

# INTRODUCTION





## 1.

# THE GLOBAL DEVELOPMENT AGENDAS AND LOCAL AND REGIONAL GOVERNMENTS

The ambitious agendas recently adopted by the international community – the 2030 Agenda, Paris Agreement on Climate Change and New Urban Agenda – necessitate a deep shift in our economic, cultural and political systems to achieve long-term wellbeing, prosperous societies, ecological regeneration and peace. For the first time, urbanization is being recognized as both a major challenge and opportunity for economic development, social inclusion and environmental sustainability.

Local and regional governments have been actively involved in global development debates, advocating for a truly transformative, integrated and universal agenda that builds on local experiences and is achievable and mindful of the needs of future generations. Local governments specifically have argued that the achievement of democratic, peaceful and sustainable societies will require a new, more democratic and transparent global governance, strong national ownership and solid democratic institutions and accountable and capable local and territorial governments. Local institutions must be responsive to the needs of people, work to bridge inequalities, preserve sustainability and have the public interest at heart. As a result of this global advocacy, the role of local and regional governments, cities and territories has been much more overtly acknowledged than ever before.

There have been a number of milestones in this process. First, United Cities and Local Governments (UCLG) was created in 2004, the result of many years of dialogue among local and regional leaders across the world. Local and regional governments were united in their conviction that the world needed a

global advocate of democratic local self-government, promoting through joint action the values, objectives and interests of local and regional governments of all shapes and sizes.

Another decisive step was the creation, in 2013, of the Global Taskforce of Local and Regional Governments to bring together the major international networks of local governments to undertake joint advocacy in international policy processes, beginning with the High Level Panel of Eminent Persons on the Post-2015 Agenda. In the last few years, **the Global Taskforce has become the main intermediary between local and regional authorities, their associations, networks, sister organizations and partners, and the international community, in particular the United Nations.**

As a result, the Second World Assembly of Local and Regional Authorities, which builds on the experience of Habitat II, could open up a new phase of broader institutionalized dialogue between the UN system and sub-national government leaders for the achievement of the new global agendas.

**In light of these developments, local and regional governments have made extraordinary efforts to prepare for their role in a renewed system of global governance.** They have connected to share experiences internationally, committed to specific development targets, and promoted solidarity around the world.


They have done this by developing learning systems, technical capacity exchanges and consultation mechanisms capable of producing joint priorities.



**The Second World Assembly of Local and Regional Authorities, which builds on the experience of Habitat II, could open up a new phase of broader institutionalized dialogue between the UN system and sub-national government leaders for the achievement of the new global agendas**

# 2.

## THE CHANGING URBAN LANDSCAPE: METROPOLISES, CITIES, SMALL TOWNS AND TERRITORIES


**Over the next half century, a new global urban system will be set into motion. This will be one of the biggest transformations in human history**

In the twenty years since Habitat II, the world has undergone significant changes. Globalization, labour market transformations, the impact of new technologies, and extreme poverty reduction have gone hand in hand with growing inequalities, environmental and biodiversity depletion, and social unrest. At the same time, demographic growth and urbanization have reshaped our societies and urban landscape. The global economic crisis that began in 2007 marked the end of an economic cycle. Nevertheless, while in the short and medium term global economic growth is likely to be uneven, cities and their economies are expected to grow much more steadily.

Today, more than half the world resides in urban areas. In 1950, 30% of the world's population was urban, rising to 54% in 2014 and projected to reach 60% by 2030 and 66% by 2050. After a first wave of urbanization between 1750 and 1950, which urbanized about 400 million people, especially in the Global North,<sup>1</sup> this current process – known as the second urbanization wave – began in 1950 and has mostly affected the Global South. In less than a century, nearly 4 billion people will have been urbanized. Figure 1 shows the distribution and type of cities globally.

The pace of change will increase over the next two to three decades. According to the 2014 UN's *World Urbanization Prospects*, population growth will result in 2.4 billion more urban residents by the middle of this century (from 3.9 billion to 6.3 billion urban dwellers, out of an expected total population - urban and rural - of 9.7 billion). Those regions across the world that are still predominantly rural will transition into urban societies. Over the next half century, a new global urban system will be set into motion. This will be one of the biggest transformations in human history.

Urban areas range from small villages to growing intermediary cities (i-cities) and megacities. There are now 34 megacities (with a population of over 10 million) in the world, one of which (Tokyo) is home to over 30 million inhabitants and eight of which have populations of over 20 million (led by New Delhi with 25 million). It is expected that there will be 41 megacities by 2030. At the same time, the number of i-cities is also rising, although they are rarely accounted for in international analyses of urbanization in spite of their importance. All cities, from the smallest town to the largest megacity, are interconnected by new forms of ICT, economic specialization and transportation infrastructures in a huge global web.

However, people have felt the benefits of these changes very unequally. Global wealth is highly concentrated: the richest 1% of the population has more wealth than the rest of the world combined.<sup>2</sup> Inequalities can also be expressed in spatial form: 600 cities account for over 60% of global GDP, while the gaps between metropolitan areas, intermediary cities and rural areas are increasing.<sup>3</sup> The world's 500 metropolises form a significant part of this group.

As emphasized in the Metropolitan Areas chapter, metropolises are home to more than 1.6 billion people (41% of the total urban population) and are expected to host more than 600 million new urban dwellers by 2030. Another 1.4 billion people live in i-cities, and 896 million people live in cities of fewer than 50,000 inhabitants (see Table 1).<sup>4</sup>

As illustrated in Figure 1 and Table 1, **the Asia-Pacific region (particularly East Asia) dominates the global urban system:** it is home to 47% of the world's urban population, 45% of all metropolises and 47% of all i-cities. The second biggest region based on the number of urban dwellers is Latin America and the Caribbean, which contributes 13% of the world's urban population, 14% of metropolitan cities and 11% of intermediary cities. Africa follows (and will eventually overtake) Latin America. It is home to 12% of the world's urban population, 11% of metropolitan cities and 12% of i-cities. Europe, Northern America, Middle East and West Asia (MEWA) and Eurasia together make up 28% of the world's urban population (10%, 7%, 6% and 5% respectively), and 30% of both the world's metropolitan areas and i-cities.

**Current trends will transform the balance between and within regions. The Global South, particularly Asia and Africa, will complete the transition to an urbanized economy.** Nearly 37% of projected urban population growth by 2050 is expected to come from just three countries – China, India and Nigeria – which are predicted to grow by 404 million, 292 million and 212 million urban dwellers respectively. Africa's urban population is expected to grow from 400 million in 2010 to 1.2 billion by 2050.

In this context, the rural-urban dichotomy is an inadequate axis with which to understand our world. The relationship between urban and rural areas is evolving; the borders between the two are becoming increasingly blurred and they are ever more interdependent. Rural-urban connections are

strengthened by regular seasonal population flow from rural to urban environments and vice versa, as by well as the increasing dependence of many villages on remittances from those who have migrated to the city. At the same time, informal neighbourhoods in urban areas reproduce the typical rural pattern of scattered settlements. In developed countries, on the other hand, the displacement of urban dwellers to small towns and rural areas is creating a new phenomenon of 'rururbanization'.

The material, economic and social implications of this urban and rural transformation are staggering. In the three-year period between 2011 and 2013, China used more cement than the United States used during the whole of the 20<sup>th</sup> century.<sup>5</sup> China is halfway through its urbanization process, India is only a quarter of the way through and Africa's urban population is projected to increase by 800 million by 2050.

Thus, it is clear that the resources required by urbanization, and all its related social and environmental implications, will be hugely significant and are not yet fully understood.

The current model of development is generating both new opportunities and new social and political threats. Urbanization is positively correlated with growing incomes and human development indicators.<sup>6</sup> However, this model also has dramatic consequences for the environment, including natural resource depletion, impoverishment of biodiversity, climate change, and the increasing impact of natural disasters on cities and territories. **New patterns of production and consumption are essential for sustainable development, and the time available to make these changes and prevent irreparable damage to our planet is fast running out.** The costs of failing to deal with urban growth now will be excessive. The next twenty years will be critical. We need urgently to bring about a structural change to the way in which we approach development.

The implications of urbanization on the spatial distribution of the population and the shape and function of cities and territories is further explored in each of the chapters of this report. They provide quantitative and qualitative insights, complementing UN-DESA figures and giving an overview of the global urban system of all cities.<sup>7</sup>



**In the three-year period between 2011 and 2013, China used more cement than the United States used during the whole of the 20<sup>th</sup> century**

Figure 1 World map of metropolitan areas, intermediary cities and % of population living in small towns Source: UCLG-UNESCO CIMES

**World's metropolises and intermediary cities (2015)**

**Metropolises: 503 cities**

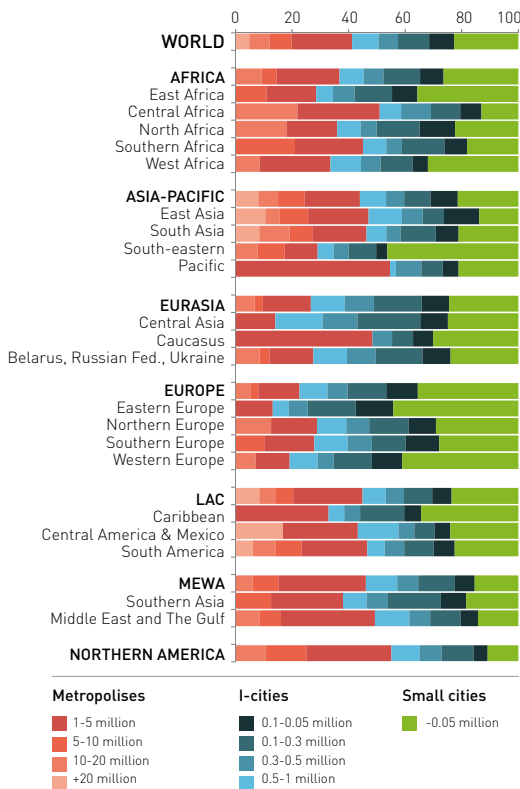
- +20 million: eight cities
- 10-20 million: 21 cities
- 5-10 million: 45 cities
- 1-5 million: 429 cities

**Intermediary cities: 8,923 cities**

- 0.5-1 million: 545 cities
- 0.3-0.5 million: 715 cities
- 0.1-0.3 million: 2,571 cities
- 0.05-0.1 million: 5,092 cities

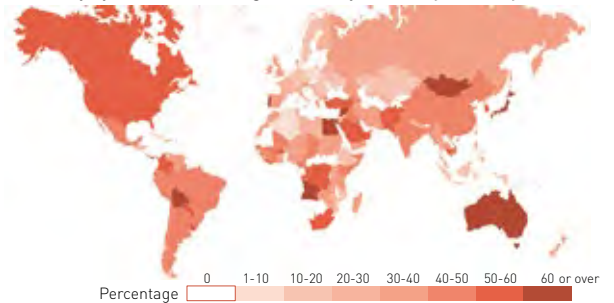


**World's distribution of urban population by settlement size and by UCLG regions\* (%)**

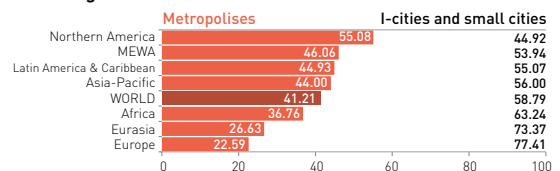


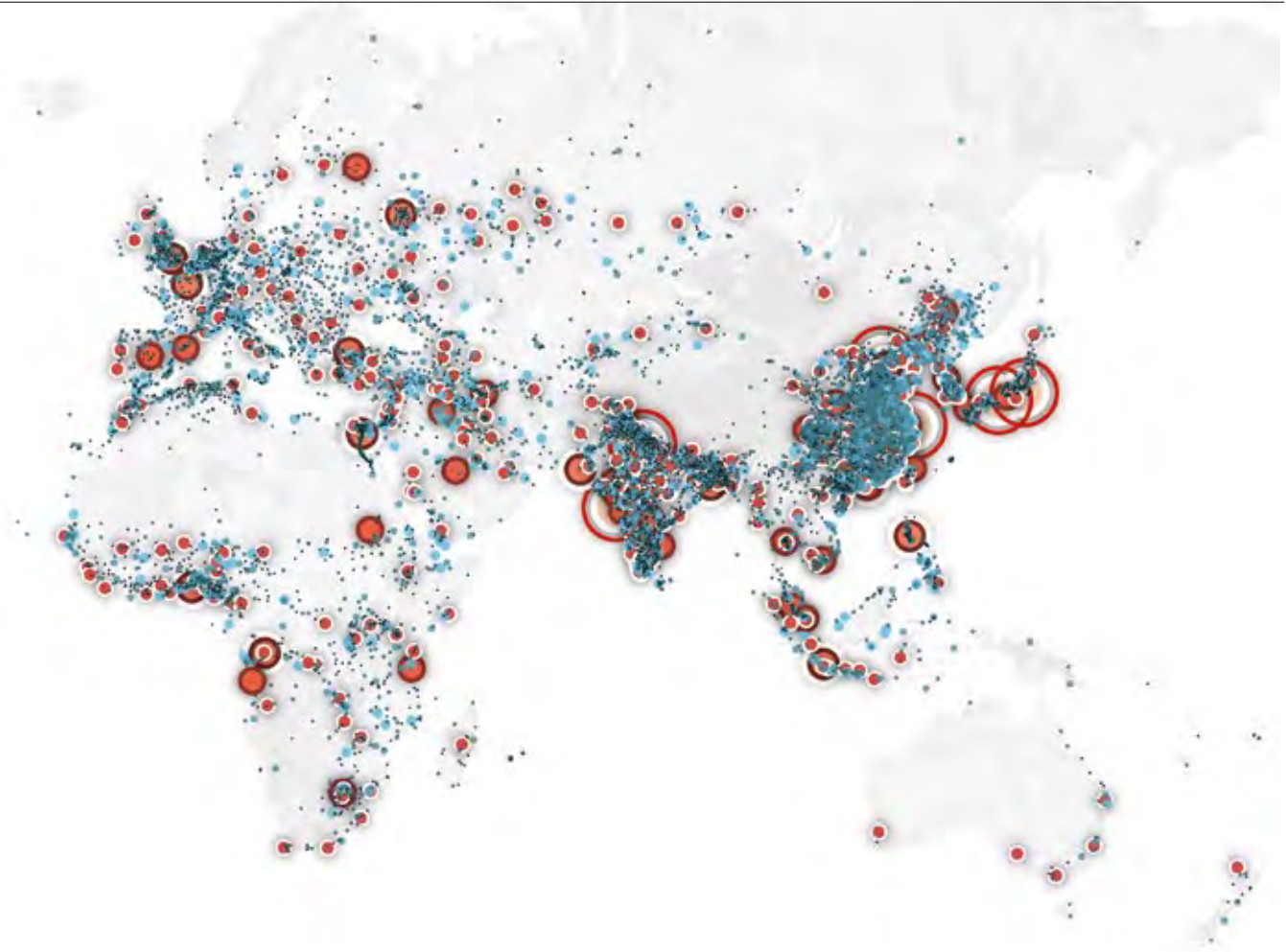
\* For the UCLG definition of world regions and the countries they comprise, please refer to the Methodological Annex at the end of the report.

**Urban population residing in metropolises by country (%)**

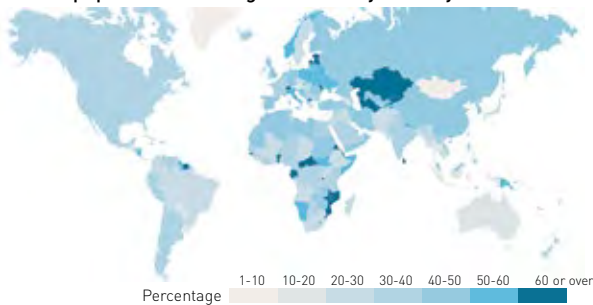


**Urban population residing in metropolises by UCLG regions\* (%)**

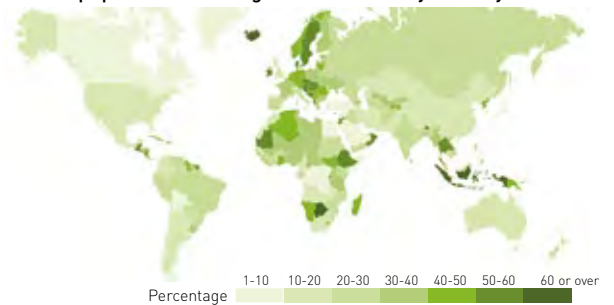




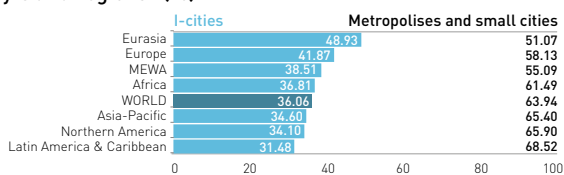
Urban population residing in i-cities by country (%)



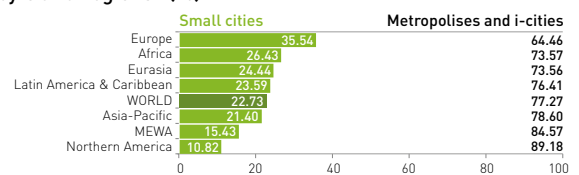
Urban population residing in small cities by country (%)



Urban population residing in i-cities by UCLG regions\* (%)



Urban population residing in small cities by UCLG regions\* (%)



**Table 1 Urban population of metropolitan, intermediary and small cities by region**

(number of units, inhabitants, % inhabitants by type of settlement/total urban population by region, % inhabitants of type of settlement/world population of this type of settlement) - [% total population and % of world urban population]

	METROPOLITAN AREAS TOTAL: >1 million				INTERMEDIARY CITIES TOTAL: 0.05 million - 1 million			
	Nº	POP	% URBAN	% REGION	Nº	POP	% URBAN	% REGION
<b>WORLD</b>	503	1,626,455,969	41.2	100	8,923	1,423,282,594	36.1	100
<b>AFRICA</b>	56	174,542,526	36.8	10.7	1,086	174,780,249	36.8	12.3
East Africa	9	26,406,855	28.5	15.1	227	33,167,268	35.8	19.0
Central Africa	9	26,973,726	51.0	15.5	112	19,048,707	36.0	10.9
North Africa	9	37,050,671	35.9	21.2	311	43,060,544	41.7	24.6
Southern Africa	11	31,995,988	45.1	18.3	165	26,077,191	36.7	14.9
West Africa	18	52,115,286	33.6	29.9	271	53,426,539	34.4	30.6
<b>ASIA-PACIFIC</b>	228	816,690,744	44.0	50.2	4,222	642,118,740	34.6	45.1
East Asia	125	456,085,052	47.0	55.8	2,538	379,768,911	39.1	59.1
South Asia	72	258,020,116	46.3	31.6	1,232	181,362,974	32.6	28.2
South-eastern Asia	25	87,213,961	29.0	10.7	407	74,146,549	24.7	11.5
Pacific	6	15,371,615	54.6	1.9	45	6,840,306	24.3	1.1
<b>EURASIA</b>	24	47,996,875	26.6	3.0	515	88,190,658	48.9	6.2
Central Asia	2	3,773,793	14.1	7.9	88	16,332,914	61.0	18.5
Caucasus	3	4,565,562	48.4	9.5	17	2,024,884	21.5	2.3
Belarus, Russian Fed., Ukraine	19	39,657,520	27.5	82.6	410	69,832,860	48.5	79.2
<b>EUROPE</b>	36	91,301,788	22.6	5.6	1,136	169,249,369	41.9	11.9
Eastern Europe	5	7,843,649	13.2	8.6	192	25,373,002	42.6	15.0
Northern Europe	9	23,711,968	28.8	26.0	214	34,610,407	42.1	20.4
Southern Europe	10	30,658,603	27.9	33.6	325	48,616,049	44.2	28.7
Western Europe	12	29,087,568	19.1	31.9	405	60,649,911	39.8	35.8
<b>LATIN AMERICA &amp; CARIBBEAN</b>	68	225,398,998	44.9	13.9	961	157,919,149	31.5	11.1
Caribbean	4	9,985,468	32.9	4.4	65	9,931,491	32.7	6.3
Central America and Mexico	19	54,401,324	43.3	24.1	203	41,103,031	32.7	26.0
South America	45	161,012,206	46.6	71.4	693	106,884,627	30.9	67.7
<b>MEWA</b>	40	108,679,404	46.1	6.7	502	90,863,612	38.5	6.4
Southern Asia	9	25,420,383	38.0	23.4	182	29,229,625	43.6	32.2
Middle East and The Gulf	31	83,259,021	49.3	76.6	320	61,633,988	36.5	67.8
<b>NORTHERN AMERICA</b>	51	161,845,634	55.1	10.0	501	100,160,817	34.1	7.0



Source: Adapted from UN-DESA, World Urbanization Prospects, and additional sources. See the Methodological Annex at the end of the full report for more details.

SMALL TOWNS TOTAL: <0.05 million				TOTAL URBAN POPULATION			
Nº	POP	% URBAN	% REGION	POP	% REGION	% GLOBAL	
-	896,875,227	22.7	100	3,945,834,361	54.1	100	<b>WORLD</b>
-	125,441,341	26.4	14.0	474,764,116	40.6	12.0	<b>AFRICA</b>
-	33,017,360	35.7	26.3	92,591,482	25.8	19.5	East Africa
-	6,878,471	13.0	5.5	52,900,904	43.9	11.1	Central Africa
-	23,029,318	22.3	18.4	103,140,533	55.8	21.7	North Africa
-	12,888,827	18.2	10.3	70,962,006	44.6	14.9	Southern Africa
-	49,627,365	32.0	39.6	155,169,190	44.9	32.7	West Africa
-	397,189,134	21.4	44.3	1,855,998,618	46.8	47.0	<b>ASIA-PACIFIC</b>
-	134,472,127	13.9	33.9	970,326,090	60.1	52.3	East Asia
-	117,532,505	21.1	29.6	556,915,595	33.1	30.0	South Asia
-	139,235,824	46.3	35.1	300,596,334	47.5	16.2	South-eastern Asia
-	5,948,679	21.1	1.5	28,160,599	71.5	1.5	Pacific
-	44,060,175	24.4	4.9	180,247,708	64.6	4.6	<b>EURASIA</b>
-	6,659,873	24.9	15.1	26,766,580	40.5	14.8	Central Asia
-	2,842,504	30.1	6.5	9,432,950	55.8	5.2	Caucasus
-	34,557,798	24.0	78.4	144,048,178	73.5	79.9	Belarus, Russian Fed., Ukraine
-	143,628,331	35.5	16.0	403,400,059	73.8	10.2	<b>EUROPE</b>
-	26,354,120	44.2	18.3	59,570,771	61.7	14.8	Eastern Europe
-	23,966,044	29.1	16.7	82,288,420	81.3	20.4	Northern Europe
-	30,789,450	28.0	21.4	109,284,672	70.0	27.1	Southern Europe
-	62,518,717	41.1	43.5	152,256,196	78.9	37.7	Western Europe
-	118,350,166	23.6	13.2	501,668,313	79.7	12.7	<b>LATIN AMERICA &amp; CARIBBEAN</b>
-	10,427,631	34.4	8.8	30,344,590	71.0	6.0	Caribbean
-	30,204,410	24.0	25.5	125,708,765	73.1	25.1	Central America and Mexico
-	77,718,125	22.5	65.7	345,614,958	83.3	68.9	South America
-	36,410,273	15.4	4.1	235,953,289	67.8	6.0	<b>MEWA</b>
-	12,316,193	18.4	33.8	66,966,201	60.1	28.4	Southern Asia
-	24,094,079	14.3	66.2	168,987,088	71.5	71.6	Middle East and The Gulf
-	31,795,807	10.8	3.5	293,802,258	82.0	7.4	<b>NORTHERN AMERICA</b>

# 3.

## PRINCIPLES OF OUR AGENDA

GOLD IV builds on a set of principles and observations, based on the experience of local and regional governments since Habitat II. The recognition of current development challenges and the acknowledgement of local and regional governments in global agendas are an opportunity to begin a new

era in global governance, enhancing existing partnerships, and exploring new mechanisms that will foster the participation of all actors. Within this, the responsibility of local and regional governments for many common and public goods essential to the achievement of the SDGs should be recognized.

This new era should build, however, on past *acquis* and on a clear picture of the results, achievements and unfinished business of the Habitat II Agenda (see Box 3.1). The main weakness of Habitat II has been a lack of clarity about the means of implementation. There has clearly been some progress on the Agenda's commitments to support local governments and strengthen local capacities to develop sustainable human settlements in an urbanizing world. But overall the Agenda failed to give adequate support to urban settlements and territories.

UCLG and the Global Taskforce agreed on seven priorities for the New Urban Agenda:

1. **Make local and regional governments stronger and more accountable** and give them far-reaching competences to drive inclusive and sustainable development.
2. **Harness strategic planning** to ensure a shared vision for the development of cities and human settlements.
3. **Renew the social contract**, putting the Right to the City at the heart of the New Urban Agenda (see Box 3.2).
4. **Unlock the potential of local and regional governments** to promote sustainable local economic and environmental policies, and to protect our planet.
5. **Rethink local financing systems** to make cities (and their management) sustainable.
6. **Improve local and regional governments' risk and crisis-management capacities.**



### BOX 3.1 HABITAT II AGENDA-THE RECOGNITION OF LOCAL GOVERNMENTS AND DECENTRALIZATION

In Istanbul in 1996, the UN and its member states recognized local authorities as the **'closest partner' for the implementation of the Habitat Agenda and the 'effective decentralization of responsibilities'** to local governments, as necessary to achieve sustainable human settlements.<sup>8</sup> In 2007, a step forward was made with the adoption – by the UN Habitat's Governing Council – of the *International Guidelines on Decentralization and Strengthening of Local Authorities*. In 2009, the *International Guidelines on Access to Basic Services for All* was adopted.<sup>9</sup>

Within the framework of this report, **decentralization is understood as the existence of local authorities, distinct from the state's administrative authorities, that have a degree of self-government within the framework of the law.** These decentralized authorities have their own powers, resources and capacities to meet responsibilities, and a legitimacy underpinned by representative, elected local democratic structures that determine how power is exercised and make them accountable to citizens in their jurisdiction.<sup>10</sup>

**7. Give local and regional governments a seat at the global table** and cooperate in a spirit of solidarity.

The New Urban Agenda needs to enable the implementation of sustainable urban policies, while **promoting an urban perspective on the 2030 Agenda and fostering its localization**. To be truly transformative, the Agenda should enable local and regional governments to realize their full potential by creating an adequate environment for further decentralization. Multilevel and multi-stakeholder governance is essential to ensure that skills and resources at all levels are harnessed.

At the same time, the Agenda should guarantee the respect for social and human rights and promote shared governance to **allow inhabitants to directly participate in the 'co-creation' of the city and territories** that they aspire to live in. In 2011 UCLG adopted the Global Charter-Agenda for Human Rights in the City as the foundation of this new social contract between people and local and regional authorities (see Box 3.2).

Development agendas should align resources with the needs of the people to deal with the massive backlogs in housing, basic services and urban infrastructure. Local financing has been a concern in both developed and developing countries;<sup>11</sup> it has been calculated that USD 57 trillion in financing will be needed to meet the need for basic infrastructure globally. With business-as-usual investment rates, the world should invest over USD 1 trillion more per year to meet these needs.<sup>12</sup> These figures translate to 3.8% of the



### BOX 3.2 THE GLOBAL CHARTER-AGENDA FOR HUMAN RIGHTS IN THE CITY

The **Right to the City** has become a touchstone for social movements, NGOs and government officials, bringing together numerous demands and hopes for urban settlements to be more inclusive, harmonious and united. This approach (adopted, for example, by many Brazilian cities and in the constitution of Mexico City) offers a comprehensive framework to integrate recognized social rights for all urban inhabitants, acknowledging the different expectations and goals set by the SDGs and the New Urban Agenda.

The **General Provisions** of the **Charter**, developed by the UCLG Committee on Social Inclusion, Participatory Democracy and Human Rights, are: i) Right to the city for all inhabitants with adequate living conditions, ii) Right to participatory democracy, iii) Right to civic peace and safety in the city, iv) Right of women and men to equality, v) Right of children, vi) Rights to accessible public services, vii) Freedom of conscience and religion, opinion and information, viii) Right to peaceful meeting, association and to form a trade union, ix) Cultural rights, x) Right to housing and domicile, xi) Right to clean water and food, xii) Right to sustainable urban development.

To access the full document, see: <http://www.uclg-cisd.org/en/right-to-the-city/world-charter-agenda/1>.

Global North's GDP, and 6.6% of the Global South's.<sup>13</sup> **These gaps require an international initiative to address the financing of urban areas and basic service provision.**



Photo: Juan Antonio F. Segal - India Gate, New Delhi (India).



### BOX 3.3 SYSTEMS OF CITIES<sup>15</sup>

The study of urban systems focuses on the relational aspects, interactions and interdependencies between cities in a territory – at the regional, national and even the global level. Cities, when organized in systems, tend to include different types of relationships: i) functional relationships (the physical exchange of information, goods, or people), ii) hierarchical relationships (as cities are nested in regional or national institutional frameworks and serve territorial management functions), and iii) both competitive/synergic relationships. Economic theories of systems of cities try to explain why production and consumption activities are concentrated in a number of urban areas of different sizes and industrial composition, rather than uniformly distributed in space. The variables analyzed in this regard usually include functions, income, connectivity, productivity and quality of life, specialization versus diversification, among others. Systems of cities are deeply rooted in the history of countries and territories. These long-standing characteristics make their arrangements recognizable and classifiable. A few keywords identify most city systems studied and analyzed in this report: the concept of monocentric, bicentric, and polycentric systems of cities, for instance.

Through an in-depth analysis, this report reviews these priorities in the context of the three main levels of sub-national governments, namely, i) metropolitan areas; ii) i-cities; and iii) territories – including regions, small towns and rural areas.

It introduces the concept of a **territorial approach to development (TAD)** to promote a paradigm shift in national development strategies, revising top-down approaches in favour of more 'territorialized' and partnership-based approaches.<sup>14</sup> The report calls for better coordination between national, regional and local policies to strengthen the value of interconnectedness and cooperation – rather than competition – between territories, metropolitan areas, and i-cities. As argued throughout the report, more cooperative relationships between levels of government and territories – as the basis of a more integrated and balanced urban system and territorial cohesion – can only be achieved through a radical transformation of our governance culture (see Box 3.3 on Systems of Cities).



Photo: Francesco Veronesi - Antananarivo (Madagascar)

## 4.

## THE GOLD IV REPORT

Since the publication of its first report in 2008, the *Global Report on Local Democracy and Decentralization* (GOLD) has become an international benchmark in the analysis of local governments worldwide. The three previous reports contributed to a better understanding of the evolution of decentralization, local finance and the role of local governments in basic service delivery across the world.

**GOLD IV calls for the acknowledgement of the essential role of local and regional governments in addressing the challenges of urbanization and achieving the key global development agendas.** It makes a unique contribution to the global debate by moving away from traditional sectoral approaches and favouring, instead, a broader, territorial model.

Over the three years of its preparation, GOLD IV has drawn on the expertise of elected representatives, academics, as well as regional and local practitioners, through both direct collaboration and a series of consultations organized in collaboration with intermediary, metropolitan and peripheral cities and territories (including regions, small towns and rural municipalities). This constituency-based approach has provided a more integrated vision of development, based on the reality of local and regional government and their experiences on the ground.

Experts and academics with extensive knowledge of urbanization and its challenges, as well as the different territorial units analyzed in this report, have compiled each chapter, drawing on the results of the international workshops and consultations.

**Chapter 1 on Metropolitan Areas** addresses the complexity of the metropolitan age that is reshaping the urban landscape and the future of our societies. It emphasizes the rapid pace of change in metropolitan areas and aims to provide clarity about their

role as engines of growth, as well as describe the positive and negative externalities that result from the race for competitiveness and attractiveness. Building on the evidence and practices of metropolitan cities, the chapter seeks answers to critical questions: what models of governance and financing do the metropolises of the 21<sup>st</sup> century need? What is the basis of a buoyant metropolitan democracy? Which strategies for economic development and new forms of collaborative and social economy should be employed? What are the costs and benefits of inclusive and integrated planning versus splintered urbanism? How can social inclusion be fostered and spatial fragmentation avoided? What is the role of metropolitan areas in building and scaling new patterns of production and consumption to reduce their ecological footprint?


As argued throughout the report, **it is in metropolitan areas that the battle for human rights, and for many of the principles enshrined in the Global Charter-Agenda for Human Rights in the City, is being fought.** These principles include combatting inequalities and marginalization, universal access to decent housing, basic services and culture, and the protection of human rights, gender equality and equal opportunities for all.

Despite their limits and constraints, metropolitan areas are where new alternatives for a more inclusive and sustainable future can be generated. If well-organized, financed and empowered, they can be prosperous, inclusive, safe and sustainable. Through analyses and examples, this chapter aims to contribute to a metropolitan narrative for a Global Agenda of Local and Regional Governments.

**Chapter 2 on Intermediary Cities,** examines the issues, concerns and opportunities that affect the development



**GOLD IV has drawn on the expertise of elected representatives, academics, as well as regional and local practitioners**

  
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of these cities, as the vital nexus between the local and the global, and as an essential part of the national systems of cities that contribute to more balanced and inclusive territorial development.

Historically, i-cities have contributed significantly to territorial cohesion and the integration of their hinterlands, both as regional centres and as providers of administrative and social services conventionally linked to local economic activities. This chapter analyzes the functions of i-cities, their economic and physical development, and how structural changes affect their ability to maintain their identity and reach their full potential. The analysis emphasizes, on the one hand, their 'human scale' and proximity as the source of potential competitive advantage and, on the other hand, the challenge they face in adjusting to rural-urban migration and the changes in national economies and global markets. The chapter analyzes the contrast between the many prosperous i-cities that have been able to innovate and optimize their role and the quality of life of their citizens, and those that have fallen behind, struggling to ensure sustainable development and better lives for all.

The chapter also looks at the place of i-cities in the broader landscape of urbanization, examining them in different regional contexts across the world. Despite their demographic and territorial relevance within national urban systems, i-cities are still neglected by global development agendas and many national development strategies. The chapter explains why these cities play a critical role in the achievement of 'inclusive, safe, and resilient' cities (Goal 11 of the SDGs) and in strengthening rural-urban ties while promoting more balanced urban systems.

**Chapter 3 on Territories** provides a multifaceted exploration of the potential of regions, small towns and rural municipalities to support a paradigm shift in national and regional development strategies and rural-urban interdependence. This chapter explains the recent evolution of regional governments across the world in the framework of decentralization and regionalization processes. It shows how efforts to harness the endogenous economic potential of territories are paving the way for a broader, territorial approach to development. This analysis explores the growing role of regional governments in shaping regional development strategies and their links with

national development plans and policies. These regional strategies are supported by innovative economic initiatives that foster local development and many diverse environmentally-sustainable experiences that range from climate change adaptation and mitigation to regional food security. Small towns and rural municipalities also have the potential to make important contributions to socio-economic development, social inclusiveness and welfare, and the protection of natural resources at a very local level. The chapter analyzes different typologies of rural-urban partnerships as a way to overcome institutional barriers and promote a rural-urban continuum.

All these factors suggest that regions, small towns and rural municipalities warrant considerably more attention than they have received thus far, and that they should figure more prominently in the economic, social and environmental development agendas of both developed and developing countries. As acknowledged in the Habitat III process, many of the key components of the New Urban Agenda require a wider territorial approach. The involvement of regions, small towns and rural municipalities is therefore just as critical as that of metropolitan areas and i-cities.

The report closes with a **Conclusion** that addresses the current global situation and the development challenges faced by the New Urban Agenda, linking them to the 2030



Agenda and the Paris Agreement on Climate Change. While the previous chapters describe the challenges facing different types of urban settlements and the solutions required, the concluding chapter frames these within a larger development landscape, redefined by recent international agreements.

The conclusion explores key inter-locking trends that threaten a sustainable future and suggests putting territorial governance at the heart of sustainable and integrated development strategies. These should promote democratic governance, an inclusive economy, sustainable infrastructures, equitable urbanism and respect for the environment.

To strengthen this territorial perspective in global agendas, the chapter reviews the interdependent 'operating systems' – governance, infrastructure, land use, economic and socio-cultural systems – that must be aligned to support a transformative shift in urban and territorial development. It calls on national development policies to integrate different sectoral policies (urban, rural and infrastructure) into coherent national strategies, in order to create a truly multilevel governance system. Finally, it calls for the identification of flagship projects with disruptive potential to avoid a business as usual outcome.

In terms of the challenges of financing the New Urban Agenda, the conclusion points out that, while sufficient resources may be available, the necessary reallocation of capital

and funds is a public policy choice. It makes the case for thorough reform of the financial sector, from the international to the national level, in order to make the transformative goals of today's development agendas viable and achievable.

**At the centre of its analysis is the idea of a new social contract between citizens and local public institutions. This should be founded on two central pillars: the Right to the City and the 'co-production' of the city.** Co-production refers to collaborative processes between social movements and local institutions to systematically construct a shared understanding of the scope and scale of problems, and to jointly devise a response. Co-production is part of the much larger canvas of shared governance; with this in mind, the report's conclusion proposes a set of building blocks to foster co-governance at the local level.

The final part of GOLD IV presents the foundation of the Global Agenda of Local and Regional Governments for the coming decade, a set of policy recommendations for all actors and stakeholders in the local and regional governance system. This agenda for metropolises, cities and territories is UCLG's contribution to the global debate, and an invitation for others to take the next step: **fostering alliances based on strong policies and actions to achieve prosperous, inclusive, safe, resilient and sustainable cities and territories.**



Photo: Davide Gorla - Mykines (Faroe Islands)

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## NOTES

- <sup>1</sup> Satterthwaite, *The Transition to a Predominantly Urban World and Its Underpinnings*.
- <sup>2</sup> Hardoon, Ayele, and Fuentes Nieva, *An Economy for the 1%*. See also, Piketty, *Capital in the Twenty First Century*.
- <sup>3</sup> Dobbs et al., *Urban World*.
- <sup>4</sup> Metropolitan areas are defined as urban agglomerations of more than 1 million inhabitants, taking into account the physical contiguous urban area and the pattern of its labour market. Intermediary cities correspond to urban agglomeration with a population of between 50,000 and one million people (see Chapters 2 and 3 for more detailed definitions). Definitions of urban areas, as well as of different territorial units, often vary across world regions, and depend on factors such as the unit of analysis (e.g. administrative boundaries, economic functions or built-up areas) or population thresholds. For example, whereas in Ethiopia an urban area consists of a locality of more than 2,000 inhabitants, in Japan it must have 50,000 or more inhabitants with 60% or more of the houses located in the main built-up area and 60% or more of the population engaged in manufacturing, trade or another type of urban activity.
- <sup>5</sup> WBGU - German Advisory Council on Global Change, *Humanity on the Move*.
- <sup>6</sup> World Bank, 'System of Cities'.
- <sup>7</sup> For more information on the methodology used in building the databases, please refer to the methodological appendix.
- <sup>8</sup> Habitat II, *Istanbul Declaration*, paragraph 12; Habitat Agenda, art. 177.
- <sup>9</sup> UN Habitat Governing council, Resolution 21/3, 20 April 2007, and Resolution 22/8, 3 April 2009.
- <sup>10</sup> UCLG, *Decentralization and Local Democracy in the World*, 309–17.
- <sup>11</sup> UCLG, *Local Government Finance*.
- <sup>12</sup> Dobbs et al., *Infrastructure Productivity*.
- <sup>13</sup> Gorelick, 'Funding Capital-Intensive Urban Projects'.
- <sup>14</sup> See Chapter 4, Section 3.1.
- <sup>15</sup> <http://www.geoconfluences.ens-lyon.fr/glossaire/systemes-devilles-systemes-urbains>.





