



## Response to the Revised Zero Draft: Recommendations for Implementation Success Post-Quito

The recent release of the revised Zero Draft of the New Urban Agenda shows significant progress from the initial draft release in May. The condensed, holistic structure is more reflective of city functions and helps to integrate sector-specific challenges with cross-cutting enablers like safety and governance. The revised draft addresses many of the concerns expressed by the WRI Ross Center in response to the original version, however, some major issues remain, specifically around the opportunity to infuse the document with specific, action-oriented language detailing implementation and reporting frameworks, as well as crucial linkages to other global processes. For a more detailed discussion of WRI's vision for the New Urban Agenda declaration and sectoral concerns, please reference WRI's review of the original Zero Draft from May 2016<sup>i</sup>. Parties interested in an in depth discussion on mobility in the New Urban Agenda should consult the NUA review released by the Partnership on Sustainable Low Carbon Transport<sup>ii</sup>, to which WRI contributed and fully supports.

In this response, WRI will focus on outlining these major issues and potential strategies for improvement. WRI will continue to provide in-depth feedback to future revisions of the New Urban Agenda, as well as commentary on the process in the lead-up to PrepCom 3 and the final Habitat III conference in Quito.

### Strengthening the Link to Global Processes

Within the global context, the New Urban Agenda could be made stronger by linking more directly with other international processes, including the Sustainable Development Goals and the Paris Climate Agreement. It is positively received that the revision shows alignment to these global processes in several places throughout, including paragraphs 4, 65, 108, 141, and 146. However, this alignment would be strengthened by drawing parallels between specific SDG targets and climate goals. Explicitly linking the processes in this way can reinforce their compatibility and the inherent interconnectedness of sustainable urban development, low carbon development, and equitable human development. Many of the actions required to achieve the goals set out within any of these frameworks contributes to the achievement of the targets of the others as well. By emphasizing these core linkages, global actors across sectors may be incentivized to commit resources and political will towards the most sustainable, equitable urban solutions that can satisfy a range of targets.

Similarly, any reporting framework developed for the New Urban Agenda should fully align with the reporting frameworks of other related processes and should build upon the synergies inherent between them. As countries and cities build capacity for measurement and reporting against global processes, we should ensure that the requirements for complying with the New Urban Agenda commitments do not add an undue or additional burden.

### Structuring an Ambitious New Urban Agenda

To create a truly ambitious, actionable New Urban Agenda, the parties should consider a more holistic platform for action and commitment. In the current conceptualization, the New Urban Agenda represents a comprehensive declaration, well-rooted in the complex challenges the cities of the world will face over the coming decades. However, the Agenda could go farther beyond a declaration of a vision for an idealistic urban future, outlining more comprehensively the realities of the financial and legislative infrastructure needed to achieve the vision.

WRI sees two key factors within the New Urban Agenda that can lead to a successful outcome from Quito: a strong platform for implementation and a vigorous environment for enabling new partnership development.

### **Creating New Partnerships and Engagement Opportunities**

By their very nature, cities are driven by exchange of ideas between diverse resident populations. Similarly, their transformation must be driven by collaboration between partners across sectors, scales, and geographies. As described in the Berlin Recommendations<sup>iii</sup>, emerging from the German Habitat Forum in June 2016, multi-stakeholder partnerships have the ability to harness the expertise, technology, and financial resources of a wide range of actors and can be used to accelerate the momentum towards the crafting of better cities. Their proposal of “global urban partnership initiatives” is well-received and should be considered within the New Urban Agenda as a mechanism to encourage new partnerships for implementation of the NUA goals, especially in service of advocacy for national urban policies, urban finance, and capacity development. An established partnership platform could provide stakeholders with the opportunity to share best practices, announce new funding mechanisms, collaborate across geographies and report on progress in both formal and informal ways. Paragraph 143 in the revised Zero Draft could be strengthened by calling more specifically for the creation of partnerships linked with the Habitat process, and the creation of a framework to support the connection of interested parties and the subsequent reporting on progress made.

### **An Implementation Platform for Non-State Actors**

WRI's vision for an ambitious platform for action is comprised of four primary streams of action. These streams of action include the official declaration negotiation process, national commitments, finance and a strong non-state action agenda. The Habitat III process has thus far convened diverse stakeholders and thought leaders towards the first stream and the official declaration negotiation process, the results of which are evident in the New Urban Agenda Zero Draft and Revised Zero Draft. Additionally, we see progress in the other work streams. For example, the General Assembly of Partners (GAP), which is a special initiative of the World Urban Campaign that aims to support stakeholders' engagement and contributions to the Habitat process, is advocating for a non-state action agenda in its open multi-stakeholder Post Habitat III Coordination Mechanism<sup>iv</sup>. By leveraging the New Urban Agenda and building onto the recommendations in Section C with a more detailed framework for reporting, partnership development, and financing, all of the work streams contributing to a successful outcome from Quito will be improved.

### **Measurable, Action-Oriented National Contributions**

As countries sign on to the New Urban Agenda, they should not only commit to the ideas and vision within the text, but also commit to specific actions they intend to take. These commitments will be varied across geographies, but should reflect real, trackable activities and legislation and closely link to their commitments made in support of other global processes, including the SDGs and the Paris Agreement. Whether these commitments reflect increased funding incentives for sustainable urban growth plans or more across-the-board urban development legislation, commitments should be clear, measurable, and time-bound. Other international processes have seen similar commitment structures and clear reporting platforms that ensure every country is making progress towards global goals. A possible framework could be a biannual report on progress at the World Urban Forum, as proposed in paragraph 146 of the revised Zero Draft. Leveraging the World Urban Forum could prove beneficial, as it would take place under the purview of an existing institution rather than requiring the creation of an additional new process. There must be a more structured associated commitment and reporting framework to ensure that future Habitat and WUF activities are constructive and help to advance

the mission. This framework should also take advantage of the many synergies that the New Urban Agenda has with the Sustainable Development Goals and the NDCs created as part of the Paris Climate Agreement process.

### **Operationalizing Innovative Funding and Financing Mechanisms**

Driving the New Urban Agenda towards success will require clear commitments from a broad range of stakeholders regarding the funding and financing of sustainable, inclusive and competitive urban infrastructure and services. In the first instance, a successful Habitat III process should be geared towards helping cities and other key strategic partners unlock previously underutilized or entirely untapped sources of funding. For local authorities, this could include investment proceeds, such as land value capture; investment incentives, such as direct grant funding and tax concessions for sustainable solutions; or own source revenues, such as intergovernmental transfers and property taxes. Operationalizing effective funding will result in cities having access to reliable resources from a range of sources. A key challenge facing many cities is to develop and strengthen adequate financial management capacities.

Additionally, national and global financing bodies should be encouraged to divert more investment capital towards the priority areas outlined in the New Urban Agenda through a range of existing and emerging financial products that can help catalyze and scale up investments for sustainable solutions aligned with the priorities of the NUA. Some promising examples include a broad range of targeted debt products, including tailored loans at favorable terms (concessional rates and longer tenors) and bonds dedicated to sustainable infrastructure and service investments (e.g. green bonds), increased equity participation by diverse types of investors with different risk profiles, either directly in an investment or indirectly through participation in an investment fund providing tailored debt/equity.

The indispensable role that public institutions have in developing confidence in emerging markets for investments aligned with NUA priorities cannot be overemphasized. Through the investment incentives they can channel, they have the power to build and transform markets away from business as usual towards an investment climate that trusts in the financial soundness of sustainable infrastructure and service investments. In cases of direct equity participation by private sector actors, which can be a productive avenue for delivering infrastructure and services, public institutions have an important role to play to ensure that such arrangements always serve end user outcomes. Quito will provide an opportunity for funders and financiers from around the world, including the private sector, development institutions, non-profit foundations and philanthropies, governments and more, to show strong resolve toward making real the vision laid out in the New Urban Agenda.

### **Creating an Action Agenda for New Initiatives and Partnerships**

Another key factor for success out of Quito will be the creation of a strong implementation platform for non-state actors, as proposed in paragraphs 142-148 of the revised draft. This proposal could be strengthened by creating an official framework through the New Urban Agenda. We can look to last year's successful COP21 in Paris and the associated Lima Paris Action Agenda (LPAA) as a potential blueprint. The LPAA brought together non-state actors, the private sector, and civil society to create voluntary, non-binding commitments to contribute to national targets. The LPAA led to huge commitments in support of the 1.5 degree goal through such initiatives as the Paris Process on Mobility and Climate and the Compact of Mayors. By providing cities with a central, official platform on which to declare their intent and share commitments to change, the LPAA was able to give non-state actors a clear role in the process and amplified each individual commitment into a groundswell of action from all directions.

By creating a similar structure within the declaration, the parties can bring together the collective voice of local, private sector, and other non-state actors and elevate the New Urban Agenda from a vision of a new urban future to an ambitious agent for change. A “Quito Action Agenda” could draw from the implementation framework presented by the GAP, the LPAA, and other similar conceits to become a platform upon which to build up existing initiatives and concentrate the commitments of different actors. Parties could use such a platform to share actions and commitments towards the implementation of the NUA, form new partnerships, bring together and amplify funding sources and innovative financing mechanisms and report on progress outside of the formalized national level reporting process.

While the new revision of the Zero Draft is strong and comprehensive, we must build upon this effort across a variety of contexts to create the cities of the future. The parties should consider a holistic platform combining work streams that gives voice to actors across sectors, from the local to global level. Only by harnessing the power of each individual commitment and effectively bringing them together can we create a powerful, successful and long-lasting force for change.

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<sup>i</sup> [http://www.wrirosscities.org/sites/default/files/WRI%20Response\\_New%20Urban%20Agenda%20Zero%20Draft.pdf](http://www.wrirosscities.org/sites/default/files/WRI%20Response_New%20Urban%20Agenda%20Zero%20Draft.pdf)

<sup>ii</sup> <http://www.slocat.net/new-urban-agenda>

<sup>iii</sup> [http://www.german-habitat-forum.de/english/assets/berlin\\_recommendations2.pdf](http://www.german-habitat-forum.de/english/assets/berlin_recommendations2.pdf)

<sup>iv</sup> <https://www.habitat3.org/bitcache/4918c4a6230a5946f9cbbeaae297d85d1d7366e?vid=579598&disposition=inline&op=view>