

# Sustainable Cities

**ISSUE** Humanity, for the first time, has become an urban species. The number of people living in towns and cities has grown more than fivefold since 1950 and a decade ago overtook those living in the countryside. In a world with 7.5 billion people, over 4 billion reside in urban agglomerations, occupying only 3% of the Earth's land, but with a global ecological footprint. Urban demographic projections estimate that between 2014 and 2050, another 2.5 billion people, mostly poor, will be added to the world's cities, predominantly in Asia and Africa.

In much of the developing world, urban growth is characterized by sprawl—cities are expanding their territories faster than their populations. Further, the scale of conflict- and climate-induced displacement are pushing even more people towards cities. Globally, 65 million people were displaced and 60% of all refugees—19 million people—settled in cities. The scale and pace of the challenge is so large that Mayors and local governments are struggling to respond; land use is poorly planned and unstructured; motorization rates are increasing rapidly, as is pollution. The mega-trends are converging in cities with local and global negative environmental impacts.

Cities already consume over two-thirds of its energy and account for 70% of greenhouse gas emissions. They are increasingly choked by traffic, air pollution, and waste production. Air pollution contributes to half a million deaths a year in Asia, with 67% of cities failing to meet air quality standards for particulate matters. Additional concerns include chemical safety, handling and disposal of electronic and industrial waste with heavy metals and solvents, pesticide application for public health and vector control, and urban run-off.

Cities are also becoming hot spots with POPs tend to be higher in modern cities than in agricultural areas. Cities are also highly vulnerable to climate change, with 90% of urban areas are coastal putting them at risk of flooding from sea level rise and storms. Most at risk are the one billion urban residents living in slums who often settle in high-risk areas including in coastal or low-lying areas of urban ecosystems.

Meeting the production and consumption needs of urban populations for food, energy, water, and transport significantly strains rural and urban ecosystems, locally and globally. Physical expansion of urban areas can directly compromise the provision of ecosystem services vital to cities, for example those provided by forests—clean air, providing water catchment integrity, helping to control storm water and conserving energy. Policies need to consider the linkages between cities and the surrounding peri-urban and rural areas as well as the broader trans-boundary ecological burden. Urban planning, governance systems, and services—including water, sanitation, transport and land markets—also need to address gender and inclusion and promote equal

opportunities to achieve greater social, economic, and environment benefits.

## SOLUTION

How we design and build our cities of the future will be critical for the health and well-being of our people, our economies, and our planet. If managed well, compact, resilient, inclusive, and resource-efficient cities could become drivers of the economy, contributing to local livability, global environmental benefits, and global public goods. Cities can offer effective entry points for major investments in global environmental benefits in the context of local, national, and global level actions.

Global response to the challenges of urbanization has been three-fold. Urbanization is prioritized by the 2030 Sustainable Development Agenda by dedicating Goal 11 to Sustainable Cities and Communities, along with direct reference to cities within several other of the 17 Sustainable Development Goals. This is complemented by the Paris Climate Agreement's emphasis on subnational actors, and the United Nation's one-in-twenty-year Habitat III conference that resulted in the adoption of the New Urban Agenda in Quito, Ecuador. Collectively, these offer a global institutional commitment to steer urbanization to benefit, rather than burden, the global and local commons. The question now is how to reach the goals outlined in these global agenda.

While national governments have made commitments to end poverty, reduce inequality, and tackle climate change, many of the actions needed on ground are the responsibility of local authorities. These include spatial planning, provision of core infrastructure (housing, water supply, sanitation, roads), and basic services (health care, waste collection, emergency services, and policing).

Cities are, in a word, essential to sustainable development. The good news is that cities are already in action and are taking advantages of opportunities to enhance sustainability. Many mayors and municipal authorities of bigger cities are already championing more sustainable and inclusive development. Developing or refining basic capabilities in urban

governance, planning, and finance will enable local authorities to make cities attractive and sustainable places to live and work.

But there is strong evidence that local governments cannot succeed without concerted, coordinated, and enabling national action. Only one-third of countries have national policies to shape urban growth, and some national policies in sectors like housing and energy sometimes work at cross purposes to local efforts to build more sustainable, thriving cities. Central governments determine the extent to which power and resources are devolved. They hold the power to support local actors having limited resources to go beyond business as usual, mainstream sustainability and spur innovation in urban mobility, energy, waste, and water solutions for citizens.

National policies, regulations, and incentives play a major role in shaping urban form and function and drive sustainability solutions—for example, through national clean energy policies, urban planning guidelines, national affordable and inclusive housing policies, building codes for energy efficiency standards, and public transport infrastructure. It is also important for the national government to focus on secondary cities. Small and medium size cities are where future emissions and population growth will come from and are less well equipped to step up to the challenges.

Lack of long term, low-cost, and predictable finance is one of the other key challenges urban sustainable projects face. The global shortfall in sustainability investments exceeds USD 1 trillion every year. National and local governments cannot fill this gap and need to facilitate flow of necessary finance to cities through international financial institutions, private sector, and other development partners. They can also support necessary policy reforms to support more flow of private finance for example through foreign direct investments. Strengthening capacities of municipal and local urban bodies to manage additional finance flow is also critical.

Putting towns and cities onto a resource efficient, sustainable development path is a huge opportunity for national development and local economies. Shifting to clean public transport and improved vehicle efficiency,



for instance, could create up to 23 million additional jobs a year worldwide, while reducing greenhouse gas emissions, improving air quality, reducing traffic injuries and cutting congestion. Similarly, in many other sectors and importantly following an integrated and sustainable planning and design of cities could deliver significant environmental benefits and support a sustainable economic growth.

## LOOKING AHEAD

Recognizing the critical role of cities for sustainable development and the risks of inaction, the GEF joined forces with key entities to launch a global program on sustainable integrated urban development. The Sustainable Cities program already supports city-level projects in 28 urban jurisdictions across 11 recipient countries, through a USD 140 million GEF grant, leveraging USD 2.4 billion in co-financing. The program approach integrates several sectors and issues—transport, energy, solid waste management, biodiversity and ecosystem conservation, climate change, and urban governance. To further strengthen opportunities for cutting-edge support, learning and knowledge sharing, the program also launched a Global Platform on Sustainable Cities (GPSC). The Global Platform engages city networks such as ICLEI and C40, leading environmental think-tanks such as World Resources Institute, technology providers such as the European Space Agency, multilateral development banks and programs such as UN-Habitat.

Through the GPSC, the GEF is promoting cities as natural places for integrated solutions that generate multiple global environmental benefits. Cities offer fertile ground to integrate operations of interdependent systems of water, energy, transport, health, education, and security services. There are strong environmental, social, and economic cases to be made for integration of these human systems with natural systems. For instance, the development and management of

watersheds and forests, as well as urban and peri-urban agriculture, as elements of green infrastructure in and around cities, offers compounding benefits for global climate change mitigation and local urban adaptation and resilience while diminishing air and water pollution.

While each of these priorities can be tackled independently or through disparate investments, the potential for negative tradeoffs can be greatly amplified in the absence of an integrated urban plan. Furthermore, the need to promote synergies in delivering both development and global environmental benefits will be lost. Hence the GEF approach is to promote integrated and holistic urban planning that aligns multiple priorities for long-term sustainable growth of cities.

Acknowledging the important role of national governments and GEF's partnerships with them, the GEF aims to establish a stronger synergy between national and city governments. To address the financing challenges, the GEF aims to proactively engage with the financing community and particularly the private sector to leverage their resources and expertise.

During GEF-7, through the Sustainable Cities Impact Program, the GEF will continue to support countries with clear aspirations for mainstreaming sustainable and integrated urban planning for their major cities. The IP will further enhance GEF support for cities to pursue sustainable urban planning and implement spatially integrated solutions towards achieving efficiency in energy, buildings, transport, urban food systems, management of municipal waste, and utilization of green space and infrastructure. As a result, the IP will contribute to multiple global environmental benefits through decarbonization, improving biodiversity conservation, reducing land degradation, and eliminating hazardous chemicals.

