







Regional Policy Dialogue on Sustainable Urbanization

in South Asia

Le Meridien Hotel, New Delhi, 17-18 December, 2014

Concept Note

Urbanization has driven development of Asia-Pacific's economies, but patterns of growth are unsustainable, and infrastructure gaps remain significant

An estimated 120,000 people arrive in Asia-Pacific's cities each day and the region's share of the world's urban population is projected to grow from 42 to 63 per cent between 2010 and 2050 (ESCAP/UNDP, 2013). This process is driven by three main factors: natural demographic increase, the redrawing of administrative boundaries and rural-urban migration. China and India alone are expected to contribute over one third to the world's urban population increase between 2014 and 2050, adding 292 million and 404 million people to their cities respectively (DESA, 2014). This historically momentous urban transformation has profound implications for many member States of ESCAP, the Asia-Pacific region, and the world as whole.

Cities generate about 70 per cent of all economic growth worldwide, and the Asia-Pacific region has been at the heart of this growth. Though impressive, the by-products of this transformation can no longer be ignored or left unattended. Environmental degradation, social divisions and persistent poverty, and inefficient patterns of growth have all become embedded in the region's urban experience. South Asia has experienced slower economic growth and urbanization in relative terms, but according to many it is "poised for a major urban demographic transition" (World Bank, 2012). In meeting this opportunity, and challenge, South Asia must construct and shape its future urban growth in new and sustainable ways.

An alternative to divided and unsustainable cities for the sub-region is of course possible. Infrastructure, in various forms, is often cited as a critical component for South Asia's future urban growth and development. The commonly cited 'infrastructure gap' points to the economic and social implications of unmet needs and gaps raging from sanitation¹; pollution and congestion –with both economic and health costs to cities and its residents; energy²; housing – especially safe, resilient and affordable shelter³; amongst other gaps and needs. In meeting these diverse but related challenges, it is logical for infrastructure deficits to be tackled in an integrated way which supports both sustainable and inclusive urban growth, but also to ensure that the economic potential of the region's cities is realized.

¹ An estimated 700 million people do not have access to basic sanitation infrastructure in South Asia (UNESCAP, 2013) ² Globally, an estimated 1.3 billion people still do not have access to electricity, two-thirds of whom are situated in Bangladesh, India, Indonesia and Pakistan (UNESCAP 2013)

³ Approximately 571 million people in Asia and the Pacific live in slums, with this number increasing each year. The slum population of the region is around two-thirds the global estimate (UNESCAP 2013)

Towards a low-carbon and inclusive infrastructure future

Balancing the need to close the infrastructure gap alongside the necessity of moving towards lowcarbon cities and closing inequalities must encourage new thinking about *how*, *what* and *where* infrastructure is built. It is no longer possible to build the infrastructure of 19th and 20th century cities in shifting towards the needs of 21st century cities. Given that urban infrastructure is 'locked in' for decades, a renewed planning agenda which forges partnerships between science and policy is essential. This has implications beyond cities, as cities are a key source of global warming through Green House Gas (GHG) emissions through buildings (between 40-70 per cent of emissions) industry (12-30%) and transport (13-18%)⁴ (UN-Habitat, 2011/UNEP, 2009). This highlights the pressing need to act on global warming at source.

As South Asia and the Asia-Pacific will continue to urbanize for decades to come, action must be taken which results in closing infrastructure gaps in ways which contribute to low carbon and liveable cities. Low carbon and inclusive infrastructure can tackle both local and future challenges of sustainability and equity: "Paying attention to the environmental impacts of growth is critical for the provision of adequate housing, energy, water, sanitation and mobility needs to people [...] in a manner that does not cause major depletion of natural resources or endanger future generations" (UN-Habitat, 2008). Rethinking housing, sanitation and transport infrastructure in such light would have significant impact on shaping cities of the future and moving away from 'cities as usual'. This includes affordable solutions in which needs are matched to low-tech and low-carbon solutions. Supporting green industries through fiscal and other policy tools towards innovation across infrastructure sectors provides a key opportunity in support of these goals.

Towards enabling frameworks: Implementation and financing challenges for low-carbon and inclusive infrastructure

A major challenge for shifting to infrastructure which supports sustainable and equitable urban development is the perceived extra cost and time involved in developing and utilising new technologies or designs. This includes scaling new products so that they are affordable and developing integrated cross-sectoral policies and practices. For rapidly growing cities such approaches based on synergy can provide much greater opportunities of cost and other efficiencies. Indeed, the urban context provides a perfect enabling environment for innovation through physical interconnectedness, implementation savings, agglomeration economies and urban management innovation, amongst others.

Governance and financing (which can be understood as "soft" infrastructure) are fundamental and codependent factors that underpin the implementation of "hard' infrastructure. Urban planning and management is a crucial form of soft infrastructure that facilitates integrated design and implementation of basic and economic infrastructure. The success of a city is dependent on roads not becoming congested and air pollution not becoming hazardous. Greening and developing equity approaches must leverage this innate interconnectedness, rebalancing wealth allocation while opening up access to urban services. Accordingly, urban planning along with other innovative urban governance processes at the appropriate scale could help infrastructure be dealt with through a single holistic framework that results in both more sustainable and equitable outcomes for all urban citizens.

There are also important investment opportunities in building cities for the future. Energy saving technologies, policies, or infrastructure are still not widely implemented and often require long term investment vision and commitments. Similarly, attracting investors and generating revenue from and for low carbon infrastructure require new tools if we are to value long term outcomes and returns. There are numerous financing models that could be developed in connection with innovative implementation of green infrastructure and the use of new technologies to match investors with growing green markets and so on. The interest that many international investors have placed in recent

⁴ This does depend however on whether data that describes energy consumed or energy produced is used.

years on innovations to close the urban infrastructure gap indicates that interest and opportunity is high.

Aims of the Policy Dialogue

To support greater understanding and policy commitment to addressing the urgent urban challenges facing the Asia-Pacific region, with a particular focus in South Asia, the Policy Dialogue will engage policy makers, international and local organisations and experts in order to discuss how to bring about a low-carbon and inclusive urban future. In so doing it will focus on how we can address critical urban infrastructure gaps in ways which support greener and low-carbon cities, as well as addressing significant equity concerns. The specific aims of the policy dialogue are to:

1. *Enhance understanding* of the urbanization challenges facing South Asia as it transforms rapidly into a more urbanized society;

2. *Share experiences and good practices* especially with respect to addressing the *financing* and *governance* challenges for sustaining a rapid urban transformation in South Asia in a sustainable and resilient manner;

3. Discuss the urban planning, land acquisition, transport corridor related issues and share good practices and lessons from other regions;

4. Contribute to the ongoing debate on sustainable urbanization in the context of the NDA Government's goal of developing *100 Smart Cities* in India;

5. *Examine* how carbon-financing and governance initiatives could be adapted to future infrastructure needs of the Asia-Pacific region, with a particular focus on South Asia;

6. *Support new partnerships* for urban planning and management - including public and private sector collaboration - in order to understand and act on green infrastructure solutions;

7. Come up with policy lessons for the governments of South Asia and contribute to regional preparations for HABITAT III.

Participants

Urban policy makers of South Asian countries, senior officials of key civic authorities of South Asia's cities, national and regional policy think-tanks, international development agencies and financial institutions among other stakeholders in sustainable development and urbanization.





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