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**Economic and Social Commission for Asia and the Pacific****Seventy-sixth session**

Bangkok, 21 May 2020

Items 5 (c) of the provisional agenda\*

**Review of the implementation of the 2030 Agenda for Sustainable Development in Asia and the Pacific:  
environment and development****The urban opportunity: accelerating local actions to  
implement the 2030 Agenda for Sustainable Development****Note by the secretariat***Summary*

The Asian and Pacific cities of 2030, 2050 and 2100 will be very different from today. They will be cities transformed: in their demographic composition, in their implementation of technology and in their wider ecological contexts. As they move towards these transformations, Asian and Pacific cities will continue to face major challenges – extreme urban poverty and poor living conditions in informal settlements, constraints on productivity due to lack of basic infrastructure, unsustainable resource use, significant land-based sources of marine pollution, and rising risks due to natural disasters and heightened climate impacts. However, they also have an extraordinary potential for transformational change due to their concentration of economic activity, close proximity to services, high degree of innovation, connection to surrounding rural and natural environments, ability to reduce eco-footprints by densification, and suitability for systems-based solutions. The present document provides a science- and expertise-based framework for city-level solutions to overcome multifaceted development challenges and to seize opportunities to accelerate the implementation of the 2030 Agenda for Sustainable Development and the achievement of the Sustainable Development Goals, including and beyond Goal 11. The present document draws from the findings of *The Future of Asian and Pacific Cities: Transformative Pathways towards Sustainable Urban Development* and builds on the outcomes of the Seventh Asia-Pacific Urban Forum, held in Penang, Malaysia, from 15 to 17 October 2019. The recommendations presented in the present document may assist member States in making policy decisions and resource allocations for sustainable urban development, as well as in identifying areas for enhanced regional cooperation with local governments to promote sustainable development, including through the Penang Platform for Sustainable Urbanization.

The Commission may wish to review the findings and make recommendations to strengthen regional cooperation measures to accelerate urban actions in support of the Sustainable Development Goals and to provide the secretariat with further guidance.

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\* ESCAP/76/L.1/Rev.1.

## I. Strategic context and purpose

### Strategic context

1. Cities in Asia and the Pacific have unprecedented opportunities to transform the well-being of their citizens and to catalyse economic development through increased urbanization by 2030. At the same time, however, these cities face several challenges, including rapid rates of urbanization, growing infrastructure deficits, increasing risks of climate change and disasters, environmental stress, ageing societies, fast-paced technological advancement, and emerging threats such as cyberattacks. Such challenges are often most apparent and difficult to address in urban settings, which are characterized by complexity and uncertainty. Moreover, more than half of the world's almost 1 billion slum dwellers reside in Asia and the Pacific, with limited or no access to basic infrastructure services. Informal settlements, which are usually located on insecure land in low elevation coastal areas, riverbanks, and low-lying or flood-prone areas are especially vulnerable to the impacts of climate change.<sup>1</sup>

2. The challenges of building cities sustainably to address these challenges and meet the changing needs of the future will require new approaches to urban policies and management, as well as new kinds of investments, partnerships and initiatives. Better and more integrated local data are also needed to support new approaches and smart solutions to the challenges of urbanization and to create opportunities for a greater variety of stakeholders to co-implement actions with local and national governments.

3. Rapid urban growth requires a shift towards promoting collaboration, integrated service delivery, and joint financing and system approaches, as well as appropriate governance models. Moreover, cities need to develop their funding and organizational capacity to meet infrastructure demand, particularly in small and medium-sized cities where much of the built environment does not yet exist. Increased civil society engagement with local governments can facilitate better governance and social inclusion as it relates to social accountability to citizens. Based on *The Future of Asian and Pacific Cities: Transformative Pathways towards Sustainable Urban Development* as well as the deliberations and outcomes of the Seventh Asia-Pacific Urban Forum, the present document provides a framework highlighting four thematic priorities to realize a sustainable urban future in Asia and the Pacific. A sustainable future occurs when planning lays a foundation; resilience guards against future risk; smart cities deploy the best technologies; and financing tools enable implementation at scale. Getting these essentials right in cities today is vital in order to adapt to the demands of tomorrow.

## II. The emerging Asia-Pacific urban future

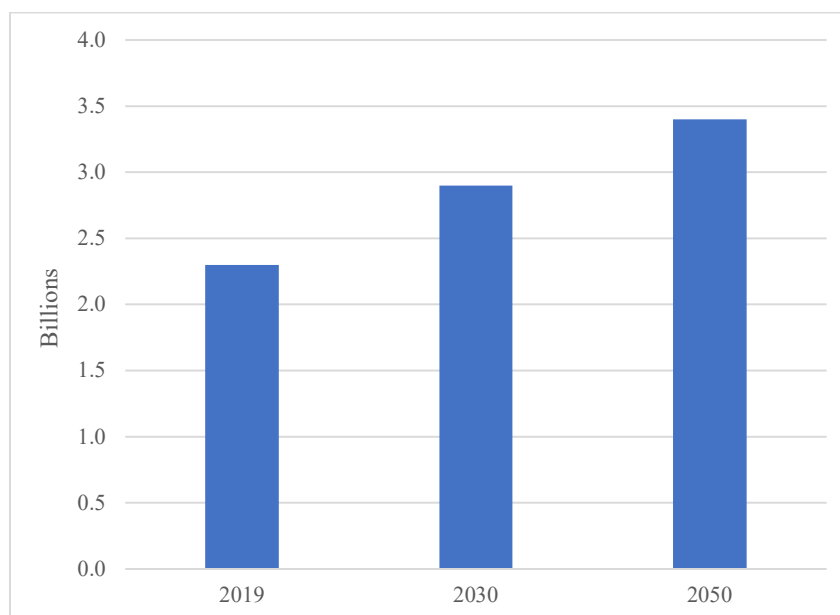
### A. The drivers and state of urbanization in Asia and the Pacific

4. Urbanization in the Asia-Pacific region is occurring through migration, natural population growth in cities and the reclassification of rural areas into urban settlements. United Nations demographers estimate that the region became majority urban for the first time in 2019, with more than 50 per cent of its population living in cities. The region's urban population exceeded 2.3 billion, comprising 54 per cent of all urbanites on the planet. The region's number of urban dwellers is expected to rise to more than 2.8 billion in 2030 and reach nearly 3.5 billion in 2050 (see figure). Those numbers equate to adding four Tokyo-sized cities every year.

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<sup>1</sup> See A/CONF.226/11.

## Projected urban population in Asia and the Pacific, 2019 to 2050



Source: *World Urbanization Prospects 2018: Highlights* (United Nations publication, Sales No. E19.XIII.6).

5. While the number of urban dwellers in Asia and the Pacific is increasing, growth rates vary across subregions, and in some countries the overall urbanization rate is actually projected to plateau in the future. Japan is already experiencing a decline in its urban population; by the 2040s, the urban populations of the Republic of Korea are expected to do the same. The rate of urbanization in China is expected to flatline by 2050 as well, leading to a first-ever decrease in East Asia's urban population. However, Central Asia, South and South-West Asia, South-East Asia and the Pacific are expected to become more urban over the next three decades.<sup>2</sup>

6. The region's cities are dense by global standards, with an average of 10,000 to 20,000 people per km<sup>2</sup>. Such densities are about twice those of Latin America, triple the rates in Europe, and are approximately 10 times higher than those in North American cities.<sup>3</sup> The Asia-Pacific region is home to the largest concentration of people experiencing urban poverty, with one third of urban dwellers living in slums or slum-like conditions.<sup>4</sup> Improving access to inclusive, high-quality services in the region's existing dense cities and ensuring that planned urban extensions meet similar standards are essential steps for cities to accommodate growth without consuming excessive amounts of undeveloped land. In short, well-planned cities should aim to grow upward rather than to grow outward.<sup>5</sup>

<sup>2</sup> *World Urbanization Prospects 2018: Highlights* (United Nations publication, Sales No. E19.XIII.6).

<sup>3</sup> Economic and Social Commission for Asia and the Pacific (ESCAP) and United Nations Human Settlements Programme (UN-Habitat), *The State of Asian Cities 2010/11* (Fukuoka, UN-Habitat, 2010).

<sup>4</sup> ESCAP and UN-Habitat, *The State of Asian and Pacific Cities 2015: Urban Transformations – Shifting from Quantity to Quality* (Bangkok and Nairobi, 2015).

<sup>5</sup> UN-Habitat, *Economic Foundations for Sustainable Urbanization: A Study on Three-Pronged Approach – Planned City Extensions, Legal Framework, and Municipal Finance*, 2nd ed. (Nairobi, 2017).

7. The addition of 1.2 billion new residents in Asia-Pacific cities between now and 2050 will have profound implications for the region's economy, society and environment. These residents will need jobs offering decent work in order to assure social and economic progress. They will need affordable housing with transport links to avoid the proliferation of slum-like conditions and urban sprawl that consumes agricultural and natural land and results in conflicts for natural resources. Residents will need water and sanitation infrastructure to prevent public health risks and avoid environmental degradation. Cities will need to leverage human capital and the potential of digital innovations to drive positive social change. Urban and territorial planning frameworks will need to be designed to support consequential densification within an enabling national institutional environment to support the transformation from rural to urban societies.

8. While the pace of urbanization will be slower than in decades past, the estimates still indicate fairly rapid urbanization in Central Asia, South and South-West Asia, South-East Asia and the Pacific, a trend that could risk overwhelming the capacities of cities to adequately plan for sustainable growth.<sup>6</sup> In a few cases, the opposite problem will require attention: dwindling urban populations risk creating shrinking cities with decaying or abandoned infrastructure. Similarly, a contracting tax base would undermine social stability and exacerbate community vulnerabilities.

9. Growth in the region's urban economies has often resulted in adverse environmental impacts. Rapid, inefficient and unplanned urbanization together with unsustainable consumption patterns and changes in lifestyle over recent decades have predominantly resulted in environmental degradation, loss of biodiversity, increased pressure on natural resources resulting in urban water stress and scarcity, generation and mismanagement of waste, exposure to pollution and disasters, and vulnerability to climate change, all of which require urgent integrated responses and political action. Significant amounts of marine pollution are the result of land-based activities and include pollutants from waste, sewage and wastewater. While the vast share of this pollution still consists of organic matter, over time waste streams are becoming more complex and non-biodegradable and containing ever-more toxic components, including e-waste.<sup>7</sup>

10. A sustainable future for cities in the region is needed more than ever. City stakeholders, including elected leaders and private sector players, can be inspired by the strategic visioning of such a future in the five global agendas adopted by the international community between 2015 and 2016 (see box 1). National and local governments and other stakeholders have been working on translating the aspirational character of these agendas into real actions on the ground. There are several areas that need to be addressed in such a process as it is difficult to predict the outcome of urbanization processes that are by their nature very complex and stochastic. However, instead of attempting to predict the future, more value can be found in defining a science- and expertise-based framework that can make Asia-Pacific's urban future a sustainable one.

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<sup>6</sup> *World Urbanization Prospects 2018: Highlights*.

<sup>7</sup> See ESCAP/CED2018/1.

## Box 1

**Towards 2030 and beyond: United Nations global agendas and cities**

The world is now five years into an important suite of global agreements that collectively form the post-2015 development agenda. These agreements underpin the global path to sustainable development for the next several decades. Importantly, for the first time, cities are seen as engines of sustainable development rather than obstacles in the fight against poverty, hunger and climate change.

In chronological order, the first of these global agreements is the Sendai Framework for Disaster Risk Reduction 2015–2030, adopted at the Third United Nations World Conference on Disaster Risk Reduction in Sendai, Japan, in March 2015.<sup>a</sup> In the agreement, it is acknowledged that Governments' responsibility to reduced disaster risk should be shared with other stakeholders, including local government, the private sector and others. Specifically, the role of land use and urban planning, building codes, and environmental and resource management regulations are highlighted, and the role of United Cities and Local Governments and other relevant local bodies, as necessary to support implementation of the Framework, are acknowledged.

The second agreement is the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, adopted in July 2015.<sup>b</sup> In the Agenda, the need for new financial architecture that can support the global sustainability agendas is underscored. The role of local governments is explicitly recognized and supported, and domestic public resources, domestic private finance, international private finance, international development cooperation and sustainable debt are called for in order to help meet the estimated \$1 trillion to \$1.5 trillion needed annually to fill the infrastructure gap in developing countries.

The third global agreement is the 2030 Agenda for Sustainable Development,<sup>c</sup> which includes the Sustainable Development Goals, adopted by the General Assembly in September 2015. One Goal is entirely dedicated to cities: Goal 11, to make cities and human settlements inclusive, safe, resilient and sustainable. In Goal 11, it is recognized for the first time that urbanization is a transformative force for development and cities should be enabled to take the lead in addressing many global challenges. Most of the 234 statistical indicators to measure global progress towards the Goals have an urban dimension, and approximately one third of the Goal indicators are measured at the local rather than national level.<sup>d</sup> In short, any Government serious about meeting its obligations to achieve the Goals will find the path to sustainable development runs through its cities.

The fourth major convention is the Paris Agreement, which was adopted in December 2015.<sup>e</sup> In Paris, Governments pledged to voluntarily reduce their greenhouse gas emissions in order to keep the mean global temperature rise below 2°C and ideally below 1.5°C from pre-industrial levels. Since the agreement was negotiated, 194 States and the European Union have signed on. Some cities, meanwhile, have seized on the Paris Agreement as a platform to argue for the importance of local level action to combat climate change. Scientists have estimated that cities emit at least 70 per cent of the world's carbon emissions, and likely more when accounting for goods and services produced elsewhere but destined for urban consumers.<sup>f</sup> In 2018, the C40 Cities Climate Leadership Group, a network of cities pushing climate action, announced that the greenhouse gas emissions of 27 major global cities had peaked and their total carbon footprint began showing decreases over the last five years.<sup>g</sup>

The fifth agreement is the New Urban Agenda, adopted in Quito, in October 2016.<sup>h</sup> In the New Urban Agenda, a 20-year vision is set out to achieve sustainable cities that are well planned, regulated and financed. The previous four agreements are supported through a road map for achieving Sustainable Development Goal 11 and enhancing the role of cities in creating sustainable development, fighting climate change and reducing disaster risk. In the New Urban Agenda, Governments called for compact cities, polycentric growth, transit-oriented development, adequate public space and reining in sprawl. The New Urban Agenda was adopted as a collective vision and political commitment to promote and realize sustainable urban development, and as a historic opportunity to leverage the key role of cities and human settlements as drivers of sustainable development in an increasingly urbanized world.

<sup>a</sup> General Assembly resolution 69/283, annex II.

<sup>b</sup> General Assembly resolution 69/313, annex.

<sup>c</sup> General Assembly resolution 70/1.

<sup>d</sup> ESCAP and UN-Habitat, *Climate Change and National Urban Policies in the Asia and the Pacific* (Bangkok and Nairobi, 2018).

<sup>e</sup> See FCCC/CP/2015/10/Add.1, decision 1/CP.21, annex.

<sup>f</sup> C40 Cities Climate Leadership Group, “Consumption-based GHG emissions of C40 cities” (London, 2018).

<sup>g</sup> C40 Cities Climate Leadership Group, “27 cities have reached peak greenhouse gas emissions whilst populations increase and economies grow”, press release, 13 September 2018.

<sup>h</sup> General Assembly resolution 71/256, annex.

## B. Future urbanization responding to global sustainability agendas

11. The present document contains a science- and expertise-based framework which draws from the latest scientific and practitioner-based literature on the future sustainability of Asian and Pacific cities, as well as the urban policy priorities identified in the regional report for Asia and the Pacific for the United Nations Conference on Housing and Sustainable Urban Development.<sup>8</sup> With an enabling environment created by national authorities, cities can make and take the key investments, actions and decisions in urban and territorial planning, urban resilience, smart and inclusive cities, and urban finance in order to usher in a more sustainable future. Significant contributions to the present document were also made by diverse stakeholders from across the Asia-Pacific region, building on the country and stakeholder consultations conducted for *The Future of Asian and Pacific Cities*. These consultations included the following: a subregional consultation for the Pacific, hosted by the ESCAP Subregional Office for the Pacific and the University of the South Pacific, in Suva, in July 2018; an expert group meeting on smart cities, hosted by ESCAP and the Centre for Liveable Cities of the Government of Singapore at the sixth World Cities Summit, in Singapore, in July 2018; a local government consultation at the Seventh United Cities and Local Governments Asia-Pacific Congress, hosted by ESCAP and UN-Habitat, in Surabaya, Indonesia, in September 2018; a subregional consultation for North and Central Asia, hosted by the Economic Commission for Europe and UN-Habitat, in Geneva, in October 2018; a subregional consultation for South and South-West Asia and expert group meeting on municipal finance, hosted by the ESCAP Subregional Office for South and South-West Asia and the National Institution for Transforming India (NITI Aayog), Government of India, in New Delhi, in

<sup>8</sup> A/CONF.226/11.

November 2018; an expert group meeting on urban resilience, hosted by ESCAP, the European Union and the Rockefeller Foundation, in Bangkok, in November 2018; and an expert group meeting on urban and territorial planning, hosted by UN-Habitat, the United Nations Development Programme (UNDP), ESCAP and Nanjing University, in Nanjing, China, in February 2019. These in-person consultative meetings were combined with numerous webinars and virtual consultations with experts and stakeholders.

12. The framework builds on several key priority areas for cities to drive action, achieve the vision of the New Urban Agenda and successfully localize the Sustainable Development Goals in the Asia-Pacific region. These include but are not limited to the following items: more sustainable integrated urban and territorial planning; stronger multilevel governance and capacities for resilience; adaptable technological innovations with systematic data collection and analysis; and adequate and predictable long-term financing. These four thematic priority areas provide city leaders with relevant future development pathways.

13. A business-as-usual approach will not enable the transformation required to meet the global agendas described above. Cities must therefore effectively implement solutions addressing the vital thematic areas covered in the present document, and they need the tools and resources to develop compelling future identities and visions. Above all, cities must make the right policy choices and accelerate actions and investments to establish themselves on positive trajectories towards sustainable urbanization patterns. This responsibility is shared by all urban stakeholders and the people who have a right to shape the urban future.

14. The world must accelerate action on climate change and sustainable development, and cities should be the drivers of that action. Limiting warming to the aspiration in the Paris Agreement of a maximum increase in temperature of 1.5°C by 2100 requires net zero emissions globally by 2050.<sup>9</sup> This steep hurdle to climate change mitigation puts Asian urban dwellers at centre stage for necessary changes in the economy, energy choices, lifestyle and behaviour in addition to green investments and technologies. Cities globally contribute more than 70 per cent of energy-related carbon dioxide emissions,<sup>10</sup> a share that will further increase in the future.<sup>11</sup> Half of global emissions alone can be reduced if humankind builds climate-smart cities, due to the emissions savings from upgrades to existing infrastructure and from using new and energy-efficient infrastructure and considering the additional emissions generated by construction,<sup>12</sup> and adopts strong policy actions with accelerated technology deployment to constrain urban energy use.<sup>13</sup>

<sup>9</sup> Intergovernmental Panel on Climate Change, *Special Report: Global Warming of 1.5°C* (New York, 2019).

<sup>10</sup> Intergovernmental Panel on Climate Change, “Climate change 2014: mitigation of climate change – Working Group III contribution to the fifth assessment report of the Intergovernmental Panel on Climate Change” (New York, Cambridge University Press, 2014).

<sup>11</sup> International Energy Agency, *Energy Technology Perspectives 2016: Towards Sustainable Urban Energy Systems* (Paris, 2016).

<sup>12</sup> Felix Creutzig, and others, “Urban infrastructure choices structure climate solutions”, *Nature Climate Change*, vol. 6 (November 2016), pp. 1054–1056.

<sup>13</sup> International Energy Agency, *Energy Technology Perspectives 2016*.

15. The most effective municipal policies and programmes are mutually reinforcing across actions focused on urban planning, resilience, smart technological application and finance, depending on the context. Cities need to be aware of the unintended consequences of their actions and therefore should pursue integrated, synergistic approaches. For example, spatial planning that integrates sustainability also builds resilience to climate-induced disasters by reducing the vulnerability of people living in areas highly susceptible to extreme weather events, such as coastal cities and urban developments on islands; innovative proxy indicators, using real time global positioning system data from ride-sharing services to measure urban traffic congestion, can fill a key gap for smart governance to take place; and access to adequate and predictable finance allows for the implementation of long-term planning and infrastructure decisions that can result in systemic reduction of vulnerability to environmental, social and economic shocks and stresses.

16. These interlinkages underscore the importance of not just getting one theme right, but all four. Cities are complex systems that function best when overlapping priorities are addressed in an integrated manner. Attempting to solve housing, transport, solid waste or any other fundamental urban issue in isolation is a recipe for failure. The future of Asia-Pacific cities is one where city leaders take an integrated approach to urban and territorial planning and are increasingly agile and flexible in their urban management to respond to unforeseen future needs.<sup>14</sup>

17. In Asia and the Pacific, the sustainability of cities will determine the future development pathways for the region and the prospects for shared prosperity for all. Social, environmental and economic changes are not abstract national issues; they play out locally in urban areas throughout the Asia-Pacific region. Urban challenges are not played out within a vacuum, meaning more strategic approaches to implementation are needed to overcome potential disconnects between short-term planning horizons and long-term outcomes of decisions across the environmental, social and economic spheres of sustainable development. Even so, it is still important to recognize the importance of solutions which embody country-specific scenarios and meet the specific challenges which need to be addressed in that country. Cities need to make long-term policy decisions about how they want to develop and what means of implementation they intend to pursue towards their future objectives – how they plan, build resilience, deploy smart technologies and finance investments for the benefit of all.

18. As home to the majority of the world’s urban population, Asia-Pacific cities can serve as the drivers of sustainable development for the implementation of the 2030 Agenda. Next, the present document describes how they can be global leaders for sustainability.

### **III. Seizing the urban opportunity for sustainable development**

#### **A. Four key priority areas for urban transformation in Asia and the Pacific**

19. The future of Asia-Pacific cities need not comprise rapid and unplanned urbanization, congestion, resource depletion, ever-rising consumption patterns and emissions, polluted air and waterways, and rising inequalities. Adopting and contextualizing the four priority areas identified in the framework will enable the region’s cities to not only overcome these existing realities but also to set

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<sup>14</sup> World Economic Forum, “Agile cities: preparing for the fourth industrial revolution” (Geneva, 2018).



future development patterns that will assure sustainable urban development for decades to come while meeting the needs of growing urban populations.

## 1. Urban and territorial planning

20. Urban and territorial planning is the bedrock of the sustainable future city. At whatever development stage a city finds itself, whether it is an entirely new urban extension or a city with ancient roots, a single-plan vision is essential to create an agreed road map for a city's future growth, transformation, upgrade or shrinkage. National planning practices and statutes vary widely, but the International Guidelines on Urban and Territorial Planning offer a template for basic planning principles. Thoughtful planning has been key for the Asia-Pacific cities that rank among the world's most liveable, sustainable and economically successful cities. The city planners of the future will need to make sure that the cities they design can withstand all forms of short-term shocks and long-term stresses, particularly when it comes to environmental challenges, by integrating sustainability and quality of life into their spatial plans, visions and strategies. Aided by new forms of planning technologies, they will need to co-produce solutions with citizens to promote urban growth and regeneration and optimize urban-rural and city-region collaborations.

## 2. Urban resilience

21. In a world of increasing climate change threats, however, planning must serve more than just charting needs against future population growth or decline. Urban resilience is the next principle that must be layered atop planning in order to ensure the future prosperity of Asia-Pacific cities. The resilient cities of the future will need to be effective at breaking down silos among entrenched city government departments by encouraging collaboration to address transversal challenges, such as economic downturns, migration crises, natural disasters and extreme events. Nature-based infrastructure solutions and the dynamism of the informal economy are particularly potent tools that cities can employ to create sustainable and resilient outcomes for all.

22. Unplanned urban development, the lack of capacity to embrace dynamic demographic changes, and unsustainable urban lifestyles have led to a vicious cycle of urbanization and climate change, where cities have an impact on the climate system and must also cope with its consequences. Sustainable urban and territorial planning provides an opportunity to reduce the negative impacts of cities on the climate system (that is, reducing the overall carbon dioxide footprint), while mitigating the impacts of climate change and extreme events on urban areas through appropriate resilience responses.

23. In a recent report, the Intergovernmental Panel on Climate Change outlined the foreseeable sea level rise in the upcoming decades and underscored its implications for low-lying islands, coasts and communities.<sup>15</sup> This may carry disproportionate effects, penalizing developing countries and island or archipelagic States, such as several member States in the Pacific region. In order to assess the climate-related risks, further research projects could focus on urban and ocean synergies, including coastal and insular human settlements in the Asia-Pacific region. These additional challenges must be incorporated into urban resilience and policymaking responses.

<sup>15</sup> Intergovernmental Panel on Climate Change, *Special Report on the Ocean and Cryosphere in a Changing Climate* (Geneva, 2019).

### **3. Smart and inclusive cities**

24. In turn, technology has become an irreplaceable component of twenty-first-century lifestyles, one that extends to city management. So-called smart cities that rely on advanced technology now have endlessly customizable tools at their disposal to monitor and model nearly every aspect of urban life. Such technology can be empowering but also paralyzing. Clear regulations and cybersecurity policies are essential to managing the digital future of urban policymaking. Such regulations can also temper the potential data collection excesses of new technologies by enshrining privacy rights that build trust with citizens. The smart cities of the future support infrastructure and innovative technology with governance and security systems to improve citizens' quality of life and enhance their interactions with the urban environment, while protecting everyone's safety, and with gender and disability awareness. Becoming a smart city is not a goal but a means towards achieving sustainability. To respond more effectively and dynamically to the needs and desires of residents, technology is simply a tool to optimize the infrastructure, resources and spaces that people share. Future smart cities need to focus on improving outcomes for residents and harness the creativity of the technology sector in shaping the integration between the physical and digital environment in the Asia-Pacific region.

### **4. Urban finance**

25. A well-planned, resilient vision for a sustainable city that employs inclusive technology will not be realized without a means to pay for everything, ranging from robust planning capacity to resilient infrastructure to smart city toolkits. Urban finance is the lynchpin that ties together the previous three components of sustainable cities. The world of municipal finance is vast and complex, but there are specific areas, such as land-linked financing and pollution pricing, in which cities can seize the fiscal reins in order to achieve discrete objectives. Innovative urban finance has been pursued by cities of all sizes, even smaller towns, showing that urban financing options are available to all types of local governments. The sustainable cities of the future will employ more creative financing solutions for infrastructure improvement projects. With costs increasingly too great for one company – or even one government – to afford alone, and with projects increasingly dependent on other related work, cross-sector collaboration and coordination is becoming the norm. Building the right networks – through public-private partnerships or community finance initiatives – learning how to measure risk and return and making the right funding available to achieve sustainable outcomes will be critical to help cities to improve their operations.

## **B. Turning priorities into urban actions**

26. However, the question remains: how can these four broad themes be turned into action? Figuring out which combination of pathways is the right mix for a given city will be the task of local authorities in collaboration with national authorities, the private sector, stakeholders and everyday urban citizens, as they seek to apply the lessons drawn from the present document. How to choose the right combination and assign the priority with which to pursue them? That is a question only a city itself can answer through analysis of and reflection on its strengths, weaknesses, vulnerabilities and resources.

27. Adopting and contextualizing the 15 policy pathways identified below will enable the region's cities to not only overcome existing realities but also to set future development patterns that will assure sustainable urban development for decades to come while meeting the needs of growing urban populations:

- (a) Integrate sustainability and quality-of-life targets into urban planning to future-proof public and private investment in cities;
- (b) Co-produce with citizens urban planning solutions that align technological investment with adequate local government capacities;
- (c) Identify specific urban regeneration and growth strategies that optimize urban-rural and city-regional collaborations that spur sustainability and investment;
- (d) Scale up the use of nature-based solutions and resilient infrastructure in integrated urban and climate change planning;
- (e) Understand the informal economy and support urban poor groups to be change agents for implementing city-resilience actions;
- (f) Create and strengthen partnerships to bring more attention and resources to long-term urban resilience strategies that break silos between national, state and local actors;
- (g) Utilize big data sources to connect communities, cities and regions and to improve local government technological literacy;
- (h) Improve smart city governance across urban systems, institutions and actors to overcome inequalities and make more informed and integrated planning decisions;
- (i) Encourage technology firms to become more civic minded and create sustainable smart city solutions with social enterprises;
- (j) Adopt cybersecurity safeguards in both digital and physical urban infrastructure development planning;
- (k) Develop smart mobility investment plans that prioritize sustainable urban mobility options for citizens;
- (l) Expand viable smart city funding mechanisms by enabling cross-sector partnerships and business matching platforms;
- (m) Scale up public-private partnerships and community schemes to transition to localized housing finance solutions;
- (n) Adopt land-linked financing mechanisms that leverage urban growth to build people-centred urban infrastructure;
- (o) Introduce congestion-charging and environmental user fees to improve urban air quality.

28. Realizing the future vision of inclusive, safe, resilient and sustainable cities will require focused efforts on the thematic priorities detailed in the present document. The approaches to which all urban stakeholders must contribute are clear and include the following:

- (a) Plan the foundations of a sustainable future: all cities must strengthen their capacities, adopt inclusive planning processes and develop long-term spatial and investment plans that effectively consider urban growth, quality-of-life goals, resource implications and smart approaches;
- (b) Guard against future risks: to ensure sustainable growth and development, it is critical that cities adopt resilience strategies that break down governance silos to improve policy efficacy, provide opportunities to scale up nature-based infrastructure solutions, and engage the urban poor as solution providers to guard against potential shocks and stresses, including natural disasters, rising sea levels and extreme events and their potential consequences, such as internal displacement and other forms of migration;

(c) Capitalize on frontier technologies to develop people-centred smart cities; city leaders must develop smart city road maps across different urban systems that capture the innovation of technological entrepreneurs, bridge the digital divide, support smart and accessible mobility and include gender responsive perspectives of local stakeholders, while ensuring their safety;

(d) Mobilize financing to invest in sustainable urban solutions: local governments must access or adopt innovative investment tools, such as land value capture instruments, public-private partnerships and environmental user fee models, which can serve as important levers to catalyse economically impactful capital investments that create long-term value for citizens, businesses and the city as a whole.

29. The depth of these concepts can at first appear overwhelming in their scope, but these four major areas are those that cities must get right if they wish to deliver on the Sustainable Development Goals and the New Urban Agenda in the coming decade. Wherever a city is in its progression, it is never too late to embark on the path to a sustainable city.

### C. Regional cooperation for sustainable urban development

30. The Seventh Asia-Pacific Urban Forum has laid the foundations for a platform on regional cooperation on sustainable urban development through the establishment of the Penang Platform for Sustainable Urbanization, which serves as an action-oriented multi-stakeholder platform to take forward the outcomes and commitments from the Forum and to realize the vision of a sustainable future of urban development in the region. (see box 2)

**Box 2**

**Moving from commitments to action: the Seventh Asia-Pacific Urban Forum**

The Seventh Asia-Pacific Urban Forum was held in Penang, Malaysia, from 15 to 17 October 2019. Held every four to five years, the Asia-Pacific Urban Forum is the largest regional gathering of urban stakeholders. The Seventh Forum was co-organized by ESCAP, UN-Habitat, Urbanice Malaysia, the Ministry of Housing and Local Government of Malaysia, the City Council of Penang Island and the Government of Penang. The Forum served as a multi-stakeholder regional platform for participants to share best practices in critical and emerging urban development issues. Expert speakers and thought leaders from national and local governments, the private sector, research communities and civil society were engaged to provide insights into future-proofed urbanization solutions. The Forum provided opportunities to mobilize common actions and strengthen effective partnerships for sustainable urban development in the region and served as a venue to launch *The Future of Asian and Pacific Cities*.

The Forum brought together more than 5,000 participants from 60 countries, including 30 countries from the ESCAP region, including ministers, mayors and other government officials, representatives from academia, the private sector, civil society and international organizations as well as urban professionals, grass-roots leaders, older persons and youth to discuss persistent and emerging issues related to sustainable urban development in the Asia-Pacific region, and in particular priority issues to support the implementation of the 2030 Agenda and the New Urban Agenda.

The Forum concluded with declarations of actions from different stakeholder groups and tangible voluntary commitments from a variety of local, national and global institutions to support cities whose progress will be reviewed at the eighth Forum.

31. The Penang Platform for Sustainable Urbanization brought together an alliance of 15 partners<sup>16</sup> to work as an action platform across the following four focus areas:

(a) Elaborate and implement joint frameworks for action on sustainable urban development in selected cities. Platform members agreed to work together in selected cities to harmonize, align, simplify and coordinate their support into a tailored unified city support program. This will address fragmentation and create opportunities for synergistic support to cities. The Platform is supporting cities to produce voluntary local reviews to accelerate local actions and increase coherence of these actions with national follow up and review processes for the 2030 Agenda;

(b) Provide tailored technical assistance, capacity development and advocacy to adapt global best practices and models for Asia-Pacific cities. Members agreed to develop a coordinated menu of technical and capacity support packages to empower cities to translate and implement global best practices and models. As appropriate, members will also advocate for national and regional-level adoption of successful models and practices. Through the Mayors Academy for Sustainable Urban Development in Asia-Pacific, newly appointed and elected mayors from more than 15 selected cities have been trained to integrate sustainable development into their long-term city plans, actions and investments based on international best practice approaches;

(c) Facilitate access to catalytic funding, through conventional and innovative local finance mechanisms. Members of the Penang Platform for Sustainable Urbanization will connect cities and communities to public and private financiers with shared commitments to boosting resilience and sustainability. The Platform is providing knowledge on innovative funding instruments for sub-sovereign governments, including land-linked financing, public-private partnerships and pollution charging schemes;

(d) Generate action-oriented research and evidence to foster exchange and learning on emerging sustainable urban development solutions. Members of the Penang Platform for Sustainable Urbanization agreed to work with cities to identify priority areas where gaps in evidence and practice exist and to promote pilot programmes, research, exchanges and other methods to address those gaps and inform urban practice and policy at all levels. Building on the action-orientated knowledge in *The Future of Asian and Pacific Cities*, the Platform is supporting subregional sustainable urban development agendas through this approach, such as the Pacific New Urban Agenda and the Sustainable Urbanization Strategy of the Association of Southeast Asian Nations.

#### IV. Issues for consideration by the Commission

32. Member States may wish to review the present document with a view to taking action on the following items:

(a) Provide direction and suggestions on strengthening the secretariat's work on sustainable urban development as a vehicle to accelerate local action for the 2030 Agenda in the Asia-Pacific region;

<sup>16</sup> Current members: ESCAP; UNDP; UN-Habitat; Urbanice Malaysia (Chair); Asian Coalition for Housing Rights; City Council of Penang Island; CityNet; Commonwealth Local Government Forum; European Union/International Urban Cooperation Programme; Huairou Commission; ICLEI-Local Governments for Sustainability; Rockefeller Foundation; United Cities and Local Governments Asia-Pacific; Institute for Global Environmental Strategies; and 100 Resilient Cities.

(b) Provide direction and suggestions on how to best leverage regional cooperation to accelerate sustainable urban development at the country level, including with support from regional platforms such as the Penang Platform for Sustainable Urbanization.

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