Chapter 8:

Rethinking Urban Governance for the Future of Cities

Quick facts

1. Through the lens of spatial justice, effective multi-level governance plays a key role in ensuring that global shocks like the pandemic do not disproportionately impact vulnerable groups.

2. The Covid-19 pandemic has accelerated the digitalization of urban governance, which provides an opportunity to use new data, but also threatens to increase the digital divide.

3. City diplomacy and international city networks provide an emerging opportunity for cities to contribute learning and experience and adapt governance approaches to their own context.

4. Effective decentralization, local fiscal autonomy, adequate local capacity and links between National Urban Policies and cities have not progressed enough.

5. While many cities are engaging in innovative participatory processes, globally, space for civil society is shrinking.

Policy points

1. In an age of global threats and disruptions, such as pandemics, natural disasters and armed conflicts, urban governance needs to be flexible and adaptable.

2. With cities being more culturally mixed, and with bigger distance between citizens and government, building trust and legitimacy are essential, including protecting data privacy.

3. Governments need to have adequate political and institutional legitimacy, clearly defined roles and need capacity and resources that meet their responsibilities.

4. There is a need for clearer and more decentralized regulatory frameworks to enable more own-source revenue, municipal borrowing and bond-issuance and more regular government transfers.

5. Government must revision their relationship between the private sector and civil society, with special attention to underrepresented groups to co-create strategies such as re-municipalization, community-led finance and forms of co-production of urban services.

Aspiration and opportunity coexist with destitution and disaster as a defining feature of our world. With an estimated 90 per cent of all reported COVID-19 cases, cities were the epicentre of the pandemic.[1] Meanwhile, cities bear the brunt of armed conflict and subsequent displacement, such as the ongoing conflicts in Ethiopia, Myanmar, Syria, Ukraine and Yemen. These crises have made explicitly clear the need for just and effective urban governance. While the pandemic caused harm beyond the ability of governments to manage, it catalysed a sense of urgency and a window of opportunity to reimagine urban governance for more just, green and healthy urban futures.

The global health emergency has reinforced that no local governmental entity, regardless of its level of development or income, can achieve sustainable and resilient urban development in isolation. Indeed, urban governance is not entirely under the purview of local institutions and actors, but also highly influenced by the frameworks and enabling environment set by national governments.[2] Whether and how economic opportunities; supportive social networks; and access to land, infrastructure and services are accessible to the urban poor is largely dependent on the efficacy of urban governance and institutional arrangements. Urban governance remains central to effective crisis response and sustainable urban development.

Chapter 7 of the World Cities Report 2020 discusses the importance of public health for local governments. This chapter augments the discussion on local government by extending the frame of reference to urban governance more broadly. Through the New Urban Agenda, Member States agreed that sound urban governance is a critical tool for people-centred urban development. Such development patterns better protect the planet and are age- and gender-responsive. They also enhance the realization of all human rights and fundamental freedoms, help to end all forms of discrimination and violence, reduce social and economic inequalities, and empower individuals and communities while enabling their full and meaningful participation.[3]

The concept of governance recognizes that power exists inside and outside of the formal institutions of government and that decisions are influenced by the relationships and priorities of multiple actors.[4] In this light, and in line with previous UN-Habitat publications, this chapter defines urban governance as the sum of the many ways in which individuals and institutions, public and private, plan and manage the common affairs of the city, metropolitan area or region.[5]

The chapter progresses as follows: The first section explores key lessons for urban governance from the challenges and systemic disruptions to communication, core functions and service delivery as a result of the COVID-19 pandemic. The second section discusses crucial urban governance approaches that drive and sustain resilient urban futures. Third, through the lens of emerging urban governance challenges, the section reviews current promising governance practices that address each challenge. The fourth section presents divergent urban governance scenarios and the consequences associated with each imagined approach. Finally, the chapter presents concluding remarks and lessons for policy.

8.1. Urban Governance Lessons from a Global Pandemic

How cities responded to the recent COVID-19 pandemic and related shocks indicates flaws in the current model of urbanization. The COVID-19 pandemic provides an opportunity to reflect on how urban governance can evolve to promote a more just, green and healthy future for cities. While many of the lessons of the ongoing pandemic are covered extensively throughout this report, there are unique lessons for governance.

8.1.1. Shocks disproportionately impact vulnerable communities

The pandemic exposed and amplified several long-standing urban inequalities in public health, housing and working conditions that cause disproportionate impacts on vulnerable and marginalized populations,[6] who have less capacity to adhere to public health and social measures.[7] Decisions made at the national or provincial level to limit the spread of COVID-19 through lockdowns and curfews left municipal leaders in the difficult position to enforce policies that were both unmanageable and detrimental to urban residents without adequate housing.

Urban governance responses to the pandemic varied around the world in their effectiveness for vulnerable populations, but included several commonly enacted pro-poor policies. City authorities promulgated rent freezes, eviction moratoria and bans on demolishing informal settlements that in many instances lasted for the duration of the health crisis. These crucial governance decisions attempted to mitigate the disproportionate impacts the pandemic had on vulnerable communities. Given both the common nature of the threat and the need to act quickly, effective governance responses to the COVID-19 pandemic included city networking initiatives

CLOSED message board near bar, cafe, shop on empty street.. © Corona Borealis Studio/Shutterstock

like Cities for Global Health, in which United Cities and Local Governments (UCLG), Metropolis and UN-Habitat collaborated to set up a knowledge exchange platform for cities to share their protocols, plans and intitiaves.[8] Such city networks are elaborated on in section 8.2.3.

When city authorities acted to protest vulnerable communities, they were pursuing "spatial justice," the spatial version of social justice, which strives to realize the fair distribution of burdens and benefits of urban development across geographic spaces. This complementary idea to the more broadly known "right to the city" is a response to the inequality embedded within urban planning and the built environment globally, regionally and locally.[9] Beyond the temporary measures taken at the onset of the pandemic, a spatial justice approach requires more targeted action including pro-poor decisions around zoning rules and spatial planning processes, the acquisition of land for urban redevelopment programs, affordable housing development, slum upgrading, relocation of vulnerable communities and provision of access to urban amenities and services.[10]

> **A spatial justice approach promises that planning can function as a tool for the fair redistribution of burdens and benefits from urban development**

A spatial justice approach promises that planning can function as a tool for the fair redistribution of burdens and benefits from urban development. Through procedural dimensions like participatory budgeting and decision-making, a spatial justice approach can also strengthen democracy and the public sphere. For cities to avoid the high damage scenario noted in Chapter 1, local governments must invest in infrastructure where new development and informal growth is occurring and address vulnerable residents' specific needs.

8.1.2. Data matters

The COVID-19 pandemic has demonstrated the value of high-quality individualized data for public health measures like contact tracing and for research purposes like evaluating the effectiveness of specific virus containment measures.[11] While countries mobilized quickly to repurpose emerging data sources (i.e. mobile phone records) to monitor viral spread and public behaviour, they have simultaneously struggled to protect against privacy concerns and the risk of misuse.[12] There are two key data governance lessons that emerged from the pandemic.

First, deficits in the quality and quantity of high-value data exist throughout cities globally and are accentuated within cities in low- and middle- income countries, which can obscure certain populations even as decision-makers push forward with crisis response and investment decisions.

However, as the World Data Report 2021 states, simply gathering more data is not the answer, if data is not effectively linked to improve development outcomes. Global examples include the use of global spatial location from mobile phones, social media and online search data to predict and trace viral outbreaks as well as the use of online media and user-generated content to map flood events in real time for water management and food security.[13]

Second, access to private and public data is necessary for urban governance institutions to coordinate emergency responses that are grounded in data, geospatial mapping and real-time analysis of conditions.[14] Data governance considers who makes decisions, how they are made and how the decision-makers are held accountable in the collection, use, sharing and control of urban governance data, which is often owned by various institutions. Data governance systems are needed to ensure data is available to inform policies and actions from city and territorial initiatives to national strategies and multilateral cooperation while continuing to maintain privacy and security.[15]

Chapter 9 explores the various technologies available for urban governance and their associated risks while revealing the need for data governance amongst key stakeholders. Uruguay's whole-of-government data governance approach highlights the benefits of institutionalizing governance arrangements and adopting legislation and regulations to complement infrastructure and technology investments.[16] Similarly, the Netherlands created Urban Data Centres as a partnership between the country's national statistical office and local governments in order to enable data sharing in a way that maintains data integrity and privacy for residents.[17] At the international level, organizations such as the OECD and the United Nations Economic Commission for Europe (UNECE) have supported efforts by national and local governments to collect, analyse and make evidence-informed decisions for urban governance through the creation of subnational indicators for the Global Goals.[18]

8.1.3. Beyond response: preparation and prevention
The COVID-19 pandemic emphasized the need for effective governance to manage risk, including investments and frameworks for preparation and prevention. The Sendai Framework for Disaster Risk Reduction recognizes the need to strengthen governance in risk reduction strategies in order to improve preparedness, enhance coordination and leverage the recovery process to "Build Back Better."[19] The pandemic taught us the importance of embedding climate and public health measures into national urban policies in order to enhance the ambition and accountability of government.[20] For example,

Rwanda's 2015 National Urbanization Policy provided the basis for more balanced development in the urban-rural continuum, promoting sustainable agricultural practices, and lowering urban sprawl into protected nature zones.

Evidence from the COVID-19 pandemic suggests that pre-existing institutionalized governance mechanisms have advantages over ad hoc bodies formed for emergency purposes.[21] Indeed, governments that initiated preparation and prevention planning as a result of prior emergencies were better equipped to respond to COVID-19. For example, Viet Nam's response was informed by previous encounters with SARS (2003) and avian influenza (2004 and 2010). These past experiences led to a whole-of-government and whole-of-society approach that includes strong central coordination, mobilizing neighbourhoods and engaging multi-sectoral stakeholders in decision-making, in addition to a well-developed public health system, emergency operations centres and contact tracing systems.[22] Despite the apparent benefits of models like Viet Nam, many countries did not use existing institutions and created parallel structures instead.[23] A key lesson emerging from the COVID-19 pandemic for urban governance is the importance of investing in preparedness by developing the economic, social, environmental and institutional resilience to respond to a wide range of shocks, including having contingency plans for the most vulnerable groups.[24]

8.2. Urban Governance that Drives and Sustains Urban Futures

Current modes of urbanization are environmentally, socially and economically unsustainable,[25] thus diminishing the inherent value of urbanization.[26] Top-down and centralized forms of government, which are still prevalent, have significant limitations in their ability to address societal and governance challenges in complex urban systems. As recognized in Chapter 7 of the UN-Habitat World Cities Report 2020, relationships between national, subnational and local governments need to be more integrated and collaborative, with an emphasis on institutionalized yet flexible and innovative frameworks for effective implementation of the Sustainable Development Goals and the New Urban Agenda.

8.2.1. Governing for, and with, new digital technology
Emerging and existing smart technologies require similarly smart and adaptive governance. New technologies for communication, core services, data collection and resident engagement are reshaping urban governance and can be harnessed to achieve sustainable urban futures. For at least a

decade, city authorities have been integrating more open and inclusive forms of smart city technology in order to improve urban governance, decision-making and service provision. Chapter 9 discusses the breadth of new technologies used in urban governance across all sectors like water, sanitation, waste management and environmental management. The focus here is narrower, specifically the pandemic-induced acceleration of the global transition toward public-facing technologies.

Undoubtedly, the impact of digital technology will be uneven across cities in low-income countries, but the availability of geospatial technologies and the resultant data will influence governance even in the most remote urban areas. Recent empirical case studies from rural districts in Bangladesh to urban areas in Zimbabwe and Uganda highlight the ubiquitous impacts of new technologies.[27] Emergency notifications, health-check apps, and WhatsApp-based information bots have become prominent features of government operations around the world. The most effective technologies for urban governance will emerge from locally-identified needs and within the context where it will be used. For example, after repeated challenges with externally-developed platforms, Mutare, Zimbabwe, engaged in a partnership with the Harare Institute of Technology to pilot the Local Authorities Database System. One of the components of the system was an innovative chatbot built within WhatsApp, the success of which is credited to multilevel governance (Box 8.1).

As Chapter 9 explores, COVID-19 exacerbated the digital divide by shifting employment, schooling and social life into the virtual environment. The emerging digital divide presents an issue of governance, particularly in providing universal access and maintaining affordability. Only 47 per cent of people in developing countries and 19 per cent of people in least developed countries have internet access.[28] However, the digital divide is not just a low-income country challenge, but also a disparity between affluent and poorer residents in higher-income countries. For example, the NYC Internet Master Plan states that 46 per cent of New York City households living in poverty do not have broadband at home and 18 per cent (more than 1.5 million residents) do not have home or mobile connection.[29]

Additionally, the digital divide also has a social component, as women are disproportionately excluded from access to digital tools and platforms, with men being 21 per cent more likely to be online than women globally, increasing to 51 per cent more likely in least developed countries.[30] The gender disparity also has an economic impact with countries missing out on an estimated US$126 million in GDP in 2020 as a result of the limitations and exclusion of women from digital access.[31] Over 40 per cent of countries do not demonstrate meaningful policy actions to close the gendered divide.[32] The Alliance for Affordable Internet has developed the REACT Framework, which highlights five domains for policy development aimed at eliminating the gendered digital divide (Figure 8.1).[33] "Open smart cities" is an emerging framework that guides the use of new technologies in cities and strives to ensure all actors, including urban residents, collaborate in mobilizing data and technologies to develop their communities through fair, ethical and transparent governance that balances economic development, social progress and environmental

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Box 8.1: Chatbot initiative in Mutare, Zimbabwe

Similar to governments around the world, the challenges of COVID-19 overwhelmed the ability of the local government in Mutare to deal with incoming service requests while maintaining physical distancing recommendations. To manage resident needs for official services, the city of Mutare developed an intelligent chatbot called Taurai Katsekaera to provide services such as bill payments, service requests, balance inquiries, waiting list applications, complaints and payment plan services. The chatbot, attached to a larger systemwide digital platform, allowed for real-time access to services without in-person visits. These visits could be leveraged to increase risk awareness among urban residents in the longer term, just like health and prevention measures could provide the foundation for better sanitation practices across cities. The implementation of the chatbot was supported by the central government, developed by a local academic institution and piloted in Mutare with the intention of scaling across Zimbabwe.
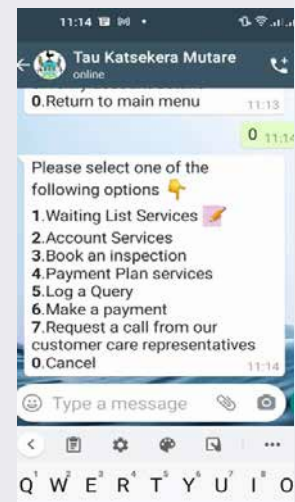
Source: Chatwin, 2022.

Figure 8.1: Alliance for Affordable Internet REACT Framework

Rights	Protect and enhance everyone's rights online
Content	Ensure relevant and empowering content for women is available and used.
Access	Deliver affordable - or free - access to an open web
Targets	Set and measure concrete gender- equity targets
Education	Use education to equip everyone - especially women - with the skills they need to access and use the web

responsibility. An example that reflects this framework is an initiative in India to set up free high-speed Wi-Fi hotspots in areas such as bus stops, hospitals and railway stations.[34] Cities across Canada are exploring ways to address the growing digital divide through free public Wi-Fi and distribution of computer equipment to ensure that residents are able to participate fully in society.[35]

8.2.2. Improving multilevel governance

Effective multilevel governance is embedded within the New Urban Agenda and is instrumental to achieve the Sustainable Development Goals. For cities to attain the optimistic scenario indicated in Chapter 1, a whole-of-government approach is needed, which would ensure that policymakers "get [the] political economy right to avoid piece-meal policymaking leading to both unfilled promises and unintended consequences."[36] Multilevel governance describes how power is spread vertically between multiple levels of government and horizontally across quasi-government and non-governmental organizations and actors.

Chapter 7 of the World Cities Report 2020 examined the global trend toward decentralization, which according to the OECD is among the most important governance reforms of the past 50 years.[37] Decentralization is not an end in itself, but rather a means to achieve greater political accountability and more efficient delivery of services. Multilevel governance within countries relies on a balance between decentralization and central control. It involves three interdependent dimensions: political, administrative and fiscal.

Effective decentralization requires a clarification of roles based on the level of government best positioned to be effective, meaning subsidiarity must be the guiding principle. COVID-19 reinforced this imperative and stresses the need for a clear identification of who does what, at which scale, and how. Without this clarification, complexity in the distribution of responsibilities leads to competing and overlapping competences, thus resulting in institutional wars and a lack of accountability. In several countries from Asia-Pacific such as Australia, Malaysia, Korea, Japan and the Philippines, there is a frequent overlap in responsibilities both vertically and horizontally.[38] In contrast, the Council of Australian Governments, the Local Government Commission in New Zealand, the Union of Local Authorities in the Philippines and the Municipalities Unions in Turkey developed multilevel governance mechanisms that formalize role differentiation.

Globally, multilevel governance is most effective in countries with higher degrees of decentralization that have entrenched processes for spatial planning, climate adaptation and mitigation, infrastructure and transport, and technology.[39] Decentralization, in addition to being a critical factor for multilevel governance, equips local governments to respond to the needs and desires of residents within crisis situations and beyond. For example, Gauteng province in South Africa institutionalized coordination mechanisms for emergency response, which enables high levels of data collection and analysis as well as flexible approaches to emergency budgeting in order to rapidly address local vulnerabilities.[40] Though local action is central to realizing the SDGs, national government is not irrelevant in the design and implementation of local transformations. On the contrary, national government action is crucial to create enabling macroeconomic policies, streamline institutional environments and effectively devolve authority to local levels for contextual implementation. Effective decentralization can only be realized if fiscal authority is reconciled with the delivery of functions expected from local governments by their national governments. The limited fiscal autonomy of local governments, dependency on central government fiscal transfers, and competition for resources between subnational governments are factors that limit effective decentralization. More detail on fiscal decentralization can be found in section 8.2.6.

Effective decentralization requires a clarification of roles based on the level of government best positioned to be effective

Multilevel governance also includes horizontal cooperation between cities and local governments along the urban-rural continuum. Urban challenges do not recognize jurisdictional boundaries and often require the pooling of resources and expertise, particularly in extended urban agglomerations.[41] Further, the nonlinear and intersectional influences of trade, migration, water supplies, air quality and food security necessitate coordination between cities, regions and territories. For example, the Jing-Jin-Ji metropolitan region that encompasses Beijing, Tianjin and Hebei in China has been instrumental in addressing the region's environmental problems, particularly air pollution.[42]

Evidence suggests that metropolitan areas with institutionalized frameworks are more likely to optimize their coordination, provide timely outreach to the whole population, and include rural communities in their mitigation, adaptation and recovery measures in response to shocks.[43] One such approach is a multi-stakeholder engagement process that uses an inclusive and participatory approach to develop partnerships that promote a greater sense of ownership over the pursuit and realization of desired outcomes.[44] Another approach is the United Nations Development Programme ART Global Initiative (Articulation of Territorial and Thematic Networks of Cooperation for Human Development), whose methodology supports the strengthening and expansion of linkages for knowledge sharing and joint strategy formulation for local and regional governments.

Plurality defines the future of metropolitan governance as it takes different forms across the world. Metropolitan governance in Europe and the Americas often focusses on polycentric governance networks and involves less structural change. The number of metropolitan governance authorities in the OECD has increased over the past decades with over two-thirds of the metropolitan areas having an institutionalized governance body, like the Valle de Aburrá in Colombia (Box 8.2).[45] By contrast, metropolitan governance in many Asian countries relies on a strong central and local government, in which vertical integration takes precedence over horizontal interactions between governments and non-state actors.[46] In China, central government, rather than cities, often take the initiative for metropolitan governance as they upscale governance from individual cities to city regions.[47] In several countries across Africa and Central Asia, including Azerbaijan, Kyrgyzstan, Senegal and Benin, among others, metropolitan governance is promoted in the constitution.[48]

Metropolitan governance can be arranged in at least four different ways (Figure 8.2).[49] Of these schemes, the most common is voluntary cooperation among municipalities without any regulatory powers.[50] While voluntary metropolitan associations can be limited in their ability to achieve consensus on regional action due to their lack of binding authority, inter-municipal cooperation mechanisms between large central cities and surrounding suburbs create associative schemes that include the oft-forgotten needs and perspectives of smaller municipalities on the urban periphery.[51]

The success of these metropolitan cooperation mechanisms is largely dependent on enabling environments that include
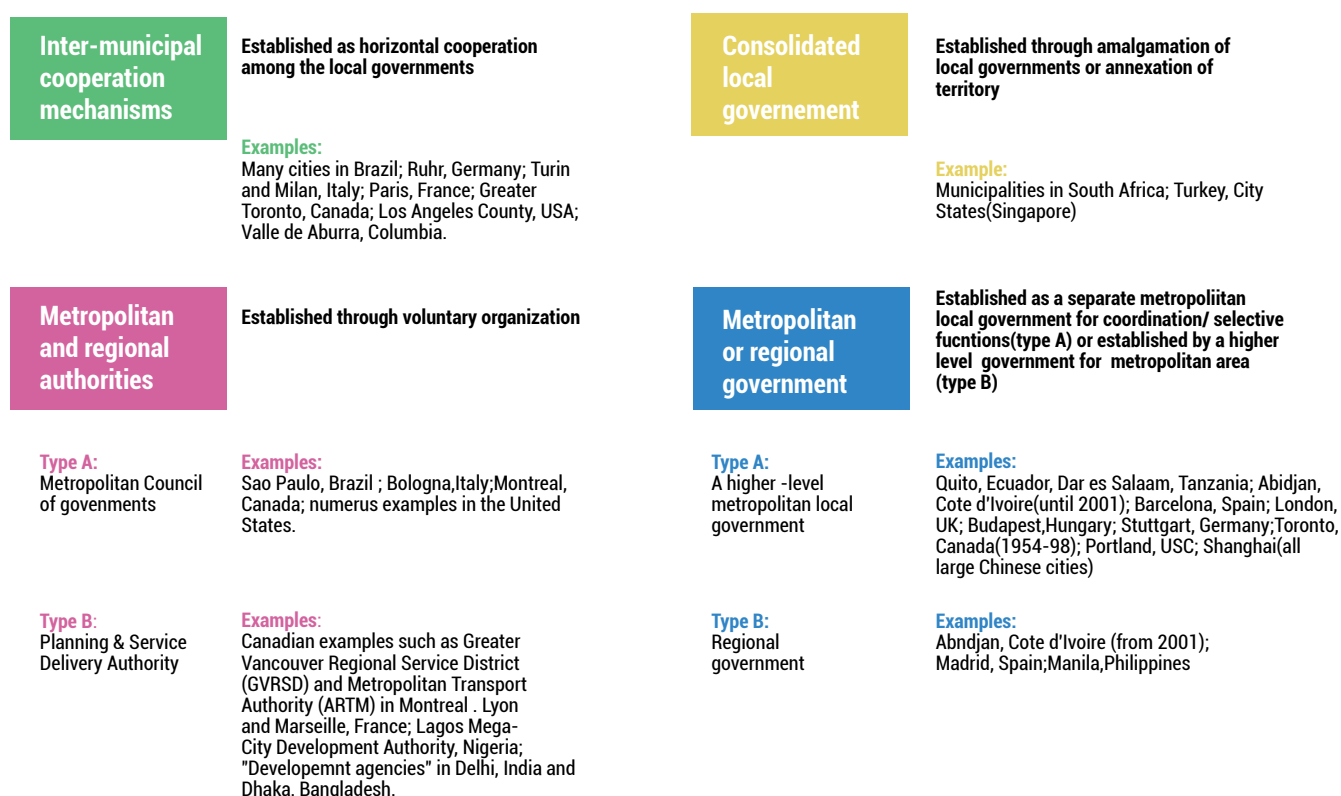

Bangkok, Thailand © Shutterstock

clear fiscal and administrative structures. Establishing their political legitimacy remains one of the biggest obstacles to metropolitan governance.[52] Metropolitan governance reforms are challenged by conflicting interests, competing aims, reduced planning and development responsibilities, and less fiscal and borrowing autonomy than that which is present in individual cities.[53] Currently, many metropolitan structures are fiscally dependent on the participating local governments and require consensus building. A promising example comes out of France, a country with a long tradition of institutionalized inter-municipal cooperation, in which all municipalities are part of an inter-municipal structure with an own-source tax, forming a fourth level of quasi-government.[54] Similarly, Sri Lanka has articulated an urban vision for competitive, environmentally sustainable and well-linked cities, by connecting the countries five metro regions with district and provincial capitals and towns.[55]

**Figure 8.2: Different kinds of metropolitan governance arrangements**

Inter-municipal cooperation mechanisms	Established as horizontal cooperation among the local governments	**Consolidated local governement**	Established through amalgamation of local governments or annexation of territory
	Examples: Many cities in Brazil; Ruhr, Germany; Turin and Milan, Italy; Paris, France; Greater Toronto, Canada; Los Angeles County, USA; Valle de Aburra, Columbia.		**Example:** Municipalities in South Africa; Turkey, City States(Singapore)

Metropolitan and regional authorities	Established through voluntary organization	**Metropolitan or regional government**	Established as a separate metropoliitan local government for coordination/ selective fucntions(type A) or established by a higher level government for metropolitan area (type B)
Type A: Metropolitan Council of govenments	**Examples:** Sao Paulo, Brazil ; Bologna,Italy;Montreal, Canada; numerus examples in the United States.	**Type A:** A higher -level metropolitan local government	**Examples:** Quito, Ecuador, Dar es Salaam, Tanzania; Abidjan, Cote d'Ivoire(until 2001); Barcelona, Spain; London, UK; Budapest,Hungary; Stuttgart, Germany;Toronto, Canada(1954-98); Portland, USC; Shanghai(all large Chinese cities)
Type B: Planning & Service Delivery Authority	**Examples**: Canadian examples such as Greater Vancouver Regional Service District (GVRSD) and Metropolitan Transport Authority (ARTM) in Montreal . Lyon and Marseille, France; Lagos Mega-City Development Authority, Nigeria; "Developemnt agencies" in Delhi, India and Dhaka, Bangladesh.	**Type B:** Regional government	**Examples:** Abndjan, Cote d'Ivoire (from 2001); Madrid, Spain;Manila,Philippines

Source: GIZ and UN-Habitat, 2015.

Box 8.2: **Metropolitan governance in Valle de Aburrá, Colombia**

The Metropolitan Area of Valle de Aburrá (AMVA) was established in 1980 and is composed of Medellín and nine other municipalities, home to 4 million people. The AMVA is governed by a metropolitan board, composed of the mayor of Medellín, the mayors of the other member municipalities, and various councilors and representatives from NGOs and the national government. The AMVA has adopted more than 150 metropolitan agreements over the last 10 years covering metropolitan public policies, territorial plans, financing mechanisms, budgets and administrative decisions in areas including transport, environment and security.

The AMVA's main functions include integrated sustainable metropolitan development through infrastructure like public spaces, social facilities and housing as well as the management of metropolitan public transport. To enable these roles, the AMVA has adopted a development vision with medium- and long-term horizons, including a long-term development strategy entitled Metrópoli 2050: The Supercity of Medellín. Another important role of the AMVA is environmental management. For example, the AMVA recently adopted a metropolitan plan on air quality that links all stakeholders and commits them to meet goals for reducing polluting emissions. To support the processes of institutional management and regional planning, the AMVA also launched an observatory to monitor and visualize indicators on a range of strategic issues within the metropolitan area.

Source: UN-Habitat, 2020b.
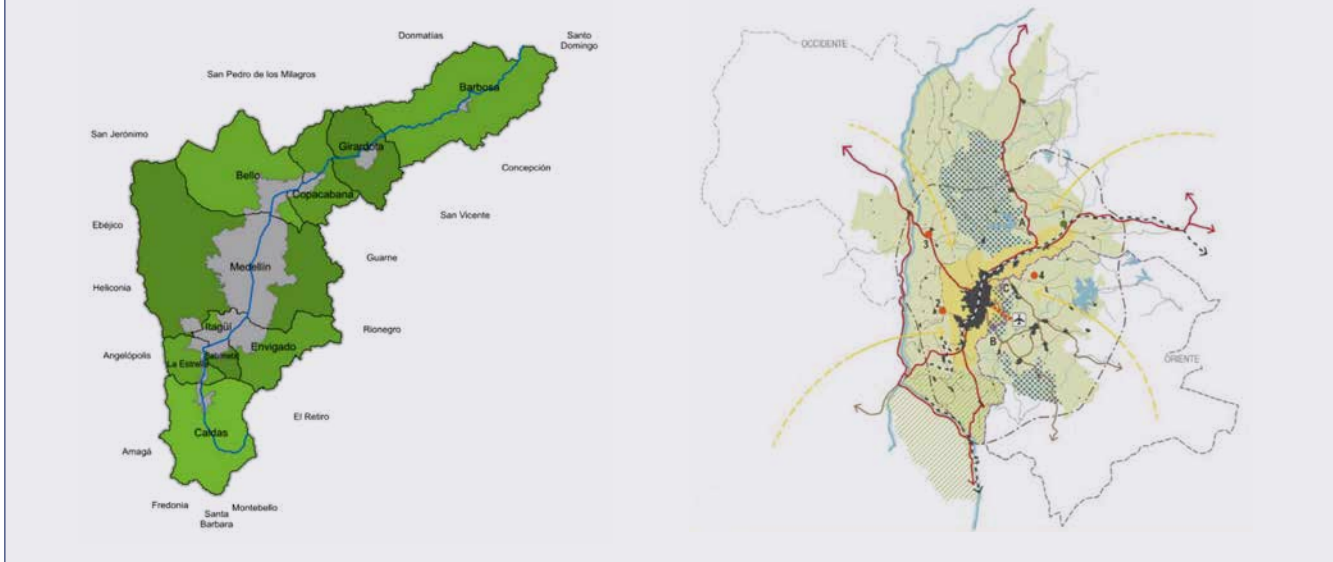
The future of effective multilevel governance must be attentive to the equitable representation of women. From a survey of 127 cities (self-reporting), it emerged that only a very small percentage of municipalities have balanced participation between men and women in their local councils (Figure 8.3).[56] However, in recent years, the Ibrahim Index of African Governance notes a positive trend in the political power and representation of women in Africa.[57] The most progressive forms of empowerment of women often come from civil society, such as the self-help organization Kudumbashree, which has over 4 million female members and played an instrumental role in removing absolute poverty from the state of Kerala, India.[58]

The future of effective multilevel governance must be attentive to the equitable representation of women

Figure 8.3: Women in local councils
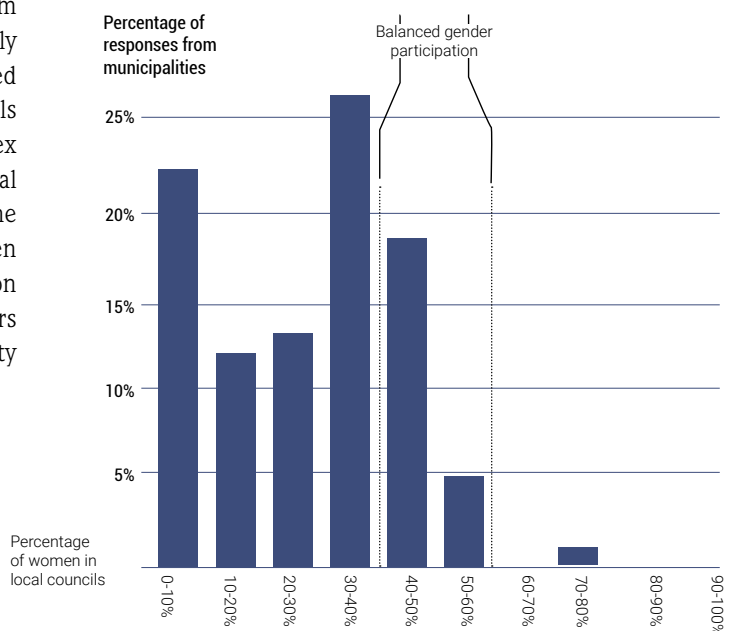
Data sourced from the Urban Governance Survey developed by LSE Cities, UN-Habitat, and UCLG (2016)

Furniture shop in Kerala, India.
© Kerstin Milhann/ UN- Habitat

For cities to escape the pessimistic scenario described in Chapter 1, effective multilevel governance also needs to acknowledge and work with various forms of parallel governance in cities. Parallel governance may emerge when governments cannot provide the urban services that residents need, if the quality of those services is lacking, or if the transaction costs of access to those services is too great.[59] The largest non-governmental development organization in the world, BRAC, fulfils many government roles traditionally associated with the government, and has become the main provider of services in small towns in Bangladesh.[60]

Parallel governance often emerges out of traditional governance and relies strongly on informal patron-client networks.[61] In the African context, traditional leaders often play an important role in regards to land allocation in the urban periphery and are often more accessible to residents than elected politicians.[62] In Old Fadama, one of the largest slums in Accra, Ghana, the local association of community leaders has assumed tasks that the government has failed to implement, such as setting rules to reduce the risks of fire or flooding.[63] While violations of planning regulations that promote sustainable urbanism are often seen as a failure of implementation or a result of corruption, they often originate from conflicting sets of parallel governance.[64]

8.2.3 International networks for city cooperation and learning

From driving global prosperity to achieving the Sustainable Development Goals and advancing the New Urban Agenda, local governments are integral to building a better world. This positions cities and its leaders at the forefront of sustainable development.[65] Cities have nevertheless found themselves ill-prepared and lacking the political, fiscal and administrative capacities to adequately respond to pressing global challenges like rising urban poverty, massive inequalities, public health emergencies and the looming climate crisis.[66] With 93 per cent of COVID-19 cases reported in cities at the end of 2020, the COVID-19 pandemic is a vivid illustration of how cities are vulnerable to external shocks.[67] Without appropriate tools, cities struggle to respond to future shocks and stresses, especially in poor countries. Global partnerships can help strengthen the capacity of national and local governments, such as the lack of trained urban planners. While developed countries have 1 planner for every 1,000–3,000 people, developing countries such as Indonesia have just 1 planner for every 80,000 people. Online open access learning materials and peer-to-peer learning and mentoring have emerged both nationally and internationally.

Professional associations that are interested in a rights-based approach to sustainable urban development can consider involving underrepresented groups such as youth, women and minority groups in their governance and decision-making. This type of effort requires a commitment of these associations on behalf of their members to be aware of and integrate global commitments into their culture and advocate for the rights of residents to be involved in urban planning and development processes.[68]

City diplomacy is reconfiguring international politics as cities engage in external relations on an international stage with the aim of representing themselves and their interests. Higher representation raises political visibility, facilitates policy negotiations, and increases the possibility of acquiring more resources and knowledge for policy action.[69] These international cooperation opportunities expose participants to the art of the possible. They can discuss common barriers and share their experiences of how to work through or overcome them.

The rise of city diplomacy has manifested in the snowballing of local government networks, often in collaboration with civil society and international organizations. Formal networks include C40 Cities, United Cities and Local Governments, ICLEI–Local Governments for Sustainability, Metropolis–World Association of the Major Metropolises, Global Resilient Cities Network, OECD Champion Mayors for Inclusive Growth and Mayors Migration Council, among others.[70] While in 1985 there were just 55 city networks, today there are over 200 with multiple sub-groups emerging from the parent networks as well.[71] The COVID-19 pandemic pivoted the focus of many city networks to issues of health and pandemic response.[72]

These networks can be far-reaching with on-the-ground impact. For example, since 2011, 1 in 12 people globally have been affected by nearly 10,000 climate and sustainability initiatives that came from C40 Cities.[73] The Making Cities Resilient 2030 Platform currently hosts 500 cities representing over 262 million residents.[74] This platform fosters peer-to-peer learning and helps cities fill the gap in order to build their resilience in financing, capacity building or tools for developing a more robust risk management framework. The Federation of Canadian Municipalities' international programming has helped Canadian local elected officials and staff share knowledge and build relationships with their counterparts in Asia, Africa, the Middle East, Latin America, the Caribbean and Eastern Europe.[75] As Chapter 5 highlighted, addressing climate change effectively, requires building global urban partnerships.

The rise of city diplomacy has not been a straightforward process but rather is characterized by uncertainty on the level of recognition and participation of local governments. The Second United Nations Conference on Human Settlements (Habitat II) held in 1996 is remembered as groundbreaking in terms of the participation of local authorities, the private sector, NGOs and other development partners in the design and implementation of the Habitat Agenda.[76] Yet, in 2000, with the adoption of the Millennium Development Goals, the international community was silent on the role that local governments should play. This situation changed more in the transition to and the adoption of the Sustainable Development Goals when a wide coalition of organizations supported a so-called urban goal, which culminated in the endorsement of SDG11.[77]

While many dimensions of the SDGs require action at the local level, national governments adopted the 2030 Agenda for Sustainable Development. Consequently, national governments are responsible for reporting their progress toward the goals in a process known as the voluntary national review (VNR). To complement VNRs, some local governments, starting with New York City, prepare voluntary local reviews (VLR) as a global tool for cities to report on their progress towards the SDGs and the Paris Agreement.[78] While some Member States' commitment to achieve their global commitments is insufficient, the VLR process has demonstrated that cities are more than willing to lead the way. For example, in Europe, less than 10 per cent of the Member States have submitted VNRs by 2021, while the region has the highest number of VLRs.

These reviews highlight the willingness of local, regional and national governments to engage in the global agenda and can act as an entry point to strengthen institutional capabilities.[79] At present, only 40 per cent of local governments co-create their VLRs with their national governments.[80] Strengthening the co-creation of VLRs could therefore provide a low-hanging fruit in making progress on better coordinated action to achieve the SDGs. While the VLRs emerged out of, and are prevalent in, situations of mismatched national and local government priorities, Finland used the VLR to revitalize multilevel dialogue to inform and update their national review in line with key drivers of the New Urban Agenda. The VLR process has also demonstrated its value in developing countries, as evidenced in the city of Freetown, Sierra Leone, which used a VLR as a tool to map the synergies between local development targets and the SDGs.[81] Globally, 106 subnational governments submitted VLRs by October 2021 and 230 cities are signatories on the New York City Voluntary Local Review Declaration.[82]

8.2.4. Co-production: integrating the experiences and resources of non-governmental institutions

Governments are not solely responsible for urban development, planning and implementation.[83] No local government, regardless of the income and development level, can address all urban challenges in isolation. Accordingly, urban governance involves a plurality of public and private stakeholders, and should be cross-sectoral, including private companies, civil society, community associations, local residents and youth-led organizations. Co-production describes the idea that cities are produced through the intersection of different actors and that service delivery benefits from forms of shared ownership and joint knowledge production.[84]

Formalized relationships between government and civil society strengthens communities, particularly those who are underrepresented, poor or living in informal settlements. Parallel governance structures, as elaborated on in section 8.2.2, can be incorporated into the government. The Communist Party of China has advanced deeply into grassroots society and developed relations with non-governmental organizations.[85] One approach emerging globally are local strategic partnerships that bring together a broad network of non-governmental organizations to define effective community-led projects with a proactive approach to improve the quality of life of individuals and communities within their jurisdiction.[86] Examples include Regional Innovation Councils in Norway and Medical Innovation Centres in the Czech Republic.

These collaborations bring together cities, universities, non-governmental organizations and businesses to promote innovation.[87] An excellent example of formalized relationships with civil society from the developing world, is the aforementioned Kudumbashree, which operates as a federation of self-help groups that is led by the government of Kerala.[88] Kudumbashree also provides a cautionary tale in integrating non-governmental organizations, as during India's Jawaharlal Nehru National Urban Renewal Mission, the government

The future of urban governance needs to ensure regulation better reflects the different roles civil society plays in society

burdened the NGO with responsibilities that outstripped its capabilities.[89] As civil society assumes different roles – as service providers, agents for civic engagement, enforcers of social accountability and financiers through philanthropy – the

future of urban governance needs to ensure regulation better reflects the different roles civil society plays in society.[90]

Within national guidelines, local and territorial governments are largely responsible for creating the enabling environment for collaborative governance with adjacent jurisdictions and non-governmental actors. Indeed, one of the areas of biggest innovation in response to COVID-19 was cooperation and collaboration across key urban stakeholders including the introduction of effective measures to facilitate joint action between actors from the public sector, private sector, civil society organizations and community associations.[91] For example, Madrid, Spain, challenged local start-ups to develop innovative solutions that addressed the impacts of the pandemic, find solutions to increase the connectivity of residents with special needs.[92] In Kenya, a collaboration between local government and a number of international and private organizations partnered to establish the Youth-led COVID-19 Emergency Response Coalition which established hygiene stations, isolation centres and education programs in informal settlements across the country.[93]

Another expression of co-production is the emergence of living labs or city labs (Box 8.3), which are platforms where a plurality of stakeholders, often with conflicting opinions, co-create projects, foster innovation and build capacity through experimentation. The Baltic Urban Lab project for example experimented with a "public-private-people partnership" approach for the redevelopment of brownfield sites in participant cities.[94]

The institutionalization of collaboration between government and non-governmental actors is important for building trust, understanding and a commitment to collaboration. For instance, civil society organizations can connect with marginalized residents that do not trust local authorities. In Canada, this plays out in the relationships between urban indigenous populations and local governments. For over a decade, the city of Hamilton, Canada has provided block funding directly to indigenous-serving organizations to identify and address community needs.[95]

Box 8.3: Living Labs: Capacity building through experimentation

A living lab is an experimental site where "active and collaborative people can meet other interested actors and work together towards innovative solutions to public problems."[96] First established at the Massachusetts Institute of Technology, the living lab concept has been spreading globally.[97] While the European Network of Living Labs only had 20 members in 2006, by 2020 it noted 474 registered living labs across Europe, as well as examples in other countries such as the Smart Safety Living Lab in the Republic of Korea or the Future Self Living Lab in Australia.[98] By putting conflict front and centre and equipping participants with a "license to fail," living labs respond to a key challenge for participatory urban development, namely that different actors can have highly conflicting viewpoints.

Visitors at De Ceuvel Amsterdam, Netherlands. © https://deceuvel.nl/

A particularly noteworthy living lab is De Ceuvel in Amsterdam, a once polluted site at a former shipyard that has become a "cleantech playground" where social enterprises experiment with circular economy ventures like aquaponics, solar energy, biofilters and composting toilets. The city of Amsterdam awarded four plots via tender with a mandate to clean up the site. At its pre-pandemic peak, De Ceuvel saw over 35,000 visitors annually and has received numerous design and sustainability awards[99]. Future tenants and volunteers participated in the construction process, which generated a sense of community.[100]

"Re-municipalization" captures the trend of governments reversing the privatization trend of the 1980s and taking back ownership of assets and services that had previously been outsourced

As Chapter 5 of this report described, co-production of urban services with the involvement of public actors and citizen groups can overcome persistent challenges. Many governments are indeed revisioning their relationship with private service providers, and are returning public service provision to municipal control, especially in urban contexts where the privatization of public goods has hindered access by low-income households.

The term "re-municipalization" captures the trend of governments reversing the privatization trend of the 1980s and taking back ownership of assets and services that had previously been outsourced.[101] Re-municipalization is often associated with the water and energy sector,[102] but re-municipalization extends to transportation, waste management, cleaning, housing, childcare and other broad service delivery areas.[103] Such re-municipalization is often supported by labour unions, civil society organizations and community associations.[104] In fact, many flagship re-municipalization efforts in France have given seats on the boards of the new public operators to residents and civil society representatives.[105] Barcelona was a signatory with nine other Spanish cities in the Declaration for the Public Management of Water, which broadly states that the cities will assume the responsibility for the provision of and the protection of water as a common good.[106]

Re-municipalization is not mere change in ownership. Rather it is a new form of urban governance that reflects collective aspirations for social and environmental justice and the democratic management of public services.[107] The Barcelona en Comú coalition, which has governed Barcelona since 2015, distilled these aspirations into a political philosophy called "municipalism," in which cities are at the forefront of addressing social, political and environmental challenges through concrete public-led and feminist solutions. In the latest manifestation of city-to-city diplomacy as outlined in section 8.2., Barcelona en Comú now has a network of 50 municipalist organizations from 19 countries.[108]

Over the last 20 years, re-municipalization has been documented in 1,600 cities in 45 countries.[109] Europe is at the forefront of this movement, but examples can be found globally. Paris is a well-known example having reverted water service back to public ownership in 2010 and developing partnerships with public service providers in Morocco, Mauritania and Cambodia.[110] However, challenges to re-municipalization remain; austerity measures have forced some governments to abandon plans for re-municipalization, and resistance from powerful multilateral actors make it difficult to sustain as a coherent policy movement.[111] The city of Berlin provides an instructive case of the lengths that private forces will go to resist re-municipalization as private providers fought for a significant financial compensation from the government and in doing so imposed a large burden on the new public operators and residents.[112]

It has become more difficult for non-governmental organizations to establish and operate freely without repression or persecution

Effective governance for better services and urban development often emerge outside of formal procedures and official administrative structures and bodies. A salient example is the support given by local and international civil society organizations that advocate for the rights of slum dwellers such as the People's Dialogue on Human Settlements, Centre on Housing Rights and Evictions, Ghana Federation for the Urban Poor and the Shack/Slum Dwellers International.[113] These organizations, in addition to bridging the gap between the state and excluded groups through participative mechanisms, can also advocate for human rights, rule of law, equal justice for all and collective action towards common goals.[114]

Unfortunately, the reality on the ground does not always reflect an environment conducive to collaboration between government and non-governmental actors. It has become more difficult for non-governmental organizations to establish and operate freely without repression or persecution.

The Bertelsmann Transformation Index (BTI), which traces processes toward democracy, has for the first time since 2004 recorded more autocratic states than democracies around the world.[115] The 2021 annual assessment by Freedom House of political rights and civil liberties documented the biggest democratic deterioration since 2006, with political rights and civil liberties declining in 73 countries, representing 75 per cent of the global population.[116] According to the Varieties of Democracy research group, civil society across the G20 countries has deteriorated.[117] The Mo Ibrahim Report states that the African continent has been going through an erosion of civil society and the pandemic has worsened the situation.[118] Indeed, 38 countries in Africa have seen their civic space deteriorate and only 15 have seen an improvement.[119] The CIVICUS Monitor, which annually tracks the rights of civil society organizations in each country, highlights that only 4 per cent of the world's population lives in countries where the rights of civil society organizations to operate freely are widely respected.[120] For example in Latin America, the National Council of Cities in Brazil, a multi-sectoral and participatory platform for urban policymaking, was recently abolished.[121]

Cities in particular, are places where civil liberties are tested, when people voice dissent through protests or challenge government practices through other disapproving behaviour. People living in cities are more likely to translate dissatisfaction with service delivery into discontent with their government than citizens further out on the urban periphery.[122]

Despite unwelcoming environments, civil society organizations continue to demonstrate creative ways to participate in civic issues and advocate for the rights of vulnerable populations. In South Sudan, civil society organizations use elements of performance art and theatre to demonstrate how to hold those in power accountable.[123] In Palestine, civil society organizations use theatre to encourage participation in political processes. In the Democratic Republic of the Congo, civil society organizations held an election for the leaders of a new network to demonstrate that it was possible to hold an election despite repeated delays from the government.[124]

8.2.5. Creating opportunities for meaningful resident participation

Despite the challenging context for civil society highlighted in the prior section, meaningful civic participation is closely linked to achieving SDG 1 (no poverty), SDG 3 (good health and well-being), SDG 10 (reduced inequalities) and SDG 17 (partnerships for the SDGs).[125] The New Urban Agenda aims to move beyond perfunctory participation and towards urban governance that identifies residents and communities as important agents of the economic and social development of cities. This transformation requires a revision of established financial mechanisms to position communities as expert actors in the urban development process.[126] The upgrading of the Ga Mashie district in Accra provides a good example of how residents were enabled to take charge of the improvement of their own neighbourhood (Box 8.4). When residents contribute to urban strategies it positively affects the success of initiatives, particularly in the implementation phase.[127]

Many urban areas suffer from an imbalance of political power and insufficient inclusiveness and participation. Women, youth, minorities and the urban poor are often excluded from decision-making.[128] Across Africa, resident participation has deteriorated significantly over the period of 2015–2019, with more than half of the countries following a negative trajectory.[129] This deterioration disproportionately impacts women who already face barriers to participation. In fact, the guarantee of civil liberties to African women has continued to deteriorate substantially since 2015.[130]

Meaningful participation between residents and their respective local governments requires an investment of time and relationship development. Participation can be driven by a need of the local government to generate better policies or earn legitimacy for its decisions, but also as an attempt to bring social movements into the state apparatus and reinvent participatory structures to pursue transformative aspirations.[131] However, state-initiated participation is often disregarded in crisis situations. In the future scenarios facing cities, as described in chapter 1, much of the policymaking will take place in crisis situations, thus causing a conflict between those in power and the public.[132] Online participation, which became popular during the COVID-19 pandemic, has strengths and drawbacks. It can widen access to residents who could not previously attend in-person gatherings, but it can also be co-opted by non-democratic urban governance forces. In this scenario, the public is presented with alternatives that have been

Box 8.4: How community participation built new roads for Old Accra

Under the aegis of UN-Habitat's Participatory Slum Upgrading Programme (PSUP), the old town of Accra has been upgraded since 2008 through community participation in three different ways. First, the community was closely involved in setting the goals for the upgrading, namely improvement of roads, sewerage networks and sanitation. Second, the community was put in charge of managing the funds for the upgrading through the Ga Mashie Development Committee. This democratically elected body manages a fund through which community groups apply for grants to implement projects in the settlements and has set up a micro-finance guarantee facility with a local bank for affordable business loans to benefit youth and women. Thirdly, an important component of its community participation is the training and capacity building of its residents. Through training and hiring, local residents are employed and gain the skills to become craftspeople. By 2019, the Ga Mashie Development Committee had more than 5,000 members and had improved public space, urban safety and flood risk for over 100,000 residents.

defined by the government and exclude proposals from citizens or nongovernmental actors, so that participation becomes tokenistic and does not meaningfully influence the decision-making process.[133]

Participatory planning can invite Not In My Back Yard (NIMBY) rhetoric. For example, new affordable housing developments in the United States are often challenged and impeded through participatory processes whereby existing residents register their objections to new construction.[134] A key challenge for the future of urban governance is how to balance genuine residents' concerns to protect their quality of life with necessary transformations in transportation and housing while taking into account historical socioeconomic inequalities.

These concerns highlight the need for a combination of participatory processes between those that are instituted by government and those that are catalysed by residents. Urban governance for the future of cities will need to be more communicative, transparent and participatory in order to rebuild a social contract between the state and the public that is strong enough to withstand multiple and complex challenges in the future. A promising example that has withstood the test of time and continues to evolve is participatory budgeting. By providing residents with an opportunity to peer into city budgets and deliberate over how to allocate funds, cities build social capital and public buy-in on the most basic of government functions: raising and spending revenue. Participatory budgeting originated from Brazil, but has since sparked countless iterations globally, both in the developed and developing world. For example, Boston youth have allocated $1 million of public funds annually since 2014 for capital projects on city property.[135] More recently, the city of Seattle earmarked

Interchange in Ghana © Shutterstock

$30 million for a participatory budgeting exercise focused on dismantling systemic racism through investments in housing, education and healthcare in minority communities that will begin in 2022.[136] Both the Republic of Korea and China have mandated participatory budgeting, though there continues to be variability in specific applications of this tool.

As highlighted in Chapter 3, slum upgrading in partnership with informal settlement communities helps to harness their skills and lived experiences. Similarly, effective participatory upgrading is hard to achieve in isolation and is enabled by other transformations of urban governance. The participatory upgrading of Mukuru in Nairobi (see also chapter 7) provides a clear example of the enabling role of decentralization and legal frameworks. Mukuru's participatory upgrading was enabled by decentralization introduced much prior under the 1998 Local Authorities and Transfer Fund, which redistributed 5 per cent of national tax revenues to local authorities.[137] The 2015 Nairobi City County Public Participation Act and the 2016 Community and Neighbourhood Associations Engagement Act provides a clear legal framework that shifted the top-down nature of earlier participatory processes, which were initially dominated by local chiefs and leaders, to a more inclusive form of participation.[138]

The New Urban Agenda highlights that participatory processes should recognize the specific needs of those in vulnerable situations. Local governments are strategically positioned to facilitate the role of intermediaries or access points and act as a conduit for the marginalized and disadvantaged groups within urban settings to meaningfully participate in the decision-making that impacts their lives.[139] In some situations, the most effective role for local government is to create a space for collaboration around a locally identified need and then allow for other local actors to take the lead. However, this is not a call for the privatization of services which dramatically undermine cities' inclusiveness and sustainability.[140] In Langrug, an informal settlement in Stellenbosch, South Africa, a citywide urban poor platform and finance mechanism was created to fund projects identified and prioritized by residents. Each block within Langrug oversaw project implementation like the installation of flush toilets or the creation of play areas.[141] In contexts where participation is not meaningful or invited, civil society organizations have an opportunity to demonstrate and agitate for forms of participatory, deliberative and direct democracy.[142]

### 8.2.6. Financing for sustainable and resilient futures

The scale and ambition of the SDGs and the New Urban Agenda require new thinking on how urban development is financed, as addressed in chapter 4, which covers the diversification of municipal finance in detail. Insufficient budgets and fiscal uncertainty are among the biggest urban governance challenges cited globally.[143] An appropriate combination of endogenous financing and intergovernmental fiscal arrangements are prerequisites for and indicators of effective urban governance.[144] The bare minimum for effective urban governance is that available budgets meet the scope of responsibilities assigned to local governments through decentralization, but ideally would also include revenue for investment in development and growth. The COVID-19 pandemic has highlighted that limited autonomy lowers local government's ability to respond quickly in the best interest of urban residents. After suffering from pandemic-induced economic contraction, Johannesburg, South Africa, provides a promising example as the national government's relaxation of spending restrictions allowed local decision-makers to reallocate some budget items to meet emergent and urgent needs.[145]

The key message in financing for sustainable urban governance is that the revenue local governments can raise through taxes will always be insufficient to keep up with the required infrastructure and service delivery needs. The municipal financing gap in Africa alone is estimated at US$25 billion per year.[146] Prior to the pandemic, it was estimated that LIDCs need to increase their spending by roughly 12 per cent of GDP to achieve the SDG's. The economic setbacks caused by the pandemic now put that number at roughly 14 per cent of GDP.[147]

The revenue sources for local governments generally fall into three broad categories: grants and subsidies, tax revenue, and user charges and fees. On average, tax revenue represents 32.7 per cent of local government funding (Figure 8.4). In OECD countries, fiscal decentralization over the last few decades has given subnational governments greater economic importance.[148] However, in some countries, such as Uganda, Kenya and Tanzania, tax revenue accounts for less than 5 per cent of subnational revenue.[149] As discussed in Chapter 8 of the World Cities Report 2020, property taxes have significant potential as they are under-utilized in many cities, primarily in low- and middle-income countries (Figure 8.4), in part because of limited human resources as well as out-of-date property registers and cadastral maps.

National governance frameworks often limit local governments in their ability to expand local revenues. According to a 2016 database, 36 per cent of city governments could not change or introduce new local taxes, and only 15 per cent of cities had the mandate to both introduce and change local taxes, with the remainder dependent on higher levels of government.[150] When local taxes are subsumed by the national government, such as in China, local governments often seek their own revenue

Figure 8.4: Share of revenue for subnational governments
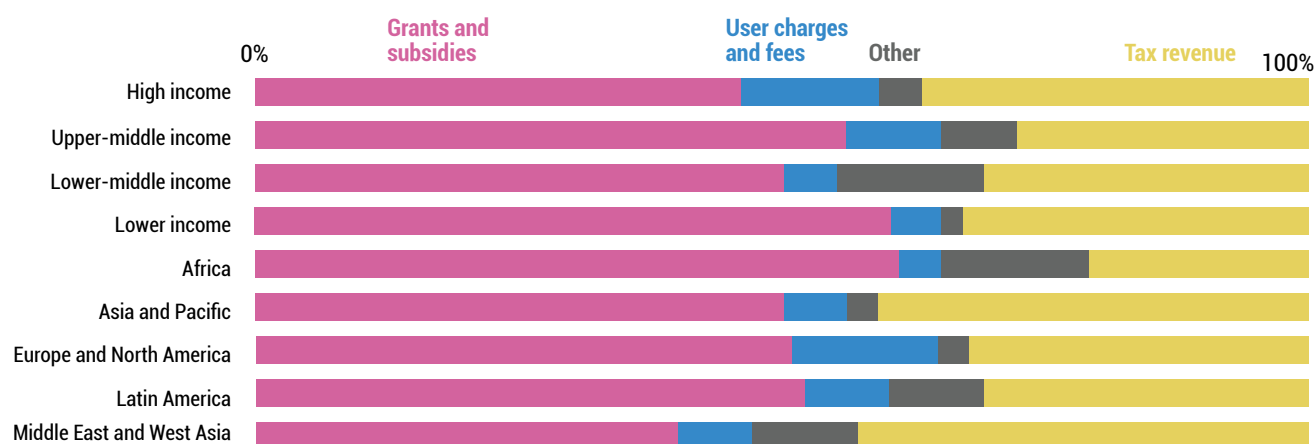
Data sourced from OECD and UCLG, 2019.

through speculative land development to fill the gap.[151] This type of incentive should be avoided and local governments should instead focus on tax collection efficiency, as well as promote transparency, accountability, participation and performance-based incentives to build autonomy.[152]

To supplement revenues, governments must lean into financing from the private sector, debt financing and pooled borrowing.[153] Most of these mechanisms require subnational governments to achieve creditworthiness and national governments to relax rules regarding local government borrowing. Less than 20 per cent of the 500 largest cities in developing countries are deemed creditworthy and less than 20 per cent of all cities in developing countries can issue bonds to local investors.[154] Even when cities do have their financial house in order, they can face obstacles from national government for political reasons. For example, the Ministry of Economy and Finance of Senegal blocked the city of Dakar from issuing its first-ever municipal bond in 2015. This move came despite a local public expenditure and financial accountability review, and after Dakar had improved its credit rating and secured a 50 per cent partial risk guarantee.[155]

From a 2016 survey of 127 cities (self-reporting), 87 per cent of cities had borrowed money over the last 10 years, yet only 21 per cent of these cities could borrow without legal limit set by their national government.[156] Green bonds have gained traction to finance climate action, more than quadrupling between 2016 and 2021.[157] In 2013, Johannesburg became the first city in the C40 Cities Climate Leadership Group to issue a green bond. However, green bonds are primarily issued by national governments and

cities in development countries are responsible for only 2 per cent of all green bonds issued since 2007.[158]

The consequences of a national government assessing the risk and cancelling access to municipal debt markets highlights the need for clearer and more effective regulatory frameworks.[159] The risks associated with borrowing can partially be alleviated by developing funding sources and policies in parallel to developing a vision for intervention and investment.[160] Multilevel governance can also lower risks, as the involvement of multiple orders of government and alignment with a national urban policy provides national governments confidence to relax rules around borrowing at the local level. In fact, smaller and secondary cities may need to pool their credit requirements or enhance their credit quality through bond banks, loan pools and guarantees to reduce risk and attract lenders.[161] A simple, innovative example has emerged out of Colombia in their public ratings of municipalities' subnational debt.[162] Borrowing is prohibited for so-called "red-light municipalities" whose ratio of interest to operational savings exceeds 40 per cent and whose ratio of debt stock to current revenues exceeds 80 per cent. "Green-light municipalities" can borrow uninhibited and "yellow-light municipalities" can borrow with approval from the central government.

Local government finances are supplemented with grants and subsidies from higher levels of government, international organizations (e.g. European Union) and international aid, which combined represent on average 51 per cent of their income (Figure 8.4).[163] However, only 1.3 per cent of total bilateral development assistance is provided to cities and regions.[164]

In light of this low figure, new city-to-city networks are pioneering decentralized development cooperation as an innovative form of participatory cooperation that bypasses central governments.[165] With an estimated 70 per cent of cities across donor and developing countries engaged in peer-to-peer exchanges, including cross-border partnerships, the enabling environment for decentralized development cooperation is growing.[166] While the liminal nature of decentralized development cooperation can lower accountability and potentially exacerbate inequality, there are innovative approaches that deserve pursuit. For example, the European Committee of Regions organized a so-called "decentralized stock exchange" that pools members' expertise and promotes access to subnational financing in developing countries through financing instruments that reduce the risk of investment.[167]

Despite their poor record of delivery, privatization and public-private-partnerships are still widely promoted as solutions for cash-strapped local governments in low-, middle- and high-income countries.[168] In middle- and high- income countries, privatization has increased alongside austerity policies. In low-income countries, privatization is promoted under the guise of development aid, forcing governments to engage in complex and costly PPPs instead of building effective public services.[169] One response to these concerns is the shift towards public-private-people partnerships (4P), which institutionalize the involvement of people into development projects. The World Urban Forum 9 report suggests that international institutions should promote public ownership, public banks and in-house government management of essential urban public services rather than public-private partnerships, private sector financing, city benchmarking and philanthropy.[170]

A Road under construction in Nairobi, Kenya. © NoyanYalcin/Shutterstock

8.3. Emerging Urban Governance Responses to Five Pervasive Challenges

The pace and scale of global urbanization continues to outpace the ability of governments to plan and provide services for all, especially in low- and middle- income countries. Current modes of urbanization are stretching the boundaries of cities, blurring jurisdictional lines and leading to a lack of clarity about who handles emerging challenges. UN-Habitat identified four major shocks facing cities globally, namely climate change, extreme poverty and inequality, the fourth industrial revolution and COVID-19. In order to steer cities towards the optimistic scenario outlined in Chapter 1, the necessary urban governance responses to these shocks must also acknowledge the reality of unplanned growth and the blending of urban, peri-urban and rural areas.[171] While the human impact of each of these shocks, individually and collectively, are discussed in other chapters, they provide a framework to explore emerging urban governance strategies to ensure local government is prepared to address them.

8.3.1. Blurring lines of urban jurisdictions and boundaries

Urban extension has surpassed urban population growth globally and, due to that expansion, many cities have grown beyond the boundaries of their central municipality.[172] Neighbouring municipalities have agglomerated into contiguous urban regions and peri-urban and rural hinterlands have become more connected. Chapter 2 highlighted the rise of these urban areas, while Chapter 6 discussed sprawl as a driving factor for this spatial extension. Bridging geographic scales is increasingly difficult when the administrative boundaries do not match the functional integration of metropolitan regions.[173] In Africa, the ability of local governments to control urban sprawl is often limited by lands being under the customary ownership and authority of traditional leaders.[174] Informal settlements on the edge of urban jurisdictions are vulnerable to eviction due to unclear regulatory frameworks, as was demonstrated by a recent large-scale eviction in India.[175] Sustainable urban governance can only be achieved when effective regional planning systems are institutionalized, such as through metropolitan governance or through national urban policies.

The global metropolitan phenomena that impact cities of any size and territorial characteristics force us to revisit and adapt urban governance and management frameworks. New approaches based on cooperation, solidarity and collective action between local and neighbouring governments are essential to cope with the most pressing challenges of sustainable development, namely pandemics and other health crises, climate change, the risk of armed conflict, extreme poverty, socioeconomic inequalities and rapid technological advancement, among others. To be sure, these challenges do not recognize political nor jurisdictional boundaries. Cities with integrated metropolitan governance and management systems are better prepared to plan for, prevent and respond to urban challenges. COVID-19 reinforced metropolitan governance as a necessary approach for advancing balanced and sustainable urban and territorial development.[176] The territorialization of the COVID-19 response through regional planning and the use of small and secondary cities as subregional health responses to reach out to rural communities served as a key mechanism to respond to the pandemic.

One approach to improving clarity within multilevel governance for urban development is the development and implementation of a national urban policy (NUP). The World Cities Report 2020 showed that NUP's gained prominence as important guiding instruments to promote coherent and consistent urbanization within a country's boundaries. Both the 2030 Agenda and the New Urban Agenda advocate for the importance of NUPs. While NUPs are an important first step, the 2022 Quadrennial Report on the Implementation of the New Urban Agenda observed that an uptick in adoption of NUPs has not yet translated to impact on the ground. In much of Africa urban plans are being used to attract the private sector both locally and internationally to invest in sustainability projects that unfortunately do not substantially improve public infrastructure.[177] This mismatch indicates that policy coherence through a NUP is a necessary but insufficient condition for effective multilevel governance.

There are however also promising examples. The 2015 National Urbanization Policy of Rwanda exemplifies country-level response. That NUP is further echoed in the Urbanization and Rural Settlement Sector Strategic Plan 2018-2024, which promotes better management of urban sprawl into peri-urban and rural areas.[178] The plan aims to achieve that goal through improvements to transport services that connect urban and rural areas and by enhancing the opportunities presented by the increasing demand for horticultural and livestock products while mitigating the resource depletion and other environmental impacts at the edge of urban sprawl.[179] Additionally, Rwanda has a national roadmap for green secondary cities that was developed and aligned with the aforementioned plans.[180]

8.3.2. Pandemic and health crisis response

The current COVID-19 pandemic is not the first, nor will it be the last, major crisis that will challenge urban governance systems. Chapter 1 discusses the rise of zoonotic diseases as new layers of health risks that the world is increasingly experiencing and will be an ongoing feature of urban governance.

A threat anywhere is a threat everywhere and no one is safe until everyone is safe.[181] Indeed, the World Health Organization highlights both the moral imperative and the practical considerations in ensuring equitable urban governance towards managing current and future pandemics and health crises.[182]

Health equity, as highlighted in chapter 7, is an urban governance challenge that requires a multilevel approach with better collaboration between government departments and non-state actors supporting monitoring and evaluation in expenditures and service delivery. A scoping survey by the Emergency Governance Initiative, which included 57 cities in 35 countries, revealed that difficulty of working across different tiers of government was the most pressing challenge in dealing with the pandemic (Figure 8.5).[183] Politicized response to the pandemic in Brazil and the United States, led to low levels of national coordination between state level responses.[184] While lockdowns were often initiated by national or state governments, it was ultimately up to local governments to enforce them.

The pervasive presence of public health emergencies globally indicates the need for accountability and transparency in public health governance to ensure health equity. However, based on recent representative research, it is estimated that around 800 million people pay bribes to health services every year.[185] Corruption in the health sector is estimated to kill approximately 140,000 children annually and impedes the global fight against diseases like HIV/AIDS.[186] A recent publication estimates that US$500 billion in public health spending is lost globally to corruption every year, enough to achieve universal health coverage.[187]

Evidence has shown that cities with a more equitable and accessible distribution of basic services were better able to protect vulnerable and high-risk communities from the beginning. Equitable and well-planned cities that address spatial inequalities and provide equitable access to basic services and infrastructure are more resilient to the shocks caused by pandemics.[188] Research has noted that cities with

Children wash their hands at a facility put up in Kibera slum, Nairobi, Kenya@UN-Habitat/Kirsten Milhahn

more autonomy in local government are better positioned to respond to health care crisis with contextualized knowledge and experiment with different approaches and service delivery.[189] For example, Guangzhou, China, hired nearly 80,000 residents to conduct community patrols for containment measures and countries like Germany and Republic of Korea allowed local governments to undertake healthcare implementation.[190]

National urban policies are an urban governance tool that supports balanced and coherent urban development. They help bridge policy silos and can be leveraged to anticipate and respond to the implications of COVID-19 and future public health related shocks.[191] They are especially important for secondary cities and their access to national level supports and territorial cooperation in the face of public health challenges. For example, one key to the National Urban Development Policy 2018-30 of Costa Rica is the articulation of a network of intermediate cities to allow sharing and capitalize on best practices, learning and financing opportunities.[192]

Government interventions in the interest of public health can cause economic and social costs as well as impact urban residents' routines, mental health and social security. While curfews, lockdowns and restricting where people gather have proven effective at limiting the spread of COVID-19, less costly and more trust-based approaches have only been marginally less effective. These include risk communication strategies, promoting social distancing and workplace safety measures, encouraging self-isolation when symptomatic, and travel warnings. Inclusive urban governance needs to assess the risks and costs for all urban residents of responses to health crises.
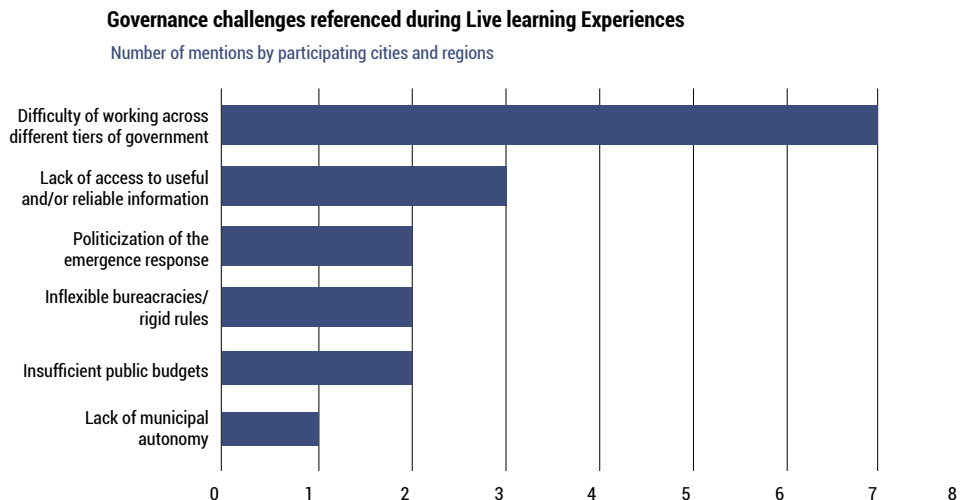
8.3.3. Climate change

As discussed in Chapter 5, greenhouse gas emissions continue to rise globally, of which cities are responsible for over 70 per cent. While addressing global emissions will require national and supranational actions, cities are central to adaptation and mitigation efforts. The optimal level of decentralization of climate policy is context-specific with local governments facing restrictions to environmental taxes and weak capacity to deliver on climate mandates.[193] The Coalition for Urban Transitions suggests that by 2050 local governments can reduce urban emissions by one-third through their own actions and another one-third through collaboration with national governments.[194] In developing countries, climate policy is not a well understood area of practice to many local governments and as a result, very few stakeholders understand the importance of considering climate change in city planning.[195] Further, the time horizons are not aligned with government timeframes and electoral cycles provide political cover for inaction.

Chapter 5 also discusses climate-related extreme disasters, which have increased significantly in recent years,[196] while the number of globally displaced people rose above 65 million in 2017, almost twice the level from 20 years
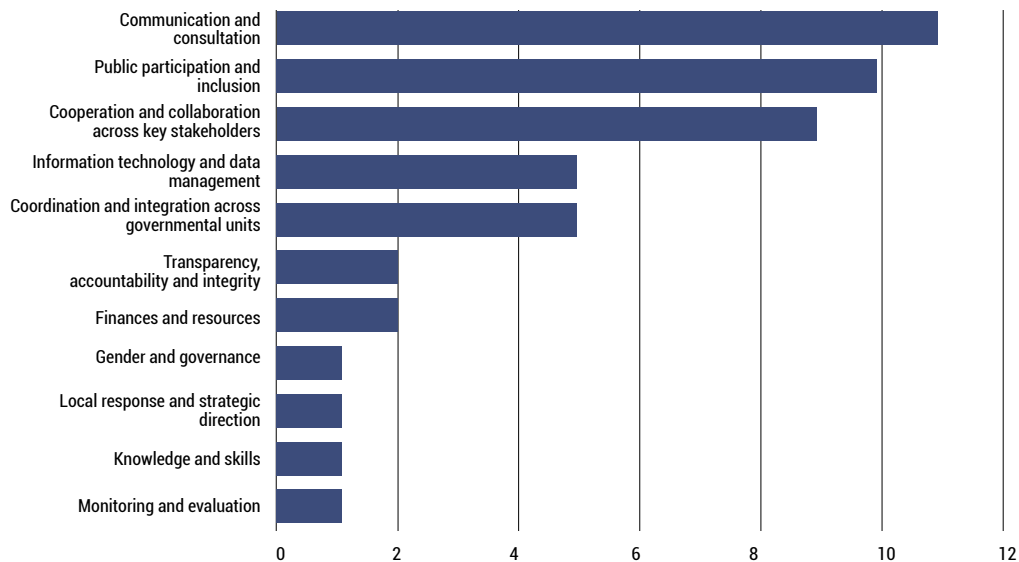
> **Research has noted that cities with more autonomy in local government are better positioned to respond to health care crisis**

Figure 8.5: Governance challenges and innovations during the COVID-19 pandemic

Governance challenges referenced during Live learning Experiences

Number of mentions by participating cities and regions

Challenge	Mentions
Difficulty of working across different tiers of government	7
Lack of access to useful and/or reliable information	3
Politicization of the emergence response	2
Inflexible bureacracies/ rigid rules	2
Insufficient public budgets	2
Lack of municipal autonomy	1

Emergency governance innovations referenced during Live Learning Experiences
Number of mentions by participating cities and regions

Category	Mentions
Communication and consultation	11
Public participation and inclusion	10
Cooperation and collaboration across key stakeholders	9
Information technology and data management	5
Coordination and integration across governmental units	5
Transparency, accountability and integrity	2
Finances and resources	2
Gender and governance	1
Local response and strategic direction	1
Knowledge and skills	1
Monitoring and evaluation	1

Source: Emergency Governance Initiative, 2020.

ago,[197] which poses severe governance challenges. The Mayors Migration Council (MMC), a mayor-led advisory and advocacy organization on migration and displacement, has called for a range of actions in the realm of urban resilience, urban inclusion and urban transformation to address climate-change induced migration, such as the need to "modify national legislation to allow the integration of informal workers – including migrants and displaced people – into green development plans."[198]

A further urban governance challenge is to (re)invent public services for the future of cities to address the challenges of meeting basic needs while adapting and mitigating climate change impacts. Co-production and re-municipalization are two governance tools to ensure that energy, water, waste and transport are simultaneously meeting the needs of the most vulnerable residents and reducing the environmental footprint of cities. In contrast to the ever-increasing prices and environmental impacts of corporate operations in the energy sector, new local public companies and co-operatives, like Hamburg Energie (Hamburg, Germany) and Kauai Island Utility Cooperative (Kauai, US) have been developing renewable energy sources in a way that lowers cost and improves service to all residents.[199]

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A further urban governance challenge is to (re) invent public services for the future of cities

Climate and environmental challenges require co-ordination beyond local, regional and national territorial scales and into supranational policy frameworks.[200] A recent survey on national urban policies found unique supranational policy frameworks in distinct contexts that respond to local needs. For example, Luxembourg is engaged in a cross-border co-operation policy with France in response to the joint needs of the Alzette Belval conurbation.[201] The Netherlands has had country-to-country agreements for many years focused on river management and urbanized delta areas.[202] In these emerging supranational agreements, national urban policies play an important role in providing a basis to guide the priorities of the international policymaking process.[203] A risk-based decision-making model favouring integration and long-term planning with appropriate local, community, national and supranational governance structures is essential for mitigating and adapting to climate change.

8.3.4. Extreme poverty and inequality

As highlighted in Chapter 3, extreme poverty and inequality remain pervasive urban challenges. With outdated territorial demarcations due to unplanned urban expansion, public interests are poorly represented and the urban poor are often geographically, economically and socially excluded and most vulnerable to challenges.[204] In many parts of the world, urban governance arrangements are attuned to middle classes, while the urban poor are left behind. Land that is illegally occupied by affluent residents may be tolerated, while the urban poor are evicted from slums that have been formally

Land that is illegally occupied by affluent residents may be tolerated, while the urban poor are evicted from slums that have been formally registered for decades

registered for decades. The term "aesthetic governmentality" refers to urban governance that manipulates the law based on standards of appearance and nuisance, rather than the rights of the urban poor.[205]

It is pertinent for governments to fully acknowledge and invest in slum dwellers and their organizations as true development partners. For example, Shack/Slum Dwellers International and the Asian Coalition for Housing Rights alone have over 800,000 members and operate across 698 cities in 48 countries.[206] The Poverty Reduction Fund of Lao PDR recognized the importance of collaboration with slum dwellers and invested in community-led initiatives that resulted in nearly 900,000 slum dwellers with increased access to basic services.[207]

Non-governmental institutions including formal organizations and loose mutual aid associations have also created innovative forms of governance while both collaborating with and operating outside of formal government.[208] Micro-finance and community savings groups play a role in closing the gaps caused by insufficient public and private investment. Many mutual aid networks stepped in during the pandemic to coordinate and distribute critical resources that address government and market failures. For example, in Thailand, over 1,400 food pantries emerged providing a place for people to donate food and supplies to those in need.[209] Others are collaborating with the public authorities, like Mask Map in Taiwan, which is driven by government-provided mask and pharmacy data to provide real-time information on mask availability. This information by public authorities is taken by a civic hacking organization and coordinated, maintained and published for public consumption.[210]

8.3.5. Ubiquitous data and frontier technology
While access to, and the availability of, frontier technologies are uneven in cities around the world, this is undoubtedly a global issue for urban governance to address in the pursuit

It is pertinent for governments to fully acknowledge and invest in slum dwellers and their organizations as true development partners

of sustainable and inclusive cities. Technologies create exciting possibilities to enhance the well-being of residents, improve environmental management and contribute to economic development. The positive and negative disruptive consequences of social media and other big tech platforms, artificial intelligence, the internet of things, big data and blockchain will play out in urban areas and influence city management and service delivery.

Governments, especially in low- and middle-income country contexts, cannot be passive recipients of technological innovation. National leaders recognize that intersectoral city planning requires good statistical and geospatial data, which is not currently accessible to local governments. The normative advantages to technology too often lead to technological solutionism, or finding a problem for an externally devised solution.[211] Technological solutionism is also connected to the fantasy of the smart city as a magical solution to all urban problems, which ends up making the governance of core urban problems even more opaque.[212] Given that regulating technology is often outside of the jurisdiction of local governments, this challenge reiterates the need for multilevel governance.

In addition to governing through the use of technologies as discussed in Chapter 9, the potential abuse of technology will create challenges. Globally there are already examples of exploitation of big data and usage beyond its original and agreed upon scope, increasing privacy and security concerns.[213] The absence of public oversight and accountability on the extensive data records of individuals and communities raises concerns around privacy,

Adoption of renewable energy in cities is a means of lowering urban emissions and the effect on climate. © artjazz/Shutterstock

surveillance, data sovereignty and individual autonomy. Human rights obligations apply online as they do offline. Using principles like those found in the Open Smart Cities Guide, the result of a year long collaborative research project in Canada, ensures that emerging technologies are governed in a way that is ethical, collaborative, accountable and transparent regardless of the urban stakeholders that own the initiative.[214] The OECD highlights the need for re-regulation over deregulation in the era of emerging technologies.[215]

8.4. Divergent Urban Governance Futures

Long-term prospects as outlined in Chapter 2 point to a world that will continue to urbanize, with urban areas expected to absorb virtually all future population growth globally. A recent report defines transformative change in urban governance as "lasting change that enhances access to urban services and opportunities while improving institutional practices and outcomes across multiple urban sectors and enduring across political administrations."[216] These scenarios introduce potential urban futures based on current urban governance trends that have the potential for increasing resilience and sustainability in line with the optimistic scenario of Chapter 1 or causing dire consequences that would lead to the high damage scenario of Chapter 1.

8.4.1. The potentials and pitfalls of technologically-mediated future cities

Smart city technology promises to generate economic, social and environmental value through a connection of urban services and infrastructure by emerging and existing technologies. While the possibility of realizing this value exists, there is limited evidence that smart technologies are enhancing social well-being, building just and equitable communities and reducing environmental degradation.[217] Technology in and of itself is neutral, but its development and application is full of human bias. For example, facial recognition algorithms have been demonstrated to have racial bias that is already causing problems in its application.[218] Chapter 9 highlights an important distinction for the governance of smart cities, namely the development of new infrastructure versus the improvement of existing infrastructure. This debate is the macro-level expression of the linear production model ("take-make-dispose") versus a closed production cycle emphasizing repair, recover, reuse and recycle.[219] Already, there is a global annual deficit of infrastructure investment worth US$3.3 trillion.[220]

An emerging question is how does "smart" technology investment contribute to sustainable development rather than take away from it? Creating completely new "smart cities" instead of investing in the upgrading of infrastructure in existing cities drains the capacity of local government and competes with resources from the rest of the city.[221] For example, Konza Techno City outside of Nairobi and Hope City in the Greater Accra Region take away from investment in existing urban areas.[222] Critically, smart cities are often developed through the parallel governance of newly established corporations and often lack accountability to the public the way an elected government is.[223] So, what does the future of technology in urban governance look like in the future? Are technology and democracy locked in conflict? There are two predominant scenarios for the future application of technology in urban governance.

First, private-sector led growth that prioritizes new technology leads to increased investment directed away from core services and increased risk of privacy consequences. Chapter 6 of the World Cities Report 2020 indicated that the global demand for smart cities was growing rapidly, reaching US$1 trillion in 2019 and an estimated US$3.48 trillion by 2026. There is also the tendency for the design of online services and infrastructure to be guided by the technologies available rather than resident needs.[224] The deification of technology occupies mainstream policy and has resulted in a close union between governments and private technology companies that are driven by entrepreneurialism and profit-seeking public-private partnerships.[225] As discussed in Section 8.3.5, combatting this tendency will require a combination of new regulations and adapting existing regulations to ensure that corporate players do not have inappropriate access to data and unfair advantages in the competition to supply the public sector with technology. [226]

The second and more preferable scenario is that of smart, sustainable cities that facilitate healthier and more inclusive cities. The application of ICT in cities requires care to avoid empowering corporate interests and further exclude those already marginalized by prevailing technocratic and entrepreneurial approaches to urban governance.[227] Technology development and use that is fit for purpose, inclusive, transparent and accountable can lead to sustainable and resilient urban futures, but it is a process that will take time and it will not be as flashy as corporate-led investments. For example, a more inclusive approach to smart city governance may lie in the development of "digital twins" of existing cities, or virtual models that allow for real-time urban management.[228]

8.4.2. Can decentralization survive global pandemics and climate change?

Centralization or decentralization, which one has proven to be more effective during the COVID-19 pandemic and what approach will countries take to build sustainability and resilience against future shocks? Two divergent scenarios may unfold: one with accelerated decentralization to city-led urban governance and one of recentralization to national or centralized metropolitan governments.

Decentralization has long been upheld as a trend that enhances democracy as well as ushers in greater accountability, proximity and civic participation. A decentralized approach means there is no single point of failure as is the case in centralized governance.[229] This holds true from a public health and an economic perspective as local governments are well-positioned to support entrepreneurs and business in mitigating the economic consequences of global shocks.[230] In their manifesto, Fearless Cities, the Global Municipalist Movement argues that decentralization has not gone far enough.[231] In re-establishing closer connections between residents and governments, decentralizing governance to the city level may not be enough, as some large metropolitan governments, such as Chongqing, China, and Tokyo, Japan, have populations larger than most countries. The United Nations University suggests that beyond public health, decentralization is imperative for migrants as the negative impact on global GDP will cause more people to move in search of safety and opportunity.[232] Research demonstrates that the overall effectiveness of local government has a direct impact on anti-immigrant sentiment and well-managed services contribute to positive intergroup relations.[233]

While decentralization has been described as a "revolution" in governance and a priority for global institutions and literature for the past three decades, the results have been unequal. A pervasive argument against decentralization is that some of the worst examples of corruption are found at the local level where politicians and administrators enjoy minimal oversight.[234] Oversight by higher levels or different spheres of government can provide accountability in the planning process, but the line between oversight and corrupt interference is slippery.[235] The technical staff within a government responsible for planning and the daily management of services risk being ousted by local political elites when their interests do not align.

The impact of decentralization to enhance economic growth has been questioned since the early 2000s.[236] Later, the 2008 global financial crisis tested countries' commitment to decentralization with some explicit recentralization reforms, primarily as a result of austerity policies.[237] Hungary is a frequently used example in its recentralization efforts between 2011 and 2012, with the central government rewriting the Local Government Act and retaking control of many functions previously exercised by subnational governments.[238] While recentralization is largely considered a regression for urban governance, there are suggestions that the enhanced control of national government has boosted bargaining power of subnational jurisdictions as well as increased their ability to influence national policymaking.

8.4.3 Addressing the trust equation

Crises test people's trust in their governments and institutions, especially as they persist without a clear end in sight causing social and economic impacts to deepen and individual freedoms are restricted. Indeed, the COVID-19 pandemic has demonstrated that trust in urban governance institutions is crucial for the success of the responses against impending threats. This section poses two divergent scenarios: one of a future with trust in public institutions and one with a continued erosion of that trust.

Political stability and attempts to mitigate crisis are undermined when residents encounter corruption and lose faith in their government's ability to provide basic services.[239] Even prior to the current pandemic, there was a lack of trust globally in most urban governance institutions, including business leaders, civil society organizations and the media.[240] Violations of land and housing rights put a major strain on building trust. Despite calls by the international community to halt displacements,[241] evictions continued throughout the COVID-19 pandemic. The Housing and Land Rights Network documented the forced eviction of close to 10 million people between January and October 2020 alone.[242] As long as such practices continue, trust between residents and government will not be regained. Citizens that live further out in the urban-rural periphery tend to trust their governments more and are more likely to evaluate both local and national officials positively.[243] When trust in municipal urban governance is lost, residents can turn to parallel forms of governance (section 8.2.2).[244]

Despite calls by the international community to halt displacements, evictions continued throughout the COVID-19 pandemic

Evidence of corruption or a mishandling in the interest of a select few can undermine the ability to effectively respond to crisis situations and deepens the social and economic impact.[245] Further, even the perception of corruption has a negative impact on trust in, or the perceived legitimacy of, governance institutions.[246] A survey indicated that over 60 per cent of responding city governments in Africa and Latin America and the Caribbean, considered "lack of trust in local government" and "risks of corruption" relevant to highly relevant as an urban governance challenge[247]. According to a recent study, nearly half of South African and almost three-quarters of Zambian urban planners surveyed are faced with pressure to ignore or violate planning rules, policies or procedures.[248]

According to Wellcome Global Monitor 2020, trust in public institutions is highly variable around the world and does not neatly align to income categories (Figure 8.6).[249] Improving trust is not dependent on increased economic performance and trustworthy institutions can be built regardless of the countries income level. A recent survey of local governments across 35 countries on all continents indicated that many governments have been focusing on finding new ways to assure residents that they can be relied upon in times of crisis.[250] One recent pathway for governments to rebuild trust is the Open Government Partnership Local initiative,[251] which assists governments in their efforts to turn to open government principles, expand and facilitate access to public information, increase transparency and accountability of decision-makers and introduce co-creation into public policies with the ultimate goal of creating or rebuilding trust in the public sector. [252]

Building trust also means building capacity of local planning offices. When there are few qualified planners and public pay is low and irregular, there is increased risk of planners working on private commissions alongside their public responsibility.[253] The integration of mechanisms to ensure transparency and the protection of the common good are important within situations of crisis to ensure that emergency measures are accountable and proportional. Other means for building trust are reflected in the Open Contracting

Figure 8.6. Share of people who trust their national government
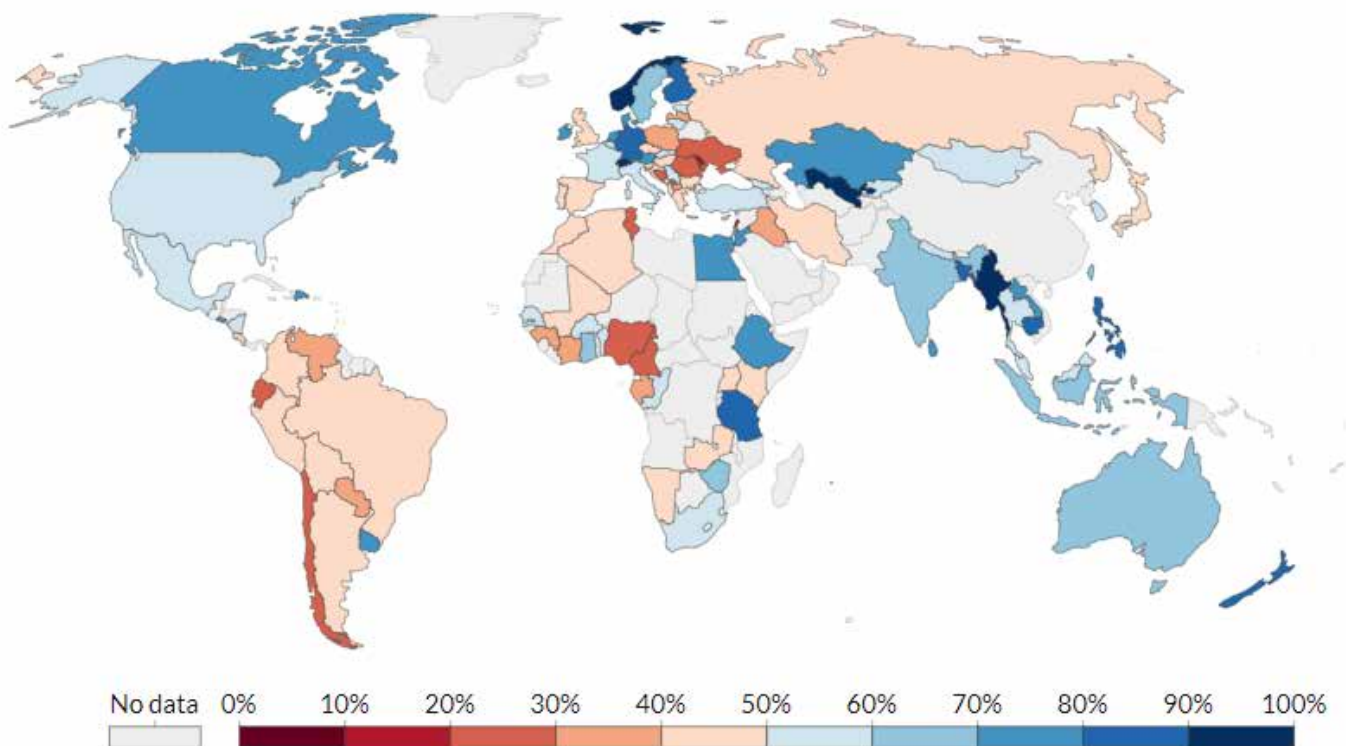
Source: Wellcome Trust, 2021.

Partnership[254] or to commitments made around data and information transparency like the Open Data Charter.[255]

8.5. Concluding Remarks and Lessons for Policy

The disruptive nature of COVID-19 is a stark reminder that urban governance needs to be prepared for a dynamic and unpredictable future. The fluid nature of the pandemic exposed existing resource and capacity deficits in cities alongside their vulnerability to public health and climate change shocks. The disproportionate impact that systemic disruptions have on people with multiple deprivations highlights the need for a spatial justice lens to be applied to future urban planning and service design to ensure that benefits and vulnerabilities are distributed proportionately across distinct geographies and income levels. Globally, urban governance must become better prepared to predict, prevent, detect, assess and effectively respond to public health and climate change shocks in a highly coordinated, yet localized manner. National urban policies and effective legal frameworks have demonstrated effectiveness in both aligning urban development priorities within member states, but also lending structure to international agreements to combat the challenges like climate change that do not respect jurisdictional authority. No single government or multilateral agency can address such threats alone.

There is evidence that systems and structures built in response to previous pandemics and weather-related disasters were effective in mitigating the impacts of COVID-19. Many of these systems and structures rely on data and digital technologies to increase the ability of governments to make real-time, evidence-based decisions. It is imperative that international support and national urban plans centre the creation, use and reuse of data and the creation of data governance frameworks so that urban governance organizations build their capacity across the data lifecycle.

The battle for sustainable development will be won or lost in cities. While urban governance is a multilevel, cross-sectoral and integrated project, a country's level of decentralization, especially fiscal autonomy, will affect local government's ability to effectively facilitate the required collaboration and cooperation. There is an emerging consensus in the benefit and necessity of public-public cooperation whereby decision-making for urban development is stewarded by the level of government and their networks closest to the people. In some cases, that means the development priorities are community-led and community financed with a hands-off approach by government. Globally, cities are learning from, and in some cases being funded by, international networks and cooperation. These networks, in addition to providing knowledge exchange opportunities, are also providing smaller cities with a platform to have their perspectives heard and advocated for.

Collaboration across levels of government, private sector, civil society, academia and other stakeholders is surely to be part of the new norm and must be initiated to bridge the capacity constraints of each stakeholder group to respond individually to urban challenges. This type of collaboration will require recognition that values the strengths individual institutions bring to the collaboration. It will also require local governments to rethink the relationship between state actors and non-governmental actors, including residents. As global shocks and uncertainty arises, the need for legitimacy and trust in institutions is crucial. Rebuilding trust requires a commitment from all urban governance organizations to effective and open communication, meaningful participation opportunities that centre systemically excluded populations, and accountability structures built into integrated governance relationships. There is a need to both institutionalize resilience planning strategies and create space for urban governance models to adapt and be flexible in how they allocate resources.

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