



**German Comment
on the Issue Papers of the
Third United Nations Conference on Housing and Sustainable Urban
Development
as of 30th May 2015**

Introductory Note

Germany sees the New Urban Agenda (NUA) of Habitat III as a continuation and concretization of the Post-2015 Agenda and its Sustainable Development Goals and, after Istanbul 1996, as a new joint agreement on sustainable, strategic and integrated urban development. This approach shall be implemented in a global partnership. In addition to that, the NUA should be seen as an implementation instrument for the Outcome of the Paris Climate Conference at the end of 2015. The New Urban Agenda will only be successful if it leads into joint and accelerated action that make urban areas worldwide more inclusive, safe, resilient and sustainable. The preliminary foreseen four principles of the NUA (compactness, connectedness, inclusiveness and integration) do not fully reflect the aspects of environmental protection appropriately. Thus, 'sustainability' should be added.

In particular, Germany promotes a New Urban Agenda which

- Recognizes city governments as crucial drivers for development;
- Fosters livable cities, where the citizens and their well-being are in the center of development policies;
- Seeks resource-efficiency in service delivery and protection of the eco systems;
- Incorporates urban-rural interlinkages and interdependencies and is based on a spatial approach;
- Advocate a climate-friendly and green city: a global decarbonization goal for cities is needed;
- Outlines how capacity needs will be met to strengthen governments and their civic associates for sustainable urban management
- Includes agreements on its results-based monitoring and review; and
- Contributes to strengthening the global partnership striving for sustainable development,

and thus stresses the instruments and mechanisms of good governance:

- Integrated, multi-sectoral and multi-departmental urban management including action-oriented and integrated urban development planning and the interlinkages between the topics of the Issue Papers;
- National urban development strategies and policies aiming at strengthening multi-level-governance-systems and thus respecting local self-government and the subsidiarity

principle taking also the relationship between cities and their surrounding regions in consideration;

- Cooperation in international and transnational networks being composed of nations, cities / regions and civil society groups.

The Issue Papers in general appropriately cover the wide range of current urban challenges. It will now be the task of the Policy Units to identify the capabilities needed and the means to enhance them and, as a result, to formulate appropriate policies to meet the challenges of a truly transformative urban agenda.

To this end a sector-based approach – still very much reflected in the Issue Papers – must be superseded by inclusive and integrated policies reflecting the “urban nexus” and the diversity and variety of urbanization. At the same time an orientation towards solutions is needed. The NUA should give guidance not on what is to be done, but on how it can be achieved

Germany takes the opportunity to comment on particular issues for consideration by the respective Policy Units:

Issue 1: Inclusive Cities

A further focus concerning this topic could be put on cities of different sizes and cities/regions in the developed world. Aspects like a shrinking population shall be taken into account as they are major challenges in many cities in this part of the world. Within the next twenty years this is foreseen to be an issue as well in many cities that are still growing today.

Issue 2: Migration and Refugees in Urban Areas

Many important aspects of the topic are covered in the paper, however, the issues

- movements of migrant workers (circular migration),
- economic exchange between places of origin and host cities and
- the emergence of refugee cities

should also be addressed. The Policy Unit working on this issue should highlight the opportunities of migration for cities as well.

Furthermore, a link to Urban Governance and Urban and Spatial Planning and Design should be given to this paper. Economic incentives, usually set at national and implemented at local level, are important drivers of the successful integration of migrants and refugees. In order to further substantiate this policy priority for urban development, it is recommended to include the ILO into the circle of experts of the respective Policy Unit.

Issue 3: Safer Cities

A further focus on the topic of urban poverty and deprived neighbourhoods would enhance the interlinkage between the topic of safer cities and inclusive cities.

Issue 5: Urban Rules and Legislation

The identification and definition of essential legal frameworks to be considered should be provided in the New Urban Agenda, as many municipalities and national governments are struggling in setting these up. The complementary role of different levels of government should be considered in this regard. Reference should be made by the Policy Unit to rules and regulations for establishing inter-municipal and metropolitan authorities, as to address resource-efficient urban design, participatory governance and avoiding urban sprawl. In addition, aspects of regulating public-private partnerships should be addressed, as they can play an important role in the infrastructure provision, if well regulated.

In addition, a clear focus on universal legal instruments and mechanisms of civic engagement and public participation should be given to this paper, thus connecting it to other Issue Papers.

Issue 6: Urban Governance

In the well appreciated context of political and administrative decentralization, the importance of building capacities for fiscal decentralization and domestic resource mobilization should be underlined strongly. Decentralisation of governance should go hand in hand with fiscal decentralisation and fiscal redistribution, otherwise cities would not be able to sufficiently fulfil the tasks which they are responsible for. Regional variations should to be considered.

Issue 7: Municipal Finance

It will be the task of the Policy Unit to further analyze the potential of bonds, user surcharges, public-private partnerships, and investment guarantee schemes for implementing the New Urban Agenda. The role of development funds, local banks, and the pooling of local financial resources should be considered in depth as well. The specific situation of secondary and smaller cities and towns regarding municipal finance should be considered.

Issue 10: Urban-Rural Linkages

The Policy Unit could elaborate further on the role of fast growing small and medium sized towns with regard to access to services, to markets for agricultural produce and to employment opportunities. Hence, the perspective of the paper towards the message 'The future of the city is the region' should be broadened. Special emphasis should be placed on urban and regional green spaces and ecosystems. Surrounding peri-urban and rural towns alleviate pressure on larger cities and provide opportunities in rural areas especially in a setting such as Sub-Saharan Africa, where still about 70% of the population's livelihoods are rural, and a rush to the cities is expected. Urbanization goes along with a fundamental transformation of rural areas.

Issue 11: Public Space

In order to avoid a predominantly technical orientation the paper and work of the respective Policy Unit should embed the topic of public spaces more in the context of climate-adaptive and green cities, inclusive cities and well-governed cities.

Issues 12,13,14: Urban Economy

Poverty and social imbalances (such as lack of access to health, water, education) are posing severe challenges to cities. Although some of these challenges are mentioned in the issue briefs, measures foreseen are mainly focusing on the support of business environment and employment promotion. It would be advisable to focus to a greater extent on what is necessary to include the poorest into development and to link measures for economic development and private sector development in cities to social projects and. This is also of particular importance for dealing with the large informal sector. Relevant areas might e.g. include start-up promotion, the fostering of social innovation or inclusive business models. Apart from that, taking into account the challenges and needs of the poor into urban development measures is crucial.

Issue 12: Local Economic Development

The importance of inclusive and stable local financial systems (with focus on local banks and monetary financial institutions) with respective financial services (including insurance) to support bankable projects could be further elaborated in the policy unit. Without adequate and diverse financing mechanisms, economic growth and prosperity cannot be realized. Small, medium and micro enterprises are the biggest economic group in the economy generating the lion share of employment and income. Their central position and importance should be further underlined.

The notion of 'the city as integral part of its region' should be incorporated in order to underline that local economic development and thus competitive cities and surrounding regions are the two sides of the same coin. A possible additional focus should be given to aspects of 'Industry 4.0' (including fabrication laboratories) and the way local economic development might evolve on different path than we used to follow. That goes as well for the spatially relevant distribution of working places and jobs. A clear focus should be laid on developing strategic concepts that integrate environmental and economic necessities.

Issue 15: Urban Resilience

Looking at the importance of infrastructure for securing essential functions in an urban context, the importance of resilient critical infrastructures should be specifically mentioned, and the work of the different Policy Units aligned. A standalone resilience plan may not be appropriate in every context and should in any case be closely aligned with climate change planning.

The Policy Unit could make further reference on how urban finance needs to transform in order to support building resilience. In addition, so far no reference is made to risk transfer mechanisms like risk-pooling and insurance mechanisms which can play an important role.

Issue 17: Cities and Climate Change and Disaster Risk Management

Further discussions should have a stronger focus on the reduction of greenhouse gas emissions. The transition towards renewable energies and the improvements in energy efficiency shall be more clearly addressed in the Issue Papers. Finally, there seems to emerge a conflict between the need to build (highly) compact cities and the need to create urban green spaces. This aspect warrants further attention.

From a German perspective, the definition of Disaster Risk Management (DRM) is a little more comprehensive: it should emphasize the role of risk transfer and continuous improvement in disaster preparedness, and stresses that effective DRM helps achieving the goal of sustainable development. Cities should not be looked at as isolated areas but as part of regions, and the connection with the surrounding sub-urban and rural areas needs to be fostered in order to improve DRM and Climate Change Action. Private and public investments are equally important when it comes to an integrated urban DRM and adaptation approach. This could be mentioned more clearly in the work of the Policy Units.

The paper emphasizes the projected rise of urban energy-related greenhouse gas emissions. In this regard the Policy Unit could make reference on how cities can contribute to countries' mitigation efforts and set their own goals in climate action.

Issue 18: Urban Infrastructure and Basic Services, Including Energy

More emphasis should be put on the fact that the majority of urban infrastructure worldwide is yet to be built. Once constructed, infrastructure has a long lifespan. Decisions we make today will shape our future development paths for decades to come. Options to meet future demands will have to be considered and well integrated into the urban design. The New Urban Agenda will be realized in a critical time, when there is still the opportunity to commence building the physical foundation for a compact, resource efficient, socially inclusive, access-oriented and resilient urbanization.

In order to manage urban development responsibly within our planet's finite natural resources, it is vital to develop integrated planning and coordination processes that overcome isolated sector approaches and initiatives. To this end, it is essential to develop inter-sectoral NEXUS solutions that identify synergies for increasing resource efficiency. Good approaches are emerging, particularly in the nexus between the water, energy and food industries, considering the efficient use and reuse of limited resources.

Issue 19: Transport and Mobility

The paper covers the main challenges as well as the positive and negative impact of transport in cities. The policy unit should further elaborate on

- The main universal principles for the design of policies and strategies for urban mobility, including different modes of transport;
- The relevance of legislative frameworks for sustainable transport governance, coherent national urban transport policies including strong mandates for local and national stakeholders as well as supportive capacity-building programs;
- The creation of solid financing mechanisms for the investment in sustainable transport infrastructures and the provision of good-quality public transport services, carefully including appropriate incentives and subsidies;
- More and enhanced effort on the upgrade of human as well as organizational capacities for implementing and managing sustainable urban transport, including accompanying measures and policies;
- The importance of strengthened international cooperation on sustainable transport to improve the access to technologies as well experiences, and to ensure mutual learning on system solutions.

Two additional points should be stated: (1) Good Public Transportation Infrastructure does not always need a big solution: A tram may be a better and cheaper option than an underground solution. (2) Cars need a lot of space when driven and when parked, too. Some countries demand evidence of parking lots from car owners. This might be a better option than expecting this from housing developers.

Issue 20: Housing

Aspects of financing adequate housing provision should be elaborated in more detail. Questions on appropriate financing instruments and institutions should be addressed. The discussions in the Policy Units should therefore tackle the need to strengthen local banks and monetary financial institutions to offer financial services in the housing sector. The provision of soft loans by governments or development banks for cities, households or project developers with focus on (rental) housing should also be considered. Additionally, the issues of land tenure and financing for housing are inseparably connected. The access to mortgage and housing is depending on the legal status with regard to land rights.

Issue 21: Smart Cities

Certain constraints should be considered in further work on this issue: Transparency creates opportunities for growth and connecting people but privacy and the protection of personal data should also be taken care of. Cybersecurity is a growing issue in all smart cities and adequate strategies and measures should be developed before implementing intelligent systems.