementation of the recommendations of the High-Level Panel on Digital Cooperation", (A/74/821) recommended actions for the international community to help ensure that all people are connected, respected and protected in the digital age.

58.   Digital transformation provides opportunities to deliver local services more effectively while improving urban planning and mobility. However, digitalization also poses challenges related to security, surveillance, misinformation and inequalities. In an increasingly digitalized global economy, the "digital divide" has left many countries, cities and people behind. A digital audit, facilitated through appropriate multilateral platforms, should interrogate how different sections of society, such as marginalized groups of women, young people, older persons and persons with disabilities, are able to access digital services.

59.   In the New Urban Agenda, Member States committed to adopting an integrated and inclusive smart-city approach. Since then, several multilateral dialogues on smart cities have been launched, including the "United for Smart Sustainable Cities" initiative, a smart city collaboration network co-led by the International Telecommunications Union, UN-Habitat, and the Economic Commission for Europe, and the Group of 20 Smart Cities Alliance, facilitated by the World Economic Forum. Recent research by UN-Habitat indicates that many cities struggle to keep up with the pace of digitalization. They face various challenges, including the absence of integrated city management as a prerequisite for effective digital system development and the lack of feasible digital strategies, and insufficient capacity to procure, deploy and govern new technologies needed to ensure the interoperability and inclusivity of digital systems.

60.   The rapidly evolving nature of digitalization requires cities to actively participate in decision-making and design processes to ensure that the benefits of digitalization reach everyone. Countries such as Brazil, Germany and Rwanda have produced national smart city charters to guide digitalization at the local level. Many Member States are, however, only at the beginning of this journey. International guidance on people-centred smart cities can help countries and cities to build digital capacity, procure appropriate technology, put in place effective and inclusive digital governance mechanisms, and adopt appropriate policies to ensure that smart city technologies have a positive impact on people's lives.

61.   A multilateral digital cooperation process that considers the needs of local governments through effective multilevel governance structures is crucial to ensure that digital transformation contributes to sustainable and inclusive urbanization. Adhering to principles related to digital public goods, digital inclusion, digital capacity, human rights, gender equality and social inclusion, digital security and artificial intelligence is key for this undertaking.

IV.   Opportunities for expanding inclusive and effective multilateralism to advance the UN-Habitat mandate

A.   Local2030 coalition

62.   The Local2030 coalition was launched during the seventy-sixth session of the United Nations General Assembly, in September 2021. The coalition is the United Nations system-wide platform and network for supporting and accelerating the localization of the 2030 Agenda for Sustainable Development. It provides a shared space to mobilize, engage and empower local actors everywhere, and link their efforts to national policymaking.

63.   Within the United Nations system, the Local2030 coalition helps United Nations entities expand their partnerships with local actors, especially local and regional governments and their associations and networks. Thus, the Local2030 coalition enhances vertically and horizontally coordinated actions in the multilateral system for the fulfilment of the global development agendas.

64.   The work of the Local2030 coalition comprises three action areas: (a) advocacy, to increase engagement on Sustainable Development Goal localization at the global, national and local levels; (b) action, to ensure a prioritized and coherent approach to Sustainable Development Goal localization, including joint programming and financing; and (c) monitoring and reporting on the implementation of the Goals, including promotion of voluntary local reviews and their support to national Sustainable Development Goal reporting mechanisms. The coalition supports the new "localization window" of the Joint Sustainable Development Goals Fund, which will make catalytic financing available to local actors and provide the support of the United Nations system on the ground, through the United Nations resident coordinators.

65.   UN-Habitat is the permanent co-chair of the coalition and its secretariat. The work of the coalition and the localization window is supported by Spain, itself an exemplar of multilevel governance and Sustainable Development Goal localization, through a whole-of-society, whole-of-Government approach involving the national Government, the Basque Country, the city of Bilbao and the Bank of Bahrain and Kuwait.

B.   Collaboration with the United Nations country teams

66.   In its resolution 77/173, the General Assembly encouraged UN-Habitat to accelerate the implementation of the United Nations system-wide strategy for sustainable urban development to facilitate coordination among entities of the United Nations system to ensure effective support for countries in the implementation of the New Urban Agenda and the urban and human settlements dimensions of the 2030 Agenda for Sustainable Development. It also called upon UN-Habitat to continue to work closely with United Nations organizations to promote joint urban programming at the country level, to support country efforts towards the Sustainable Development Goals through the United Nations Sustainable Development Cooperation Framework.

67.   To fulfil this mandate, UN-Habitat is building up the work with United Nations entities through global inter-agency and bilateral cooperation, regional collaborative platforms and regional initiatives, and United Nations country teams and joint urban programming. This approach is in line with the review of the implementation of the United Nations system-wide strategy for sustainable urban development, endorsed in October 2022 by the Chief Executives Board, which recommended continued work through global, regional and, especially, through country-level inter-agency processes.

68.   Since 2019, United Nations entities have contributed disaggregated urban data and spatial analyses to 30 United Nations country teams for the development of common country analyses. At the tenth and eleventh sessions of the World Urban Forum, United Nations resident coordinators gathered, with the support of the Development Coordination Office, to review progress and identify ways to accelerate joint urban programming as a means of implementation of Development Cooperation Frameworks in 29 countries. A total of 20 United Nations resident coordinators participated in the World Urban Forum to engage with key constituencies of the New Urban Agenda and design strategies to promote joint urban programming at the country level.

C.   Regional multilateralism

69.   The universal nature of the Sustainable Development Goals requires concerted efforts by all, at all levels of governance and in partnerships, all pulling in one direction. Such multilateral effort involves a clear regional dimension, rooted in national and local realities.

In its role as facilitator of the United Nations system-wide strategy for sustainable urban development, UN-Habitat has engaged with the United Nations regional collaborative platforms in issue-based coalitions. It has aligned efforts with regional governmental, development and financing entities. For example, UN-Habitat has a long-standing collaboration with the African Union, is supporting the implementation of the Association of Southeast Asian Nations (ASEAN) Sustainable Urbanization Strategy, and the annual meeting of the Forum of Ministers and Highest Authorities of Housing and Urbanism of Latin America and the Caribbean.

70.   Furthermore, regional multilateralism presents an opportunity to promote South-South cooperation as a means of implementing global development agendas at all levels. It provides both political and technical platforms for addressing global challenges. It also presents catalytic opportunities within intergovernmental initiatives such as the India, Brazil and South Africa Facility for Poverty and Hunger Alleviation, which have mobilized knowledge exchange. For example, regional multilateral cooperation has been hailed as crucial for effective governance of cross-border ecosystems, such as the Amazon rainforest where deforestation accelerates wildfires and opens space for the global market demands for animal and vegetable protein, linking land conversion and urban food consumption.

71.   In the outcome document of the second High-level United Nations Conference on South-South Cooperation, held in Buenos Aires, endorsed by the General Assembly in resolution 73/291, heads of delegations and high representatives of Governments called for greater South-South and triangular cooperation initiatives aimed at eradication of poverty in all its forms and dimensions in urban and rural areas through more coordinated policies and sharing of knowledge, solutions and experience at the local level, including of urban centres. UN-Habitat recently signed a memorandum of understanding with the United Nations Office for South-South Cooperation to further the alignment of the objectives and strategies of South-South and triangular cooperation.

D.   Engagement with the Group of 7, the Group of 20 and other relevant multilateral forums

72.   Although increasingly recognized as pivotal to the achievement of the 2030 Agenda, sustainable urbanization has featured only peripherally in key forums that involve global policymaking and international agreements within and beyond the United Nations. Among them are the meetings of

the Conference of the Parties to the United Nations Framework Convention on Climate Change, the Group of 20, Group of 7, the Commonwealth Heads of Governments and international organizations such as the International Monetary Fund, the World Bank and the World Economic Forum.

73. In recent years, UN-Habitat has contributed to global urban policy and related subnational preferences in multilateral conversations. In 2021, UN-Habitat supported the establishment of a Group of 20 Platform on Intermediary Cities and Sustainable Development Goal localization. In 2022, Germany hosted the first-ever Group of 7 Urban Development Ministers meeting, supported by UN-Habitat, Local Governments for Sustainability and the Organisation for Economic Co-operation and Development. Sustainable urbanization was mentioned for the first time by the Group of 7 in the leaders' communiqué emanating from that meeting.

74. While these were presidential initiatives, UN-Habitat aims to develop more permanent relationships, for example with the Urban 20 of the Group of 20 and the Urban 7 of the Group of 7). UN-Habitat aims to forge partnerships with city networks led by the umbrella Global Task Force of Local and Regional Governments, as well as academic and research organizations, in order to promote evidence-based policy briefs for subnational positions in these important forums.

V.   Way forward

A.   Key pathways

75. The present report has articulated the role of inclusive and effective multilateralism in achieving a sustainable urban future in times of global crises. The importance has been emphasized under each of the policy priority areas of housing, climate, environment, urban crisis, Sustainable Development Goal localization, and prosperity and local finance, of the importance of integrating local and regional governments more firmly in the negotiation and implementation processes of international agreements. While the multilateral system has advanced in terms of agenda-setting, the gaps in progress on goal 11 are indicative: stronger and more innovative participatory delivery mechanisms are needed to transform policies into action and allocate funding for implementation to the regional and local levels. Data gathering, reporting and monitoring are needed to build an accountable multilateral system guiding the achievement of sustainable urban futures. The evidence needs to be connected to planning, policies, action and financing in virtuous cycles that accelerate each other and ultimately the implementation of the Sustainable Development Goals worldwide.

76. During the second session of the UN-Habitat Assembly, Member States are encouraged to explore, in coordination with the wider multilateral system, eight concrete pathways for achieving a sustainable urban future in times of global crises. Member States may also consider the selected pathways to inform the outcomes of the high-level political forum on sustainable development, the Sustainable Development Goals Summit, and the "Summit of the Future: multilateral solutions for a better tomorrow."

77. Based on the internationally recognized right to adequate housing, Member States are encouraged to explore mechanisms to advance evidence-based structural solutions to achieve the universal right to adequate housing and assess and share the implications of the lack of affordable housing and homelessness.

78. Acknowledging that there is currently no credible pathway for staying within the 1.5˚C global warming threshold, Member States are encouraged to explore realistic urban pathways for climate action, and ways in which integrated urban climate and biodiversity action can be strengthened, such as through the recently launched SURGe initiative and other global and regional initiatives.

79. Considering that crises are increasingly urban and cities are increasingly the places of arrival for displaced people, how can Member States advance inclusive urban recovery frameworks that empower cities to respond to urban crises and support national recovery efforts?

80. Recognizing rising urban poverty and inequality, Member States are encouraged to consider increasing urban development financing within their frameworks for national economic development, foreign direct investment and overseas development assistance, to advance effective multi-level governance, and ensure integrated local and regional planning and investments, particularly to support intermediary and rapidly growing cities.

81. Recognizing the importance of the vertical coherence, horizontal integration and temporal continuity of development actions, Member States are invited to deliberate on how to strengthen Sustainable Development Goal localization and effective multi-level governance, and empower local and regional governments as central actors in rebuilding the social contract.

82. Acknowledging mutual and interlinked dependencies between urban areas, Member States are encouraged to consider how to advance cross-border territorial cooperation through regional multilateralism, such as cross-border urban corridors, with adequate shared infrastructure investments and multilateral coordination of participatory governance, and legal and planning frameworks which ensures that the local impact is equitable and sustainable.

83. Recognizing cities' need for increased fiscal space, Member States are invited to explore policies and market mechanisms to enhance cities' potential to accelerate the achievement of the Sustainable Development Goals, including those related to adequate housing, climate action and urban crisis response, and how to ensure that financial flows directed towards urban development are coordinated, guided and sequenced without disincentivizing municipal level value-sharing and local development.

84. Recognizing the increasing importance of cities, Member States are encouraged to identify which key multilateral forums could benefit from a stronger and more networked engagement of cities and other local and regional governments, what the principles of such engagement could be, and what their specific role in these forums could be.

B. Structure of the UN-Habitat Assembly dialogue on the special theme

85. The dialogue will start with an introductory segment including welcome remarks by the President of the Assembly and a brief presentation of the report on the special theme by the Executive Director. These will be followed by the keynote speech on the dialogue theme in the context of the shifting global landscape of critical issues.

86. The dialogue will include a high-level panel with ministerial-level speakers on three of the key themes of the special theme report – housing, climate and crisis. A second panel will focus on key enablers such as data, financing, digital transformation and territorial approaches.

87. A third panel will cover multilevel governance and Sustainable Development Goal localization, which will involve national and subnational governments and stakeholders, potentially also bringing in voices from the United Nations resident coordinator system.

88. A closing fourth panel will synthesize the key take-away messages of the dialogue through a moderated panel discussion between the UN-Habitat Executive Director and key stakeholders shaping the Summit of the Future in 2024.

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