



United Nations Human Settlements Programme

**Keynote Address to
the Economic and Social Council of the United Nations**

2014 Integration Segment

Sustainable Urbanization

By

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New York – 27 May 2014

Your Excellency, Mr. Vladimir Drobnyak, Vice-President of the Economic and Social Council
Your Excellency, Ms. Isabelle Picco, Vice-President of the United Nations General Assembly,

Your Excellency, Mr. Ban Ki-moon, Secretary-General of the United Nations
Your Excellency, Mr. Paul Kagame, President of the Republic of Rwanda,
Your Excellency, Mr. Angelino Garzon, Vice-President of Colombia,
Your Excellency, Mr. Michael Bloomberg, Former Mayor of New York City and United Nations
Special Envoy for Cities and Climate Change,

Significance of Urbanization in the 21st Century

Mr. Chairman, let me start by emphasizing that the **world is fast becoming predominantly urban**, and relentlessly so. At the beginning of the 19th century, only 2 per cent of the world's population was urban. By the beginning of the 20th century, that percentage had increased to 10. And by the end of the first decade of this century, the world's population living in urban areas had reached 50 per cent.

The process of **urbanization is thus one of the most significant global trends** of the twenty-first century. But we should not look at urbanization as simply a demographic phenomenon. It is, in fact, **a transformative force that is continually shaping societies**, their economies, political systems and environments. In paragraph 134 of the Rio+20 outcome document, "The Future We Want", Governments recognized that "...if they are well planned and developed, including through integrated planning and management approaches, cities can promote economically, socially and environmentally sustainable societies."

This Integration Segment of ECOSOC is therefore timely and appropriate. As we proceed with **consultations on the Post-2015 Development Agenda and with preparations for Habitat III**, the outcome of this Segment will help us to **move away from fragmented views of sustainable urbanization towards a coherent view** of this important phenomenon and its role in sustainable development. Equally, as 70 % of Greenhouse Gas Emissions are attributable to urbanization, it becomes a critical aspect of the global compact for climate change.

Urbanization and Development in History

Studies in world economic history have established that **there is a positive correlation between urbanization and development**. It is also clear that throughout history, **urbanization has been, and continues to be, a source rather than just an outcome of development**.

Throughout past centuries, **cities and towns have been and continue to be, crucibles of innovation and advancement** in natural and social sciences as well as in technology. In fact, most civilizations in the world's history were urban-based.

Economics of agglomeration and increased economic productivity

Because of this, it is clear that **urbanization can be deployed to transform production capacities and income levels in developing countries**. However, this requires a **mindset shift** on the part of decision makers, away from viewing **urbanization as a problem**, towards viewing **urbanization as a vehicle for sustainable development**.

Urbanization and Sustainable Development in the Contemporary World

The **contribution of cities and towns to national economic growth, and to economic sustainability** in general, has continued to increase and has now reached 80% of the world's gross domestic product (GDP). This is largely due to the concentration of industrial production and the service industry in urban centres. Well-planned small towns and service centres also play an important role in providing the physical, social and economic infrastructure necessary for rural development, while urban centres of all sizes provide markets for rural produce. It is in this sense that **towns and cities should be seen as drivers of national economic growth**.

Historically, poverty has been concentrated in rural areas. However, with the increasing demographic dominance of cities, the concentration of poverty is gradually shifting towards urban centres. Because of this, **poverty reduction and social sustainability of development cannot be achieved without addressing the basic needs of poor urban dwellers**. These needs include housing, clean drinking water, sanitation, domestic energy, transport, health and education, among others. Urban slums, which currently accommodate close to 1 billion people, are the physical manifestation of urban poverty and inequality in developing countries. As indicated in the background note for this Integration Segment, about 2.5 billion people in the whole world still lack access to safe sanitation and 1.2 billion people lack access clean drinking water.

Mr. Chairman, **the most prominent environmental challenge of our time is climate change**. We now know that cities, mostly in the developed world, contribute up to 70% of the world's total greenhouse gas emissions, largely because industrial production and construction activities are concentrated in urban areas. Many recent studies have also shown that urban planning and design in both developed and developing countries has followed the post-Second World War modernist model. This has produced many sprawling urban areas that are energy inefficient and environmentally unsustainable. In developing countries, rapid urbanization has resulted in uncontrolled peri-urbanization, most of it informal. It is therefore evident that environmental sustainability cannot be achieved without serious action at the city level, most of it by local authorities.

Some Ideas on Integration

The **achievement of sustainable development requires a coherent policy approach that considers each of its three pillars as integral components of the whole**. A silo approach that addresses each pillar separately will not effectively deliver sustainable development.

Mr. Chairman, I would like to suggest **three mechanisms that could be used to achieve integration in sustainable urbanization**.

Firstly, recent global research by UN-Habitat suggests that an important precondition for sustainable urbanization is that **countries should develop a national perspective on the role of urban centre in national development and on country-specific challenges of urbanization, articulated in the form of a national urban policy**. This is not a new idea, but, as the world moves to a situation in which urban populations dominate numerically, it is more important than ever before that governments accept that urbanization can be a positive phenomenon and a precondition for improving access to services, economic and social opportunities, and a better quality of life. National urban policies can provide a framework for coordinating future urban development. They can ensure maximization of national and local benefits of urbanization, while at the same time mitigating potential negative impacts.

Secondly, urban planning can play a significant role in overcoming governance fragmentation in public policy formulation and implementation, since most national and local development policies and related investments have a spatial dimension. It can do this most effectively through building horizontal and vertical relationships using place and territory to link urban planning with the activities of other policy sectors, such as infrastructure, agriculture, health and education.

Thirdly, planned city extensions are necessary to address the widespread phenomenon of urban informality, including the chaotic expansion in the peripheries of developing country urban centres. Such planned extensions **can guarantee a number of very positive outcomes**, including adequately planned future supply of land with affordable development solutions; reduced risk of spontaneous informal settlements; mitigation of the effects of urban growth and land speculation; optimization of land use and bringing of the population closer to employment opportunities; less energy consumption and reduced carbon footprint; and maximization of the use of existing infrastructure and development of new infrastructure in a phased and cost-effective manner.

Concluding Remarks

Mr. Chairman, I would like to conclude my remarks by **reemphasizing the importance and relevance of this ECOSOC Integration Segment to the Post-2015 Development Agenda and to the preparatory process for Habitat III**. These two important processes should not contain contradictory approaches to sustainable urbanization, especially as Habitat III will be the first United Nations global summit after the adoption of the Post-2015 Development Agenda and will have to address the question of how to achieve sustainable urbanization within the overall framework of that Agenda. For this reason, and in my capacity as Secretary-General of Habitat III, I very much look forward to the policy guidance that will emerge from this Integration Segment. I am certain too that the outcome of this Integration Segment will contribute significantly towards the framing of the sustainable urbanization issue within the Post-2015 Development Agenda by Member States.

Thank you for your attention.