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SUSTAINABLE URBANIZATION STRATEGY
UNDP'S SUPPORT TO SUSTAINABLE, INCLUSIVE AND RESILIENT CITIES IN THE DEVELOPING WORLD

United Nations Development Programme

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the kind of growth that improves the quality of life for
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help empower lives and build resilient nations.

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FOREWORD

The world has urbanized rapidly in recent years, offering countries opportunities to improve the lives of people and enhance economic development in towns and cities. Poorly managed urban growth and development, however, can exacerbate inequalities, exclusion and vulnerability, especially among marginalized populations.

Two aspects of urbanisation in particular are directly relevant to UNDP's work and mandate. First, poverty in the developing world is becoming increasingly urbanized. Relative and multidimensional poverty in particular will become more concentrated in urban areas, and the drivers and characteristics of poverty will increasingly be influenced by urban conditions. Second, many of the other development challenges which UNDP addresses are issues in urban areas as much as in rural – access to energy, climate change impacts and disasters, diseases outbreaks, myriad forms of pollution, gender and social exclusion, and lack of access to basic services.

UNDP recognizes the nature, scale, and complexity of urban opportunities and challenges. We are able to work with urban development processes to identify priorities and maximize positive impacts on people's lives. To support implementation of the 2030 Agenda for Sustainable Development, we must work alongside governments, businesses, and communities, using integrated approaches to achieve sustainability, inclusion, and resilience.

This Sustainable Urbanization Strategy outlines how UNDP is responding to rapid urbanization in developing countries and its consequences for sustainable development. It outlines how UNDP will support countries and cities, building upon its past and current work on urbanization. The strategy presents the complex and evolving urban challenges and the interrelated development choices which cities face as they strive to achieve the SDGs and implement the New Urban Agenda. It also sets out UNDP's comparative advantage and experience in core thematic areas which are relevant to achieving the SDGs in cities and urban areas.

Helen Clark, Administrator
United Nations Development Programme

1. INTRODUCTION

URBANIZATION TRENDS

For the first time in history, more than half the world's people are urban. Between now and 2030, the world's rural population is expected to remain largely static, while the urban population is projected to grow by 1.5 billion people.[1,2] By 2030, 60 percent of the global population will live in cities. Over 90 percent of that urban growth will occur in cities and towns of the developing world, mostly in Africa and Asia.

The urbanization of the global population has fundamental ramifications for the economy, society and the environment. Urban centres currently cover only a small part of the world's land surface - 0.51 percent of the total land area. However, urban areas will expand significantly during the next two to three decades. Based on current trends, urban land cover will increase by 1.2 million km[2] by 2030, nearly tripling global urban land area between 2000 and 2030.

Cities cover a small part of the world, but their physical and ecological footprints are much larger. Cities accounted for 82 percent of global GDP in 2014[3] and by 2025 this will rise to an estimated 88 percent. There will be 230 new cities by then, all in middle-income countries. One hundred cities in China alone may account for 30 percent of global GDP at that time.

Cities produce more than 70 percent of the world's greenhouse gas (GHG) emissions[4] and use 80 percent of the world's energy.[5] The International Energy Agency projects that urban energy-related GHG emissions will rise from around 67 percent today to 74 percent by 2030.[6] Cities also host most of the world's critical infrastructure, key development assets, political institutions and major socio-economic activities. Global analyses of climate change and disaster impacts show that a high proportion of the people and economic

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BOX 1: WHAT DOES 'URBAN' MEAN?

There is no universal definition of an urban area and countries use different criteria to define a place as urban. An urban area has been defined by one or more of the following: administrative or political boundary, a threshold population size (where the minimum for an urban settlement is typically in the region of 2,000 people, although this varies globally between 200 (Sweden) and 50,000 (Japan)), population density, economic function (e.g., where a significant majority of the population is not primarily engaged in agriculture) or the presence of urban charac-teristics (e.g., paved streets, electric lighting, water supply, etc.).

For the purposes of this document, UNDESA's definition of urban popu-lation is used. UNDESA has compiled a comprehensive list, gathering data from national censuses of 232 countries and territories. The UN World Urbanization Prospects 2014 report categorizes cities by level of population, where megacities are defined as urban agglomerations of 10 million inhabitants or more, large cities comprise between 5 and 10 million inhabitants, and medium-sized cities as those with between 1 and 5 million inhabitants. Small cities are categorized into two groupings: those that have between 500,000 and 1 million inhabitants and urban areas that comprise fewer than 500,000 inhabitants.

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1   All demographic statistics used in this report, unless otherwise indicated, are derived or quoted from *World Urbanization Prospects: The 2014 revision*, prepared by the United Nations Department of Economic and Social Affairs (UNDESA).

2   UNDESA World Urbanization Prospects 2014 Data set http://esa.un.org/unpd/wup/DataQuery/.

3   A 2011 report by McKinsey and Company, *Urban world: Mapping the economic power of cities*, estimated that 600 urban centres accounted for 60 percent of the global GDP and that the population of these 600 cities, between 2007-2025, will grow 1.6 times faster than the population of the world as a whole.

4   UN-HABITAT (2011), Cities and Climate Change: Global Report on Human settlements 2011. UNDP (2012), Asia-Pacific Human Development Report 2012. One Planet to Share: Sustaining Human Progress in a Changing Climate

5   KPMG (2012)

6   IEA's World Energy Outlook 2008

activity affected by extreme weather events is concentrated in urban centres.[7]

Cities' vulnerability goes beyond exposure to climate change impacts and extreme events. Violence and crime are pressing issues in many urban areas. The urbanization process in developing countries is often poorly managed, resulting in inequitable, exclusionary and fragmented cities and increased risk of violence, especially among disenfranchised sections of the urban population that cannot access the formal political system, including refugees and Internally Displaced People (IDPs).

While there are challenges to be addressed, there are also critical opportunities to be seized in making growth more sustainable, inclusive and equitable, cities more resilient and their inhabitants less vulnerable. Urban residents in well-planned cities enjoy better access to employment opportunities, health care, education and public services compared to their rural counterparts. Well-managed urban areas have lower per capita energy, climate and ecosystem footprints and lower costs per person for infrastructure and basic services. And the concentration of resources, ideas and energy in urban areas is fertile ground for the creativity and technological innovation needed to solve the many developmental challenges the world faces today.

Millenials in their 20s and 30s are moving into cities at an astounding rate, attracted by the concentration and density of people that they can connect with.[8] At the same time, companies, including startups companies, are increasing moving into dense, dynamic and energetic urban centers where talent,

entrepreneurs, infrastructure, knowledge and capital are clustered.[9] These two mutually reinforcing dynamics are shifting and shaping the way cities are developed, spurring innovation and revitalization, creating new relationships between local residents, companies and local governments, as well as exposing underlying challenges in cities.

Cities are also garnering greater attention in the global development system:

- **Agenda 2030 and the new Sustainable Development Goals** provide a powerful illustration of the challenges and opportunities to come for cities. Having been partially neglected by the MDG agenda,[10] promoting sustainable cities is now clearly featured in the 2030 Agenda as one of the SDGs – Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable. (See Annex 2.) In fact, sustainable development in cities is critical to achieving most of Agenda 2030. For instance, cities have a clear role in 'ending poverty' (Goal 1); 'reducing inequality' (Goal 10); promoting inclusive and sustainable growth, and full and productive employment (Goal 8); and taking urgent action to combat climate change and its impacts (Goal 13). One analysis identified 11 of 17 SDGs where action in cities will be essential.[11]

- Urbanization is the topic of the largest global development conference in 2016, 'The United Nations Conference

7   UNISDR Global Assessment Report 2013, 2011 and IFRC 2010, World Disaster Report 2010

8   Gizmodo (2016), Millenials will live in cities unlike anything we've seen (accessed on 19 August 2016) http://gizmodo.com/millennials-will-live-in-cities-unlike-anything-weve-se-1716074100

9   CityLab (2015) (accessed on 19 August 2016), http://www.citylab.com/tech/2015/07/the-worlds-leading-startup-cities/399623/

10   Urbanization as a development issue was partially captured under Environment MDG Targets 7c (improved access to sanitation among the urban population) and 7d (improvement in the lives of at least 100 million slum dwellers).
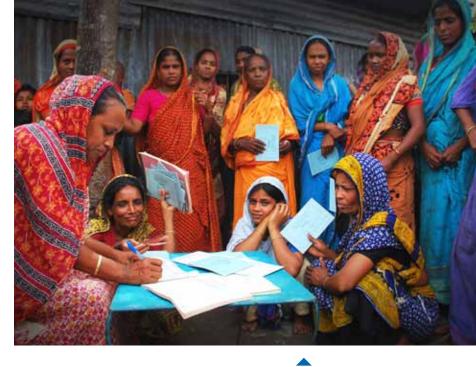
11   Misselwitz and Villaneuva (2015), The Urban Dimension of the SDGs: Implications for the New Urban Agenda

on Housing and Sustainable Urban Development' (Habitat-III). The Habitat III Conference aims "to secure renewed political commitment for sustainable urban development, assess accomplishments to date, address poverty and identify and address new and emerging challenges." These aims will be turned into an actionable **New Urban Agenda,** which will define a global approach to urbanization for the next 20 years.

PURPOSE AND OBJECTIVE

The Sustainable Urbanization Strategy outlines UNDP's response to the rapid urbanization of the developing world and its consequences for sustainable development. It is written for internal and external purposes. Externally, the strategy is targeted at local and national government and development partners who are responsible for urban development. It stands as UNDP's global offering, outlining the organization's intent, niche and particular areas of focus on this issue. Internally, the strategy is intended to frame discussions, to help assess urban issues through a multidimensional lens and to develop context-specific solutions to urban development challenges for country programming.

This Strategy Note is divided into four sections, including the introduction. The second section provides an overview of the key development issues generated by urbanization in the developing world and their relevance to UNDP. The third and fourth sections take up UNDP's role in addressing them and outline the policy and programme support UNDP will offer. Annex 1 points to resources and reference materials that have

been made available for further information. Annex 2 looks at the sort of support UNDP can offer towards achievement of SDG Goal 11.

This Strategy Note will be updated as the New Urban Agenda to be agreed at Habitat-III is operationalized and as UNDP's 'offer' to cities and urban partners is enriched by further engagement with urban stakeholders. As the New Urban Agenda takes shape, specific and targeted programming tools, evidence and resources will be developed and made available online to further elaborate UNDP's approach and offering.

Building on this strategy, UNDP will develop and offer integrated solutions combining its expertise across core thematic areas, build and work through a broad coalition of partners and deepen cross-country and regional networks of learning and exchange. The objective is to ensure the policy vision expressed in this document is translated into clear programmatic direction that is tangible and implementable to achieve results.

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Urban Partnership for Poverty Reduction initiative addresses urban poverty in Bangladesh (UNDP Bangladesh)
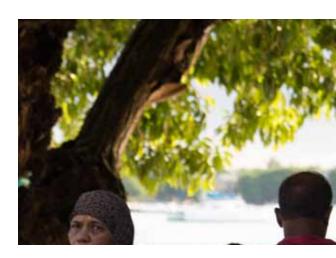
UNDP demonstrates

2. THE DEVELOPMENT ISSUE

Cities and urban centers are accelerators for social and economic progress. The economic dynamism of cities provides livelihood opportunities and social mobility possibilities not found in rural areas. Throughout history, cities have been hubs of innovation in technology, commerce, social organization and ideas. The concentration of people, resources and ideas allows innovation to occur at tremendous speed, generating economic activity and wealth at unprecedented rates. Cities also provide opportunities for social mobility that are unavailable in traditional rural environments. Throughout the world, migrants with ideas, entrepreneurial spirit and energy have been drawn to cities to achieve their dreams.

However, cities are also home to significant concentrations of the poor and marginalized. **Urban poverty is growing**[12] and the World Bank estimates that, by 2035, most of the world's extreme poor will be found in urban areas.[13]

Urbanization has significant impacts on the environment and the well-being of urban dwellers. **Cities are key contributors to many environmental problems**, such as air and water pollution. Pervasive levels of air pollution has been seen recently in China, India and Mexico City. For many cities,

cities, shortage of land for landfill sites and health hazards such as cholera outbreaks, from informal dumps and untreated waste.

Cities are highly vulnerable to climate change impacts. This is due to the fact that many cities are located in highly exposed coastal areas and riverbanks, which are prone to sea level rise, typhoons, storms, flash floods and landslides. Urbanization also displaces open space such as farmland, wetlands, parks and forests and reduces water supply as excessive ground water usage depletes water tables. These degradations significantly reduce the ability of natural ecosystems to filter air and water and provide other ecosystem services. The