



SUMMER 2016

TIME TO THINK URBAN

THE CHALLENGE OF BUILDING SMART, SUSTAINABLE CITIES

REPORT



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This event is part of our Development Policy Forum (DPF), which brings together a number of crucial development actors, including the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Agence Française de Développement (AFD), the Japan International Cooperation Agency (JICA), the European Investment Bank (EIB), the United Nations and the World Bank to contribute to the global and European conversation on development. Through its activities and publications, the DPF reflects the rapidly-changing global debate on growth and development and seeks to encourage fresh, up-to-date thinking on the multiple challenges facing the development community.

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INTRODUCTION

A worldwide urban population surge is putting increasing pressure on governments, aid donors and the private sector to create the infrastructure necessary to support it. The issue has inched up the international development agenda, and will be the subject of a landmark UN conference in October, known as Habitat III.

At a Friends of Europe session at the European Development Days, the European Commission argued for a more “strategic approach” to the problem, focusing on the social, environmental and practical needs of people who live in cities all over the world. “We need to look at the various elements, we need a strategic approach to urbanisation, looking across borders and beyond borders,” said **Corinne Hermant-de Callataj** of the European Commission’s Directorate-General for Regional and Urban Policy.

For **Eileen Frerking** of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), more should be done to integrate local authorities in urban planning, and to ensure they cooperate with each other. “We need to ensure that national governments are going to support the local level with their challenges due to urbanisation,” she said at the session, ‘Time to think urban’, on 15 June.

While urbanisation is a challenge for both developing and developed economies, **Pierre-Arnaud Barthel**, Senior Project Manager in the Local Authorities and Urban Development Division of the Agence Française de Développement (AFD) pointed out that it will be trickier for fragile states that lack strong governance structures. “Implementation is key,” Barthel said. “There are too many plans and projects which are remaining on the shelves.”

We need a strategic approach to urbanisation, looking across borders and beyond borders.

Corinne Hermant-de Callataj,
Co-ordinator for the HABITAT III conference
at the European Commission
Directorate-General for Regional
and Urban Policy

THE HABITAT CONFERENCES: A SHORT HISTORY

1976 Habitat I (Vancouver, Canada), the first international conference to fully recognise the challenge of urbanisation, establishes the UN’s Commission on Human Settlements (UN Habitat)

1986 First **UN World Habitat Day**, now celebrated first week October every year

1996 Habitat II conference (Istanbul, Turkey), establishes the Habitat Agenda, with over 100 commitments and 600 recommendations

2002 First **UN World Urban Forum**

2015 New 2030 Sustainable Development Agenda includes **goal on sustainable cities** (goal 11)

2016 Habitat III (Quito, Ecuador) to establish a ‘New Urban Agenda’

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Pierre-Arnaud Barthel, Senior Project Manager, Local Authorities and Urban Development Division, at the Agence Française de Développement (AFD)

A STRATEGIC APPROACH TO URBANISATION

Around 54% of the world's population now lives in cities, a figure that is set to rise to 70% on average by 2050, but up to 95% in Latin America. In total, 2.5bn people will migrate to urban areas in the next 30 years, the majority of those in developing countries.

While urbanisation brings many benefits - according to Friends of Europe Director of Policy, **Shada Islam**, "cities attract skills and talent, they are hubs for commerce and make a big contribution to GDP" - it also puts a strain on resources and public services, turning cities into sources of inequality and poverty.

The issue was recognised by the UN last year in its 2030 Agenda for Sustainable Development, a follow-up to the Millennium Development Goals, which includes an aim to "make cities inclusive, safe, resilient and sustainable" (goal 11 of 17).

At the UN's third international conference on urban development this October in Ecuador, known as Habitat III, countries will agree on a "New Urban Agenda" to guide their work, 20 years after the previous Habitat agenda was signed.

But with all these parallel agreements being made at the same time, the participants at Friends of Europe's 'Time to think urban' session said that a more strategic, inclusive and integrated approach to urban planning was needed.

"It's our motto for regional and urban policy, 'integrated, integrated, integrated', but it's very difficult," said Hermant-de Callataÿ. "We used to have a piecemeal approach sometimes because the actors proposed to build this or that without looking at the whole spectrum. We cannot go on with this," she said.

Frerking also pointed to the need for "integrated planning beyond administrative borders", making sure national plans are consistent with various local plans.

For **Abbas Sbeity**, Lebanese architect and European Development Days Young Leader for Inclusive, Sustainable and Resilient Cities, inclusion means talking not only to local authorities but to ordinary people who live in cities. He sat down with local kids as part of several UN Habitat-led projects in Beirut, and was "surprised" at the number of ideas they had to improve local communal spaces.

And this strategic approach is not just for developing countries, it's also for developed regions, said Hermant-de Callataÿ, adding that she had contacts with Habitat III about coordinating with the EU's own urban agenda.

MAKING CITIES SMARTER

Urban development is also about making choices, prioritising urgent projects and acknowledging that cities face different challenges.

“Central to the challenge for India is infrastructure,” said [Pete Daw](#), Cities Project Developer at Siemens, pointing to a two-day power outage in 2012 that affected 50 percent of the population.

[Toshiyuki Iwama](#), Executive Technical Adviser to the Director General, Infrastructure and Peacebuilding Department of the Japan International Cooperation Agency (JICA), pointed to his experience in Kabul, Afghanistan, where corruption is endemic and people fear each other. “There is mistrust among people living in cities - they do not trust each other, they do not trust the government, they do not trust the municipality,” explained Iwama, who ran projects that helped pave roads, create green spaces and even set up a local women’s council. “When we can create understanding and mutual connection, then we can talk about sustainable cities, even in a country like Afghanistan,” he said.

Sbeity spoke of similar problems in Beirut, where ‘smart’ projects, or things like social enterprise, have not yet been able to take hold because of corruption and a lack of basic infrastructure. “In Lebanon we don’t even have a law for social enterprises,” he said. “Each city, each community has different needs - some don’t have the privilege to think about social enterprise at this point, there are different problems.”

The German development agency (GIZ) is working on more traditionally “smart” projects - one, to be launched in the next three months, will use technology to measure reductions in greenhouse gas emissions in Indian cities.

But technology may not tackle the root causes of the problems faced by city dwellers. Hermant-de Callataÿ pointed to the use of surveillance cameras, which tackle only the symptoms of crime. “Do we focus on technology innovation, with buzzwords like ‘smart cities’, or do we also focus on social and organisational innovation,” she asked.

Daw agreed. “Smart cities are not about technology, they have to be about people,” he said. “Technology is a lever.” He pointing to Mumbai, where high rise developments were built without considering how people would get around. Siemens is now part of a consortium of businesses that offers practical solutions to city authorities to overcome problems like this.

A resident of Delhi in the audience brought up the idea of “liveability”, and wondered how policymakers were measuring the effects of urban development on society, the environment and quality of life. There are a number of sustainable cities indicators - for instance, China’s urban sustainability index, the Commission’s European Green Capital Award (which went to Ljubljana in 2016) and Siemens’ European Green City Index - all of which were evaluated in a [2015 Commission paper](#), and while there is a commitment in the draft Habitat III text to “strengthen statistical capacities” to measure sustainable urban development, there is no universal tool.

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[Toshiyuki Iwama](#), Executive Technical Adviser to the Director General, Infrastructure and Peacebuilding Department of the Japan International Cooperation Agency (JICA)

What is still missing is the linkage between the new urban agenda and the SDGs.

Eileen Frerking, Planning Officer, Global Urban and Regional Development and Decentralisation, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

WHERE DOES THE MONEY COME FROM?

Alongside the work of development agencies such as the GIZ, JICA and AFD and private companies such as Siemens, there is also the need for official development assistance, or ODA, at government level. The need was highlighted by UN Secretary General Ban Ki-moon at the opening ceremony of the European Development Days, when he called on the international community to meet a promised ODA spending target of 0.7 percent of GDP.

The EU's high representative for foreign and security policy, Federica Mogherini, at the same opening ceremony, argued for an alliance between governments, international financial institutions and the private sector, a position that was echoed by World Bank president Jim Yong Kim, who said this kind of "blended" or innovative finance will make the most difference for developing nations.

The World Bank has committed \$3.9bn for urban development this year alone. The EU has set aside €8bn for blended instruments in its current development budget and though not all of this is for urban development, there are specific instruments for electrification and climate finance. The European Investment Bank, the EU's long-term lender, is also funding projects outside of the EU, though it has no dedicated urban development instruments (it had a fund, Jessica, to fund urban development within the EU in the 2007-13 period).

Barthel explained how the AFD was blending its own money with EU and EIB loans, for instance, to upgrade informal areas ("not slums") on the fringes of Egyptian cities and fund local SMEs in the country. "We really need the EU because for sure the EU is on board in many, many projects," he said. "We provide the blending."

In India, Prime Minister Narendra Modi has announced a 'Smart Cities Mission' to develop 100 towns at an estimated cost of \$15bn investment in the development of 100 cities, something Daw said is "extremely positive".

GOVERNANCE

But the key to these projects yielding results is governance, and for Daw, this is still an issue in India. "There are challenges to working in India, as with many places, there are challenges around city governance," he said. "Some cities have city authorities, but they're not covering the entire area, so some thought needs to go into the governance structures in India."

While India has a national ministry for urban development, Frerking said that international initiatives such as the Habitat III New Urban Agenda are still missing a clear role for city and local authorities. "There are no concrete recommendations, such as clear definitions of roles and responsibilities for the different levels," she said.

Barthel said there is a problem with implementation and follow-up of the Habitat and other processes. Sbeity agreed. "We have so many projects and we write so many proposals that nothing is being implemented," he said.

Another challenge is to make the New Urban Agenda fit into the sustainable development goals over the next 20 years, which has not yet happened, according to Frerking. “What is still missing is the linkage between the new urban agenda and the SDGs, it needs to be more specific,” said. “For instance there are no concrete references to the goals and to the targets of the SDGs,” she said.

SUSTAINABLE DEVELOPMENT GOAL 11 TO “MAKE CITIES INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE”:

- 11.2** Safe and affordable housing and basic services, upgrade slums
- 11.3** Safe, affordable, accessible and sustainable transport systems, expanding public transport
- 11.4** Protect and safeguard the world’s cultural and natural heritage
- 11.5** Reduce the number of deaths, economic losses caused by disasters, including water-related
- 11.2** Reduce adverse environmental impact of cities (air quality, waste management)
- 11.2** Universal access to safe, inclusive and accessible, green and public spaces
- 11.A** Links between urban, peri-urban and rural areas
- 11.B** Plans for inclusion, resource efficiency, climate change, disaster risk reduction (by 2020)
- 11.C** Support sustainable and resilient buildings in least developed countries



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Pete Daw, Cities Project Developer at Siemens



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