Chair's Summary
Special Side Event at the 7th Open Working Group on
Sustainable Development Goals
Sustainable Future Cities We Want

6th January, 2014 13:15 – 14:30
UNHQ, Conference Room A, New York

On 6th January, 2014, the Permanent Mission of Japan and France to the United Nations, and Japan International Cooperation Agency (JICA) in collaboration with OECD, UNCRD, UNDESA, UNDP, UNEP, UNHABITAT, UNIDO and UN Sustainable Development Solution Network (UNSDSN) hosted a roundtable meeting on the occasion of the 7th Open Working Group (OWG) on Sustainable Development Goals (SDGs). The objective of the event was to seek a practical and realistic vision for "Sustainable Future Cities", which can enrich the discussions on SDGs/Post-2015 Development Agenda through gathering practical views from various stakeholders in developing and developed countries and international agencies, and identifying practical challenges and opportunities to achieve this vision. The following summary highlights key messages that emerged over the round table discussion.

1) **"Sustainable Future Cities" should be places where all residents, through inclusive and equitable opportunities, feel satisfied with their level of well-being.** To achieve the goal of " Sustainable Future Cities", it is crucial to integrate the three dimensions of sustainability—social development, economic development and environmental management—based on the foundation of urban governance.

2) **Achieving an adequate provision—both in terms of scope and quality—of all the services that urban areas must offer requires a well-balanced interplay of the three dimensions of sustainability.** In this context, the economic, social and environmental management systems should work in a mutually-reinforcing fashion:

- **The Economic System** should guarantee a favorable business environment in order to facilitate the creation of decent jobs. It should also foster equitable and competitive market opportunities and stimulate investments in stable and reliable economic infrastructure to spur further economic development. All members of society should share the benefits generated by the economic system.

- **The Social System** should at the very least provide services that fulfill basic human needs, such as access to a safe water supply and sanitation, health services and education. In addition, the social system should ensure people's prosperity and security, and should also offer ample opportunities for citizens to fully participate in society.

- **The Environmental Management System** should provide clean air and water to all. It should also provide sufficient amenities and leisure opportunities so that people can enjoy a good quality of life. In addition, through the promotion of reducing, reusing and recycling and other programs, "Sustainable Future Cities" should be low-carbon, limited-waste producers. Moreover, they should be places where efforts to build resilience to climate

change and natural disasters are constantly promoted at all levels.

3) **Well-designed master plans are a powerful tool that can effectively guide integrated and innovative urban planning systems. They help urban planners achieve better land use, spatial concentration and infrastructure design. In addition, master plans can help officials visualize the outcomes of mid-term and long-term development strategies.** Master plans should be comprehensive, and they should be updated regularly to adequately reflect the changing needs of people, as well as variations in the prevailing conditions of urban cities.

4) **Urban planners should recognize the benefits of using standardized approaches.** Standardized, low-carbon buildings and urban systems, in particular, can be used to effectively limit GHG emissions, thus positively impacting economic and social development in context-appropriate ways.

5) **Climate change resilience and disaster risk reduction measures must be incorporated into urban planning.** When coastal cities vulnerable to climate change have a high-population density, the inherent risks associated with natural disasters significantly increase.

6) **The linkages between cities, suburban, peri-urban, and rural areas should be carefully considered** since the interactions among these regions oftentimes yield mutual benefits.

7) **The challenges of urbanization are complex and vary depending on the specific characteristics of each city.** Properly addressing issues such as urban poverty due to excessive population density and lack of proper urban planning is a vital step to realize inclusive, sustainable cities.

8) **Addressing complex urban issues requires the involvement of multiple stakeholders.** These include municipal councils, mayors, community organizations, civil society organizations, universities, businesses, and national authorities. Local governments, in particular, are in the best position to listen to the voices of the people. They should incorporate these voices into their policies and practices, thereby achieving sustainable cities through a participatory approach.

9) **Resource mobilization is vital for achieving "Sustainable Future Cities".** Proactive participation in decision-making processes by private sector actors and citizens in general can exert a significant influence on the willingness of local governments to take action. Knowledge sharing and mutual learning among local governments should be encouraged. Meanwhile, the international community should play a catalytic role, supporting both national and local governments.

10) **Setting targets and goals for sustainable urban development as part of the global common agenda under the Post-2015 development agenda and/or Sustainable Development Goals is both appropriate and advisable.** Assessment of progress toward these targets and goals should be conducted through an open, inclusive and participatory review process. However, considering that cities across the globe have diverse characteristics, these targets and goals would need to be flexible, and they should ultimately be managed by the local governments. A stand-alone Urban Sustainable Development Goal is essential to mobilize stakeholders, promote integrated, city-level approaches, and accelerate progress toward sustainable development, including the end of extreme poverty.

Background Paper on Sustainable Urban Development[1]
Permanent Mission of Japan to the United Nations/JICA, OECD, UNCRD, UNDESA,
UNDP, UNEP, UNHABITAT, UNIDO, and UNSDSN
for
The Side Event of the 7th Open Working Group on Sustainable Development Goals
(SDGs),
"Sustainable Future Cities We Want"

Introduction - Why Cities Matter

1. **Cities[2] are driving forces for economies around the world.** Today, 600 cities generate 60% of the world's Gross Domestic Product (GDP), and the urban share of national GDP accounts for 55% on average in developing countries, and 85% in developed countries. In every case, the urban share of GDP is bigger than the one of population. Annual investments of urban infrastructure and buildings are estimated to increase from US$10 trillion currently to more than US$20 trillion by 2025, and emerging economies of cities are attracting the majority of the investment (SDSN, 2013). Urbanization brings higher productivity due to service-link costs reductions including reduced transport charges and technology innovation that result from industry agglomeration and creates more need for goods and services because of the concentration of population and commercial activities.

2. **Cities are also centers of socio-cultural activities and they are interconnected with their natural environment.** Cities provide great opportunities for creativity, new ideas, and synergy between various stakeholders. The geographical concentration of cities develops new knowledge and spreads ideas and creativity. Cities are the most significant locations not only for demonstration of emerging technologies but also for innovative social and cultural institutions. They are centers of excellence and innovation. Therefore, an opportunity exists to capitalize on the potential for cities to lead actions towards greater sustainability and resource efficiency[3]. Additionally, sustainable development measures taken at the city level can greatly affect the natural environment and health, and lead to the reduction of greenhouse gas emissions and environmental changes (SDSN, 2013).

---

[1] This paper was prepared by the Government of Japan and JICA, mainly based on the summery message of the Mayor of Kitakyushu City at the final session of 3 days international conferences and forum, held in Kitakyushu City during 18th – 20th October, 2013. The conferences and forum were hosted by the Cabinet Office and the Ministry of Foreign Affairs of Japan, OECD, UNIDO, UNCRD, and the City of Kitakyushu in collaboration with JICA, and attended by many cities and other UN agencies, such as UNHABITAT, UNDESA, and UNEP. The paper is officially endorsed by OECD, UNHABITAT, and UNIDO.

[2] In this document, we use the terms, "cities" and "urban areas" interchangeably to stand for "metropolitan areas and all urban centers that have economic or political importance" (SDSN, 2013).

[3] UNEP defines resource efficiency as *reducing the total environmental impact of the production and consumption of goods and services from raw material extraction to final use and disposal*, and recognizes resource efficiency as a key driver of success, promoting sustainable consumption and production (SCP), and facilitating a transition to a green economy at the city level. It is well known that cities have agglomeration benefits that drive innovation, business development and job creation.

3. **The world's urban population is expected to increase by 72% by 2050, from 3.6 billion in 2011 to 6.3 billion in 2050, and this phenomenon will be observed mainly in the "less developed" regions of Asia and in Sub-Saharan Africa.** By mid-21st century, the world urban population will likely be the same size as what the world's total population was in 2002. As the following Figure 1 shows, there are major disparities in the level of urbanization between "more developed" regions and "less developed" regions. The world population will be concentrated in the urban areas in the "less developed" regions, and it is expected to increase from 2.7 billion in 2010 to 5.1 billion in 2050. Additionally, the urban population in the "more developed" regions will increase modestly, from 1 billion in 2010 to 1.1 billion in 2050. On the other hand, the rural populations of both the "less and the more developed" regions will decline towards 2050. This continuous increase of the urban population and the decrease of the rural population will result in sustained urbanization, which means increased proportions of the population living in urban areas (UNDESA, 2012). Figure 2 shows that Asia was home to about half of the urban population in the world, and Europe had the second highest share, at 15% in 2011. It is expected that Africa and Asia will experience a marked increase in their urban populations by 2050 (UNDESA, 2012).

Figure1: Distribution of the World Urban Population by Major Area, 1950, 2011, and 2050
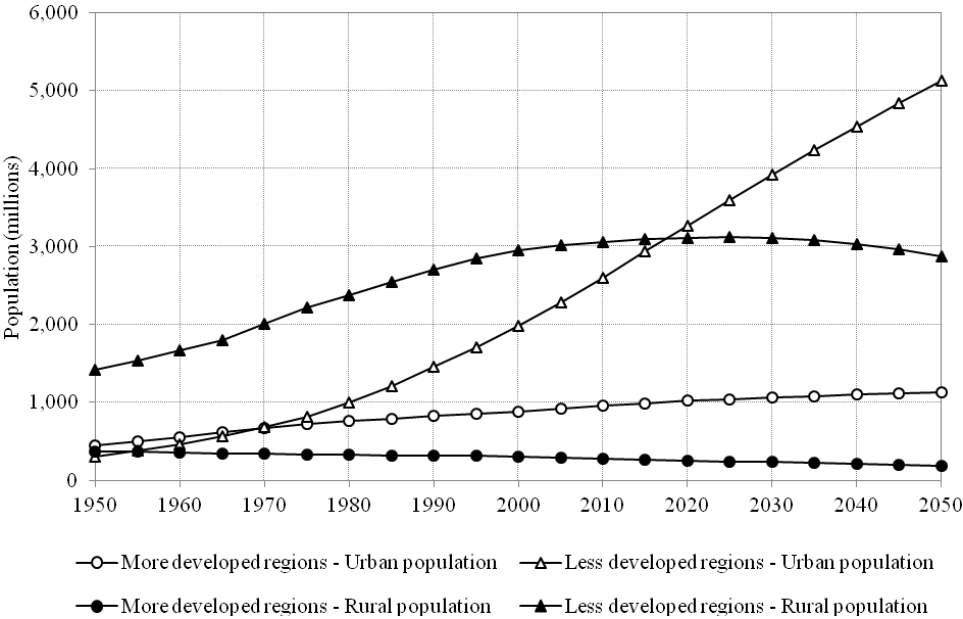
(Source: UNDESA, 2012)

Figure 2: Distribution of the World Urban Population by Major Area, 1950, 2011, and 2050
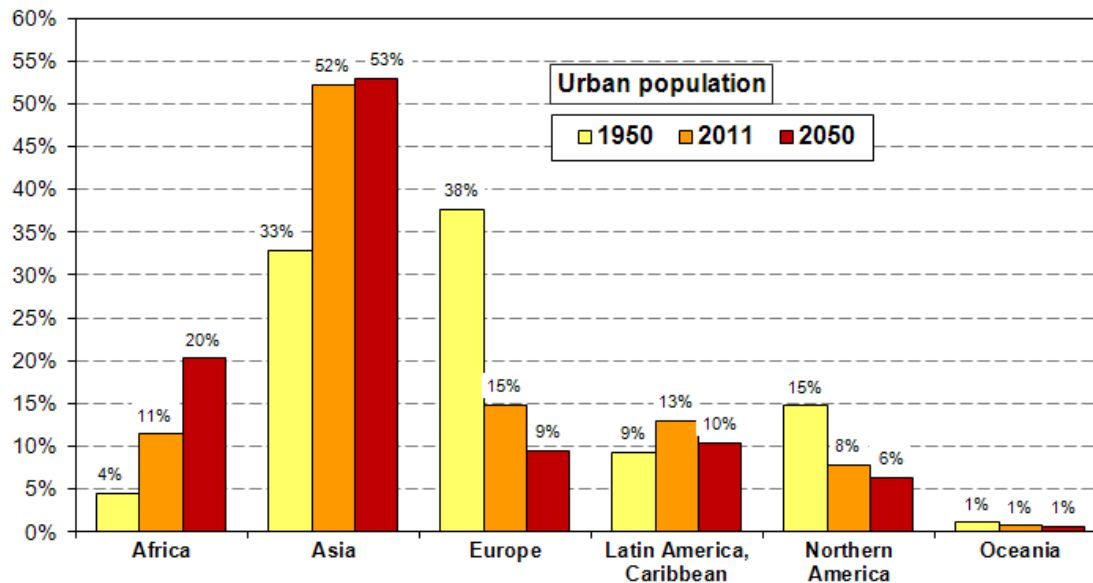
(Source: UNDESA, 2012)

Integration of Three Pillars is Vital for Sustainable Urban Development

4. **Sustainable cities can be realized by integrating the three pillars: social development, economic development and environmental management, based on the foundation of urban governance.** The paragraph 134 of the Rio+20 Declaration stated that the well-planned and developed cities, including through integrated planning and management approaches, are able to promote sustainable cities in economic, social and environmental ways (UN-HABITAT, 2013). Additionally, the World Urban Forum, held at the headquarters of the United Nations Human Settlements Programme (UN-HABITAT, 2010) in Nairobi from 29 April to 3 May 2002 confirmed that urban governance as well as economic, social and environmental developments was essential for sustainable urbanization (UN-HABITAT, 2002). Therefore, urban governance should be the foundation for the three main pillars: social development, economic development, and environmental management, as shown in Figure 3. In addition, the ways in which a city can ensure sustainability will influence its capacity to adopt, within the context of its particular history, the policy priorities and goals, defined by each pillar. Cities are usually at different stages of development and have their own specific responses to policy priorities at both the local and national levels. In this sense, cities will have the diverse sets of sustainability challenges and opportunities (UNDESA, 2013). The concept of city sustainability also recognizes the idea that cities are complex networks of interlocked infrastructures that bring resources in, use the resources to provide services, generate wealth, and dispose of the wastes that are generated by consumption. This flow can be seen as a city's "metabolism". Ideally, this metabolism should be a closed loop where outputs from one organism could be used as an input by another[4].

---

4 In UNEP, this is linked to the concept of resource efficiency.

Figure 3: Three Pillars for Achieving Sustainability of Cities

Complex Challenges and Opportunities are Associated with Realizing Sustainable Urban Development

5. **Observing diverse challenges at the different development stages, it is necessary to enhance institutional capacity and improve market mechanisms so that private sector's economic activities can be transformed to meet the changing needs.** In many of low- and middle-income countries, urban poverty manifests itself in the formation of slums and informal settlements. Urban poverty dominates an increasing share of global poverty (SDSN, 2013). Urbanization often cancels out positive short-term economic effects by its negative environmental and social impacts and undermines their sustainability. Unplanned house construction and expansion of slums may result from a sharp increase in population in the first stage, as well as shortcomings in basic infrastructure and lack of administrative services. In the mature stage, cities may face the issue of aging and declining population, which will weaken the economic power and reduce the standard of living, while the problems of excess infrastructure and its aging will arise.

6. **Cities are responsible for about 70% of the total primary energy consumption and more than 80% of greenhouse gas emissions which cause climate change and a nexus of problems connected with land use change, water resources, and waste management.** Climate change is a great threat to human development, and the world is at an urgent point of needing to mitigate human-induced climate change. The situation is actually far more dangerous today than in 1992, when the UN Framework Convention on Climate Change (UNFCC) was signed. For mitigating climate change, it is necessary to reduce greenhouse gas emissions globally

beginning this decade and achieve low emission by mid-century, even though the world economy expands, and this will lead to alleviate extreme poverty, particularly in vulnerable countries, and achieve other sustainable development priorities. Reducing CO_2 emissions from fossil fuel use would be the most important among all greenhouse gases, and the main challenge will be to "de-carbonize" the world's energy system. The current rate of emissions, around 34 billion tons of CO_2 per year from fossil fuel use would need to decline by more than half, even though the world economy expands, for example, three-fold in the same period. Therefore, the CO_2 per dollar of world output must decline by more than 80% by 2050. (SDSN, 2013).

7. **The increasing concentration of population, commercial activities and assets in urban areas endangers much greater risks associated with natural disasters, such as serious floods and earthquakes.** Disaster risks such as droughts unfairly affect the rural areas; however the recent disasters such as earthquakes and floods seriously hit the urban areas and these phenomena highlight the fact that urban resilience to natural disasters is becoming essential (SDSN, 2012). From 1980 to 2012, the amount of the disaster-related losses was US$3,800 billion worldwide. Some 87% of these reported disasters (18,200 events), 74% of losses (US$2,800 billion) and 61% of lives lost (1.4 million in total) were caused by extreme weathers (WB and GFDRR, 2013).
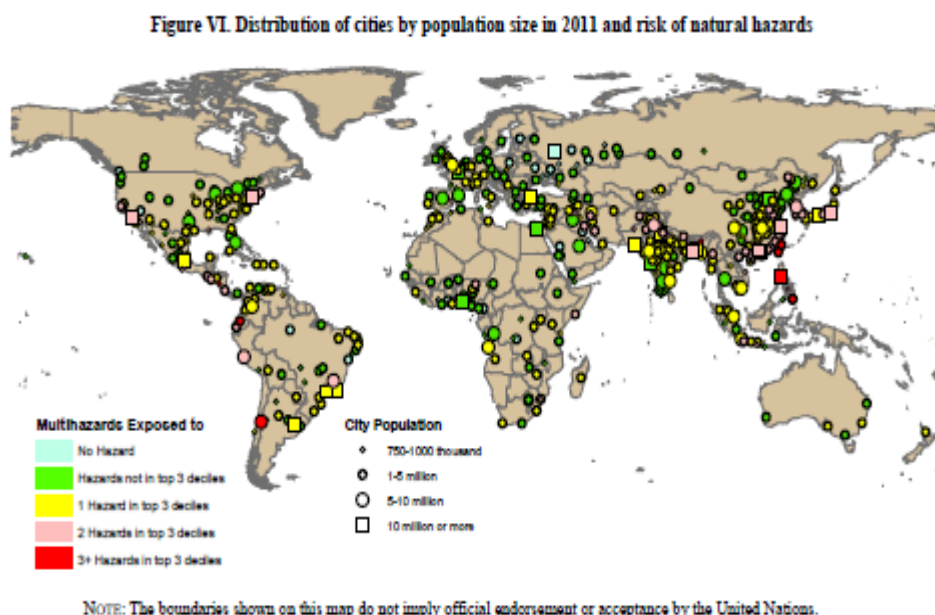
Figure 4: Global Disaster Losses from 1980-2012

(US$billion)

Overall losses (in 2012 values)
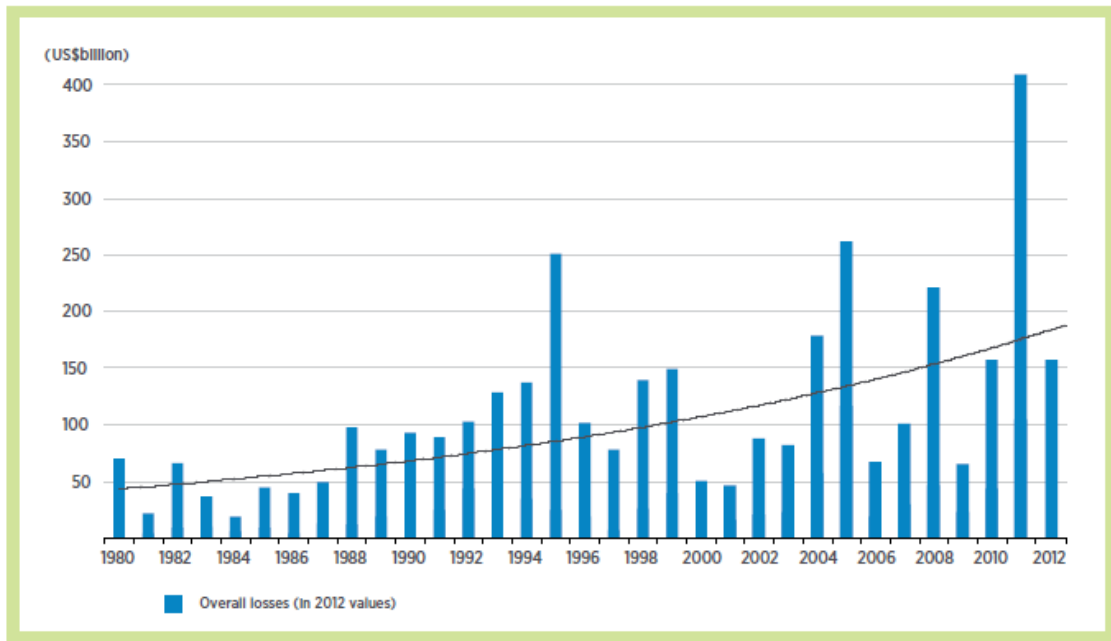
(Source: WB and GFDRR, 2013)

8. **Depending on the region, between half and two-thirds of the cities with 1 million inhabitants or more are located in areas that face high risk of exposure to at least one natural disaster.** The Figure 5 below shows that the major cities of Europe and Africa are the least exposed to natural disaster. Only between 26% and 37% of their cities with one million inhabitants or more are located in areas at high risk of exposure to at least one natural disaster. On the other hand, cities in Latin America and the Caribbean, in North America, and especially in Asia are often located in areas exposed to natural hazards (UNDESA, 2012). It is necessary to enhance resilience against the emerging risks of natural disasters. Therefore, mainstreaming disaster risk reduction through the process of the Post-Hyogo Framework of Action (HFA2)5 in the context of the SDGs and the Post-2015 development agenda is also essential.

---

5 The Post-Hyogo Framework of Action (HFA2) will be formulated at the UN International Conference on Disaster Risk Reduction, which will be held in Sendai, Japan in March, 2015.

Figure 5: Distribution of Cities by Population Size in 2011 and Risk of Natural Hazards

Figure VI. Distribution of cities by population size in 2011 and risk of natural hazards

Multihazards Exposed to
- No Hazard
- Hazards not in top 3 deciles
- 1 Hazard in top 3 deciles
- 2 Hazards in top 3 deciles
- 3+ Hazards in top 3 deciles

City Population
- 750-1000 thousand
- 1-5 million
- 5-10 million
- 10 million or more

NOTE: The boundaries shown on this map do not imply official endorsement or acceptance by the United Nations.

(Source: UNDESA, 2012)

9. **Green Industry[6] is one of the most vital opportunities to resolve the current environmental challenges, including mitigation of greenhouse gas emissions and adaptation of climate change, the environmentally sound management of chemicals and wastes, and the security of supply of water, energy and other natural resources.** Green Industry is able to completely change manufacturing and industry sectors to contribute more effectively for sustainable industrial development (UNIDO, 2011) and the standardized approach may be helpful for urban planners. Particularly, standardized low carbon buildings and urban system will ensure the effectiveness to limit GHG emissions along with economic and social development.

10. **The lack of financial resources is a serious problem to handle urbanization for the local governments (UN-HABITAT, 2002), therefore importance of sustainable urban development should be underlined in the context of SDGs and the Post-2015 development agenda in order to enhance resource mobilization of the international communities.** Due to the insufficient financial resources distributed from the central to the local government, enhancing sustainable financial capacity is needed, and domestic and regional development banks and the related networking institutions, such as the International Development Finance Club (IDFC) will play an important role. It is also necessary to promote good practices, including the creation of effective mechanisms to improve cities' access to finance and to leverage private finance. Finance can be a stumbling block to the introduction of concerted policies to shift cities away from a carbon and resource-intensive metabolism. Although several sources of revenue may exist, in many countries national fiscal policy prevents local authorities from raising enough

---

6 Green Industry is defined as an "industrial production and development that does not come at the expense of the health of natural systems or lead to adverse human health outcomes"(UNIDO, 2011).

capital either locally or on international financial markets. This has been reinforced in many parts of the developing world by decentralization reforms that have often entailed a dispersal of central government functions, without any transfer of resources and power to autonomous lower level authorities. Consequently, policy makers need to find innovative, collaborative ways to finance resource efficiency-oriented policies. A variety of financing mechanisms are accessible through collaboration with stakeholders such as private companies, NGOs or civil society organizations.

11. **The capacity building of the cities and the local governments is essential since they should be the center of decision-making by collecting the practical voices of its people and the private sector actors.** Furthermore, one of the most fundamental enabling conditions in the shift to greater resource efficiency is a well-coordinated coalition of stakeholders who are committed to sustainability and resource efficiency, and motivated to promote long-term strategic policies and plans in a city. Integrated and innovative urban planning for better land use, spatial concentration and infrastructure design through master plans shows a practical vision for the actual implementation of urban development in the middle and long-terms. Therefore, master plans should be comprehensive and updated in accordance with people's variable needs and the environment of the cities. Cities need to work with many other various actors: national governments, business, knowledge institutions, and civil society for realizing their sustainability (SDSN, 2013). There is a need for policy makers to identify strategic intermediaries at the city-level that can ensure implementation, especially for policies that encompass multiple sectors. Intermediaries in this context refer to stakeholders that can play a key role in facilitating the urban transition to resource efficiency.

Conclusion - Sustainable urban development for SDGs/Post-2015

12. **Local governments are required and have potential to reflect the people's needs to their strategy and policy for implementation, and the collaboration with national governments and the support of the international communities are the keys for successful urban development.** Collaboration and mutual learning among local governments both in developing and developed countries are essential, and this can be sustained by the support of existing programmes. For example, a project was conducted with success in Surabaya, Indonesia using Kitakyushu's expertise in waste disposal to reduce organic waste and build up compost supply (OECD, 2013). The existing inter-local governmental network is effective, namely the "Future City Initiative" of Japanese Government, OECD "Green Cities Program" and UN and MDBs Urban Initiative as well as knowledge accumulated in various stakeholders. Cities need practical advice rooted in accessible knowledge from peers to make locally adapted policy changes. Knowledge sharing and peer-to-peer exchange is a powerful way to replicate and share policies that work in cities. It gives the opportunity to decision-makers to learn from practical and concrete experiences of other cities that are addressing, or have already addressed similar issues. The proliferation of strong city networks including C40 Cities Climate Leadership Group

(C40), International Council for Local Environmental Initiative (ICLEI), United Cities and Local Governments Asia Pacific (UCLG), Cities Alliance and Metropolis, shows how cities are benefiting from such "soft infrastructure". City networks have the capacity to assist cities in learning from one another through: direct assistance on the ground with expert consultants; facilitating access to existing solutions; allowing knowledge sharing through events, workshops or peer-to-peer exchanges; and providing access to extensive research on cutting edge issues.

13. **In September 2013, the Sustainable Development Solutions Network launched the Campaign for an Urban Sustainable Development Goal (SDG), with the support of UN Habitat, UCLG, Cities Alliance, ICLEI, Metropolis, Communitas Coalition for Sustainable Cities and Regions, and the Urban Climate Change Research Network.** This campaign is mobilizing urban governments worldwide, lobbying with national governments and groups, enlisting development institutions, orienting the private sector, and promoting a global citizens social media campaign. These networks promote integrated planning and development of infrastructure and contribute to realize a balanced sustainable urban development, from economic, social and environmental point of view with the aspects of governance by providing new best practices in cooperation with local government, citizens, private sector and academic community.   In this campaign, an urban SDG would work to make all cities socially inclusive, economically productive, environmentally sustainable, secure, and resilient to climate change and other risks. It would also help to develop participatory, accountable, and effective city governance to support rapid and equitable urban transformation (SDSN, 2013 b &c). It would help to end extreme urban poverty, expand employment and productivity, and raise living standards, especially in slums. It would work to ensure universal access to a well-designed, secure, and affordable built environment and basic urban services including housing; water, sanitation and waste management; low-carbon energy and transport; and mobile and broadband communication. An urban SDG would also ensure safe air and water quality for all, and integrate reductions in greenhouse gas emissions, efficient land and resource use, and climate and disaster resilience into investments and standards.

References

Organisation for Economic Co-operation and Development (OECD). (2013) Green Growth in Kitakyushu, Japan, OECD Green Growth Studies.
http://www.oecd-ilibrary.org/urban-rural-and-regional-development/green-growth-in-kitakyushu-japan_9789264195134-en

Open Working Group on Sustainable Development Goals (OWG/SDGs) (2013) TST Issues Brief: Climate Change and Disaster Risk Reduction.
http://sustainabledevelopment.un.org/content/documents/2301TST%20Issue%20Brief_CC&DRR_Final_4_Nov_final%20final.pdf

Open Working Group on Sustainable Development Goals (OWG/SDGs) (2013) TST Issues Brief: Sustainable Cities and Human Settlements.
http://sustainabledevelopment.un.org/content/documents/2306TST%20Issues%20Brief%20Cities_FINAL.pdf

Sustainable Development Solutions Network (SDSN) (2013a) An Action Agenda for Sustainable Development.
http://unsdsn.org/files/2013/11/An-Action-Agenda-for-Sustainable-Development.pdf

Sustainable Development Solution Network (SDSN) (2013b) Why the World Needs an Urban Sustainable Development Goal.
http://unsdsn.org/files/2013/09/130918-SDSN-Why-the-World-Needs-an-Urban-SDG.pdf

Sustainable Development Solution Network (SDSN) (2013c) The Urban Opportunity: Enabling Transformative and Sustainable Development.
http://sustainabledevelopment.un.org/content/documents/2579Final-052013-SDSN-TG09-The-Urban-Opportunity.pdf

United Nations Department of Economic and Social Affairs (UNDESA) (2012) World Urbanization Prospects The 2011 Revision.
http://esa.un.org/unup/Documentation/final-report.htm

United Nations Department of Economic and Social Affairs (UNDESA) (2013) World Economic Survey and Social Survey 2013 Sustainable Development Challenges.
http://www.un.org/en/development/desa/policy/wess/wess_current/wess2013/WESS2013.pdf

United Nations Environment Programme (UNEP). (2012) Sustainable, Resource Efficient Cities Making it Happen! Peter C. Swilling M.

United Nations Environment Programme (UNEP). (2013) *City-Level Decoupling: Urban resource flows and the governance of infrastructure transitions*. A Report of the Working Group on Cities of the International Resource Panel. Swilling M., Robinson B., Marvin S. and Hodson M.

United Nations Human Settlements Programme (UN-HABITAT) (2002) Sustainable Urbanisation Achieving Agenda 21.
http://www.unhabitat.org/pmss/listItemDetails.aspx?publicationID=1234

United Nations Human Settlements Programme (UN-HABITAT) (2010) State of the World's Cities 2010/2011 Bridging the Urban Divide – Overview and Key Findings.
http://sustainabledevelopment.un.org/content/documents/11143016_alt.pdf

United Nations Human Settlements Programme (UN-HABITAT) (2013) Sustainable Urbanization in the Post-2015 UN Development Agenda.
United Nations Office for Disaster Risk Reduction. 2012. Making Cities Resilient Report 2012.
http://www.unisdr.org/files/28240_rcreport.pdf

United Nations (2012) The Future We Want (Resolution adopted by the General Assembly on 27 July 2012).
http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N11/476/10/PDF/N1147610.pdf?OpenElement

World Bank and Global Facility for Disaster Reduction and Recovery (GFDRR) (2013) Building Resilience Integrating Climate and Disaster Risk into Development.
http://www.worldbank.org/content/dam/Worldbank/document/SDN/Full_Report_Building_Resilience_Integrating_Climate_Disaster_Risk_Development.pdf

World Bank and IMF (2013) Global Monitoring Report – Rural-Urban Dynamics and the Millennium Development Goals.
http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1327948020811/8401693-1355753354515/8980448-1366123749799/GMR_2013_Full_Report.pdf