Rationale for the Revision of Indicator 11.a.1

Target 11.a: *Spport positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.*

Current indicator 11.a.1: *Proportion of population living in cities that implement urban and regional development plans integrating population projections and resource needs, by size of city*.

Proposed revised indicator 11.a.1: *Number of countries that have national urban policies or regional development plans that: (a) respond to population dynamics, (b) ensure balanced territorial development, (c) increase local fiscal space.*

1- The need to revise the current indicator is a consensus among experts

A review of the current indicator by experts and partners working on regional development and national urban policies highlighted several substantial challenges in the conceptualization and feasibility of implementing and monitoring the indicator, first of which was that it was *difficult to measure, ambiguous and not suitable for strengthening national and regional development planning*. The experts agreed that a good proxy indicator to measure cities implementing urban and regional development plans is through the assessment of national urban policies (NUPs). In March 2016, UN Habitat and UNFPA accordingly formulated a revised indicator proposal: *number of countries that have national urban policies or regional development plans that: (a) respond to population dynamics, (b) ensure balanced territorial development, (c) increase local fiscal space;* and an accompanying revised metadata to the IAEG-SDG.

A paragraph on NUPs based on UN-Habitat's NUP monitoring work was subsequently included in the Secretary General's 2016 Sustainable Development Goals Report, under the Goal 11 section. It explains that nearly ¾ of countries have implemented or are willing to implement NUPs, with already 142 involved in the NUP development process, 82 in the implementation phase, and 23 in the monitoring and implementation phase. This signaled recognition of the validity of the proposed revised indicator, and spurred the formation of an expert group in June 2016 to continue refining the metadata and methodology for the indicator. The expert group drew from the existing partnerships on urban policy mentioned above, and also mobilized representatives of National Statistical Agencies, with a balanced regional distribution, to ensure their perspective would be considered on the feasibility and efficiency of monitoring the indicator.

A first virtual expert group meeting was organized on September 15, 2016 to review the metadata and further refine the methodology for 11.a.1. The first decision of this EGM was to endorse the assessment of the current indicator as unfeasible and agreed on the new proposed indicator and elaborated on the methodological concerns justifying the replacement. Among them were:

- The fact that *regional development plans* are above the jurisdiction of cities, and rather concern national and regional governments, making *cities that implement urban and regional development plans* an inconsistent term that is not measurable or implementable.
- The risk that using the *proportion of population living in cities* as the measuring unit could lead to an exaggerated governmental focus on large cities to the detriment of smaller cities to increase coverage in the indicator measurement. This would be particularly counterproductive given that smaller and intermediate cities are home to half of the world population and expected to grow faster than large cities, and hold a higher potential to *support positive, economic, social and environmental links between urban, peri-urban and rural areas*.
- The impossibility of disaggregating by size of city as long as the measurement unit is proportion of the population, as 100% of the population will always be counted as a positive or a negative for the national aggregation.

Regional consultation workshops were also organized, providing information and training on the proposed methodology for data collection and reporting of the proposed indicator. A first technical workshop on SDG 11 indicators was organized in Naivasha, Kenya in February 2017. Bringing together all partners working on human settlement indicators: UN agencies and regional commissions, National Statistical Offices, private sector, academia and civil society stakeholders, it discussed the methodological issues, capacity development strategies and partnership arrangements for SDG 11 monitoring. The ongoing work on

indicator 11.a.1 was presented, and the assigned working group agreed on the need to change the current indicator, and insisted that definitions and the methodology be refined through EGMs further developing the policy evaluation framework.
Following this technical workshop, and EGM on SDG 11 was organized in Gaborone, Botswana. The latest developments of indicator 11.a.1 were presented: the rationale for its revision, the policy evaluation methodology and existing tools to serve as baseline data based on UN-Habitat's reporting and monitoring work on NUPs. The audience there insisted on the importance of a NUP being place based, and the need for its content to reflect the local context.

2- National Urban Policies are particularly instrumental to achieve target 11.a and the broader SDG framework

The proposed revision of the indicator aims to overcome the challenges identified above and relate more closely to target 11.a by changing the measuring unit from *proportion of populations in cities* to *number of countries*; and elevating the focus from *urban and regional development plans* to *national urban policies and regional development plans*. It also details more specifically the requirements of such policies and plans with the addition of 3 qualifiers: *(a) respond to population dynamics, (b) ensure balanced territorial development,* and *(c) increase local fiscal space*.

a) National Urban Policies can help achieve target 11.a.

NUPs have been defined by UN-Habitat as a *coherent set of decisions derived through a deliberate government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development for the long term*[1]. Their explicit introduction in the wording of indicator 11.a.1 brings emphasis to a policy process that can better satisfy the requirements of target 11.a through sectorial, territorial and jurisdictional integration and coordination steered by the national level.

NUPs can first of all ***support positive economic, social and environmental links*** by ensuring at the highest level of government the coherent alignment of sectorial policies to support sustainable urbanization. With the world increasingly urbanizing, it is becoming clear today that how cities are managed and planned has ramifications well beyond their boundaries and that urbanization is a key force to harness for national and sustainable development. Urbanization has indeed historically been a catalyst for economic growth and social progress, and even holds the possibility for the protection and more efficient use of natural resources, and climate change mitigation and adaptation. However, this positive impact is not automatic, particularly in developing countries - where rapid urbanization can bring about negative economic, social and environmental externalities with increasing congestion, sprawl, informality, social exclusion and conflict – if the provision of services and infrastructure does not keep up with population growth. Governments need to be sensitive to this fact that urbanization is a nation-wide and multi-sectorial issue, and NUPs provide the framework to harness its opportunities and mitigate its negative externalities. A specifically urban policy at the national level calls attention to the impact of sectorial governmental policies on the sustainable development of cities, and encourages and enables the coordination of ministries and their policies to best support it.

This consideration in turn also encourages more cooperation and coordination between different levels of government to support the development and implementation of a national vision for urban development, effectively ***strengthening national and regional development planning***. The urban policy process is led at the national level to ensure the articulation and coordination of different sectors and government levels, but engages both top down and bottom up processes. For a successful implementation, a NUP must create an enabling, collaborative and cooperative institutional environment, mobilizing different levels, assessing and building their capacities, and establishing jointly defined and transparent responsibilities for implementation. Subnational governments are key implementation partner due to their proximity to citizens and role in delivering services and infrastructure. As such, a NUP does not replace regional and local development policies and plans but strengthens them and relies on their horizontal alignment and vertical

[1] UN-Habitat, 2014, *The Evolution of National Urban Policies, A Global Overview*.

articulation, especially to tackle cross boundary challenges such as sustainable resource management, infrastructure development, climate change adaptation and mitigation, or urban-rural linkages.

Finally, NUP as an overarching framework articulating and aligning subnational and local plans and policies under a common vision for urbanization that also makes it particularly suited to consider the ***urban-peri-urban-rural continuum.*** The distinction between urban and rural is a key element of data disaggregation and administrative delineation in territorial planning. However, the importance of urban-rural linkages (through flows of people, natural resources, capital, goods, ecosystem services, information, technology, ideas and innovation) is increasingly being acknowledged for sustainable and integrated territorial development. The New Urban Agenda (NUA) for instance stresses the need to reduce urban and rural disparities to foster equitable development and encourage connectivity. Target 11.a is the only one that explicitly considers *urban, peri-urban and rural areas* under a city-centric SDG 11. NUPs are the adequate framework to strengthen and direct urban and rural flows towards the most sustainable patterns of consumption and equitable resource distribution, as they can strike the balance between competition and solidarity between territories of a country.

b) National Urban Policies are instruments for the implementation of global agendas

NUPs therefore enable a cross-sectorial approach, and the horizontal and vertical institutional coordination needed to address the challenges and opportunities of urbanization, which are increasingly recognized as going beyond the boundaries of the city. Recent intergovernmental agreements have indeed shown a new interest in urbanization for sustainable development. This is illustrated of course in Agenda 2030 with its introduction of a standalone urban SDG-11, but many other SDGs also have clear urban dimensions and implications. Following the Agenda 2030, the United Nations Conference on Housing and Sustainable Development (Habitat III) adopted the New Urban Agenda, a roadmap for the next 20 years setting new global standards for sustainable urban development. Finally, although the Paris Agreement on Climate Change does not explicitly mention cities, the management of urbanization is still essential to addressing climate change, as is illustrated by the fact that two third of Intended Nationally Determined Contributions contain clear urban references and content[2].
As an instrument for governments to harness the dynamics of urbanization for national development, NUPs have therefore been identified as a key tool for the implementation and monitoring of such agendas.
The Policy Paper 3 on National Urban Policies prepared for Habitat III for instance explained that *a NUP should constitute an important part of any serious attempt to implement the SDGs and should become a key instrument to measure the achievement of the SDGs.* As explained above, NUPs are a particularly appropriate framework to achieve target 11.a, and more generally can be instrumental in creating the necessary enabling framework to implement the urban development objectives of SDG 11. For instance, the NUA explicitly identifies NUPs as essential to achieve the urban paradigm shift it advocates for, recognizing the *leading role of national governments [...] in the implementation of inclusive and effective urban policies and legislation for sustainable urban development* (NUA – 15.b). Moreover, the Action Framework for the Implementation of the New Urban Agenda (AFINUA) dedicates its first section to NUPs, referred to as the *basis for implementation of the NUA.* Finally, NUPs can also be an instrument to coordinate the urban components of NDCs across scales and sectors and mainstream the principles of climate change adaptation and mitigation for the implementation of the Paris Agreement[3].

3- Adapting National Urban Policies for a process indicator

a) The chosen qualifiers are adequate proxies to measure how national urban policies can serve target 11.a

Given their instrumental role for the implementation and monitoring of global urban agendas, the adoption of a NUP by a national government can be considered as a strong indicator of political commitment to promoting sustainable urban development. It also makes them particularly well suited for measuring target

[2] UN-Habitat, 2016, *Sustainable Urbanization in the Paris Agreement. Comparative review for urban content in the Nationally Determined Contributions (NDCs)*
[3] UN-Habitat, 2016, *Addressing Climate Change in National Urban Policies*

11.a through a *process* indicator. As a process indicator, 11.a.1 is indeed supposed to assess the progress made towards creating an enabling environment that will ensure achievement of the outcomes and impacts of the targets of the Sustainable Development Agenda. Its definition sets the foundation on *how* target 11.a can be achieved, through measurable means. The proposed revision of the indicator therefore supplements *national urban policies and regional development plans* with 3 qualifiers that indicate the means of successfully reaching the requirements of target 11.a.

The first qualifier is that policies and plans should ***respond to population dynamics***. Grounding policies and plans in the most current and comprehensive spatial and demographic data and projections is indeed a prerequisite for a successful implementation. The challenges posed by rapid urbanization indeed stem from the fact that policy and planning framework and their implementation are outpaced by population growth, straining the provision of infrastructure and services, and causing socio-economic and environmental damages. Forecasting demographic trends and needs in the diagnosis phase of policies and plans enables governments to plan ahead for urbanization and provide adequate land and infrastructure in a more cost-efficient and less socially disruptive way than trying to catch up, repair and upgrade uncontrolled expansion. This process of developing urban policies and plans can also be the occasion to improve national data collection on urban areas, and serve other SDG-11 indicators, as well as provide a baseline for monitoring the outcomes of such interventions.

The second qualifier requires policies and plans to ***ensure balanced territorial development***, in a direct answer to target 11.a.1's reference to the urban, peri-urban and rural continuum. Policies and plans should adopt a broad territorial perspective and consider the linkages and flows from urban to rural areas not only to avoid and reduce social, economic and environmental disparities between territories but also to promote distinctive strengths and encourage beneficial interactions for the most efficient path to sustainable growth for the country. Such a perspective for policies and plans is achieved higher territorial scale than cities, through regional plans and national policies.

Finally, the third qualifier is to ***increase local fiscal space.*** As integrated NUPs and regional development plans introduce a more coordinated and decentralized articulation of responsibilities for urban development, ensuring that subnational and local governments have the adequate financial resources to carry out their responsibilities is essential to the successful implementation of policies and plans. The transfer of competences from central to local levels must therefore be accompanied by a commensurate devolution of financial resources and autonomy. Moreover, in times of shrinking governmental budgets, the capacity of local governments to expand and diversify endogenous financial resources and revenues and not rely too heavily on central transfers should be increased. This involves more fiscal power and capacity, better land value capture mechanisms – which go hand in hand with a clear and enforceable land policy framework – and innovative financial partnerships, for instance collaborating with the private sector for service and infrastructure delivery. In all cases, fiscal policies and mechanisms must remain subordinated to the established urban policy and planning objectives: central transfers must be embedded within the NUP framework, and take into account territorial equity; and local fiscal systems must be closely tied to local territorial plans so as to incentivize sustainable patterns of development.

b) The revised process indicator would also serve the wider SDG framework

Therefore, introducing NUPs – an appropriate framework to achieve target 11.a and more broadly a recognized tool of implementation and monitoring of global urban agendas – along with regional development plans, and adding three measurable qualifiers as requirements for successful plans and policies, makes indicator 11.a.1 not only a more adequate, measurable and implementable process indicator for target 11.a.1, but also will serve more broadly the progress of SDGs and the new urban agenda.
This revised indicator is indeed suitable for all countries and regions, and lends itself to regional analyses, as well as other forms of aggregation and disaggregation, according to development level, for example. It is also applicable at multiple territorial levels.
Moreover, monitoring this indicator will help more broadly with NUP monitoring and help increase awareness, capacity and knowledge of best practices for sustainable urban policy in the process. Also, due to the multidisciplinary dimension of NUPs and their role in global agendas, the enhanced data collection and analysis capacity that would be permitted by this indicator revision would participate in guiding the necessary steps to create a more enabling urban policy environment to support SDG 11 and urban dimensions of other SDGs. NUP monitoring according to SDGs would for instance serve as a gap analysis to

help formulate tailored recommendations and identify best practices. As such, it epitomizes the universality spirit of the SDGs, as illustrated by its various policy connections in the table below.

SDGs	Related targets
Goal 1: Poverty eradication	**Target 1.4**: land tenure
	Target 1.5: resilience
Goal 2: Food security, nutrition, and agriculture	**Target 2.3**: land tenure security
	Target 2.c: urban rural linkages in food markets
Goal 5: Gender	**Target 5.2**: safety
	Target 5.a: ownership and control over land
Goal 6: Water	**Target 6.1**: access to drinking water
	Target 6.2: access to sanitation
Goal 7: Energy	**Target 7.2**: access to renewable energy
	Target 7.3: energy efficiency
Goal 8: Economic growth and employment	**Target 8.3**: job creation
	Target 8.5: decent work
	Target 8.6: youth
Goal 9: Infrastructure and industrialization	**Target 9.1**: access to infrastructure
	Target 9.4: upgrading infrastructure
	Target 9.a: financing infrastructure
Goal 10: Reduce inequality	**Target 10.4**: discriminatory laws
Goal 12: Sustainable consumption and production	**Target 12.5**: waste management
Goal 13: Climate change	**Target 13.1**: resilience and adaptive capacity
	Target 13.b: capacity for effective climate change related planning and management
Goal 15: Terrestrial ecosystems	**Target 15.9**: by 2020, integrate ecosystem and biodiversity values into national and local planning and development processes
Goal 16: Peaceful societies and inclusive institutions	**Target 16.7**: governmental subsidiarity
	Target 16.a: institutional capacity building
	Target 16.b: non-discriminatory laws and policies for sustainable development
Goal 17: means of implementation and partnerships	**Target 17.14**: policy coherence **Target 17.17**: effective public-private and civil society partnerships