



World Cities Report 2020 The Value of Sustainable Urbanization

Key Messages Summary

- 1. The world continues to urbanize:** It is too soon to know if the pandemic experience of 2020 will lead to lasting demographic changes, but the long-term prospects continue to predict that the world will further urbanize over the next decade, from 56.2 per cent of the global population today to 60.4 per cent by 2030. Every region is expected to become more urbanized in the next 10 years, although highly urbanized areas are expected to slow their rate of urban growth. Ninety-six per cent of urban growth will occur in the less developed regions of East Asia, South Asia and Africa with three countries - India, China and Nigeria - accounting for 35 per cent of the total increase in global urban population from 2018 to 2050.
- 2. The importance of cities is enshrined in global development policy:** Since 2015, the international community has adopted several key agreements to guide development. The 2030 Agenda for Sustainable Development, Paris Agreement, New Urban Agenda, Sendai Framework for Disaster Risk Reduction and Addis Ababa Action Agenda collectively form the backbone of international development policy, recommendations, goals, targets and indicators for Member States. In each of these documents, local governments are recognized as important partners in the drive to a more sustainable future. The role of cities is woven throughout this tapestry of agreements, most prominently in Sustainable Development Goal (SDG) 11 and the urban dimensions of the SDGs.
- 3. The COVID-19 pandemic does not signify the end of cities:** Despite early suggestions that urban density correlates with the spread of the disease, the relatively successful ability of very densely populated cities such as Seoul, Singapore, Tokyo and even New York City, an early epicentre, to manage the virus is encouraging, even as it has ravaged rural and smaller communities. It is generally accepted that overcrowding, not density, is a major contributing factor.

In urban areas, addressing overcrowding and maintaining acceptable levels of hygiene in houses, shops, places of employment and on public transport are crucial. In overcrowded areas with inadequate sanitation, local governments must work to provide sanitation infrastructure in public spaces and on public transport to mitigate the health risk. Health should become a new guiding principle in urban planning and governance. In turn, the pandemic has spurred innovations in cities amidst a desire for more outdoor public space such as closing streets to cars to allow more room for people to walk, cycle and dine.

4. **Urban economic prosperity will provide the basis through which countries can contribute to achieving the SDGs and New Urban Agenda, as well as recovering from the COVID-19 induced global recession:** In the absence of healthy urban economies and pro-poor economic development policies, the Goals of the 2030 Agenda for Sustainable Development will be difficult to attain, especially enhancing economic opportunities for the urban poor. With the appropriate macroeconomic policies, well-planned and managed urbanization can help countries accelerate their economic growth and serve as a channel to global markets by creating productive environments that attract international investment and increase economic efficiency. Recovering urban economies will be essential to lift countries out of the global recession caused by the COVID-19 pandemic.
5. **Urbanization will continue to be the driving force for global growth:** However, given the pace of urbanization, this process requires effective planning, management and governance if the value of urbanization is to be fully realized as a truly transformative process. Internationally-developed policies such as the global development agenda can guide this process, but it must be adapted to the local context in order to ensure policy coherence. The perspectives of local governments should be integrated into international discussions, given their role in implementing such agendas.
6. **The value of urbanization should be inclusive of all groups that live in cities:** Urban areas are heterogeneous places, home to extremely diverse groups of people. Wealthy elites may live a short distance from poor slum dwellers. Indigenous people, refugees, migrants and those with differing identities and orientation all coexist in urban areas. The value of urbanization is realized when cities respond to the specific needs of each of these groups, as each group finds a different type of value in the city, which are sometimes at odds and sometimes in harmony.
7. **Leverage density but protect against crowding:** The COVID-19 pandemic has shown that urban density does not inevitably correlate with higher virus transmission. Cities are largely vulnerable as a result of how people live, work and travel in and around them. Density has enhanced the delivery of services in the wake of COVID-19; it supports economies of scale in the provision of critical public services like health care and other necessary infrastructure. On the other hand, unplanned density associated with crowding increases the risk of rapid virus transmission.
8. **Cities can have sustained economic growth and higher levels of productivity even as they navigate demographic transitions:** From youth booms in the Global South to the “silver tsunamis” associated with ageing in the Global North, cities are undergoing demographic change. It is therefore imperative that policies (such as family planning, education and labour force participation) and urban and territorial planning processes are data-driven and informed by disaggregated data. This method is key to harnessing the urban demographic dividend as well ensuring age-friendly cities that “leave no one behind”.
9. **The economic growth and consumption potential of cities must support sustainable development and build resilience to climate change:** Particularly in the wake of the COVID-19 pandemic that has disrupted business-as-usual patterns of consumption like short-haul air travel and carbon-intensive supply chains, governments can re-evaluate their growth and consumption patterns going forward so as to mitigate against climate change and thus ensure inclusive prosperity and opportunities for all.
10. **Urban greening initiatives enhance the overall value of urbanization, but must not exacerbate inequality and social vulnerability in cities:** These initiatives have numerous added co-benefits that can support simultaneous achievement of multiple developmental goals and targets, thereby enhancing the overall value of urbanization. The New Urban Agenda and SDG 11 place an emphasis on inclusive settlements and provide frameworks for unlocking the environmental value of urbanization for all, rather than for a rarefied elite.
11. **The environmental value of sustainable urbanization cannot be realized without prioritizing the needs of the most disadvantaged:** Prioritizing the needs of the most disadvantaged means creating opportunities within local planning processes to represent their views as reflected in the 2030 Agenda for Sustainable Development. Harnessing the value of sustainable urbanization requires delivering environmental benefits across urban areas in a manner that reaches every sector of the urban population, especially those who are most disadvantaged. The urban poor must be represented and their needs prioritized in any decision-making process, be it about the urban commons, atmospheric commons, public spaces or resource use.
12. **There are many initiatives to deliver environmental value in urban environments, but outcomes depend on execution:** The environmental benefits of

urbanization depend on how cities are planned and managed. Ensuring due process and recognition of multiple points of view are conditions for delivering sustainable development for all, requirements already enshrined in the New Urban Agenda. For example, increasing understanding of the potential of nature-based solutions and green and blue infrastructure to deliver environmental benefits alongside more conventional transport and waste management interventions needs to be balanced with the realization of how green gentrification is driving urban exclusion.

13. **Governments should move from “equality” to “equity” and remove systemic barriers:** Whether in housing, education, transport or other municipal services, the concept of equity recognizes that redistributive mechanisms are put in place for a fair and more efficient use of resources, skills and opportunities to target the most vulnerable with the highest levels of support. For the social value of sustainable urbanization to be fully realized, identifying and addressing the root causes of exclusion and inequity are critical. For example, an equitable policy approach to affordable housing should focus on slum areas and informal settlements or target neighbourhoods that have been historically gentrified or seen displacement due to real estate investment.
14. **Gender “mainstreaming” can address systemic discrimination against women.** Feminist approaches to urban planning include the notion of “gender mainstreaming,” which applies a gender-based lens to all public decisions. Vienna has pursued this practice for 20 years, including in budgeting, policy and resource allocation, while Rwanda has the world’s highest rate of female elected legislators.
15. **Cities should develop frameworks to properly integrate migrants, thereby leading to future prosperity:** Even amidst political disagreements over immigration, local authorities are on the front lines of migration and can prepare for the arrival of refugees and migrants by establishing “welcome departments.” If cities and local governments look beyond the humanitarian emergency lens, they can see migrants as integral to the socioeconomic development of their cities. This perspective requires effective integration programmes in the form of housing, employment, education and health, safety and security, social protection and according migrants a sense of belonging.
16. **Innovation and technology play a multidimensional role in urban areas:** Disruptive technologies and new ways of managing cities are now fundamental to the urban experience. They are reshaping social relations, labour markets and governance. At the same time, technology cannot displace citizen engagement in neighbourhood and city affairs. Technology is most effective when coupled with institutional innovation and is not a substitute for improving governance, planning, operations and management.
17. **True smart cities are people-oriented:** Citizens are a city’s greatest resource as they provide new ideas for innovation, act as the eyes or ears of the city, help monitor conditions on the ground and engage the city more actively in setting priorities. Smart city technologically-based initiatives need to be people-centred and people-driven.
18. **Local government should build its capacity to effectively manage, deploy and regulate the use of technology:** Cities should be proactive in the technology they procure for public use. They should also be willing to take a regulatory approach toward disruptive technologies like transportation start-ups, which if left unchecked can create negative externalities like traffic congestion. Cities require access to and capacity to manage data, as well as benefit from building open data and open source ecosystems in line with the principles for digital development. To enhance the potential benefits, cities should develop open data portals, urban innovation labs, hackathons, innovation challenges, town-gown programs and support for research and local data science.
19. **Galvanize the forces of localization of the 2030 Agenda and the New Urban Agenda in cities and territories:** Localization strategies should be mainstreamed in all plans, programmes and budgets from national to local levels. Cities need to adopt the SDGs and the New Urban Agenda as reference frameworks to guide their policies and plans, as well as ensure coherent and integrated implementation. Countries need to integrate and strengthen robust localization approaches into their sustainable development strategies and actions in order to tailor these global commitments to their local contexts.
20. **Countries should create enabling institutional environments to effectively unleash the value of sustainable urbanization:** Effective decentralization policies strengthen local authorities’ capacities to pursue sustainable urban development. In order to address the critical mismatch between the increase of transferred responsibilities and the revenues allocated to local governments, special attention should be given to fiscal decentralization and adequate financing flows to support urban investments.

- 21. Make strong metropolitan governance a key component of new urban governance:** National governments should enable metropolitan governance that responds to the realities of economic and social geographies, not just arbitrary jurisdictional boundaries, ensuring the involvement of both local and regional governments in the reform process.
- 22. Adequate funding during the Decade of Action is key to realizing SDG 11, the urban dimension of the SDGs and the New Urban Agenda:** As the world enters the Decade of Action, it is imperative for policymakers to catalyse actions that support the adequate investments in urban infrastructure (physical assets, human capital, institutions, innovation and technology) that are required to make cities and human settlements safe, inclusive, resilient and sustainable. Accelerated action on the investment front is required for the value of sustainable urbanization to be realized.
- 23. An accurate assessment of needs is the basis for sustainable urban investment:** Urban policies and investments should be evidence-based and founded on realistic targets that can be monitored. Preparing precise estimates of urban investment should be the starting point for all levels of government in their pursuit of sustainable urbanization. These estimates should always be considered alongside the substantial short- and long-term benefits unlocked by urban investments. The needs and combination of potential financing sources are unique for each country. Some countries may require technical assistance to develop a national reform agenda that maps infrastructure needs and the SDGs to national circumstances. Others may need technical assistance to align the complementary roles that various development partners can play in financing infrastructure development and maintenance needs.
- 24. Cities require stable, sustainable sources of financing:** Stable funding comes when cities have diverse revenue portfolios and improved capacity for revenue generation that allows them to harness tools and innovative financing mechanisms—pooled financing, blended finance, green municipal bonds and land-based finance instruments, among others. Urban areas have tremendous assets that can be unlocked for investments and local economic development.
- Local authorities must also find ways to link revenue generation with their ongoing urban growth in order for local finances to be sustainable in the long term. Local governments must be empowered to tap their endogenous potential to innovatively increase and diversify own-source revenues. This diversity in revenue sources enhances local autonomy and long-term sustainability.
- 26. Cities can turn the COVID-19 crisis into an opportunity to “build back better”:** The current COVID-19 pandemic has brought to the fore existing problems and inequalities in how cities are planned and managed, from an overabundance of public space allocated to cars to crowded housing conditions and inadequate sanitation in informal settlements. The need for public health measures like physical distancing and frequent hand washing underscore the urgency of eliminating urban poverty and improving housing and infrastructure, while the global sustainable development agenda, especially the SDGs and NUA, provide a unique framework and opportunity to implement the necessary measures.
- 27. A call to action and commitment to implement the New Urban Agenda:** There should be a sense of urgency and a long-term commitment to the need to implement the New Urban Agenda as the basis for achieving sustainable urbanization. The costs of inaction and delay are too high. The pace needs to accelerate rapidly in the Decade of Action to achieve the SDGs.
- 28. The effective implementation of the New Urban Agenda will harness the value of sustainable urbanization:** Effective frameworks of action can substantively enhance the value of sustainable urbanization, most notably through supportive urban governance structures, planning and management of spatial development, and effective means of implementation in the form of adequate financing, capacity development, information, technology and innovation. Regionally-specific action plans and local initiatives from city governments and civil society groups complement one another. Together they can boost awareness, enthusiasm and uptake of these global sustainability agendas.