

Foreign Policy White Paper Submission, February 2017

ACFID's Urban Community of Practice

Urbanisation Matters: Why Sustainable and Prosperous Cities in Asia-Pacific are important to Australia

With more than 50% of the global population now living in urban areas, achieving sustainable and inclusive urbanisation is one of the greatest development challenges and opportunities of our time. Given the scale and immediacy of rapid urbanisation in the Asia Pacific region, now is an opportune time for Australia to develop a clear strategic approach in this area. Australia must engage with the challenges of urbanisation to maintain its influence and diverse interests, and create economic opportunities and security within Asia Pacific, ultimately contributing to a more prosperous, peaceful and stable region.

A New Urban Agenda¹ in support of achieving Sustainable Development Goal 11 (to make cities inclusive, safe, resilient and sustainable) was adopted by the UN in December, 2016. In line with this global agenda, ACFID's Urban Community of Practice urges the Australian Government to commit to greater action to address urbanisation in Asia Pacific, through the inclusion of a strategic urbanisation agenda in the new Foreign Policy. The Urban Community of Practice believes that by developing a focused and deliberate approach to urbanisation, DFAT and the Australian Government can play an important role in eradicating urban poverty and advancing sustainable development across Asia Pacific.

Australia's Foreign Policy needs to be grounded in a clear-eyed assessment of our national interests

The economic, political and social development of the large cities across Asia will be dependent on how well urban planners and governments respond to a number of key challenges.

An estimated one third of all urban residents are poor, which represents one quarter of the world's total poor.² Rapid urbanisation has led to the growing prevalence of urban slum settlements with resulting poor human development consequences. Slums are defined by their lack of tenure security, inadequate housing, poor access to water and sanitation, and their vulnerability to natural disasters such as typhoons, floods, and earthquakes. They are often endemic with disease, crime and corruption. The root causes of urban poverty are complex and interconnected.³

Nearly one billion people, almost one-sixth of the world's population, currently live in these conditions, and this number is increasing.⁴ In the coming 30 years, the vast majority of urban population growth will occur in cities in developing countries. By 2020, it is expected that 80% of the world's urban residents will be living in cities in developing countries.⁵

Increasing urban population levels, as well as the increasing frequency and intensity of disasters and climate change are amplifying vulnerability and exposure of some of the world's poorest communities, and putting increased pressure on inadequate urban planning, policies and resources.

The resilience of cities is highly dependent on availability and quality of infrastructure, systems, markets and urban planning, while environmental sustainability and urban poverty

¹ <https://habitat3.org/the-new-urban-agenda/>

² Ravallion, Martin; Chen, Shaohua; Sangraula, Prem. (2007). *New Evidence on the Urbanization of Global Poverty*. World Bank

³ Baker, Judy L. (2008) *Urban Poverty: A Global View* World Bank

⁴ Global Communities (2012) *Shelter and Settlements: Post-disaster Response in Urban Environments*.

<http://www.chfinternational.org/node/37242>

⁵ Ibid

reduction must also be considered in our investment programs in order to achieve sustainable development. The success or failure of Asian cities will have a profound impact on the stability of the region and its potential to grow economically and trade with Australia.

Australia has diverse interests that span the globe

In 2015, an estimated 2.38 billion people lived in urban areas in the Asia Pacific region. The urban population grew more than fourfold between 1950 and 2000 and it is projected that 1.1 billion people will be added to the region's urban population between 2000 and 2025.⁶ The World Bank estimates that there are 190 million urban poor in the region.⁷

While the nations within the region are at different stages of urbanisation, all are demonstrating a trend towards ongoing and sustained urban growth.⁸ In all but a few exceptions, the urbanisation growth rate exceeds that of the rural populations. Many large urban areas face severe shortages of land suitable for development, housing, and essential municipal services.

Rural-urban migration is driving urban growth in the region, with more than 45 million being added to the urban population of the Asia Pacific region annually.⁹ This is equivalent to nearly twice the population of Australia, fuelling enormous demands for land, housing, and urban services – equating to more than 125,000 people every day. This creates demand for over 25,000 new units of shelter – two-thirds of which are needed for low-income earners – an additional 250 km of roads, associated basic service infrastructure and over 65,000 new jobs daily. This demand exceeds the ability of local and national governments to provide these critical services.

Urbanisation can offer opportunities for increased citizen participation in government decision-making, foster collaboration between levels of government and civil society, and increase transparency to optimise service delivery. Urbanisation also plays a significant role in reducing poverty and exclusion. As a population urbanises, overall poverty rates fall.¹⁰ A recent study of 25 developing countries found that rural-urban migration accounted for an average of 10 per cent of national poverty reduction.¹¹ The density of urban areas creates opportunities for social protection services to grow and flourish, improving resilience and livelihood opportunities for poor communities.

In particular, urbanisation can have a profound impact on gender equality and empowering women and girls. Cities can provide greater opportunities for women and girls, especially in education and employment. As women gain equality, the effects of poverty on families is reduced. Women who have more control over resources, allocate more to food and children's health and education.¹²

Integrated urban planning, including improved energy and transport systems, can foster resilience through risk sensitive urban planning that adequately plans for hazards such as those associated with climate change.

⁶ UN-HABITAT and ESCAP (2015), *The State of Asian and Pacific Cities 2015 – Urban transformations, Shifting from quantity to quality*, [unescap.org/sites/default/files/The State of Asian and Pacific Cities 2015.pdf](https://unescap.org/sites/default/files/The%20State%20of%20Asian%20and%20Pacific%20Cities%202015.pdf)

⁷ Asian Development Bank (2013), *Urban Poverty in Asia*, adb.org/publications/urban-poverty-asia

⁸ United Nations (2011), *World Urbanisation Prospects* as referenced in: Sargent (2016), *Prosperous and Sustainable Cities for All: An Australian Development Agenda for Urbanisation in the Asia Pacific*

acfid.asn.au/sites/site.acfid/files/resource_document/SRG-Urbanisation-Policy-Paper-August-2016.pdf

⁹ Roberts, B.H & Kanaley, T. (eds.) (2006), *Urbanization and Sustainability in Asia: Case Studies of Good Practice*, Manila, Philippines: Asian Development Bank and Cities Alliance (World Bank)

¹⁰ Ravallion, Chen & Sangraula, *The Urbanisation of Global Poverty*, World Bank Research Digest, Volume 1, Number 4, Summer 2007.

¹¹ UNFPA (2007), *State of World Population 2007 – Unleashing the Potential for Urban Growth*, unfpa.org/sites/default/files/pub-pdf/695_filename_sowp2007_eng.pdf

¹² WomenWatch (2009), *Gender Equality and Sustainable Urbanisation Factsheet*

Australia needs to be ambitious in grasping economic opportunities.

Urbanisation is an enabler for economic growth - no country has achieved development without it. In 2011, urban areas contributed almost 80% of Asia's Gross Domestic Product (GDP), while representing only 45% of the population.¹³ When well-managed, urbanisation can generate significant benefits across a range of human and economic indicators, and have flow on effects for poor and marginalised communities.

Infrastructure, trade facilitation and international competitiveness can flourish in a well-planned urban environment. Urban areas are engines of economic growth, providing key markets and distribution centres, fostering innovation, and offering greater employment opportunities. Economic activities in cities enable countries to fund national infrastructure and development projects. As central areas urbanise, road systems and market linkages develop, helping to improve agricultural productivity, expand farmers' market access and provide incentives to increase production. Small-scale urban agriculture and agricultural based industry can also reduce food insecurity and provide economic opportunities for the urban poor.

Successful and sustainable development depends on the way we plan and manage urbanisation, and the way we leverage this transformative process to provide the setting for global change and future investment.

Australia confronts a range of strategic, security and transnational challenges.

A major emerging urban issue is insecurity and increasing risk. Over the past two decades, urban population growth and the effects of globalisation have enhanced the complexities and manifestation of crime and violence in cities. The fear of crime and violence continues to be pervasive in cities and is one of the top concerns in citizens' everyday lives. A UNHABITAT (2007)¹⁴ study showed that 60 to 70 per cent of urban residents have been victims of crime in those developing or transitional countries where rapid urban population growth is at its highest. New and pervasive risks affecting cities include terrorism, urban warfare, heightened securitisation, and disease pandemics.

Australia's overseas development assistance program can contribute to sustainable and inclusive prosperity in our region, and protect cities in our region from the transnational security threats of climate change and natural disasters through investment in Disaster Risk Reduction, Resilience and Response. Australian Aid should support countries and cities in our region to address their vulnerability to natural disasters by developing capability to respond to urban disasters, and deliver urban risk reduction programming to combat vulnerabilities in urban and peri-urban areas.

Recommendations

The Urban Community of Practice has the following recommendations for the White Paper taskforce and for Australia's Foreign Policy. These recommendations are aimed at addressing urbanisation in a strategic and holistic way and at maximising the synergies with initiatives already taking place.

The Urban Community of Practice believes that by having a foreign policy that incorporates a focused and deliberate approach to urbanisation, DFAT and the Australian Government can play an important role in eradicating urban poverty, advancing sustainable development across Asia Pacific, and ensuring a sustainable and prosperous region.

¹³ Roberts, B. H (2014), *Managing Systems of Secondary Cities: Policy Responses in International Development*, Brussels, Cities Alliance

¹⁴ UN-HABITAT (2007) *Enhancing Urban Safety and Security: Global Report on Human Settlements, GRHS Series*

Recommendation 01: Australia's foreign policy and international diplomacy reflects the importance of urbanisation in the Asia Pacific region.

It is recommended that the Foreign Minister, the Minister for International Development and the Pacific and DFAT play a stronger role in advocating for effective action on urbanisation through international diplomacy and engagement.

Strong international diplomacy and engagement would build on the current national focus on smart cities. In undertaking such a role, Australia could work with partner governments in the region to champion the urbanisation challenges of the Asia Pacific region, and the need for greater international collaboration and resourcing.

Such an approach would be supported by the following recommendations in this submission, particularly the development of an urbanisation strategy and the establishment of an Australian Urban Sustainable Development Forum for the Asia Pacific region. Both initiatives would help drive and determine Australia's particular priorities and expertise, for mutual gains in the region.

Recommendation 02: DFAT develops an urbanisation strategy that reflects the foreign policy priorities outlined in the White Paper and leads the Department's approach to reducing poverty and promoting sustainable economic growth in urban areas.

DFAT lacks an overarching narrative on urbanisation as a development issue, or a holistic framework to guide its objectives, priorities and international engagement on urbanisation. This is despite the current work in the Department to develop guidelines for the integration of urbanisation as a cross-cutting issue for development projects, and the fact that many projects include a strong urban component.

ACFID's Urban Community of Practice urges the Australian Government to commit to greater action to address urbanisation in Asia Pacific, through the creation of an urbanisation strategy. To ensure a holistic and impactful approach, it is recommended that DFAT, in consultation with NGOs, private sector, academia and civil society, develops a three-to-five year urban strategy for reducing poverty and promoting sustainable economic growth in the region.

DFAT's urbanisation strategy could clearly set out Australia's approach to delivering the urban Sustainable Development Goal to make cities inclusive, safe, resilient and sustainable and could build off, and take forward, the New Urban Agenda and outcomes of Habitat III.

Recommendation 03: DFAT establishes a dedicated team and builds technical expertise on urban poverty and development.

Given the complexity of addressing urbanisation there is an opportunity for DFAT to build technical expertise on urbanisation, through establishment of a small, dedicated urban team or, at least, an urbanisation technical specialist position.

An urban team could provide assistance to staff across the Department and at overseas Posts to increase their understanding of issues facing the urban poor; to support an urbanisation focus in future sectoral strategies, aid investment plans and aid programs; and to share good practice and innovations. A dedicated urban team could also serve as a focal point and build strategic partnerships across Australian development actors and in the region, and work collaboratively across the Australian Government to draw in policy and technical expertise.

In addition to the establishment of a dedicated urban team, the Urban Community of Practice urges DFAT to convene an external multi-disciplinary reference group focused on key topics such as urban planning, urban governance and urban economic development. An Urban

Reference Group could provide technical advice to government on policy and strategy in the Asia Pacific region.

Recommendation 04: DFAT and the Australian NGO network establish an Australian Urban Sustainable Development Forum for the Asia Pacific Region.

Currently, there is no network in Australia that links together policy makers, practitioners, innovators and researchers engaged in urban initiatives in the region. As a result, knowledge and information sharing on urban policy, practice and research is relatively weak, and opportunities to innovate and value-add to urban programs are missed.

To improve the effectiveness and efficiency of Australia's engagement on urbanisation in the region, and leverage opportunities for partnership and resourcing, there is an opportunity for Australian NGOs to work with ACFID and other partners, with support from DFAT, to establish an Australian Urban Sustainable Development Forum for the Asia Pacific region.

An Australian Urban Sustainable Development Forum aligns with DFAT's partnership and innovation approach to international development, particularly its agenda to engage the private sector.

The Urban Community of Practice appreciates the opportunity to be part of this public consultation process. Thank you for your time in considering this information and we look forward to working with the Federal Government to build a strong, capable and sustainable Foreign Policy.

About ACFID's Urban Community of Practice

The Urban Community of Practice (CoP) provides a mechanism for Australian agencies working in urban contexts to share information, encourage innovative practice and engage in policy dialogue and advocacy to strengthen sustainable urban development in the Asia Pacific region. Urban CoP members work across a range of areas including WASH, shelter and housing, shelter in emergencies, resilience, disaster risk reduction, gender equality and social inclusion, and community engagement.

ACFID Communities of Practice are self-selecting, voluntary, self-managing and collegial. The Urban CoP is made up of representatives from both ACFID members and non-members organisations with significant experience in the urban context. CoP members are driven by a desire to solve problems together, contribute to the development of a body of knowledge, and to further the urbanisation agenda within the Australian development sphere.

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