



How to Formulate a National Urban Policy

A PRACTICAL GUIDE

How to formulate a National Urban Policy: A practical guide

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FOREWORD

It is my pleasure to present the practical guide on how to formulate a National Urban Policy.

Cities are centres of democracy, innovation, economic development and chaos. They can “make or break” the achievement of global agendas on environmental sustainability, adaptation to and mitigation of the effects of climate change, poverty reduction, and addressing hunger and socio-economic inequalities. Effective measures at global, regional, national and sub-national levels are therefore needed to ensure their success. Crucially, sustainable urbanization will require national and sub-national urban policies that can leverage the opportunities cities possess to transform them into vibrant hubs catalysing global prosperity.

The publication illustrates the process of formulating an urban policy, including who should develop and implement it, how it could be funded, its alignment with international development frameworks, and the role of the sub-national governments in its implementation. This Guide can help identify what issues and processes need to be considered to ensure that a national urban policy (1) responds to the country's development priorities, (2) is based on sound evidence, and (3) is focused on outcomes.

It also contains good practices on how to formulate policies which ensure that cities are more equitable, efficient, economically advanced, innovative, and ecologically sustainable.

This Guide comes at a crucial time; according to the joint National Urban Policy global report (2018) by UN-Habitat and OECD, 58 countries are in the earlier stages of developing a national urban policy. This Guide can be a valuable resource for such countries.



The design of an urban policy is not the only step in the process of developing a national urban policy, nor is it the final one. It is however the most important element of the process. In my experience, the way in which a policy is formulated will have a significant bearing on its success. Possibly the most important characteristic of a successful urban policy (in terms of both process and outcome) is its inclusiveness. This Guide therefore places a strong emphasis on stakeholder engagement, insisting that any national urban policy must have the “buy-in” from all stakeholders for it to be implementable.

I am confident this Guide will provide the necessary guidance needed to effectively formulate national urban policies. I wish all countries and stakeholders undertaking this exercise, the very best in their endeavours.

Ms. Maimunah Mohd Sharif
Under-Secretary-General
Executive Director
UN-Habitat

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EXECUTIVE SUMMARY

The adoption of international agreements such as the New Urban Agenda (NUA) and the 2030 Agenda provides both a strong imperative and rationale for countries to develop and implement inclusive and participatory national urban policies (NUP) and frameworks. Adding a sense of urgency to this is that the current rate of urbanization will see 5.17 billion people living in urban areas by 2030 – up from 4.22 billion in 2018.

Urbanization has many features that can be leveraged to improve the livelihoods of all citizens – rural, peri-urban and urban. Urban areas help a country to compete and provide an opportunity to improve economic, environmental and social outcomes; but an opportunity is only realised if there is a plan in place to take advantage of it. If this does not happen, then the problems associated with urbanization – unemployment, slums, disease for example, will be the likely future scenario. It is for this reason that a national urban policy is necessary.

One of the main goals of a NUP is to achieve better wellbeing for all and to ensure nobody is left behind; this can be achieved through, for instance, poverty reduction, improved environmental conditions and climate resilience, economic development, social and spatial integration, better governance and institutional planning. This Guide provides a framework for undertaking the formulation of a NUP. It provides practical steps and a coordinated process to formulate an urban policy that adheres to five key principles: participation, inclusion, affordability, sustainability and implementability.

It is mainly aimed at those involved in urban policy formulation, implementation or review, in particular policy makers, urban development departments and ministries, but it can be of use to anyone who needs to understand or be engaged in the urban policy and implementation process.

Many governments have difficulty in formulating a NUP due to insufficient capacity, ever changing political contexts, complex relationships between government departments/ministries, and political pressures from interest groups. Consultation is key during the formulation phase to build consensus. Good policy formulation requires political will, visionary leadership, organizational know-how, effective consultative mechanisms, and good negotiating skills on the part of the ministry or department in charge of urban issues.

This Guide suggests that before starting the formulation process, it is essential that a thorough diagnosis of the urban sector is carried out, with extensive data collection, review and analysis. It is also advisable to assess the available capacity (human, financial, institutional and technical). Following this, aspects to consider in the formulation of a NUP include the selection of the lead agency, the quality of the data and information that is available, how the various stakeholders will participate, what resources are available, how the process will be coordinated, and what the context is – the needs and issues that will frame the policy.

The effectiveness of the policy and the success of its implementation depend on the quality of the formulation process; specifically, the quality of the leadership, the active, inclusive

and informed participation of all stakeholders. Extensive consultation and analysis is followed by an assessment of the policy options. The lead agency is usually the body responsible for comparing the options with each other for their feasibility, adoption and implementability, and for ensuring all stakeholders are kept informed.

There are several ways to enforce and activate a national urban policy, but it is important the recommendations and commitments are effectively integrated into the government's annual planning and budgeting and that the finalized NUP is widely shared.

The NUP's substantive content will vary enormously from country to country. This will be reflected in the country-specific urban diagnosis. Nevertheless, there are six important issues that are common to all countries: urban governance, spatial sustainability, financial sustainability, economic sustainability, social sustainability, and environmental sustainability and resilience.

Urban governance: Good urban governance must be participatory, accountable and transparent. It should be based on two pillars: a solid institutional framework and an enabling regulatory framework.

Spatial sustainability: A country should manage its system of cities, where the large metropolitan centres generally lead the country's economic growth.

Financial sustainability: Local governments require sustainable and predictable sources of funds to develop and maintain the basic infrastructure and local services to respond to rapid urban growth and the congestion and other challenges. Without good funding mechanisms, the role of local governments is significantly compromised.

Economic sustainability: To ensure economic sustainability and prosperity, the NUP needs to a focus on infrastructure provision and maintenance, and this requires significant public investment, close coordination between government spheres, careful phasing and continuity of interventions.

Social sustainability: Housing and adequate shelter are an integral part of a strategy to promote social inclusion, which is a main concern of a NUP and a comprehensive housing policy must look at the needs of all levels of society, while ultimately focusing on the needs of the urban poor.

Environmental sustainability: All NUPs should aim to reduce cities' environmental impacts, increase their resiliency to natural disasters and protect their population from the effects of climate change. Achieving these goals requires an integrated approach involving the planning of urban growth and public services provision, incentives for energy efficiency in business and homes, and cooperation among jurisdictions for the most efficient use of public services and infrastructure.

As with all policy-making, it is essential that policy directions and decisions are translated into actions that can achieve tangible and positive changes. During the NUP development process, the leading authority needs to consider producing a NUP implementation plan.

A national urban policy also needs to have a monitoring plan to assist the leading authority and other stakeholders to track the NUP implementation; it should monitor policy actions taken and observe changes in urban conditions.

The monitoring plan requires a dedicated NUP monitoring agency which is preferably at the national level of government, but is at least partly independent of the NUP leading authority. Each of the policy actions in the NUP should have key performance indicators and a framework for managing data within the NUP is required.

National urban policies typically identify new policy actions that require funding. In turn, a suitable financing framework will need to be devised to raise the needed funds and this will need to be within the capacities of national, sub-national, metropolitan and local actors. However, there is no single national financing mechanism that can be prescribed for national urban policies - these need to be designed to the country's context and needs.

The implementation plan should clearly distribute responsibilities for actions among the agencies and levels of government involved, and specify the roles of civil society, the private sector and academia. At a minimum, this should take the form of a schedule of implementation actions, the responsible agency, a timeframe for delivery, and the funding source (if required).

Urban issues are broad and, while there is no "one size fits all" approach for urban development, the issues highlighted in this guide are those thought to be its core elements and should be tackled at the minimum.



INTRODUCTION

The adoption of international agreements such as the New Urban Agenda (NUA) and the 2030 Agenda provides a strong imperative and rationale for countries to develop and implement inclusive and participatory national urban policies and frameworks.

Sustainable Development Goal 11

Make cities and human settlements inclusive, safe, resilient and sustainable.

National urban policies are particularly instrumental in achieving Target 11.a, which states: “support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning”

11 SUSTAINABLE CITIES AND COMMUNITIES THE CURRENT INDICATOR FOR 11.A IS:

“The proportion of population living in cities that implement urban and regional development plans integrating population projections and resource needs, by size of city”.

A review of the current indicator by experts and partners working on regional development and national urban policies highlighted several substantial challenges to implementing and monitoring the indicator. One of these is that the indicator is difficult to measure, is ambiguous and is not suitable for strengthening national and regional development planning. During expert consultations, it was agreed that a good proxy indicator to measure cities’ urban and regional development plans is through the assessment of national urban policies (NUPs). This led to a new proposed indicator.

11 SUSTAINABLE CITIES AND COMMUNITIES THE PROPOSED INDICATOR FOR 11.A STATES:

The number of countries that have national urban policies or regional development plans that: (a) respond to population dynamics; (b) ensure balanced territorial development; and (c) increase local fiscal space.¹

1. UN-Habitat (2018). SDG 11 Synthesis report

New Urban Agenda

The New Urban Agenda (NUA) outlines the need for a shared vision of urbanization that is based on five pillars: (i) national urban policies; (ii) urban legislation and regulations; (iii) urban planning and design; (iv) local economy and municipal finance; and (v) local implementation. The NUA recognizes the correlation between sustainable urbanization and social, economic and environmental development.



PARAGRAPH 86 OF THE NUA

*We will anchor the effective implementation of the New Urban Agenda in inclusive, implementable and participatory **urban policies**, as appropriate, to mainstream sustainable urban and territorial development as part of integrated development strategies and plans, supported, as appropriate, by national, subnational and local institutional and regulatory frameworks, ensuring that they are adequately linked to transparent and accountable finance mechanisms.*

What is a national urban policy (NUP)?

A national urban policy (NUP) is:

“A coherent set of decisions derived through a deliberative, 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.” (UN-Habitat, 2014).

A NUP is intended to harness the opportunities and address the challenges of urbanization. It does this by adopting an integrated approach to urban and territorial planning and its management that will lead to improved economic, social and environmental conditions for communities and their surrounding regions.

Why have a NUP?

Globally, more people live in urban areas than in rural areas. In 2018, 4.22 billion people lived in urban areas and by 2030 this will reach 5.17 billion.² Although most of the growth is taking place in Africa and Asia, urbanization occurs in both developed and developing countries.

Urbanization presents both challenges and opportunities:

“Opportunities, such as betterment of social services, employment options, the provision of better housing and basic services, local economic development and country-wide economic competitiveness, are contrasted by urban challenges, such as unemployment, the growth of slums, spread of disease and lack of basic services.”³

Some key features of urbanization are highlighted below:

- Urban areas are integral to the country's economy and future prosperity, and therefore provide an opportunity to leverage urbanization to improve economic, environmental and social outcomes;
- Urban areas help a country to compete in a global economy for investment, commerce and skilled labour;
- Climate change is affecting the resilience of urban populations on both global and local scales, and is contributing to rural-urban migration;
- In some developed countries, ageing populations are resulting in fewer workers. In developing countries, the challenge is to ensure that younger people are educated and employed in order to contribute to economic growth;
- There is insufficient capacity in developing countries to manage the unrepresented scale and speed of urbanization, and issues such as inadequate housing, poor basic services and infrastructure permeate;
- Responsibility for managing urbanization challenges is often fragmented across multiple levels and institutions of government and key stakeholders, which often have only limited capacity to develop coherent response and coordinated responses to urban issues.

2. World Urbanization Prospect (2018).

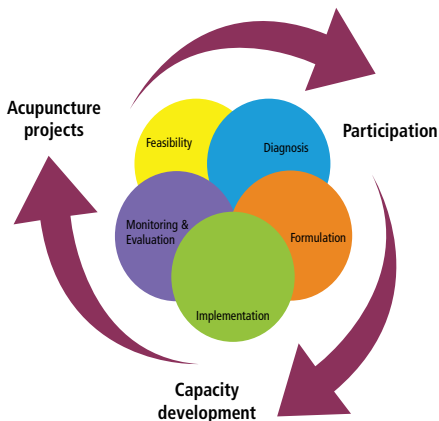
3. UN-Habitat (2016). National Urban Policy: A guiding framework, p.3.

These are some of the reasons why it is important to have a framework on the national level to coordinate and maximize the benefits of urbanization while mitigating its challenges.

Elements of a NUP

A NUP is a set of processes, products and outcomes. The process involves a series of steps, outlined in Chapter 1 of this guide, which involves extensive stakeholder engagement, participation and inclusion.

Figure 1. National Urban Policy Guiding Framework⁴



The product is a document or a set of documents that define the vision, objectives and principles for urban development, as well as governments' and agencies' commitment to implement the NUP.

One of the main outcomes of the NUP is to achieve better wellbeing for all ensuring no one is left behind through for instance poverty reduction, improved environmental conditions and climate resilience, economic development, social and spatial integration, better governance and institutional planning.

The guide recommends that the formulation of a NUP adheres to five key principles: participation, inclusion, affordability, sustainability and implementability.

How to use this guide

This Guide is intended to be used as a reference throughout the formulation of a NUP. This Guide is meant to be enabling rather than prescriptive. This Guide cannot be fully comprehensive and is not a substitute for consulting detailed guidance on aspects of the institutional framework, legislative and financial processes, however it seeks to cover the basic essentials of formulating a sustainable NUP

The guide is designed to:

- Provide practical, step-by-step guidance on the formulation of national urban policies;
- Demonstrate a coordinated process that fosters and encourages broad-based, national ownership of the policy and agreement across ministries or departments, various levels of government, private industry and communities;
- Provide the main tools available at the formulation phase of the NUP process;
- Make thematic recommendations based on good practices and capitalize on international practical experiences on the field;
- Build a common understanding among national and international stakeholders of the desirable NUP formulation process.

4. UN-Habitat (2014) National Urban Policy: A Guiding Framework

Who is this guide for?

The guide was co-produced by experts drawn from different geographical contexts and professional backgrounds, including academia, civil society and urban policy professionals.

It is designed to be a reference document to help policy makers, urban development departments and ministries to prepare, implement and review a NUP.

It is mainly aimed at civil servants involved in urban policy formulation, implementation or review, but can be of use to anyone who needs to understand or be engaged in the urban policy and implementation process. It is also useful for political leaders at all levels of government, industry and their partners as a standard of good practice.

The guide seeks to help policy makers formulating NUPs to identify what issues and processes need to be considered to ensure that a NUP is based on sound evidence, is focused on outcomes, is forward looking and that it meets the country's requirements.

How is this guide structured?

The guide has three main chapters. Chapter 1 is on the process of formulating a NUP; Chapter 2 is on the structure and content of the NUP; and Chapter 3 is on planning for implementation and monitoring,

This particular guide is supported by a range of documents, including National Urban Policy: A guiding framework (2015), National Urban Policy: Framework for rapid diagnostic (2015), and the National Urban Policy Feasibility Guide (2018).





1

PROCESS OF FORMULATING A NUP

The way in which a NUP is formulated is as important as the end product. It is also advisable to consider some issues before getting started. This chapter focuses on getting this design part of the NUP process right and it addresses the difficulties that may be encountered. Each element is considered, and suggestions given to ensure that this stage is seamless.

1. PROCESS OF FORMULATING A NUP

Growing evidence shows that the way in which urban policies are formulated is important to their successful implementation. Usually, a NUP process has five stages; feasibility, diagnostic, formulation, implementation and monitoring and evaluation. Guides have been developed by UN-Habitat to support countries during the feasibility and diagnostic phases of NUP. This guide covers the next critical step - the formulation of the NUP.

Many governments face difficulties in formulating effective and implementable NUPs. This is partly because of insufficient capacity (financial, human and institutional), but the difficulties are compounded by rapidly changing political contexts, complex relationships between government departments/ministries, and political pressures from interest groups. Success depends largely on the attention given to the processes and the institutional framework through which the NUP is formulated.

The formulation phase of the NUP process can also be viewed as the design phase. This is when policymakers ensure they agree on the policy's vision, objectives, principles, options, strategies and actions to be taken. Consultation is key during the formulation phase to build consensus.

Good policy formulation requires political will, visionary leadership, organizational know-how, effective consultative mechanisms, and good negotiating skills on the part of the ministry or department in charge of urban issues.

Tools such as workshops and urban fora can be used to engage stakeholders, exchange ideas, improve human capacity, discuss various proposals, test different scenarios, and make recommendations. The formulation phase of a NUP follows the feasibility and diagnostic phases and precedes the implementation and monitoring & evaluation phases.

1.1 Some considerations before engaging on the NUP formulation

A national government should consider the following before any NUP formulation work begins:

- **Lead agency:** The selection of the responsible agency/department/ministry to facilitate the formulation and implementation of the NUP. The process should be ideally led by the executive arm of government with the capacity to coordinate and oversee other government departments. The government department in charge of urban development can play the technical and secretariat role.
- **Quality of data and information (collection and analysis).** Quality data (quantitative and qualitative) is essential to formulate an evidence-based NUP. Relevant and appropriate data collected during the feasibility phase and more importantly the diagnostic phase could be used to establish baselines. Later in the process, an urban observatory, for example, could be established to support the monitoring and evaluation of the policy.

- **Stakeholder, public participation and engagement:** An implementable NUP is usually one in which all key stakeholders have been included and have actively participated. A strategy to engage stakeholders could be developed to ensure their participation, consultation and inclusion. This could feature urban fora, regional consultation workshops, thematic working groups, task teams, online platforms, debates could be used to promote stakeholder engagement.
- **Availability of resources:** Some of the key questions to be addressed include: Are there enough resources to ensure the successful formulation of the NUP; how to mobilize new resources; what are the personnel, institutions and specialized resources available and/or necessary for the formulation of the policy?
- **Coordination and institutional feasibility:** Inter-ministerial harmonization and the alignment of the NUP and national development priorities are crucial. It is also important that the development of the NUP is supported constitutionally and legally. The lead urban development authority/agency should have legal and institutional mandates and provide effective coordination across ministries as well as vertically between all levels of government.
- **Local relevance:** Thought should be given to how the NUP can address local needs and issues. Local representatives and civil society's views and perspectives should be comprehensively considered in the formulation process, particularly when setting priorities.

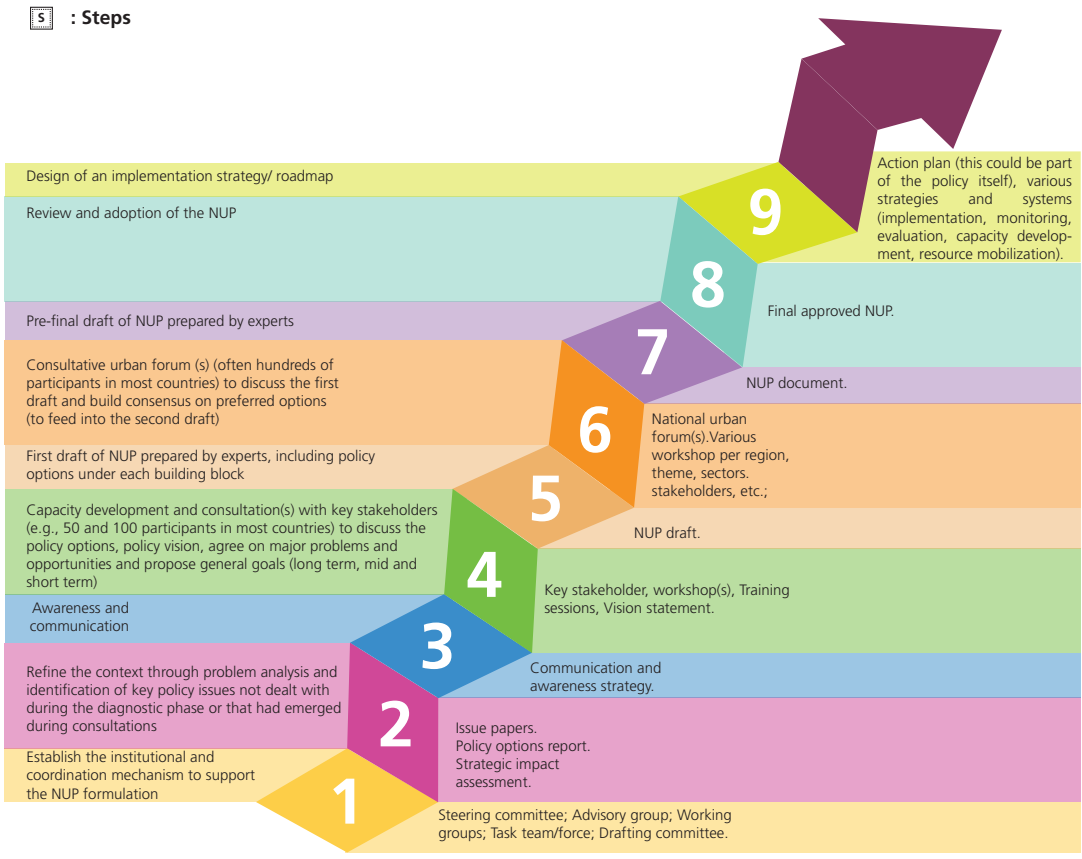
1.2 Suggested stages and outputs of the formulation phase

The implementability and effectiveness of a NUP depend on the quality and extent of the preparatory steps leading to its formulation, and the provisions made for its implementation. Government leadership, for instance through the ministry or department in charge of urban affairs, is fundamental as the government will be the main supporting actor in NUP formulation and implementation. To ensure stakeholders' "buy in" and that the various sectors agree to collaborate on the NUP's implementation, the formulation process needs to be conducted in a participatory manner.

Before this, however, it is essential that a thorough diagnosis of the urban sector is carried out, with extensive data collection, review and analysis. It is advisable to assess the capacity (human, financial, institutional and technical) to formulate and adopt the NUP, and risks assessment and mitigation of the formulation phase could also be done.



Below are suggested steps and outputs of the formulation phase.



O : Outputs

Figure 2. Steps and outputs of the formulation phase

The policy formulation process could involve a variety of stakeholders, such as:

Potential NUP stakeholders to be involved



The executive arm of government



Legislative arm of government
(Parliament/Congress/Senate)



Public agencies



Private sector



Sub-national government
authorities



Representatives of various
communities



Professional organizations such
as planners, surveyors, architects
and engineers



Research organizations



Non-governmental organizations



Academia



Financial institutions



Landowners and property
developers



Media



Development partners
etc.

1.3 How to determine the best policy options

After extensive consultation and analysis of the options and their impacts, all policy options must be compared for their feasibility, adoption and implementability.

The lead agency could consider the criteria to assess the policy options and recommend the best one for getting the desired result. Some assessment and prioritization criteria are:

- Consistency with government priorities;
- Alignment with international development agendas/frameworks;
- Effectiveness in addressing urban problems, harnessing the opportunities and supporting the intended outcome;
- The economic costs/benefits;
- The strategic impacts (economical, environmental and social);
- Feasibility of implementation;

The lead ministry/department's main responsibility is to prepare urban policy options. It is also its role to ensure that all relevant stakeholders receive the information they need to be able to make decisions.

The importance of objective analysis and consensus building at this point cannot be over-emphasized. The process requires visionary leadership, transparent and effective consultative frameworks, open minds and good negotiating skills. Any progress may rely on the organization of urban fora in which key stakeholders exchange ideas, discuss various proposals and scenarios, and provide recommendations.

Planning for implementation

Depending on national circumstances and the characteristics of the NUP, there could be several ways to enforce and activate it. Among these, the most significant are a formal adoption by the national government followed with (or associated with) a law passed or ratified by the parliament.

However, lower endorsement processes may also take place, such as simple approval by the Cabinet, decree by the head of state, prime minister or Minister in Charge of Urban Affairs, amendments to existing legislation, rules and regulations, administrative instructions, etc.

In other cases, the NUP can be expressed as a policy statement or manifesto, possibly related to a national development plan. What matters is to ensure that recommendations and commitments are effectively integrated into the government's annual planning and budgeting processes and that the finalized NUP is widely shared with all social and economic groups. More information on the implementation process is given in Chapter 3.

The way the NUP document is structured is also vital for its communication and awareness. The section below provides a common template to develop the NUP document.

1.4 Suggested outline of the NUP document

Table of Content

Foreword

Executive Summary

Introduction or background

Objectives, goals and outcomes

Challenges and opportunities

Structure and content (see Chapter 2)

Administration of the policy

Effective date of entry

Foreword

The Foreword may be a one-page summary that outlines the aims of the policy and commits the government to ensuring the NUP is implemented.

In order to raise the NUP's profile, the Foreword should ideally be written and signed by the relevant head of government, such as the prime minister.

Executive Summary

The Executive Summary is a short (2 to 5 pages) summary of the contents of the NUP. It enables a reader to gain a quick understanding of the entire document and its purpose, and it should briefly contain:

- A summary of the objectives and outcomes of the NUP, emphasizing the intended results for urban communities, the environment and the economy. The objectives should relate to the Sustainable Development Goals (SDGs);
- Key challenges and opportunities for urban areas (explaining why a NUP is needed) with some facts and evidence, such as the growth of urban populations, the contribution of urban areas to the gross domestic product and the key drivers of urban growth in the country;
- Priorities to be addressed (what needs to be done);
- Implementation actions or recommendations (how and when it is to be done) and which agencies are responsible (who implements the actions).

Introduction or background

The introduction or background provides an overview of the current state of the urban context in the country, the likely future with or without the intervention, and it explains the purpose of the NUP.

This section can also contain a brief description of how the NUP was developed, and the process undertaken to engage with stakeholders, particularly those stakeholders and agencies who will be responsible for delivering or implementing parts of the NUP.

It should mention the key overall issues the country faces and the key policy documents that the NUP relates to (e.g. public health, road safety, economic development).

1.4.3 Objectives, goals and outcomes

This section provides a more detailed description of the objectives of the NUP. It should highlight how the NUP will help to deliver better outcomes for urban communities, the environment and the economy and how these relate to the SDGs. They may not necessarily be in the same order of priority as the SDG, but should reference and address them.

Challenges and opportunities

This section should describe the key challenges for the country's urban areas, and this should be supported with facts and evidence to demonstrate why these issues are important. It should concentrate on urban problems, or problems that are exacerbated in urban areas (rather than rural areas). Issues might include the rate of population growth and migration, housing, sanitation, safety, mortality, pollution, overcrowding, etc.

A description of the key opportunities offered by the country's urban areas should be included. These opportunities are often interlinked with the problems, but the NUP will aim to leverage their potential. This could be through: improved access to education and jobs; efficient provision of services such as sanitation, electricity, water, schools and public transport; and the economic productivity of urban areas compared to rural areas. This section should also describe how the opportunities can be used to overcome the problems.

Structure and content (see Chapter 2)

This chapter should define the NUP's priorities and should include sections on all areas of urban development that have significant policy dimensions. These key elements are the building blocks of the NUP and cover the relevant technical issues. These should be presented in sections or sub-sections with clearly defined headings and arranged in a logical order.

The section can be structured around different thematic areas that address the problems and opportunities identified earlier (e.g. social and health issues; environmental issues, such as climate change, pollution and sanitation; economics and equality issues; and governance). Again, it can be helpful to return to the SDGs and NUA for further guidance.

Strategies should be developed to achieve the specific policy objectives. Ideally, these should be prioritized so that the most important items are addressed. Choosing these priorities may be based on the most number of people affected; the most effective gains to be made; or other criteria.

Administration of the policy

The NUP should be administered and monitored by a body or committee, such as an

urban development board, with its function explained in the policy document. The body could be responsible for the periodic review of the NUP. There should also be an explanation of how different agencies and stakeholders (e.g. local governments, government departments) will be engaged and will report to the administrative committee.

Implementation of the policy

This section should describe the procedures for implementing the policy. Ideally, it should list:

- The actions for implementation, in order of priority, (action plan);
- Who is responsible for delivery of each item (e.g., specific government agencies, local governments);
- Timeframes for action (short, medium, long term);
- How progress will be measured;
- Key baseline data (if it can be obtained).

The section may include an estimate of the resources and facilities for implementation, and how this will be measured or audited in future.

Effective date of entry

When the policy will come into force.



2

STRUCTURE AND CONTENT OF THE NUP

This chapter focuses on the body of the NUP and the six important building blocks that are common to NUPs in all countries. These are: urban governance, spatial sustainability, financial sustainability, economic sustainability, social sustainability, and environmental sustainability and resilience. The reasons why each of these blocks is important are explained in detail and, with each, there are numerous proposed interventions given.

2. CONTENT OF THE NUP

The NUP's substantive content will vary enormously from country to country. This will be reflected in the country-specific urban diagnosis - one of the first steps in the formulation process. Nevertheless, there are a number of important issues that are common to all countries and these are presented in the form of six building blocks. Some blocks could be split or merged, and additional blocks could be created and developed during the formulation process. More importantly, these blocks are inter-related and will require cross-cutting actions, i.e. an intervention on a particular topic could be associated with two or more blocks. Each block is presented in two parts; the first highlights the importance of the issue, the second suggests how the government may address it through several focused interventions in the NUP formulation.

Under each block, the first draft of the NUP may suggest several policy options that will be discussed during the proposed consultative forum⁵. To help with this, the annex to this document contains a list of questions for discussion, which could help identify and clarify different policy issues in an issue paper.

There should be a certain congruence between the urban diagnosis, the NUP (e.g., they may have similar structures) and the implementation strategy.

2.1 Urban governance⁶

Why is urban governance an indispensable component of any NUP?

National urban policy implementation depends not only on public actions but more widely on the methods of urban governance used in each country. Good urban governance must be participatory, accountable and transparent. It should be based on two pillars: a solid institutional framework and an enabling regulatory framework. These frameworks are indispensable to establish and implement governance principles and processes for effective, accountable and transparent institutions, to promote equality and inclusion of vulnerable people and to shape what citizens can expect from the state. National governments have to work with key stakeholders to build and strengthen these pillars.

To implement a NUP, it is essential to have an adequate institutional framework. There are numerous public institutions involved in a NUP process and responsibilities have to be well established with supervisory and coordinating bodies clearly defined. As a rule, national governments lead the definition and formulation of the NUP, while sub-national and local governments coordinate its implementation through planning and management procedures and processes. Sub-

5. See Chapter 1 above.

6. Urban governance is understood here as the multi-level governance system which impacts and organizes the overall management of the urban sector.

national and local governments should be supported to design specific territorial and environmental strategies and plans of action based on the NUP.

In addition, public authorities, particularly sub-national and local governments, must involve private stakeholders, including landowners, investors, banks, developers, construction companies, private service providers, architects and consultants, planning agencies, surveyors, etc. They should provide mechanisms to consult with civil society organizations, residents' and users' associations, women and youth organizations, research centres, the informal sector and others.

The institutional framework should consider that most nations are evolving towards greater decentralization and the need to strengthen the autonomy, powers and resources of local authorities. This was the subject of International Guidelines on Decentralization, adopted in 2007 by the UN-Habitat Governing Council.⁷ But decentralization does not mean that local authorities should be left alone to design autonomous local policies. Local decisions should be bound by national and sub-national frameworks.

An enabling legal and regulatory framework is the second pillar of good urban governance. Too often the absence of a functioning framework hinders the implementation of policies. There are many cases of overabundant, obsolete, poorly enforced, unenforceable or simply ignored urban regulations. The main regulations to be assessed and adjusted are

about land use, responsibilities of local authorities and other stakeholders, quality of buildings, environment protections, human rights and protection of the vulnerable. In all areas, simple rules should be adopted, rules that are easy to understand and applicable, being facilitating rather than punitive.

Land regulations constitute an important core of urban governance. Tenure rights, zoning, land transactions and registration, pre-emption and expropriation rules, regularization of informal settlements, territorial planning standards, building permits, all such elements should be subject to national laws, regulations and codes capable of ensuring social equity, economic efficiency and quality of the urban space. This is a significant challenge that requires strong political will. Land-use planning and management should be a top priority of local government which could be evaluated against its performance in this area.

The relationship between landowners and tenants as well as the contractual relations between local authorities and service providers (water, transport, etc.) should also be subject to regulations. The former should encourage the expansion of the rental housing sector and the latter should allow public-private partnerships benefiting both users and taxpayers.

7. NUA Para 85. We acknowledge the principles and strategies contained in the International Guidelines on Decentralization and Strengthening of Local Authorities, and the International Guidelines on Access to Basic Services for All, adopted by the Governing Council of the United Nations Human Settlements Programme (UN-Habitat).

PROPOSED INTERVENTIONS:

- i. The NUP should prioritize the institutional arrangements that govern cities and territories to ensure the convergence of public policies, transparency, participation and accountability of decision-making processes, decentralization and strengthening of local authorities, inter-municipal management of cities and effective public-private-people partnerships (PPPP);
- ii. The NUP could also propose eliminating obsolete laws and decrees, consolidating overlapping regulations and proposing new and comprehensive urban legislation;
- iii. Effective legislation will need to have a clear purpose; introduce consistent and well-thought-out enforcement mechanisms that realistically address the targeted problems; introduce clear, precise and unambiguous rules and obligations; and allow for systematic monitoring and evaluation of the results of legislation in real life;
- iv. Within the NUP there should also be a reference to the legislative framework of urbanization, potentially focused on land regulations to boost land supply, contribute to the densification of the urban fabric, regularize informal settlements and allow an orderly urban growth.

2.2 Spatial Sustainability⁸

Why is spatial sustainability an indispensable component of any NUP?

A national urban policy should be concerned with balanced urban systems. This means that a country should have a hierarchical system of cities, where the large metropolitan centres generally lead the country's economic growth by harbouring the most innovative and dynamic economic activities, regional centres and medium size cities provide support to their respective regions, and small towns make the linkage with their rural environs. If imbalances are present – such as the disparity in size of the main metropolitan agglomerations in relation to the rest of the cities– corrective policies are called for to allow for a more balanced populational and economic distribution of the human settlements system.

8 NUA para 49: We commit ourselves to supporting territorial systems that integrate urban and rural functions into the national and subnational spatial frameworks and the systems of cities and human settlements, thus promoting sustainable management and use of natural resources and land, ensuring reliable supply and value chains that connect urban and rural supply and demand to foster equitable regional development across the urban-rural continuum and fill social, economic and territorial gaps.

NUA para 50: We commit ourselves to encouraging urban-rural interactions and connectivity by strengthening sustainable transport and mobility, and technology and communications networks and infrastructure, underpinned by planning instruments based on an integrated urban and territorial approach, in order to maximize the potential of these sectors for enhanced productivity, social, economic and territorial cohesion, as well as safety and environmental sustainability. This should include connectivity between cities and their surroundings, peri-urban and rural areas, as well as greater land-sea connections, where appropriate.

In most countries, socio-economic development is closely associated with urbanization. The process follows a pattern of rural to urban migration, often with a “stop-over” in intermediate cities.

The role of these secondary cities and provincial capitals is critical for their regional economies and the wellbeing of their populations. The NUP should maximize the opportunities for these secondary towns to grow, to be productive and to contribute to local economic development. It has to be noted that not all cities are growing; the NUP should also address the challenge of shrinking cities and towns should also be addressed in the NUP.

Local, metropolitan and regional authorities play an increasingly important role in urban and territorial planning and management. This role has recently been highlighted in the International Guidelines on Urban and Territorial Planning, approved by the UN-Habitat Governing Council.⁹ These will guide the reform of urban planning and promote planning approaches tailored to different contexts and scales. They include universal principles and recommendations aimed at national governments and local authorities.

These guidelines invite local authorities to take key actions, for example to: (i) approve and update urban and territorial plans; (ii) associate urban planning with municipal management; (iii) cooperate at the inter-municipal level to integrate the management of urban infrastructure and services; (iv) develop safe and reliable public transport systems at regional and local levels; and (v) make plans that include measures to prepare for and adapt

9. NUA para 93: We acknowledge the principles and strategies for urban and territorial planning contained in the International Guidelines on Urban and Territorial Planning, approved by the Governing Council of UN-Habitat in its resolution 25/6 of 23 April 2015.

to climate change and that will increase resilience, particularly in vulnerable neighbourhoods.

PROPOSED INTERVENTIONS:

- i. The NUP should have a socio-economic and environmental strategy that prioritizes urban functions based on the potential of each agglomeration;
- ii. Practical tools to promote urban growth should be included in the NUP in order to: (a) plan for productive investments (in communications, logistics, transportation) in cities or along economic corridors; (b) improve the quality of life (housing, social services) in cities to both increase their liveability and attractiveness; (c) apply regulatory tools, such as fiscal incentives; and (d) implement institutional innovations, such as the creation of regional development or metropolitan authorities to attract private investments;
- iii. The NUP should promote innovative methods of urban planning and management.

2.3 Financial sustainability¹⁰

Why is financial sustainability an indispensable component of any NUP?

Local governments require sustainable and predictable sources of funding to develop and maintain the basic infrastructure and local services required to face the challenges of rapid urban growth and the congestion and other negative externalities derived from it.

Without adequate financial instruments the role of local governments in the context of a NUP is significantly compromised. Throughout the world, local governments rely of two basic

10. See NUA para 132 -138.

sources of financing: inter-governmental transfers and own sources of revenue. As far as transfers are concerned, the basic rules are that: (i) they should be commensurate with the responsibilities assigned to the corresponding level of government; and (ii) they should be automatic or formula-based, to avoid discretionary treatments.

Local governments can rely on land-based taxation as one of their own sources of revenue. This could supply the infrastructure needs required by urbanization. Two factors make it possible to develop and adopt such instruments. The first is economic: the price of urban land is much higher than the price of rural plots and, in market economies, it increases rapidly with urban growth and densification. The second is political: public authorities can decide on the allocation and use of urban land and derive a considerable income from it. This is somehow the miracle of urbanization, that it can feed itself by producing its own fuel and its own financing.

The terms of the equation are clear: (i) urban expansion creates demands on local governments to expand basic infrastructure; (ii) urbanization increases the value of land and creates property wealth; (iii) public authorities should make every effort to capture significant portions of these benefits and allocate them to cover investment and operating costs, completing a virtuous circle.

PROPOSED INTERVENTIONS:

- i. The NUP should promote the ability of public authorities to significantly increase municipal revenues and to ensure transparency and fairness of inter-government transfers;
- ii. The NUP should have an explicit reference to the benefits of exploring land-based revenues, including: (a) taxes on property, land and real estate occupations; (b) taxes on capital gains in land transactions and on land development; (c) land value capture benefits derived from public investments that benefit private owners.
- iii. Urban expansion should be publicly planned, regulated and managed to meet the needs of the local communities. The priorities will be to reduce urban sprawl and spatial inequalities, and to regulate land and property markets.

2.4 Economic sustainability

Why is economic sustainability an indispensable component of any NUP?

To ensure economic sustainability and prosperity, the NUP needs to focus on infrastructure provision and maintenance. Many cities have high levels of congestion and any policy should prioritize transport networks as part of the overall plan for both primary and service roads. The rule should be to promote a variety of transport modes, with a strong focus on public transport and active transport (walking and cycling). Other critical priorities for a city's economic sustainability include the adequate availability of water and electricity networks. In recent decades, many cities have made much progress in water supply, but urban mobility has deteriorated everywhere. Social infrastructure such as education and health facilities should also be expanded and

made more accessible. The infrastructure strategy should encourage local governments to associate infrastructure planning with land-use planning and to link physical development with financial planning. A prerequisite for sustained economic growth is better connectivity and the integration of technology into infrastructure planning at all territorial levels.

Infrastructure development requires significant public investment, close coordination between government spheres, careful phasing and continuity of interventions. Exchange of good practices could also be helpful. For instance, many developing countries could draw inspiration from successful emerging economies whose progress in recent decades is closely linked to strategic investments in infrastructure (roads, railways, subways, ports, airports etc.). North-South, South-South and triangular cooperation could be very useful in this regard. Also, in terms of adaptation to climate change, infrastructure should be a top priority, particularly in developing countries.

PROPOSED INTERVENTIONS:

- i. Transport infrastructure development and investment should be considered a priority in the NUP to promote city connectivity, public transport and multi-modality;
- ii. The NUP should have an explicit reference to the “smart city” approach which will require an expanded use of technology in the planning, operation and maintenance of infrastructure networks and enhancing community participation;¹¹
- iii. The NUP should address climate change as a major challenge and include a strategy for climate change adaptation. To reduce the impact of climate change, particularly floods on exposed settlements, both infrastructure (new dykes, drains and climate-resilient infrastructure) and ecosystems-based infrastructure (protection of wetlands, natural riparian vegetation, watersheds, coral reef etc etc) will be necessary in coastal areas and river basins and should receive adequate funding;
- iv. The NUP should highlight strategies for the geographical distribution and accessibility of public facilities in order to better coordinate social and economic infrastructure development.

11. NUA para 66. We commit ourselves to adopting a smart-city approach that makes use of opportunities from digitization, clean energy and technologies, as well as innovative transport technologies, thus providing options for inhabitants to make more environmentally friendly choices and boost sustainable economic growth and enabling cities to improve their service delivery.

2.5 Social Sustainability¹²

Why is social sustainability an indispensable component of any NUP?

Housing and adequate shelter are an integral part of a strategy to promote social inclusion, which is a main concern of a NUP. All over the world, housing expenses represent an average of between 25 and 30 per cent of household incomes and the sector is a powerful mobilizer of domestic savings. In many countries, however, housing strategies have long been limited to the public production of housing units for the middle class and facilitating private provision of units for ownership by the upper middle-class. Many governments still ignore the reality and potential of rental housing, which can be a major option for the urban poor.

A comprehensive housing policy must look at the needs of all levels of society, while ultimately focusing on the needs of the urban poor. It should facilitate the creation of a local market for affordable mortgages and have incentives to encourage personal savings. Short-term lending can support self-built housing – the most common way of building a home in developing countries.

PROPOSED INTERVENTIONS:

- i. The national housing strategy of the country if it has one should be mainstreamed within the NUP, both in its design and implementation. The focus should be on reducing inadequate housing and upgrading and regularizing slums, without forgetting to support the development of the property and rental markets and the regeneration of existing centres;
- ii. The NUP document should promote diversity in housing supply, both in terms of standards and status, and it will review building codes to ensure affordability and promote energy-efficient housing options;
- iii. The NUP should include appropriate housing finance systems, which could mobilize household savings; and it should support the development of adequate housing with proper access to basic services and employment opportunities.

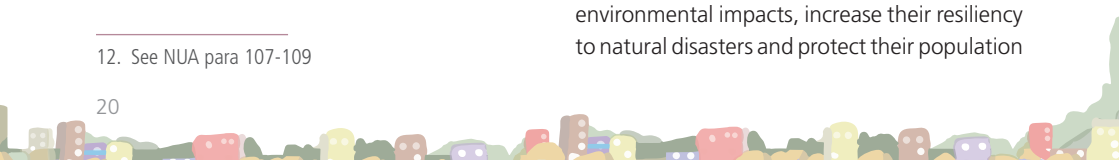
2.6 Environmental sustainability

Why is environmental sustainability an indispensable component of any NUP?

Cities are the main generators of greenhouse gases (GHG) due to the concentration of industries, vehicles and other sources of air and water pollution. Already cities account for roughly 75 per cent of global GHG emissions and this percentage is rising. Cities are also highly vulnerable to disasters, given the concentration of people exposed to risks of flooding, earthquakes and other natural phenomena.

All NUPs should aim to reduce cities' environmental impacts, increase their resiliency to natural disasters and protect their population

12. See NUA para 107-109



from the effects of climate change. Achieving these goals requires an integrated approach involving the planning of urban growth and public services provision, incentives for energy efficiency in business and homes, and cooperation among jurisdictions for the most efficient use of public services and infrastructure (such as waste collection, public transport, etc.).

Many developing cities expand rapidly, and their peripheries encroach on agricultural lands. This unplanned expansion is characterized by low densities, pockets of poverty and gated communities. Urban sprawl has a negative environmental impact by increasing cities' footprint, consuming green spaces and increasing distances to be travelled. It forces local governments to either extend their services or to leave areas without basic social and urban services. Urban sprawl is usually the product of a lack of proper territorial planning that has, in turn, resulted in the expansion of urban boundaries beyond existing service areas. The answer is to employ territorial planning as a tool to promote more compact cities, which makes more efficient use of existing infrastructure and can be an effective tool for the integrated planning of services and population expansion.

In metropolitan settings, coordination among jurisdictions is critical to enable proper planning. Inter-sectoral and inter-jurisdictional linkages between public services and infrastructure shall be considered to ensure an integrated and consistent supply. There needs to be an emphasis on cooperation between certain services providers, such as water supply and sanitation managers, waste management and public transport. It is also important to establish: (i) quantitative and qualitative targets and standards for service delivery; (ii) clear rules for the selection of service providers and,

when feasible, a legal framework to delegate and/or privatize services.

PROPOSED INTERVENTIONS:

- i. The NUP should have a strategy to programme and manage the provision of urban basic services. This strategy should promote a multi-sectoral and coordinated approach and adequate contractual relationships between public authorities and service providers, taking fully into consideration their impacts on the environment and public health;
- ii. The NUP should propose steps to promote clean energy consumption, improved air quality and changing mobility nodes (fewer private cars, more public transport and non-motorized options);
- iii. The NUP should promote new building design and urban forms designed to encourage compact, connected and low-carbon urban development and to reduce GHG emissions;
- iv. The NUP should prioritize gender equality in the design, production and use of urban spaces and services to ensure that the needs of all are identified and addressed.

To conclude this chapter, special consideration should be given to the integration and combination of interventions and harnessing co-benefits from multiple actions. A focus on wellbeing is often at the nexus of multiple interventions and stimulates economic activity. The NUP should highlight where co-benefits exist and their possible leverage points.

It must be emphasized that among the recommended "proposed interventions" sections of the above building blocks, the

government should establish an order of priorities based on the political, legal and financial implications of the envisaged options. This will lead to the implementation strategy presented in the next chapter. In some countries, the implementation strategy may be

a specific component of the NUP while in others it could be separate. In many cases, the preparation of the implementation strategy will overlap timewise with the formulation of the NUP.



3

IMPLEMENTATION AND MONITORING

Traffic Light tree, London, United Kingdom © William Warby

3. IMPLEMENTATION AND MONITORING

To ensure a NUP can be implemented, it should be translated into operational steps in an implementation plan that has clear objectives and outcomes, indicators to monitor and evaluate it, and clearly assigned roles and responsibilities for its actors to implement, monitor and evaluate. This chapter provides the various elements of the implementation plan.

3.1 Implementation plan

A NUP requires a clear implementation plan (IP) which establishes a national strategy and programme for achieving its objectives.

As with all policy-making it is essential that policy directions and decisions are translated into actions that can achieve tangible and positive changes. During the NUP development process the leading authority needs to consider producing a NUP Implementation Plan, either alongside the NUP drafting or right after, to ensure the policy is followed through and duly implemented. This implementation plan may be part of the main NUP policy statement or as a standalone document accompanying the main policy.

A NUP Implementation Plan should serve as a guiding framework which sets out:

1. Agreed NUP actions and timeframes;
2. Coordination framework for agencies and institutions responsible for the NUP;
3. Appropriate identification of a monitoring agency for NUP implementation;
4. Clear mechanisms for funding and financing NUP actions;

5. Ongoing monitoring programme of the NUP including indicator frameworks;
6. Evaluation programme for the NUP to assess progress against commitments;
7. Explicit efforts to build government and urban sector knowledge capacity;
8. Alignment of national monitoring with key global urban frameworks.

Even though it occurs at the NUP formulation phase, the necessary implementation actions should be considered at all stages of NUP development to ensure decisions are achievable. Many plans are developed with good intentions but fail at the implementation stage because the work of turning objectives into action is not sufficiently developed.

Implementation responsibilities need to be clear about the respective duties of different ministries, sub-national governments and local authorities. Institutional capacities, legislative and regulatory frameworks and funding arrangements need to be improved and strengthened. Urban indicators as well as mechanisms for monitoring and adjustment of actions, involving public and private partners, professional associations and civil society, must be developed. The challenge is to implement in a participatory way an ambitious, flexible and coherent policy which meets citizens' needs and aspirations.

3.2 Monitoring Plan¹³

A NUP requires a clear Monitoring Plan (MP) that enables the leading authority, supporting institutions and stakeholders, to track how the

13. See NUA para 158 – 160

NUP is performing against its objectives and outcomes. At a minimum the NUP Monitoring Plan should provide a detailed technical and scientific framework for collection of data and information necessary to evaluate the performance of the NUP and an action schedule for the collection of this data. A Monitoring Plan should assist the leading authority and other stakeholders to track the NUP implementation in terms of policy actions taken and to observe changes in urban conditions. Monitoring also supports periodic reporting and evaluation of the NUP to audiences at various national and international scales.

The monitoring plan requires a dedicated NUP monitoring agency which is preferably at the national level of government but is at least partly independent of the NUP leading authority. The agency should work with the leading authority, the statistical agency and the statistical system to collate and organize data on the NUP and publish regular information on urban conditions.

Building national urban knowledge capacity

The NUP action monitoring plan should strengthen the technical and scientific capability of the country's urban authorities to observe and understand urbanization. This includes ensuring all levels of government develop frameworks to acquire, collate, organize and disseminate data on urban processes for their jurisdiction, and in alignment with the strengthening of the country's national statistical system (NSS).

The monitoring plan should involve local academia, civil society and the private sector to support effective monitoring. It should rely on pre-existing local expertise where possible, but also consider using the NUP to improve technical and scientific urban data capacity.

The monitoring plan should also engage with global expertise and relevant sources of scientific data and with those investigating urbanization trends and sustainability, such as through UNDESA.

NUP key performance indicators

Clear and tangible indicators of the progress of the national urban policy are required. The leading authority should develop these in collaboration with the stakeholders engaged in the NUP formulation process. The indicators should be based on the objectives, actions and anticipated outcomes of the NUP.

Each of the policy actions in the NUP should have key performance indicators. These should be specific to the NUP actions; however, they may be used more generally to track urban conditions in the country and at sub-national, metropolitan and urban levels. Some indicators may be specific to particular contexts, such where the country has a single megacity for which dedicated actions are intended.

The national urban policy monitoring programme should align with major international reporting commitments, such as:



Sendai Framework for Disaster Risk Reduction



Paris Agreement on Climate Change



Sustainable Development Goals commitments and targets



Cape Town Action Plan for Sustainable Development Data



The New Urban Agenda

A framework for managing data within the NUP is required and should be coordinated via the national statistical system in accordance with good international practice. The United Nations Cape Town Action Plan offers a set of principles and practical steps towards the development of sound data capacity within national, regional and local statistical systems. Collaboration with international statistical agencies is encouraged.

National Urban Forum

The National Urban Forum (NUF) could be used as a tool to monitor the NUP. A NUF can lead to wider sectoral assessment of the NUP and enable transparent and participatory discussion and debate about the NUP performance and wider urban conditions.

National Urban Policy Review

An expert group may be set up to provide independent review and advice on progress with the NUP. An example of such groups is the National Habitat Committee model that has been established under the New Urban Agenda and the Habitat III arrangements to support sustainable urban development.

Evaluation

The NUP requires an evaluation programme that draws on the information gathered through monitoring activity to assess progress on implementation. Evaluation is a strategic systematic appraisal conducted externally and

independently at specific points in time to assess the extent and quality of overall progress in the NUP's achievement of outcomes against specified criteria.

Evaluation should, where possible, be undertaken by an independent nationally-identified expert group or entity which is tasked with overseeing the progress of the NUP and advise the leading authority. International input could be included in the NUP evaluation.

Funding and financing

National Urban Policies typically identify new policy actions that require funding. The need for funding will in turn require a suitable financing framework to be devised that can achieve the funding objectives according to the capacities of national, sub-national, metropolitan and local actors. Where possible, regional coordinating bodies at the supra-national scale should be involved in the process. The national government has primary responsibility for identify funding options for the NUP, ideally in consultation with these other layers of government.

The funding implementation plan should include the resources necessary to coordinate the NUP, including the Leading Agency and the monitoring and evaluation program. The funding implementation plan should also identify funding for urban actions and interventions undertaken as part of the NUP.

These actions should be identified and developed as part of the NUP formulation process with each action given a projected costing and source of funding. Some actions may require further investigation and development, particularly where they are to be undertaken by regional, metropolitan or local governments.

There is no single prescription for a national financing mechanism for National Urban Policies - these need to be designed to the country's context and needs.

The role of the private sector in the financing of National Urban Policy, particularly in relation to actions at the urban scale, should be considered in the funding implementation plan and articulated with attention for both key sources of financing and monitoring, as much as for ensuring this engagement still allows for a tangible participation by local communities, NGOs and academia.

Coordination and phasing

The implementation plan requires a clear distribution of responsibilities for actions among the agencies and levels of government involved as well as the roles of civil society, the private sector and academia. At a minimum, this should take the form of a schedule detailing implementation actions, responsible agency, timeframe for delivery, and funding source (if required). An assessment of national implementation capacity is also required with actions to improve capacity pursued if found lacking.

A clear set of coordination mechanisms focused on encouraging cross-sectoral collaboration in the implementation are required. A communications plan that clearly articulates the purpose, actions and timeframes of the NUP to other levels of government, the private sector, communities and people is needed.





CONCLUSION

CONCLUSION

Despite the urgency of sustainable urban management, many countries still do not have the required urban management frameworks such as a NUP in place, and this has resulted in weakened capacity of governments to adequately address urban issues.

This guide offers a process to formulate and prepare a NUP and outlines key elements that can be used as a framework in various contexts. The guide stresses that an implementable NUP must be formulated using a participatory approach that considers the views of all relevant stakeholders, draws on a thorough analysis of the urban sector, and is supported by all levels of government (national, regional and local) with the legal measures and resources needed for effective implementation.

Urban issues are broad and there is no “one size fits all” approach for urban development, the issues highlighted in this guide are those thought to be core to urban development and should be tackled at the minimum.

The type of NUP that will emerge from the formulation process will vary greatly between countries, since each NUP will be based on the particular needs and vision of the stakeholders and the country context. The ultimate objective, however, will be the same: to ensure whole scale urban development for all, ensuring no one and no place is left behind.

By creating a NUP, in which the interests of government and all stakeholders are balanced and protected, a well-formulated NUP can have an enormous positive impact on the socio-economic fortunes of countries.

Below are among key lessons learned from various NUP development experiences

- There are many approaches to drafting a NUP; some countries have incorporated a high level of participation while others have approaches that involve relatively few participants. Although greater participation lengthens the time required for formulating the NUP, it builds consensus and momentum for the policy and often shortens the time required for approval. As a result, highly participatory approaches may take less time than those that rely on a small group of experts, who then struggle for years to achieve policy approval. Experience shows that the most inclusive and participatory process have produced the most implementable policies. As urban externalities affect all parts of urban areas, only NUPs formulated through participatory process can give a voice to all concerned.
- Many countries do not have the resources to implement all components of the NUP at once. In many cases, this is an opportunity for interest groups to take the lead in advocating for the implementation of those specific components of the NUP that affect them. To ensure uniformity in implementation, the government must have conducted a detailed financial analysis to assess its capabilities to formulate and implement the NUP.

Although it is a vital component of the urban development process, the NUP formulation should not be seen as the final step.

Countries need to strengthen the capacity of national, sub-national and local governments to participate effectively in the decision-making process about urban development.¹⁴

This guide complements other practical tools developed by UN-Habitat to support NUP development and implementation in various countries.¹⁵ Other tools are under preparation.

14. NUA para 148. We will promote the strengthening of the capacity of national, subnational and local governments, including local government associations, as appropriate, to work with women and girls, children and youth, older persons and persons with disabilities, indigenous peoples and local communities, and those in vulnerable situations, as well as with civil society, academia and research institutions in shaping organizational and institutional governance processes, enabling them to participate effectively in decision-making about urban and territorial development.

15. See page 35.

FAQs

Frequently asked questions to guide the issue paper(s)

Questions for discussion on 2.1 (institution):

- i. Should the NUP be coordinated by a specialized line Ministry with a powerful mandate and resources or should it be managed along a horizontal model with several focal points and a loose coordination?
- ii. Would it be useful to establish an Urban Policy Board to build consensus and drive the formulation and implementation of the NUP?
- iii. Should there be a limit to the resources and responsibilities that are transferred to local authorities?
- iv. On which sphere of government should capacity-building efforts be concentrated?
- v. Should sub-national governments and local authorities be allowed to deviate from the NUP and have autonomous LUPs?
- vi. Should multilevel governance systems focus on inter-municipal and metropolitan institutions to ensure efficient management of large agglomerations?

Questions for discussion on 2.1 (legislation):

- i. How to streamline the existing legislative framework and avoid legislative complications?
- ii. Which areas are most in need of new regulations?
- iii. How could existing laws and rules be better enforced?
- iv. Could administrative procedures be simplified and in which areas?
- v. Should local authorities be empowered and encouraged to develop local rules and regulations in addition to national ones?

Questions for discussion on 2.2 (planning)

- i. Which instruments, and capacities could be developed to improve territorial planning at national level?
- ii. Could operational urban planning be entirely under the responsibility of local authorities?
- iii. How to guide private investments to avoid excessive geographical concentration?
- iv. Should public investments be spread out based on the needs of secondary cities or on their development potentials?

- v. How to decentralize regional planning to sub-national governments?
- vi. Could operational urban planning be entirely under the responsibility of local authorities?
- vii. Could shrinking cities and towns be revitalized and under which conditions?

Questions for discussion on 2.3 (finance):

- i. Should financial resources be primarily mobilized at municipal level?
- ii. Should financial transfers be guided by the needs or by the dynamics of urban authorities?
- iii. Could the system of urban finance monitoring be improved and how?
- iv. Which types of fiscal resources should be the focus of government interventions?
- v. Should tax collection be centralized or decentralized?
- vi. Which services should be the primary target of public subsidies?
- vii. How to improve and increase land-based financial resources?
- viii. Could urban finance and housing finance be linked and how?

Questions for discussion on 2.3 (land):

- i. How to prevent land prices from escalating and make residential land more affordable?
- ii. Is it advisable and feasible to promote compactness and higher densities?
- iii. How could higher densities reduce mobility and transport challenges?
- iv. How could participatory urban and territorial planning be promoted so that all social groups benefit?
- v. Is it possible to adopt progressive zoning regulations to encourage mixed land use and social inclusion?
- vi. Could land information, title-registration and land-transaction systems be improved, and how?
- vii. Should informal settlements be regularized to ensure security of tenure?
- viii. Could public authorities create land banks (land reserves) to influence and stabilize land markets?

Questions for discussion on 2.4 (infrastructure):

- i. How to ensure that infrastructure development is not autonomous but part of an overall urban planning strategy?

- ii. How to finance trunk roads and other infrastructure networks using multi-level resources and recovering part of the public investment through betterment taxes?
- iii. Could standards and regulations be reviewed and adjusted to ensure that infrastructure respond to the urban needs while remaining financially sustainable?
- iv. Could the contracting procedures for infrastructure work be streamlined and made more transparent?
- v. Which form of PPPs could be adopted and under which conditions?
- vi. Is it possible to mobilize private capital, as well as insurance and pension funds for investment in infrastructure?
- vii. Which institutions (national, metropolitan, local) should oversee infrastructure operation and maintenance?

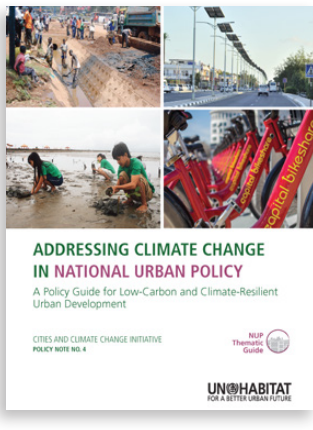
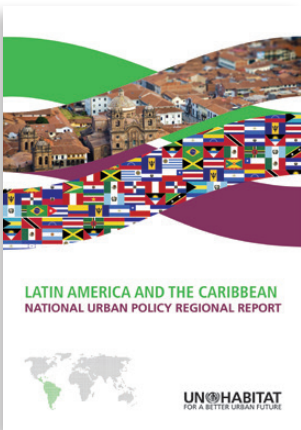
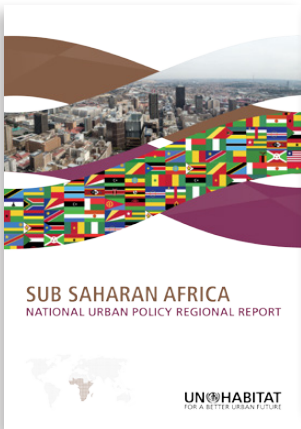
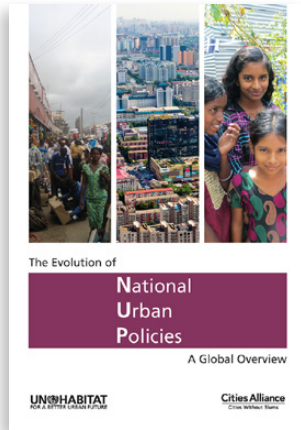
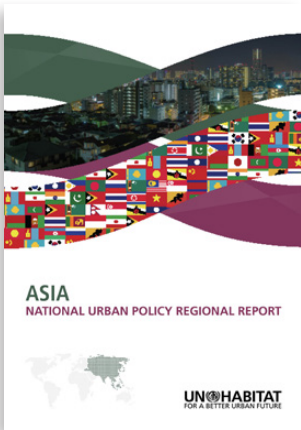
Questions for discussion on 2.5 (housing):

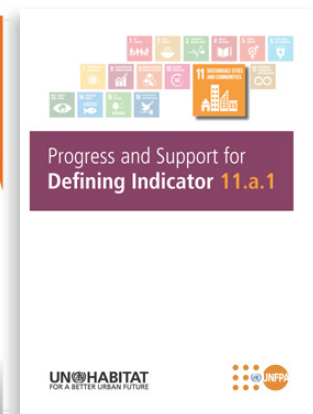
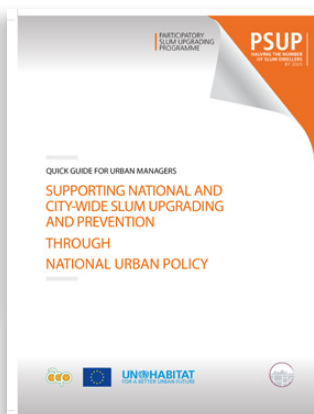
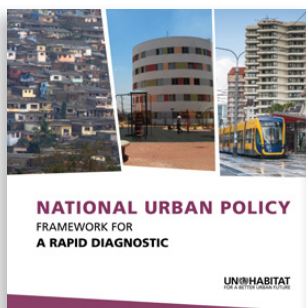
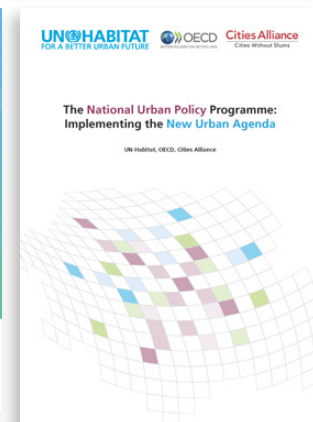
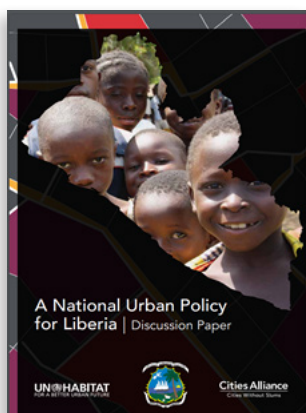
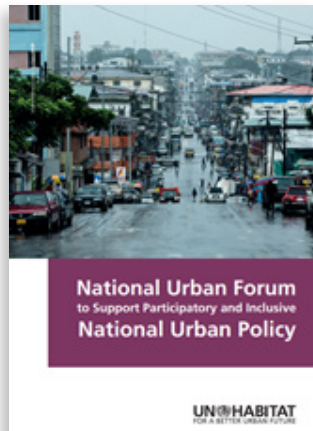
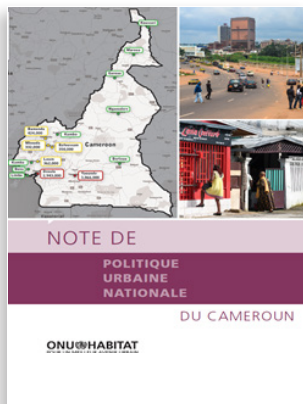
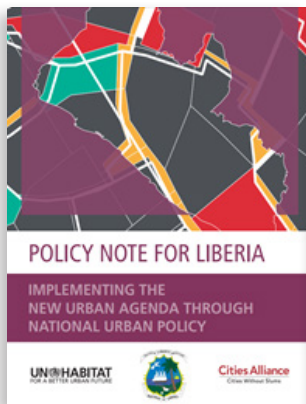
- i. How could the urban policy contribute to providing housing for all?
- ii. How to cross-subsidize housing programmes and services to benefit low-income communities?
- iii. How to combine and prioritize housing upgrading, infills and new developments?
- iv. Which financial, fiscal and land incentives could be provided to encourage private investors to provide more adequate and affordable housing and discourage speculation?
- v. How to promote and regulate private rental housing?

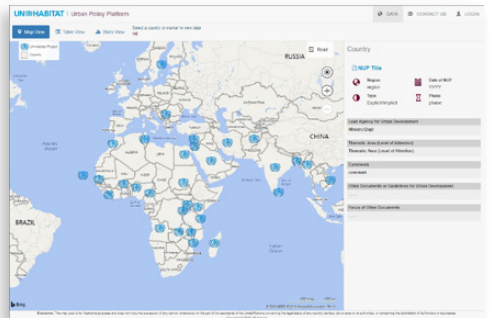
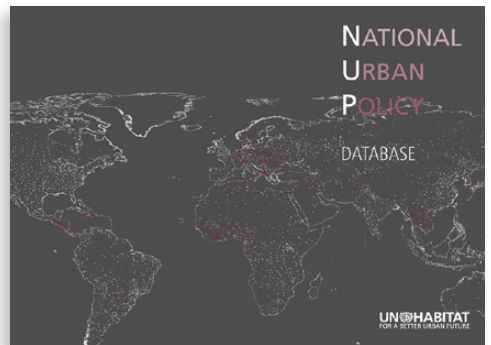
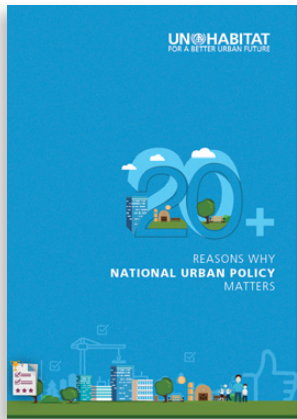
Questions for discussion on 2.6 (basic services):


- i. Has a legal framework for the delegation and/or privatization of services been put in place?
- ii. Are the standards and pricing mechanisms financially and socially adequate, particularly for drinking water and electricity?
- iii. Are basic services coordinated and integrated into urban plans and strategies?
- iv. Could solid waste collection and disposal be improved?
- v. Do public and para-public utilities need to develop their capacities and improve their area of coverage?
- vi. How to promote energy efficient and non-polluting public transport through incentives and penalties?
- vii. Could quantitative targets and monitoring systems be set up to reduce greenhouse gas emissions in cities?

FURTHER RESOURCES









Managing the unprecedented scale of urbanization in developing countries is now becoming imperative, not least because the next 10 years will see nearly a billion more people around the world moving to urban areas.

Governments have to prepare for this and the demands that such growth will have on urban infrastructure, resources and finances by developing a national urban policy that adequately responds to the challenges of urbanization. Formulating such a policy is the focus of this document. It is one in a series of documents produced by UN-Habitat that, collectively, assist all stakeholders to develop a national urban policy.

Covering issues such as the responsibilities of various stakeholders, what are the possible policy options, where should funds come from, and who will lead implementation, this guide is an indispensable reference for policy makers, urban development departments and government ministries.

HS/016/19E

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