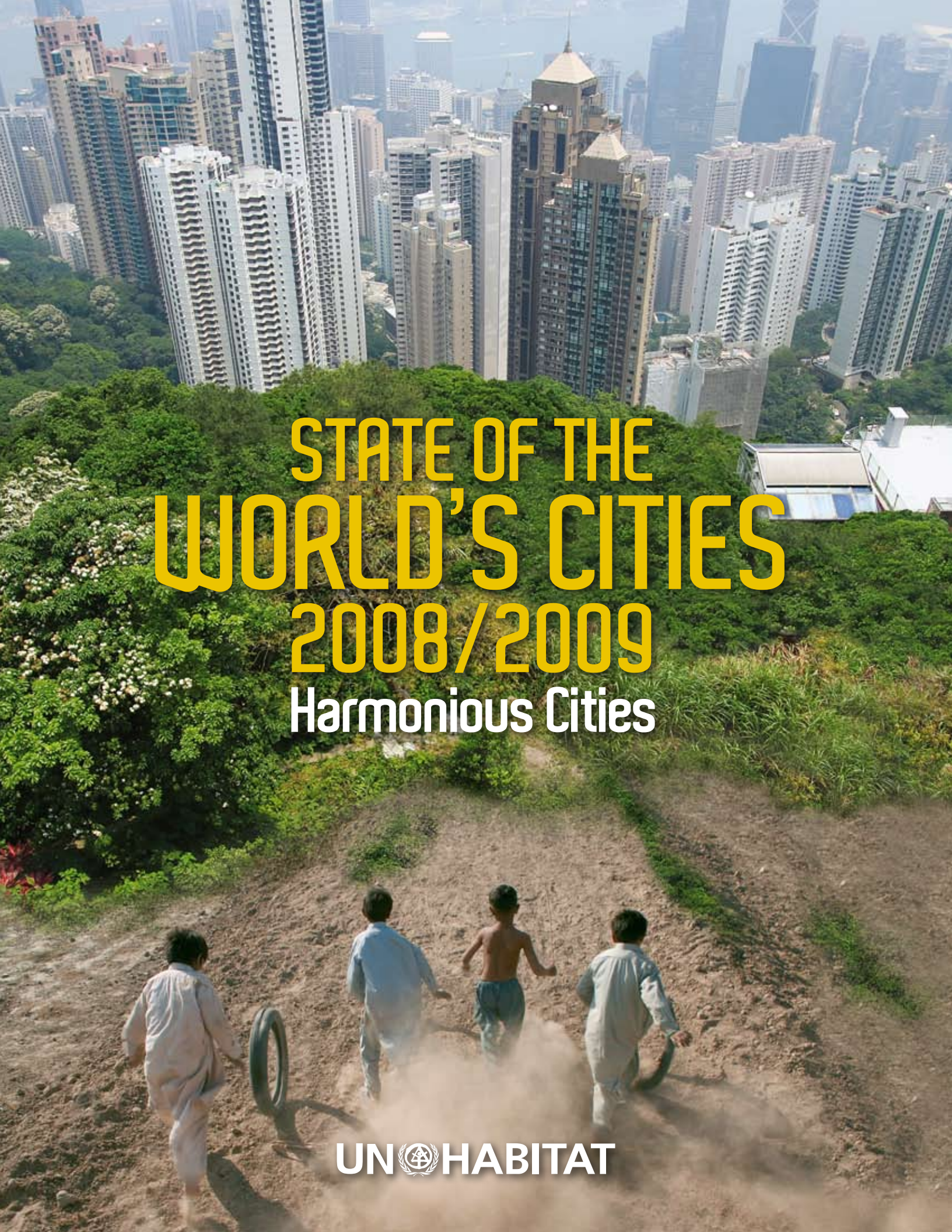

STATE OF THE WORLD'S CITIES 2008/2009

Harmonious Cities

UN HABITAT

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HARMONIOUS CITIES

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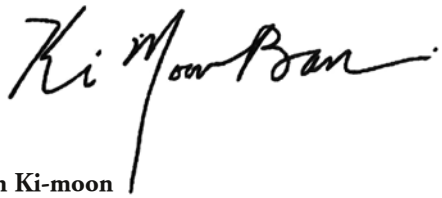
Foreword

With more than half of the world's population now living in urban areas, this is the urban century. Harmonious urbanization, the theme of this fourth edition of the State of the World's Cities, has never been more important.

Cities embody some of society's most pressing challenges, from pollution and disease to unemployment and lack of adequate shelter. But cities are also venues where rapid, dramatic change is not just possible but expected. Thus they present real opportunities for increasing energy efficiency, reducing disparities in development and improving living conditions in general. National and local governments can promote harmonious urbanization by supporting pro-poor, inclusive and equitable urban development and by strengthening urban governance structures and processes. History demonstrates that integrated urban policy can be a solid path towards development.

Contrary to popular opinion, inequality and the unsustainable use of energy are not inevitable aspects of urban development, nor are they necessary for urbanization and economic growth to occur. Rather, as this report illustrates, cities can advance the prosperity of their inhabitants while achieving equitable social outcomes and fostering the sustainable use of resources. Today, many small, well-managed cities in both the developing and developed worlds are enjoying rapid growth, giving us a chance to stave off entrenched poverty and cultivate healthy environments in which people can thrive.

The data and analysis contained in this report are intended to improve our understanding of how cities function and what we, as a global community, can do to increase their liveability and unity. In that spirit, I commend this report to policymakers, mayors, citizens' groups and all those concerned with the welfare of our urbanizing world.



Ban Ki-moon
Secretary-General
United Nations

Introduction

Half of humanity now lives in cities, and within two decades, nearly 60 per cent of the world's people will be urban dwellers. Urban growth is most rapid in the developing world, where cities gain an average of 5 million residents every month. As cities grow in size and population, harmony among the spatial, social and environmental aspects of a city and between their inhabitants becomes of paramount importance. This harmony hinges on two key pillars: equity and sustainability.

The world has witnessed for the past year some of the social challenges associated with global warming and climate change. The rise in prices of fuel and food has provoked angry reactions worldwide and threatens to eradicate, in many instances, decades of social and economic advancement. This relatively new threat to harmonious urban development is nonetheless directly linked to poorly planned and managed urbanization. Urban sprawl, high dependence on motorized transport and urban lifestyles that generate excessive waste and consume large amounts of energy are some of the major contributors to the global increase in greenhouse gas emissions.

However, data analyzed by UN-HABITAT shows that not all cities contribute to global warming and climate change in the same way. While wealthier cities tend to produce more emissions than less wealthy cities, as higher incomes often translate into higher energy consumption, significant differences in emissions are also found between cities of similar wealth. Some cities in developed countries have, for example, been reducing their per capita energy consumption and emissions through better transport planning and energy conservation. At the same time, other cities in newly industrializing countries are increasing per capita emissions through the combined impact of motorization and increased energy consumption. The findings presented in this report clearly show that policies that promote energy-efficient public transport, that reduce urban sprawl and that encourage the use of environmentally-friendly sources of energy, can reduce a city's ecological footprint and carbon emissions significantly. In fact, cities provide a real opportunity to mitigate and reverse the impact of global climate change. Properly planned cities provide both the economies of scale and the population densities that have the potential to reduce per capita demand for resources such as energy and land.

The world is also confronting the challenge of increasing disparities between the rich and the poor. This edition of the State of the World's Cities shows that spatial and social disparities within cities and between cities and regions within the same country are growing as some areas benefit more than others from public services, infrastructure and other investments. Evidence presented in this report also shows

that when cities already have high levels of inequality, spatial and social disparities are likely to become more, and not less, pronounced with economic growth. High levels of urban inequality present a double jeopardy. They have a dampening effect on economic growth and contribute to a less favourable environment for investment.

But just as importantly, urban inequality has a direct impact on all aspects of human development, including health, nutrition, gender equality and education. In cities where spatial and social divisions are stark or extreme, lack of social mobility tends to reduce people's participation in the formal sector of the economy and their integration in society. This exacerbates insecurity and social unrest which, in turn, diverts public and private resources from social services and productive investments to expenditures for safety and security. Pro-poor social programmes, equitable distribution of public resources and balanced spatial and territorial development, particularly through investments in urban and inter-urban infrastructure and services, are among the most effective means for mitigating or reversing the negative consequences of urban inequality.

Many cities and countries are addressing these challenges and opportunities by adopting innovative approaches to urban planning and management that are inclusive, pro-poor and responsive to threats posed by environmental degradation and global warming. From China to Colombia, and everywhere in between, national and local governments are making critical choices that promote equity and sustainability in cities. These governments recognize that cities are not just part of the problem; they are, and must be, part of the solution. Many cities are also coming up with innovative institutional reforms to promote prosperity while minimizing inequity and unsustainable use of energy. Enlightened and committed political leadership combined with effective urban planning, governance and management that promote equity and sustainability are the critical components to the building of harmonious cities.

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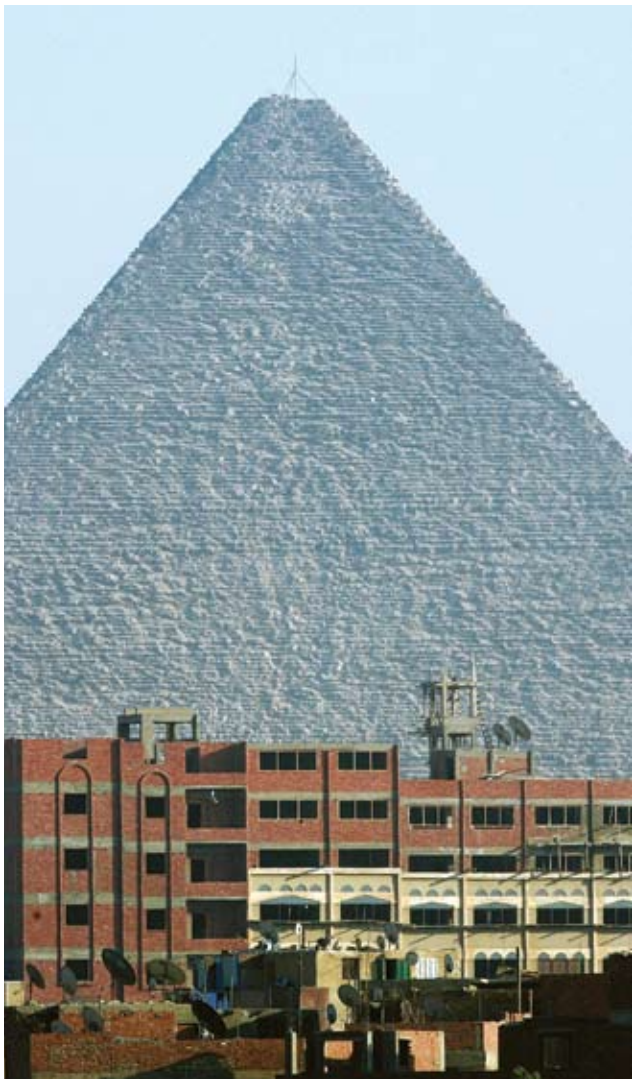

Overview and Key Findings

Cities are perhaps one of humanity's most complex creations, never finished, never definitive. They are like a journey that never ends. Their evolution is determined by their ascent into greatness or their descent into decline. They are the past, the present and the future.

Cities contain both order and chaos. In them reside beauty and ugliness, virtue and vice. They can bring out the best or the worst in humankind. They are the physical manifestation of history and culture and incubators of innovation, industry, technology, entrepreneurship and creativity. Cities are the materialization of humanity's noblest ideas, ambitions and aspirations, but when not planned or governed properly, can be the repository of society's ills. Cities drive national economies by creating wealth, enhancing social development and providing employment but they can also be the breeding grounds for poverty, exclusion and environmental degradation.

Half of humanity now lives in cities, and within the next two decades, 60 per cent of the world's people will reside in urban areas. How can city planners and policymakers harmonize the various interests, diversity and inherent contradictions within cities? What ingredients are needed to create harmony between the physical, social, environmental and cultural aspects of a city and the human beings that inhabit it?

Harmonious Cities

A society cannot claim to be harmonious if large sections of its population are deprived of basic needs while other sections live in opulence. A city cannot be harmonious if some groups concentrate resources and opportunities while others remain impoverished and marginalized. Harmony in cities can not be achieved if the price of urban living is paid by the environment. Reconciling contradictory and complementary elements is critical to creating harmony within cities. A harmonious city promotes unity within diversity. Harmony within cities hinges not only on prosperity and its attendant benefits, but on two pillars that make harmony possible: equity and sustainability.

Harmony is both an ancient social ideal as well as a modern concept. In ancient Chinese philosophy, harmony implied moderation and balance in all things. Today, the concept of harmony encapsulates more modern concepts, such as environmental sustainability, equity, gender parity, inclusiveness and good governance. While the concept of sustainability focuses on ethical and ecological considerations and is focused primarily on protecting the Earth's environmental and natural assets, the concept of harmony also entails the synchronization and integration of all of the Earth's assets, whether they are physical, environmental, cultural, historical, social or human. In this sense, harmony is a broad concept that relies on distinctly human capabilities, such as mutual support, solidarity and cooperation. Harmony has now become the theoretical foundation for deepening understanding of the social, economic, political and environmental fabric of cities in order to create a more balanced society.

Harmony is therefore both a journey and a destination.

This report adopts the concept of Harmonious Cities as a theoretical framework in order to understand today's urban world, and also as an operational tool to confront the most important challenges facing urban areas and their development processes. It recognizes that tolerance, fairness, social justice and good governance, all of which are inter-related, are as important to sustainable urban development as physical planning. It addresses national concerns by searching for solutions at the city level. For that purpose, it focuses on three key areas: spatial or regional harmony; social harmony; and environmental harmony. The report also assesses the various intangible assets within cities that contribute to harmony, such as cultural heritage, sense of place and memory and the complex set of social and symbolic relationships that give cities meaning. It argues that these intangible assets represent the "soul of the city" and are as important for harmonious urban development as tangible assets.

Spatial Harmony

The Century of the City

The 21st century is the Century of the City. Half of the world's population already lives in urban areas and by the middle of this century, most regions of the developing world will be predominantly urban. This report takes a fresh look at existing urban data and delivers a compelling and

comprehensive analysis of urbanization trends and the growth of cities in the last two decades. Using a wealth of significant and comparative data on cities, the report analyzes global and regional trends that reflect the pace and scale of urbanization in the developing world and the key drivers of urban growth in the world's fastest growing cities. The purpose of this analysis is to explore the spatial nuances and implications of economic and social policies.

Urban growth rates are highest in the developing world, which absorbs an average of 5 million new urban residents every month and is responsible for 95 per cent of the world's urban population growth. Urban growth is as a result of a combination of factors: geographical location, natural population growth, rural-to-urban migration, infrastructure development, national policies, corporate strategies, and other major political, social and economic forces, including globalization. In the 1990s, cities in the developing world grew at an average annual rate of 2.5 per cent. More than half of the urban areas in the developing world grew at the high annual rate of between 2 and 4 per cent or more during this period, while more than one-third grew at the moderate or slow rate of less than 2 per cent a year. Although urban growth rates are slowing down in most regions of the developing world, levels of urbanization are expected to rise, with the least urbanized regions of Asia and Africa transforming from largely rural societies to predominantly urban regions during the course of this century. By 2050, the urban population of the developing world will be 5.3 billion; Asia alone will host 63 per cent of the world's urban population, or 3.3 billion people, while Africa, with an urban population of 1.2 billion, will host nearly a quarter of the world's urban population.

In sharp contrast, the urban population of the developed world, including countries of the Commonwealth of Independent States, is expected to remain largely unchanged, rising only slightly from just over 900 million in 2005 to 1.1 billion in 2050. Many cities in this region are actually experiencing population loss, largely due to low rates of natural population increase and declining fertility rates. The phenomenon of declining populations is generally associated with the developed world; however, the phenomenon of shrinking urban populations can be observed in some cities in the developing world. There is, therefore, a need to combine new methods and techniques that respond to urban growth and expansion in some cities, while responding to the emerging trend of population and economic decline in others. Smart planning for growth should be combined with smart planning for contraction if more harmonious urban development is to be achieved.

Urban change in the developing world does not always follow identical patterns or trends. Urbanization in Africa is characterized by disproportionately high concentrations of people and investments in the largest city (in most cases, the capital) and by very high annual slum growth rates of more than 4 per cent. Urbanization in the region, especially in sub-Saharan Africa, is therefore characterized by urban primacy and slum formation.

In Asia, an emerging trend is that of metropolitan expansion, which is becoming a prominent feature of large cities. Urban populations are shifting or relocating to suburban locations or satellite towns linked to the main city through commuter networks. This phenomenon is particularly prevalent in large Indian cities, where ring towns or "bedroom communities" have formed around cities such as New Delhi and Mumbai. Urban growth patterns in China, on the other hand, have tended to produce "city regions" along the eastern coastal belt, which are responsible for much of the economic growth experienced by the country in recent years. In countries where urban primacy is still the rule, such as the Philippines and Indonesia, the trend has been to promote the growth of intermediate cities in order to direct migrants away from the largest city.

Urban development in Latin America and the Caribbean, the most urbanized region in the developing world, is also characterized by a high degree of urban primacy with one-fifth of the region's urban residents living in cities with populations of 5 million or more. However, one of the most distinctive features of urbanization in the region is the rapid growth of small cities, which are home to nearly 40 per cent of the region's urban population. Another distinctive characteristic of the region is that urban growth is often the result of people moving from one city to another, and not from rural areas to urban areas.

Central governments play a critical role in determining the prosperity and growth of cities

Geography clearly matters when explaining the economic dynamism and growth of cities and regions (location, comparative advantages, agglomeration factors, proximity etc.). For instance, cities located near the sea, along a river bank or in a delta have historically dominated, and continue to dominate, the urban landscape of countries and regions. Fourteen of the world's 19 largest cities with populations of more than 10 million are located near a large water body that serves to link local economies to regional and global supply chains and trade.

However, geography alone does not determine which cities will grow or prosper. This report shows that the growth of cities is neither random nor entirely organic. National policies, corporate strategies and the comparative advantages that cities offer in global, regional and local markets to a large extent determine which cities will grow and thrive and which will decline in size or economic or political significance. National policies that include pro-urban approaches to economic development play a critical role in the growth of cities, as has been witnessed in China's southern and eastern regions in recent years.

In many cities, national economic policies and investments are mostly the result of government decisions and budget allocations. The State, in its various institutional forms, exerts a critical influence on determining which cities and regions will benefit most from public resources. Governments also promote and/or regulate private or public investments for

the construction of infrastructure and other investments that contribute to urban development. Central governments in many countries are concentrating more attention and resources on particular city-regions to redirect regional or national development. They are also using cities to connect to the global space of business and financial flows, while concurrently using such cities to propel social change in particular directions.

In many countries, urban growth is initially driven by national governments, and then further propelled by local authorities and other actors, such as the private sector. This has led to cities competing with each other for resources and for inclusion in regional and national development plans and strategies. The growth of cities through local initiatives reflects a rising trend towards greater urban entrepreneurialism and more intense city competition.

Balanced urban and regional development can be achieved through consistent and targeted investments in transport and communications infrastructure

Cities can no longer be treated as distinct spaces unconnected to the regions surrounding them. Linkages between rural and urban areas and between cities have created new opportunities that rely on connectivity to enable the flow of people and resources from one area to another. Investments in urban, inter-urban and rural-urban transport and communications infrastructure are, therefore, critical for balanced regional development and for enhancing the economic potential of cities and the regions surrounding them.

Central governments play a pivotal role in allocating and mobilizing financial resources either to support urban economic development or to redress regional/territorial disparities. This report shows that targeted investments in transport and communications infrastructure, in particular, are the most significant drivers of urban growth and economic development in the developing world.

A preliminary UN-HABITAT analysis of the fastest growing cities in the developing world shows that more than 40 per cent benefitted from the diversification, expansion or improvement of regional or national transport systems, including roads, airports, urban and inter-urban railway lines and ports. Investment in transport and communications infrastructure not only increases the overall productivity of cities, nations and regions, it also promotes balanced urban and regional development. Policies to promote economic development, including designation of special economic zones or industrial hubs, are also playing an important role in the growth of cities, particularly in Asia.

Social Harmony

Cities are becoming more unequal

In many cities, wealth and poverty coexist in close proximity: rich, well-serviced neighbourhoods and gated residential communities are often situated near dense inner-city or peri-urban slum communities that lack even the most basic of services. This report presents a preliminary global analysis of income and/or consumption distribution at the urban and/or city level. It shows that income distribution varies considerably among less-developed regions with some regions, notably Africa and Latin America, exhibiting extremely high levels of urban inequality compared to Europe and Asia, where urban inequality levels are relatively low.

Latin American and Caribbean cities are among the most unequal in the world, with Brazilian and Colombian cities topping the list, closely followed by some cities in Argentina, Chile, Ecuador, Guatemala and Mexico. Urban inequalities in this highly unequal region are not only increasing, but are becoming more entrenched, which suggests that failures in wealth distribution are largely the result of structural or systemic flaws.

In Africa, urban income inequalities are highest in Southern Africa, with South African and Namibian cities exhibiting levels of urban inequality that rival even those of Latin American cities. Cities in sub-Saharan Africa that have recently emerged from apartheid systems of governance tend to be the most unequal. South Africa stands out as a country that has yet to break out of an economic and political model that concentrates resources, although the adoption of redistributive strategies and policies in recent years have reduced inequalities slightly. Unfortunately, rising economic growth rates in several African countries have not reduced income or consumption disparities; on the contrary, urban inequalities in many African cities, including Maputo, Nairobi and Abidjan, remain high as wealth becomes more concentrated. In general, urban inequalities in African countries tend to be higher than rural inequalities, and Northern African cities tend to be more equal than sub-Saharan African cities.

Asian cities, on the other hand, tend to be more equal than cities in other parts of the developing world, although levels of urban inequality have risen or remain high in some cities, including Hong Kong and Ho Chi Minh City. High levels of urban inequality have also been reported in cities in Thailand and the Philippines. Cities in China tend to be more equal than other Asian cities, with Beijing being among the most equal city in the region, although some Chinese cities, such as Shenzhen, are experiencing relatively high inequality levels similar to those of Bangkok and Manila. China's booming economy has also led to rural-urban and regional disparities, with populations living in cities located on the eastern part of the country enjoying significantly higher per capita incomes than rural populations living in remote western parts of the country. In Bangladesh, India, Pakistan and Indonesia, levels of urban inequality are generally low and are comparable to many cities in Europe, Canada and Australia. However, recent analyses suggest that India will experience rising levels of urban inequality in the future as a result of liberalization and industrialization policies coupled with lack of adequate investment in provision of public goods to the most vulnerable populations.

High levels of urban inequality are socially destabilizing and economically unsustainable

High levels of inequality in cities can lead to negative social, economic and political consequences that have a destabilizing impact on societies. Inequalities create social and political fractures within society that can develop into social unrest. This is particularly true in places experiencing both high levels of inequality and endemic poverty, which increase the risk of political tension and social divisions that can threaten national security and economic development. Social unrest and insecurity, in turn, reduce incentives for investment and force governments to increase the amount of public resources devoted to internal security – resources that might have otherwise been spent on more productive sectors of the economy or on social services and infrastructure.

This report shows that the benefits of economic growth are not realized in societies experiencing extremely high levels of inequality and poverty. In fact, recent evidence shows that societies that have low levels of inequality are more effective in reducing poverty levels than those that are highly unequal. Economic growth benefits larger groups of people and is "absorbed" better by egalitarian societies than by those where disparities between the rich and the poor are very wide, as the former tend to concentrate the benefits of wealth creation, leaving the majority behind. Inequalities also have a dampening effect on economic efficiency as they raise the cost of redistribution and affect the allocation of resources for investment.

A significant conclusion of this report is inequality is not a natural consequence of economic growth and that while the relationship between economic growth and urban income inequality is neither simple nor correlational, levels of inequality can be controlled or reduced by forward-looking mitigation efforts on the part of governments. UN-HABITAT analysis of urban inequalities in 28 developing countries indicates that since the 1980s nearly half of these countries managed to reduce levels of urban inequality while enjoying positive economic growth. Malaysia, for instance, has been steadily reducing levels of urban inequality since the early 1970s through the implementation of pro-poor policies and through human resources and skills development. Similarly, Indonesia's "Growth, Stability and Equity" programme has ensured that income distribution and poverty alleviation are integral components of economic growth and development. Policies promoting equity in Rwanda have also ensured that the high economic growth rates that the country is currently experiencing do not increase inequality levels. These countries have shown that it is possible to grow economically without increasing inequality levels, and that reduction of inequalities is, in fact, a pro-growth strategy.

Focused and targeted investments and interventions can significantly improve the lives of slum dwellers

Slum dwellers in many of the world's poorest cities experience multiple deprivations that are direct expressions of poverty: many of their houses are unfit for habitation and they often lack adequate food, education, health and basic services that the better-off take for granted. Frequently, their neighbourhoods are not recognized by local and central authorities. In many parts of the world, these "invisible", unplanned parts of cities are growing faster than the more visible, planned parts.

In some cities, slum dwellers constitute the majority of the urban population and slums are the most common type of human settlement, giving rise to what this report refers to as "slum cities", while in others, slums are small pockets of deprivation physically isolated from the rest of the city. Slum prevalence is highest in sub-Saharan-Africa (62 per cent), followed by Southern Asia (43 per cent) and Eastern Asia (37 per cent). Northern Africa has the lowest slum prevalence in the developing world (15 per cent).

However, new UN-HABITAT data shows that not all slum dwellers suffer from the same degree or magnitude of deprivation, nor are all slums homogenous. In other words, not all slum dwellers around the world suffer the same fate: some are worse off than others. In general, however, the poorest regions of the world tend to host the largest slum populations that suffer from multiple shelter deprivations, including lack of access to improved water and sanitation, overcrowding, non-durable housing and insecure tenure. For instance, surveys conducted in Angola, the Democratic Republic of the Congo, Guinea Bissau, Sudan and Sierra Leone show that slum dwellers there are likely to experience a combination of shelter deprivations, whereas in countries such as Benin, Burkina Faso, Burundi, Cameroon, Gabon, Kenya, Ghana and Senegal, most slum dwellers tend to suffer from one or two shelter deprivations. The report also shows that woman-headed households suffer disproportionately from multiple shelter deprivations; in Haiti, for instance, nearly 60 per cent of woman-headed households suffer from three shelter deprivations, while in Kenya and Nicaragua, one-third of woman-headed households experience four shelter deprivations.

The report also shows that slum dwellers across regions suffer from similar deprivations: slum dwellers in Colombia, Turkey and Zimbabwe, for instance, suffer mostly from overcrowding, whereas slum dwellers in Egypt and Mexico suffer most from lack of improved sanitation. In many cities, however, living in a non-slum area is no guarantee against poor living conditions. UN-HABITAT data shows that a slum resident in Cairo can be better-off than a non-slum dweller in Lagos, Luanda and many other cities in sub-Saharan Africa in terms of indicators such as health, education or environmental conditions. These differentiated levels of social inequality and exclusion can adversely affect cities and regions' social and economic development.

By identifying the particular deprivation that is prevalent in slums, governments and local authorities can focus public resources for the improvement of slums more effectively. In the case of Benin, for instance, targeted investments in sanitation facilities in slums could easily elevate a quarter of the slum households to non-slum status. By disaggregating

the type and level of shelter deprivation in slums (i.e. severe or non-severe), policymakers can be in a better position to devise policy responses that are better focused and targeted. Furthermore, by categorizing slums according to the type or intensity of deprivation they experience, it is possible to better target interventions in cities and even within specific neighbourhoods. This information can be combined with other urban and slum indicators in order to make more informed decisions about how to improve the lives of slum dwellers and build cities that are more socially harmonious.

Environmental Harmony

Cities provide an opportunity to mitigate or even reverse the impact of global climate change as they provide the economies of scale that reduce per capita costs and demand for resources

Cities that are not properly planned or managed can be a burden on natural resources and can easily threaten the quality of the air and water, thereby negatively impacting the natural and living environment. Because of their compact form and economies of scale, cities offer major opportunities to reduce energy demand and to minimize pressures on surrounding land and natural resources. Well-planned and well-regulated cities hold the key not only to minimizing environmental losses, but to generating creative solutions to enhance the quality of the environment and to mitigate the negative consequences of climate change.

However, if cities can harness the inherent advantages that urbanization provides, they can, in fact, be part of the solution to global environmental challenges, including the rise in greenhouse gas emissions brought about by fossil fuel consumption. Although cities and urban-based activities are usually blamed for the increase in greenhouse gas emissions globally, evidence suggests that these emissions are more related to consumption patterns and gross domestic product (GDP) per capita than they are to urbanization levels per se. For instance, the megacity of São Paulo in Brazil produces one-tenth the emissions of San Diego in the United States, even though the latter is one-quarter the size of the former.

This report presents a first general account of how cities consume energy, disaggregating the information in three sectors: industry; residential and commercial buildings; and transport, taking into account the stage of development of countries and their income levels. Although per capita energy consumption tends to be higher in rich industrialized cities, there are significant variations between cities in different regions. For example, cities in Europe, which tend to be compact and which encourage use of public transport, use energy more efficiently than cities in North America, where urban sprawl, high-energy-consuming lifestyles and high dependence on motorized private transport is the norm.

The findings further show that energy use differs between cities in the developed world and those in developing countries. Heating and lighting of residential and commercial buildings consume more than 50 per cent of energy in cities such as New York, London and Tokyo, while transport accounts for more than half of the energy consumed in Hong Kong, Bangkok, Cape Town and Mexico City. In some Chinese cities, such as Beijing and Shanghai, industry is the main consumer of energy. Variations between regions and cities can also be found at the household level. The bulk of energy in low-income households in developing countries is used for cooking, whereas space heating and lighting use up the bulk of energy in households in high-income countries. For urban poor households the climb up the energy ladder – from biomass fuels to cleaner energy sources, such as electricity or natural gas – not only improves their quality of life, but also reduces greenhouse emissions. There is, therefore, a need to introduce new energy-efficient and environmentally-friendly technologies in low-income communities in order to reduce their environmental impact and lessen environmental hazards.

Data on energy consumption at the city, sub-city and household levels is still scant, however, which calls for the need to set up a global monitoring mechanism to measure energy consumption in cities, their impact on greenhouse gas emissions and the mitigation and adaptation solutions that are being implemented.

Evidence shows that compact and well-regulated cities with environmentally-friendly public transport systems have a positive environmental impact

Although the rich generally consume more energy than the poor, the report shows with convincing evidence that urban form and density and environmentally-friendly public transport systems strongly influence energy consumption at the city level and that some cities in developed countries now produce fewer carbon emissions per capita than cities in some less developed countries. Cities that are more compact, use more clean energy and are less dependant on motorized transport are not only more energy-efficient but contribute less to greenhouse gas emissions.

A comparison of transport-related carbon emissions in various regions around the world shows that emissions are highest in North America and Australia. North American cities are suffering from urban sprawl and expansion and increased use of private motorized transport, which contribute to the exceptionally high levels of emissions in this region. Western Europe, on the other hand, produces approximately a quarter of the transport-related emissions of North America, a difference that can be explained by the tendency of European cities to promote the use of clean energy and the more prevalent use of public transport in the region. Increased use of environmentally-friendly public transport systems and halting of urban sprawl in cities can therefore substantially reduce emissions at the city level.

Sea level rise could have a devastating impact on coastal cities

Global mean projections indicate that global warming could lead to a rise in sea levels in the coming decades. Sea

level rise brought about by climate change could have a devastating impact on coastal cities and urban populations. Globally, nearly 60 per cent of the world's population living in low elevation coastal zones – the continuous area along coastlines that is less than 10 metres above sea level and which is most vulnerable to sea level rise – is urban. Some regions, such as Asia and Africa, are particularly vulnerable, as many coastal cities in these regions do not have the infrastructure to withstand extreme weather conditions. Parts of cities such as Dhaka in Bangladesh and Alexandria in Egypt could in effect be swept away as the infrastructure to withstand extreme flooding in these and other cities in the developing world is insufficient. Because the urban poor tend to live in hazardous locations, such as flood plains, they are particularly vulnerable in the event of sea level rise as their housing is often of a non-durable nature and their settlements often lack adequate drainage, embankments and other infrastructure. These cities need to urgently adopt mitigation and adaptation strategies in order to avert catastrophic consequences in the future.

Planning for Harmonious Cities

Cities are not just brick and mortar: they symbolize the dreams, aspirations and hopes of societies. The management of a city's human, social, cultural and intellectual assets is, therefore, as important for harmonious urban development as is the management of a city's physical assets.

Urban planning has to go beyond being just a technical exercise to one that is cognizant of a city's various tangible and intangible assets. Innovative approaches to urban planning have to also respond to the following emerging priorities and concerns: regional disparities; urban inequalities; and metropolitan expansion or the growth of "city regions". This report presents some of the elements required to implement innovative planning solutions for sustainable and harmonious urban development with examples of cities that are making a difference.

Commitment to pro-poor, inclusive urban development

Pro-poor social programmes, inclusive governance structures and investment in public goods and services have gone a long way in reducing inequalities in many cities. Investments in infrastructure and basic services for the poorest or most vulnerable groups have not only drastically reduced urban poverty levels, but also bridged the urban income divide.

This report presents the main conclusions of an analysis of the policies and interventions that cities are implementing to achieve more harmonious urban development. The analysis was conducted by UN-HABITAT and the Cities Alliance and covers approximately 52 cities in 21 countries. This study provides a better understanding of what drives city/country's performance in reducing intra-city inequalities by upgrading slums and preventing their formation. The report shows that successful slum improvement or reduction initiatives share six attributes, and when governments harness all or some of them the possibility of success is higher. These attributes are: i) awareness and political commitment; ii) institutional innovation; iii) policy reforms and institutional strengthening; iv) effective policy implementation; v) setting up monitoring and evaluation mechanisms; and v) scaling up actions.

Political commitment, especially by the top leadership, plays a critical role in reducing urban poverty and slum prevalence. Some of the most successful cities in this regard have benefitted from visionary mayors and political leaders who have radically transformed city landscapes by introducing reforms and strengthening institutions that enhance a city's economic vitality and environmental sustainability while simultaneously reducing poverty levels and slum prevalence. Political commitment coupled with performance monitoring, either from the bottom up or from the top down, have shown to improve the quality of urban services in many cities, and made local authorities more accountable to citizens.

Governing in a city of cities

The report advocates for the need to consider metropolitan and regional governance structures to respond to the growing demands and challenges of urban agglomerations that are expanding outside the traditional city limits. The "city of cities" or "city regions" should be able to respond to issues such as transport, crime, pollution, poverty and exclusion through effective metropolitan governance arrangements. These new structures of governance would address fundamental challenges, such as territorial isolation, fragmentation of technical and political interests, legal restrictions on municipalities to intervene beyond the politico-administrative jurisdictions, and different levels of functionality of the fiscal and administrative systems.

Metropolitan governance arrangements affect the levels of harmony and disharmony in cities. Harmony can be enhanced through effective leadership, efficient financing, effective evaluation mechanisms and forms of citizen participation, and institutional reforms addressing multi-level and inter-jurisdictional challenges to better govern metropolitan areas.

Competitive cooperation between cities that are part of the same urban agglomeration can help to overcome disharmonies related to spatial or territorial disparities and inequalities in the access to housing and basic services. They can also contribute to more balanced development between rich and poor municipalities and between the urban agglomeration and the hinterland. Metropolitan governance structures that coordinate with other levels of government can also put in place mitigation and adaptation measures that can contribute to the improvement of the quality of the environment.

Effective metropolitan governance offers the potential for more harmonious urban development responding to the following fundamental concerns: i) *spatial disparities*, ensuring that government policies promote convergence of leading and lagging regions and cities, supporting further development in the former and dealing with asymmetric growth and regional disparities in the latter; ii) *an increasingly divided urban society*, ensuring that governments adopt pro-poor growth policies and reforms by designing interventions in those

sectors and areas in which poor people earn their living and where economic development faces distributional challenges; iii) *increased environmental costs*, ensuring that governments adopt policies to enhance energy efficiency related to the functionally of the city such as public transport and anti-sprawl policies that improve the quality of the environment without impairing economic growth; iv) ensuring that governments adopt policies to protect *intangible assets*, such as cultural heritage, and create social spaces that contribute to "humanizing" cities.

Coordination and collaboration between national, provincial and local authorities can achieve harmonious regional and urban development, provided they share a common vision and demonstrate sufficient political will

Improved coordination between the three levels of government – local, provincial and national – involves a change in the national and urban governance paradigm, in which central governments have the responsibility to put forward legislation, adopt social and economic policies and allocate budgets through a continuous dialogue with regional and local authorities in support of city growth. On their part, local authorities, working with regional authorities, need to develop clear visions and strategies that articulate short- and medium-term responses to enhance economic and social conditions in their cities. When local authorities set up good local governance structures for effective urban management and city development, and when they improve coordination with the other two levels of government, there are more chances to achieve harmonious regional and urban development. Economic and social policies need to address the needs of both cities and the regions in which cities are located, including urban-rural interfaces. If this is not done, it is likely that regional disparities will continue to widen.

Hong Kong
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