
Perspectives in Sustainable urbanization



Low density urban growth in Africa (Maputo)

What Governments could and should do

By Daniel Biau

Today the world counts 7.7 billion inhabitants of which 4.3 billion live in cities (56 per cent of the total population). In 1980 there were 4.4 billion people of which only 1.7 billion lived in cities (39 per cent). In 2050, the projections predict 9.8 billion people including 6.7 billion urban dwellers (68 per cent)¹. We are therefore witnessing a huge urban transition, one of the most important migrations of history that brings with it numerous challenges as well as opportunities in the political, economic, social and environmental areas. Every 20 years the UN organizes a World Summit to assess the situation and agree on common principles which should be translated into national policies. These Summits took place in Vancouver (1976), Istanbul (1996) and Quito (2016). Their recommendations are more marked by continuity than by radical shifts. They are summarized below in a menu of what all national governments (i.e. UN Member States) could and should do, with appropriate adaptation to their national circumstances..

¹ All data are from "World Urbanization Prospects: The 2018 Revision", Population Division, UN-DESA



1. Ensure Institutional and Legislative Efficiency

An adequate institutional framework is essential to the implementation of any policy. As national, sub-national and local institutions involved in human settlements are very numerous, responsibilities have to be well established and supervisory and coordinating bodies clearly defined. Public authorities should also involve private stakeholders, including landowners, investors, banks, developers, construction companies, private service providers, architects and consultants, planning agencies, surveyors, etc. They should provide consultative mechanisms with civil society organizations, residents and users associations, women and youth organizations, research centres, small businesses, keeping in mind that human settlements are not a sector but a complex web of actors with different expectations and capacities.

Governments should review institutional arrangements related to housing and urban development to ensure the convergence of public policies, efficient management of cities and regions, and financial sustainability. This should be a starting point for the elaboration of any National Urban Policy (NUP) and National Housing Policy (NHP).

A legislative review could aim at eliminating obsolete laws and decrees, consolidating some overlapping regulations and proposing new and comprehensive urban legislation. Effective legislation need to have a clear

purpose, introduce consistent and well-thought-out rules and enforcement mechanisms, include clear, precise and unambiguous obligations; and allow for systematic monitoring and evaluation. In most countries the legislative framework could be reformed and simplified; it may focus on land regulations to boost land supply, contribute to the densification of the urban fabric, regularize informal settlements and ensure an orderly urban growth.¹

2. Decentralize Urban Management

In many countries municipalities rely on higher levels of administrative organization. While they are closer to the citizens than regional and national spheres of government, they have neither the resources nor the mandate needed to ensure an efficient urban management. However, all governments agree in principle that they need to strengthen human resources of local authorities, decentralize responsibilities and promote participatory governance². This was a major outcome of the Istanbul Conference.

But municipal finances remain often insufficient and cities should be empowered to better collect land and property rates and business taxes and to use them to improve infrastructure and services.

56% The 4.3 billion inhabitants living in cities. The total world population is at 7.7 billion.

Important sources of land-based finance include: (i) the annual tax on property, land and real estate occupations, (ii) the betterment tax on improved infrastructure beneficiaries; (iii) taxes on capital gains in land transactions. The addition of these multiple incomes may represent several hundred US dollars per capita per year, reaching hundreds of millions of US dollars for a well-managed city. Total land-based revenue indeed represents more than 1% of GDP in OECD countries. The terms of the equation are simple: (i) cities automatically produce land wealth, (ii) public authorities should make every effort to capture significant portions of these immense benefits and (iii) these should be allocated to urban development to cover investment and operating costs, completing a virtuous circle.

Among other financial instruments used by a majority of countries, inter-governmental transfers, on which many municipalities rely, must be transparent and fair, as must business taxes and tariffs charged on marketable services (especially water and electricity).

¹ See "How to Formulate a National Urban Policy, A Practical Guide", UN-Habitat, 2019

² See "International Guidelines on Decentralization and the Strengthening of Local Authorities", UN-Habitat, 2007



Ensuring urban equity probably constitutes the major challenge that public authorities have to face all over the world. This is a difficult task as market economies are fundamentally inequitable: the price of land (and therefore of housing units) varies enormously according to its location.

3. Renew Urban Planning Methods

In all regions of the world urban planning methods are wavering between two types of approach: technocratic and top-down vs. participatory and bottom-up. The former has demonstrated its ineffectiveness in many countries. The latter is making steady progress but is not yet widely accepted. Whatever the approach, successful implementation of plans requires the existence of a solid institutional set-up involving all relevant stakeholders, the adjustment of the regulatory framework (codes/standards/zoning regulations), the association of planning with implementation (city management), the mobilization of financial resources through the fair contribution of different territorial users, and the establishment of an efficient monitoring, evaluation and accountability system.

Governments should review and revise the methods of urban planning, develop required capabilities, and put into practice the participation of private and community stakeholders³. As agreed in 1976, land, as the urban development raw material, should be publically planned, regulated and managed to meet the needs of urban growth. Priorities should go to reducing urban sprawl and spatial inequalities as well as to the regulation of land and property markets. Land strategies should become more directive, seeking to ensure a good knowledge of land cadaster and transactions, to keep land prices within reasonable limits and to better meet housing needs by opening new peripheral areas to urbanization. A land strategy should be at the centre of all urban and housing policies.

³ See "International Guidelines on Urban and Territorial Planning", UN-Habitat, 2015



To reduce the impact of climate change, particularly floods on exposed settlements, new dykes, drains and climate-resilient infrastructure are necessary in coastal areas and river basins and should receive adequate funding.

4. Increase the Contribution of Cities to Economic Growth

A clear correlation has been established by UN-Habitat between urbanization and economic development. However, a lot remains to be done if cities are to fully play their role of engines of growth. Firstly, local authorities should organize and plan the urban space to allow economic activities to deliver their full potential. Secondly, urban planning should be participatory, it should involve economic actors (including public and private investors) and should be implemented in a compulsory way. Priorities could generally include the regulation of land-use, the development of trunk infrastructure, and the expansion of formal and informal employment, including in the construction sector. Besides, success depends on territorial synergies to be established within urban corridors and macro-regions. The national urban system could be revitalized by a socio-economic and environmental strategy aimed at prioritizing urban functions based on the potential of each agglomeration⁴.

Governments should aim at: (a) planning productive investments in cities and along economic corridors; (b) improving quality of life in cities to both increase their livability and attractiveness; (c) applying regulatory tools and fiscal incentives; and (d) implementing institutional innovations, such as creation of regional and metropolitan authorities able to attract public and private investments.

Transport infrastructure should be considered as a priority at national, regional and local levels, and must facilitate public transport and multi-modality. A “smart city” approach, based on an expanded use of ICTs, could be adopted for the planning, operation and maintenance of infrastructure networks.

⁴ Idem



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5. Fully Integrate Environmental issues into Urban Planning and Management

During the last forty years, ecological issues have become increasingly important concerns in all continents and the need to reduce energy consumption by optimizing mobility options and promoting green buildings is now universally recognized. Similarly, the adaptation of cities to climate change, the reduction of CO₂ emissions, and the resilience to natural disasters have become consensual matters. The New Urban Agenda (adopted in Quito) insists on the densification of urban fabrics, on compact cities, but also on smooth mobility. It highlights the importance of public and green spaces and of cultural life. However, most countries still struggle to reconcile socioeconomic objectives with environmental protection.

As a top priority, basic services should be programmed and managed through a multi-sectoral and coordinated approach and adequate contractual relationships between public authorities and service providers, taking fully into consideration their impacts on the environment and public health⁵. National and local programmes must be undertaken on reducing energy-consumption, improving water and air

quality and changing mobility modes (less private cars, more public transport and non-motorized options). New building design and urban forms could be promoted to encourage compact, connected and low carbon urban development and to reduce GHG emissions.

To reduce the impact of climate change, particularly floods on exposed settlements, new dykes, drains and climate-resilient infrastructure are necessary in coastal areas and river basins and should receive adequate funding. Measures for adaptation to climate change and for enhancing resilience to natural disasters could involve agreements and joint actions between national and sub-national governments and local authorities.

6. Formulate and Implement a National Housing Policy

The division of cities between poor and posh neighborhoods, the proliferation of gated communities and of under-equipped and dangerous areas are features common to many cities, in the North as in the South. Ensuring urban equity probably constitutes the major challenge that public authorities have to face all over the world. This is a difficult task as market economies are fundamentally inequitable: the price of land (and therefore of housing units) varies enormously according to its location. This implies that affirmative actions are required to improve slum settlements, to develop and support social housing, to provide basic services (water, sanitation, electricity, communication) and to ensure human safety.

⁵ See "International Guidelines on Access to Basic Services for All", UN-Habitat, 2009

A national housing policy (NHP) should focus on the resorption of inadequate housing and the upgrading and regularization of slums, without forgetting to support the development of the real estate and rental markets and the regeneration of dilapidated centres. A NHP should promote diversity in housing supply both in terms of standards and status. It could review and adjust building codes to ensure affordability and promote energy-efficient housing options. Above all, it should establish appropriate housing finance systems which mobilize household savings and public subsidies, and support the development of adequate housing with proper access to basic services and employment opportunities.

UN-Habitat has placed housing at the centre of the New Urban Agenda⁶ which reiterates Governments' leading role in the definition and implementation of inclusive and effective housing policies and legislation. These policies should *"stimulate the supply of a variety of adequate housing options that are safe, affordable and accessible for members of different income groups of society"*.

A NHP should be seen as a major component of any sustainable development strategy as housing plays an important role under the three pillars of sustainable development (economy, equity and ecology). Economically, the building sector is linked forward and backward with many other sectors such as the building material industry and the financial service industry. It constitutes a main household asset representing a large share of fixed capital formation. Building and housing can be a strong economic stimulus as repeatedly demonstrated in post-crisis recovery periods. Socially, housing is both a special (indispensable) and spatial (not movable) good as well as a major citizen concern and important part (averaging a third) of household expenditures. It therefore calls for Government response and determined leadership. Ecologically housing is the core and most visible aspect of the built environment and takes a major share of national energy consumption. Its location, design and density have a direct impact on the consumption of environmental resources and on transportation needs. In fact, in all countries the performance of the housing sector is a good indicator of progress towards sustainable

development. This performance can be boosted by a progressive NHP but could conversely be undermined by an ineffective (or inexistent) NHP.

A NHP should include all actions by the Government to improve the quality, quantity, affordability, adequacy, diversity, safety and efficiency of housing options available to the citizens. These actions could preferably be organized into supply-side interventions, demand-side interventions and institutional reforms. Supply-side interventions should aim at increasing and improving the production of housing and the efficiency of the building sector. They could include primarily legislative and regulatory measures and secondarily infrastructure subsidies and financial incentives to developers. Demand-side interventions should aim at improving the ability of households to access adequate housing options. They could include primarily targeted subsidies and secondarily fiscal and regulatory measures.

A NHP should not be considered as a by-product of the NUP as its financial component could be largely non-territorial. However housing and urban policies should be linked both in design and implementation, essentially through land markets which constitute their unavoidable interface.

7. Keep your Promises

The future of humankind is at stake in the cities of the world which are complex entities, products of a long history, cradles of civilizations, all different and unique but which share a number of characteristics. Cities, large and small, could be better planned, better managed, more equitable, more convivial and more efficient provided urban dwellers take their destiny in their hands, assert their rights and assume their responsibilities. Decision makers on their side should review their priorities, their strategies and devote much more attention to urban issues. National governments should update and publicize their national urban and housing policies. In Vancouver, Istanbul and Quito, they promised to do so. They should implement these re-iterated commitments.

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⁶ See "Housing at the Centre of the New Urban Agenda", UN-Habitat, 2015