

The Executive Director, UN-Habitat Remarks for Interactive Dialogue 3

Fostering sustainable economic growth, transformation and promoting sustainable consumption and production

UNHQ, Trusteeship Council Chamber

Saturday 26 September, 10-13:00

Excellencies,
Distinguished speakers,
Ladies and gentlemen,

It is a pleasure to be with you here today. I am grateful for this opportunity to share UN-Habitat's perspective on economic growth, transformation and sustainable development.

Urban growth and economic development are inextricably linked. Cities are engines of growth and job creation. They are responsible for 80% of global GDP. Very few countries have ever achieved sustained economic growth, rapid social development and gender equality without urbanizing.

Cities that are well planned, well governed and well financed can and do drive national economic growth. The key is to unlock endogenous resources leading to a positive cycle of economic growth and investment in infrastructure and services.

However, the advantages of urbanization do not come by chance. Without adequate financing, good planning and appropriate legislation, cities can fail their populations. Poorly guided urbanization can cause diseconomies of agglomeration that limit development gains and exacerbate environmental damage, health crises and land and real estate bubbles.

There will be no sustainable development without sustainable urban development. Over half of the world's population today lives in urban areas and by 2050 the urban population is expected to grow by an additional 2.5 billion people. Much of this growth will take place in Asia and Africa.

We know inclusive, job-rich growth is vital for sustainable development. We know that urbanization is an engine for growth. Yet urban policy and investment are often weak or absent from national development strategies and sectorial policies for economic transformation. This was particularly true in the national economic stimulus packages of developed and developing countries after the 2008-2009 global economic crisis.

Without targeted national urban policies, opportunities to link industrial areas to urban development will remain under-exploited. We have a great opportunity to harness the value of urbanization. Cities will continue to grow and the majority of cities are yet to be constructed.

Planned city extensions are an alternative to unplanned, segregated, sprawling, and informal development. It emphasizes the creation of a compact, connected, and integrated urban fabric. Planned city extension can and should be accompanied by planned city infill where there is room to densify the existing urban core.

UN-Habitat believes that three disciplines must be integrated for successful implementation: urban planning and design; regulatory and legal frameworks; and finance. The integration of legal and financial planning with spatial planning ensures that planned city extensions do not remain on paper but are realized on the ground. By planning in advance, cities can benefit from population growth and demographic dividends, fostering job creation and the development of social capital that includes women and youth. This three-pronged approach can enable local governments to achieve the 2030 agenda by unlocking the benefits of urbanization and bringing about cities that are prosperous, inclusive, and sustainable.

Looking forward, the upcoming United Nations Conference on Housing and Sustainable Urban Development (**Habitat III**) will take place in Quito in October 2016 and will provide further opportunities to strengthen policy coherence at all levels of governance, and enable finance for sustainable, inclusive urbanization.

Thank you.