

# 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 five-fold since 1950 and a decade ago overtook those living in the countryside. This dramatic trend in urbanization is accelerating, as are slums and sprawl. 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 urban 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 for POPs (some covered by the Stockholm Convention such as PCBs and SCCPs), which tend to be higher in modern cities than in agricultural areas. Cities are also highly vulnerable to climate change, with 90% of them located on coastlines exposed to sea level rise. Urban climate risks are unevenly distributed. Most at risk are the 1 billion urban residents living in slums who often settle in high-risk areas including in coastal or low-lying areas of urban ecosystems. Urban assets and systems are also prone to climate risks. By 2030, disasters will cost cities US\$332 billion and threatens to force 77 million urban dwellers back to poverty.

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 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 a three-fold prioritization of solutions. 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 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 (NUA) 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 agendas.

While national governments have made commitments to end poverty, reduce inequality, and tackle climate change, many of the actions needed 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. Central governments determine the extent to which power and resources are devolved, and national policies and regulations play a major role in shaping urban form and function. Only a 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.

Therefore, national governments and leaders are critical in driving sustainable and inclusive growth in cities. This also presents them political and economic opportunities as city development directly contributes to national development goals. They can support through policies and incentives to drive sustainability solutions at city level. 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. For example, governments can institute national clean energy policies, urban planning guidelines, national affordable and inclusive housing policies, building codes for energy efficiency standards and inter-city public transport infrastructure.

Lack of long term, low cost, and predictable finance is one of the key challenges facing urban sustainability projects. National governments can also facilitate flow of necessary finance to cities through international financial institutions, private sector and national development partners. They can also create enabling policy measures to support more flow of private finance, for example through foreign direct investments.



## 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 US\$140 million GEF grant, leveraging US\$2.4 billion in co-financing. The program approach spans 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 includes 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, and technology providers such as the European Space Agency.

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 watershed, ecosystems, forests as well as urban and peri-urban agriculture as elements of green infrastructure in and around cities, offer compounding

benefits for global climate change mitigation and local urban adaptation, resilience, 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 will aim to establish a stronger synergy between national and city governments to ensure the sustainable benefits are realized at local level as well as scaled up at national and global level.

During GEF-7, through the Sustainable Cities Impact Program (IP), 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 the 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 elimination of hazardous chemicals.



