



Australian International Development Policy Submission

November 2022

BACKGROUND – THE URBAN COMMUNITY OF PRACTICE

ACFID's Communities of Practice (CoPs) provide a means for practitioners from across the sector to come together, share experiences, generate new insights, act together to solve problems and contribute to the development of a shared body of knowledge. They are self-selecting, voluntary, self-managing and collegial. For ACFID, whilst CoPs may play a role in contributing to our agenda, they are not accountable to ACFID, thus allowing them greater group autonomy, flexibility and ability to take initiative. CoP membership is open to all ACFID member agencies, academics from affiliated universities, independent consultants, managing contractors and the private sector as individually determined by each CoP. As such, the opinions and work created within CoPs does not always represent the view of the entire ACFID membership or management.

Founded in 2015, the ACFID Urban Community of Practice (CoP) is an independent coalition of not-for-profit organisations, private sector companies, academic institutions and associated individuals engaged in international urban development and humanitarian response, and who advocate for sustainable, resilient, and inclusive cities.

SUSTAINABLE, RESILIENT, AND INCLUSIVE SETTLEMENTS AND CITIES

Today, 57% of the world's population – 4.5 billion inhabitants – live in cities. By 2050, more than two-thirds of the world's population will be living in urban areas. The fastest growing urban spaces are cities with fewer than 1 million inhabitants. A multitude of factors are at play, including migration, displacement, population growth and increased access to economic opportunities, particularly for young people. Cities are also becoming younger; an estimated 60% of the urban population will be under the age of 18 by 2030¹.

U.N. Habitat estimates that about 45% of the urban populations in developing countries live in slum households, defined as those lacking access to adequate housing and basic services such as water and sanitation, with vulnerability to natural disasters such as cyclones, floods, and earthquakes. Increasing urban population levels, with the increasing frequency and intensity of disasters through climate change, are amplifying the vulnerability and exposure of some of the world's poorest communities.

It is recognised there are many potential benefits of urbanisation such as poverty reduction through increased economic opportunity. Urbanisation can also have a profound impact on gender equality and empowering women and girls, with cities providing greater opportunities especially in education and employment. As women gain equality, the effects of poverty on families are also reduced since women who have more control over resources allocate more to food and children's health and education². However, if urban poverty is unaddressed, projections indicate that by 2035, urban areas will be home to the majority of the world's poor, without adequate housing and other services, nor sufficient opportunities for economic development.

¹ UN-Habitat (2018), UN-Habitat and Youth, Nairobi, Kenya.

² WomenWatch (2009), Gender Equality and Sustainable Urbanisation Factsheet



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Recognising and responding to the **intersectionality** of international development and humanitarian needs in vulnerable communities is essential to effect meaningful impact in reducing poverty. Artificial sectorial distinctions and priorities undermine the holistic approaches that are necessary in both urban and rural areas to improve the lives of vulnerable families, communities, and societies. Recent successful urban post-disaster recovery experiences globally have highlighted the need for approaches that are locally focused, multisectoral, people-centred and highly participatory³. There is a fundamental interconnectedness of developmental disciplines including (but not limited to) health, housing, water/sanitation, livelihoods, education, food security and agriculture, with mutually reinforcing cross-cutting benefits of gender equality, disability inclusion and environmental management. For example, housing has not traditionally been considered as a sector for prioritisation in Australia's International Development Programs, yet adequate housing is inextricably linked to stronger communities and is essential for good health, education, livelihoods, social protection, security, along with resilience to shocks and hazards.

The Urban CoP therefore strongly urges the new Australian government to pursue a development approach that avoids compartmentalisation of 'sector priorities' in this development policy and instead look towards integrated and settlements or place-base approaches⁴ to poverty reduction with people's experience at the centre. This will require stronger contributions from, and coordination between, international development actors such as Non-Government Organisations (NGOs) and Community-Based Organisations (CBOs) supported from Australia. For communities and governments, this more integrated multi-sectoral approach will lead to more coherent and efficient development practice, less duplication and fatigue of engagement in-country, and ultimately produce deeper impact in larger target populations.

KEY CHALLENGES THAT WILL SHAPE AUSTRALIA'S ENGAGEMENT IN OUR REGION AND GLOBALLY

The United Nations projects that urban population growth in "less developed regions" will be over 2 billion people by 2050 and that close to 90% of this increase will be in South Asia and Sub-Saharan Africa. Cities in most countries in Asia contribute more than 80% of gross domestic product. Climate and disaster risk are increasing and urban populations living below or just above the poverty line are highly vulnerable due to higher exposure to hazards and a range of structural inequalities⁵. This means that billions more people are going to need adequate housing, basic services, and tenure security if they are to be resilient to the impacts of climate change in the face of an already significant quantitative and qualitative backlog of housing globally.

Inequities are rising around the world and are exacerbated by global stressors including climate change, conflict, displacement, and other shocks and stresses, such as the COVID-19 pandemic. Currently cities are home to 60% of the world's refugees and 80% of the world's internally displaced people⁶. As a result, societies are seeing increasing fragmentation politically, socially, and

³ Keen M, Sanderson D, Osborne K, Deo R, Faith J, and Ride A (2021) Putting People First: Area Based Approaches to Disaster Response in The Pacific, Fiji, Vanuatu and Solomon Islands Regional Synthesis, Australia Pacific Security College, Australian National University, Canberra.

⁴ For more information on the settlements approach see Global Shelter Cluster (2019) Settlements Approach Guidance Note: where boundaries and action merge <https://sheltercluster.s3.eu-central-1.amazonaws.com/public/docs/guidance-settlements-hd.pdf>

⁵ Asian Development Bank (2022), Building Resilience of the Urban Poor: Recommendations for Systemic Change, Asian Development Bank, Manila, Philippines.

⁶ UNHCR (2022), Global Trends Forced Displacement 2021, UNHCR, Copenhagen, Denmark.



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economically. In many cases, the pandemic has left those already vulnerable worse off. Expanding informal settlements are clear evidence of systemic failures in the absence of proactive urban planning and infrastructure investment. While informal settlements reflect the human power to develop creative solutions in the face of need, it is also a reflection of the burdens taken on by vulnerable populations to address their basic needs by paying higher prices, expending valuable time, risking their health, or facing diminished education or employment prospects for their families. These burdens are not experienced universally and create undue hardship for populations that are frequently already vulnerable.

Equitable access to adequate housing is an essential input to achieving the U.N. Sustainable Development Goals by 2030. There is strong alignment with a specific target, SDG 11.1, which aims to ensure access for all to adequate, safe, and affordable housing and basic services, and upgrade slums. Adequate housing also aligns strongly with many other Goals focused on water and sanitation, climate action, women's rights, and reducing poverty overall. Addressing the need for adequate housing contributes to other global agreements including the New Urban Agenda, the Paris Climate Agreement, and the Sendai Framework for Disaster Risk Reduction.

KEY RECOMMENDATIONS

To respond to these key trends and address the challenges that will shape Australia's engagement in our region and globally, the Australian international development program must take a systems-based approach if it is to bring about systemic change. To bring about systemic change, Australia must invest over the long-term in integrated and complementary action targeting the key drivers of vulnerability of the urban poor and near poor. Rather than designing sector specific programs, the Australian International Development Policy should look to applying the existing strengths of the program – such as expertise in gender equality and disability inclusion, a commitment to localisation, social protection, and climate change action – to its support of governments across six key policy areas – urban planning and development, social protection, housing, livelihoods, health, and integrated infrastructure – and across a broad range of investments to strengthen resilience to climate change and disaster risk and contributing to sustainability.

To respond to these key trends and address the challenges that will shape Australia's engagement in our region and globally, the Urban CoP makes three key recommendations:

- **Recommendation No. 1: Integration and coordination is needed across key policy areas to bring about transformational change**
- **Recommendation No. 2: Invest in strengthening local capacity to enable active participation in place-based decision-making**
- **Recommendation No. 3: Housing and shelter must be prioritised as a key enabler of resilience and development as part of a wider integrated settlements approach**

Recommendation No. 1: Integration and coordination is needed across key policy areas to bring about transformational change. Cities in our region are varied, diverse and complex systems and responding to the challenges associated with rapid urbanisation in combination with climate change and disaster risk in the different contexts requires integrated and coordinated action to bring about long-term change. The ADB's 'Resilience for the Urban Poor' identifies a need for a change in approach by governments to six key policy areas – urban planning and development, social protection, housing, livelihoods, health, and integrated infrastructure – at the national, provincial,



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city and neighbourhood level if they are to bring about transformational change and strengthen the resilience and contribute to the sustainability of the urban poor and near poor⁵. Australia must invest in supporting governments in our region to take an inclusive, integrated, and coordinated approach to addressing the key drivers of vulnerability of urban poor and near poor households if it is to contribute to strengthening resilience and the long-term sustainability and stability of our region.

Recommendation No 2: Invest in strengthening local capacity to enable active participation in place-based decision-making. In addition to supporting integration and coordination across key policy areas, Australia must invest in strengthening the capacity of households, communities and community-based organisations, to actively engage in place-based decision-making at every level. Place-based decision-making is essential if the Australian international development program is to contribute to building the resilience of households and settlements to climate change and disaster risk, as well as other shocks and stresses, such as COVID-19. Investing in the capacity of households, communities and community based organisations starts with ensuring that the urban poor and near poor have access to accurate data and information at the level of granularity (household and settlement levels) needed to make informed decisions and that government decision-making processes are participatory, transparent, and inclusive. Strengthening local capacity to enable active participation in place-based decision-making also requires investment in the enabling environment, specifically the capacity of city, provincial and national governments, along with civil society, to engage with households and communities. Investment is needed at every level to enable the active participation of households and communities in place-based decision making about matters that impact them if cities in our region are to be inclusive, resilient, and sustainable.

Recommendation No 3: Housing and shelter must be prioritised as a key enabler of resilience and development as part of a wider integrated settlements approach. Inadequate, insecure, and unaffordable housing contributes to the vulnerability of urban poor and near poor, reducing their capacity to cope with and adapt to climate change and disaster risk. Inadequate, insecure, and unaffordable shelter along with insufficient and inequitable access to essential municipal services contribute to poor health outcomes and, in combination with climate change, can increase morbidity and mortality⁷. Lack of access to safe and appropriate housing and settlements also impacts the ability of people to secure and maintain livelihoods and build wealth. The relationship between inadequate, insecure, and unaffordable shelter on the long-term health and wellbeing of the urban poor and near poor needs to be acknowledged as a key part of any integrated policy and programming approach.

The ADB's 'Resilience for the Urban Poor'⁷ identifies the following key changes needed in relation to shelter in cities:

- There is a need for housing that reduces the exposure of urban poor and near-poor households to climate change and disaster risk.
- There is a need to address the insecurity of land tenure that prevents urban poor and near-poor households from investing in improving the resilience of their homes.
- There is a need to reduce the number of households living without reliable and affordable access to essential services.

⁷ Asian Development Bank (2022), Building Resilience of the Urban Poor: Recommendations for Systemic Change, Asian Development Bank, Manila, Philippines.



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- There is a need to acknowledge the importance of housing in supporting livelihoods, including those who work from home.
- There is a need to fill gaps in data on housing needs and make this data accessible to the key shelter agencies.
- There is a need to provide access to low-cost housing finance, including finance for repairs following a disaster.
- There is a need for national and municipal governments to address the scarcity of land for social and affordable housing so that resilient housing in low-risk locations is affordable.
- There is a need to strengthen the building regulatory environment so that it is 'pro-poor' and balances safety and performance with affordability.
- There is a need to address the challenges associated with enforcing building controls and regulations as well as weak regulatory and monitoring capacity.

In summary, the Urban CoP recommends that the new International Development Policy include a focus on the cities in our region, acknowledging their critical importance in the long-term sustainability and stability of the region, and enable the Australian international development program to contribute to bringing about long-term, systemic change through integration and coordination across key policy areas, the strengthening local capacity to enable active participation in place-based decision-making, and by prioritising shelter as a key enabler of resilience and development.

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