

KEY MESSAGES
OF THE HABITAT III REGIONAL REPORT ON HOUSING AND URBAN
DEVELOPMENT FOR THE UNECE REGION

“TOWARDS A CITY-FOCUSED, PEOPLE-CENTRED AND INTEGRATED
APPROACH TO THE NEW URBAN AGENDA” - DRAFT 4.2

The messages are to be discussed at and endorsed by the 76th session of the Committee on Housing and Land Management on 14 December 2015¹.

*The full draft report is available in a separate file at
<http://www.unece.org/housing/committee76thsession.html>
under Informal Committee Session Documents*

1: INTRODUCTION

- A. The Region covered in the HABITAT III Regional Report comprises 56 states in North America, Europe and Central Asia. For the purpose of this report only, a division into four “sub-regions” is used: North America; Western and Central Europe (comprising the European Union, European Free Trade Association, and 3 micro states); Eastern Europe (Belarus, Moldova, Ukraine), Russia, the Caucasus (Armenia, Azerbaijan, Georgia) and Central Asia (Kazakhstan, Kyrgyzstan, Tadjikistan, Turkmenistan, Uzbekistan), and South East Europe and Turkey and Israel.
- B. The UNECE is home to 1.3 billion of the world’s peoples – some 17% of the total population. The Region contains over 263 cities of 500,000 or more, and contributes over 40% of the world’s GDP. It corresponds mostly to what is often referred to as “the Global North”.

2: TRENDS AND PATTERNS OF URBANISATION & DEMOGRAPHY

- C. Whereas the rural population has not grown much over the last 20 years, the region has one of the largest proportion worldwide of population living in cities – between 70 and up to more than 80% per country. The urban population is growing, albeit slowly. By 2050, almost three-quarters of the world’s population will live in urban areas – this will be the Century of the City.
- D. Within the urban population there is a trend towards urban concentration and agglomeration into super-cities i.e. clusters of successful cities in close proximity to one another such as metropolitan region from Boston to Washington or London through the Randstad, the Ruhrgebiet to the cities of Northern Italy.
- E. There is a countervailing trend towards shrinking cities within less successful and more remote regions. Shrinking cities lose population due to outmigration, which often goes along with ageing as the young and able leave for greener pastures.

¹ More information on the Committee session is at
<http://www.unece.org/housing/committee76thsession.html>

- F. There is a general tendency towards urban sprawl in cities both growing and shrinking in terms of population. This poses problems in terms of environmental sustainability for example through car dependency, soil sealing and the burden on the community that has to sustain oversized infrastructure. These problems will likely be exacerbated by ageing that leads to shrinking city revenues and less mobile populations.
- G. The population across the Region is projected to further grow when considering the entire region. However, among the world's countries that are currently shrinking or are projected to be shrinking in the near future, almost all are situated in the Region.
- H. A rapidly ageing population is most prominent in Western and Central Europe, in Eastern Europe and Russia. Ageing will be a major challenge in the coming decades. Both ageing and shrinking share challenges they pose for cities particularly in regards to shrinking local tax revenues, and for provision of services, transportation, housing, accessibility of public space.
At the same time, Central Asian countries of the region experience continuous growth of young population. These countries face difficulties related to providing jobs and housing for the growing number of the young population.
- I. Migration is a key issue throughout the UNECE that has increased in the past 20 years. Migrants settle mainly in large cities, which in turn has led to higher urban polarization, as best performing cities or neighbourhoods tend to attract population growth, youth and economic activities, leaving other areas in a state of economic stagnation and demographic shrinkage which in turn reduces opportunities for positive social interaction and cohesion. Migration has led to increased diversity in many cities, a process that boosts social innovation but brings along also challenges for social cohesion.
There is a need in rethinking policies for providing shelters and later adequate housing for the current migrants to Europe as a result of Syrian crisis. The corresponding policies need to be developed to address this new situation.

3: THE ECONOMY OF CITIES

- J. A very substantial part of the Region has undergone economic transition in the last 20 years from centrally planned to market economies; generally, large cities and capital cities have done well with GDP now returning to pre-1990 levels, while smaller cities have fared less well since the transition in both economic and physical, environmental and cultural assets;
- K. The manufacturing industry has declined in the 20 years since Habitat II. However, the rise of the knowledge economy in North America and Europe built on a digital revolution is bringing about massive opportunities and challenges for cities.

The knowledge economy is reshaping the industrial city to new forms of space and use that better suit the new conditions of economic production, social requirements and cultural institutions - while globalisation remains significant, the local qualities of cities become ever more important.

- L. The digital revolution comes with challenges and opportunities for local governments in the region. Technical innovation offers new tools for urban planning, for interaction with

citizens including crowd sourcing of data, and for more transparency on urban management. However data security and data ownership are challenging the capacity of local government to make the most of 'big data' without compromising community security and individual privacy.

4: LIVING IN CITIES

M. The global financial crisis that started in 2008 has led to more inequality, lowering the income of a substantive part of the population. The phenomenon of urban concentration has increased the demand for housing in growing cities. A combination of both developments has led to an affordability problem concerning access to adequate housing, which in turn increased spatial segregation in cities. Both developments also pushed a considerable number into homelessness.

In the Eastern part of the region, the phenomenon of "poor owners" has become prominent, as a result of the privatization of public housing coupled with the lack of maintenance and energy inefficiency.

The housing sector has to respond to these, secure necessary housing provision, adjust to the new dynamics of the housing markets and meet new aspirations, such as energy efficiency and customer adjusted design along with provision of additional services (e.g. for elderly, homeless).

N. The past two decades witnessed a general trend towards privatization and a limitation in the engagement of national authorities in the housing market with increased involvement of private sector, both profit and non-profit organisations. In general, the total stock of and the investment in social housing is decreasing.

O. The transition towards market economies of large parts of the Region came along with a very fast and almost complete privatization of housing. The process was too fast for many local governments to adapt.

P. Concerning social interactions in the city, contradicting trends were observed in the Region over the past 20 years. On the one hand there is a tendency to develop closed communities and shopping malls, and on the other hand a reaffirmation of the central role public spaces as frameworks for innovation and social interaction.

Q. Many of the factors that support equity in the city also support the health and well-being of all the citizens; these include access to housing, transportation, energy supply, public services, green spaces and the reduction of emissions.

5: ENVIRONMENT & RISK

R. The UNECE region is among the largest emitters of greenhouse gases per capita, an effect accumulated in urban areas.

S. Air pollution, flooding and heatwaves are the most prevalent environmental issues of the region with cities being most vulnerable.

- T. In the cities and countries of the region environmental concern as an aspect of the quality of life is growing. Numerous local authorities have taken initiatives to improve their environmental conditions and their impact on the global climate. However, urban areas are still lagging behind their great ambitions in this regard.
- U. Environmental threats are also health threats. Action taken to secure the environment in respect of pollution will also help secure public health and well-being.

6: GOVERNANCE

- V. Since HABITAT II, there has been an increase in the importance of the role that local governments play, with a corresponding growth of the importance of city networks.
- W. As result of this process, urban governance in the Region is generally decentralised, although there is a wide variety of governance institutions and decision-making models between the countries. Municipalities in the western part of the region benefit from a strong institutional tradition that was built over several centuries, often long before the creation of today's national states. Municipalities in the countries with transition economies are working to raise their capacities to address multiple challenges simultaneously. Thus, while there is an overall trend to the decentralisation of power to the local level, there is still a wide variety of governance institutions and decision-making models between the countries. These differences reflect both the local context and the history.
- X. In many countries, federal/national governments concentrate on formulating policies and legislation, establishing norms and standards and providing subsidies for housing and urban infrastructure. In most of the countries, management of urban planning issues is in the hands of local governments within the framework of larger territorial strategies.
- Y. There remain many challenges for urban governance, such as the effectiveness in limiting urban sprawl, the creation or reinforcement of socially-cohesive and culturally diverse neighbourhoods, the management of urban data, the management of urban functional areas that extends over several administrative jurisdictions, the resistance to change of highly fragmented institutional frameworks, the harmonization of norms, the role of participatory frameworks and platforms for multi-actor involvement in urban governance.
- Z. In the Region, the private sector plays a central role in the development and transformation of urban areas, and in the funding and realisation of housing, urban infrastructures, urban services and even urban management. In general, an erosion of the public sphere was observed since Habitat II, leaving more opportunities and responsibilities to the private sector.
- AA. The digital revolution has brought many opportunities but also a variety of new challenges, particularly in the area of urban data management (for privacy, security, defence of public interests, etc.). Evolving practice in e-Government, e-Governance, e-Participation and e-Inclusion at city level has been mainly driven by the supply of new ICT services, in the absence of dedicated consolidated policies. Local authorities' capacity to harvest the benefit of the digital revolution without losing on their mandate is a challenge still to be addressed. However, the development of e-governance is uneven

and in some countries - for instance in Central Asian countries - e-governance is underdeveloped.

7: OUTLOOK AND FUTURE TRENDS

- The cities of the UNECE have variously been subject to forces of urban concentration, urban sprawl and urban shrinkage brought about by market forces and events. In an era of ageing and migration, favouring compactness over sprawl is not only a technical issue, it is a key means to support equity, integration and cohesion in our societies.
- There is a trend to move from the industrial city to the knowledge city that flourishes around centres of scientific and educational excellence, is fueled by the digital revolution and demands a mixed-use, integrated and well-tempered city. There is an increasing imperative for collaboration, consensus and positive action between city government, technical stakeholders and the communities they serve and lead.
- There is a trend to people-centred and integrated planning through urbanism, the active process by which cities are designed, developed and managed. Positive urbanism is driving action towards resilient, connected, integrated and, where possible, compact cities.
- Post-Paris (December 2015), there is widespread consensus for renewed inter-governmental action on environment and climate change. In the cities of UNECE this will mean an accelerated trend to the de-carbonisation of urban life.
