



## RE: THE AUSTRALIAN GOVERNMENT'S CALL FOR SUBMISSIONS – NEW INTERNATIONAL DEVELOPMENT POLICY

The Melbourne Centre for Cities comprises a community of interdisciplinary urban researchers with a particular interest in the governance of cities. Hosted jointly by three Faculties of the University of Melbourne, our public purpose is to mobilise knowledge that supports cities to be thriving and inclusive urban environments. We take an active interest in how information in and about cities is produced, how it feeds into policies, and how it travels locally and internationally. At a time of deep disruptions affecting cities, we work explicitly at the nexus of contemporary global challenges, urban governance, and experimental modes of urban investigation.

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**What key trends or challenges will shape Australia's engagement in our region and globally over the next five to 10 years? What risks and opportunities does this present for Australia's development assistance?**

Over the period of the SDGs (2015-2030) the UN estimates that the world's urban population will grow by 1.2 billion. A large share of this growth will occur within our region. By 2030, South-East Asia's urban population is expected to have increased by a third, to a total of more than 400 million. Pacific Island Countries and Territories will have seen an even more rapid rural-to-urban shift by 2030 than South-East Asia; a 37% increase equating to an additional one million urban inhabitants.<sup>1</sup>

Rural-to-urban migration and urban growth underpin international development efforts, being intertwined with poverty alleviation, effective decarbonisation, and the risks associated with natural- and climate-induced disasters in the 21<sup>st</sup> century. Cities account for 80 percent of global GDP, with a direct correlation between those countries that have high urbanization rates and high levels of per capita economic production.<sup>2,3</sup> Cities in the Asia-Pacific also face heightened risks from climate change, with many located in areas at risk from sea level rise, coastal erosion, and/or flooding associated with rivers and deltas.<sup>4</sup>

Disease responses and outbreaks are catalysed in cities, as currently evidenced by the continuing COVID-19 pandemic. Over the first six months of the pandemic an estimated 90 percent of all reported COVID-19 cases were found in urban areas, reflective of the key role of cities as nodes for transmission of infectious disease.<sup>5</sup> Health responses – both to pandemics and in relation to other disasters – are also primarily facilitated through urban facilities and infrastructure, ranging from the architecture of national health services to the provision of humanitarian supplies and international personnel through international ports of entry.<sup>6</sup>

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<sup>1</sup> <https://esa.un.org/unpd/wup/Publications/Files/WUP2018-KeyFacts.pdf>

<sup>2</sup> <https://www.worldbank.org/en/news/immersive-story/2018/01/31/3-big-ideas-to-achieve-sustainable-cities-and-communities>

<sup>3</sup> <https://ourworldindata.org/grapher/urbanization-vs-gdp>

<sup>4</sup> <https://www.adb.org/news/features/asias-booming-cities-most-risk-climate-change>

<sup>5</sup> [https://www.un.org/sites/un2.un.org/files/sg\\_policy\\_brief\\_covid\\_world\\_july\\_2020.pdf](https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_world_july_2020.pdf)

<sup>6</sup> <https://reliefweb.int/report/world/humanitarian-action-urban-crises>

A continuing urban infrastructure deficit further exacerbates this critical health risk. For example, across the Asia-Pacific's lower-middle- and low-income countries, one in four people living in urban areas lack access to basic sanitation.<sup>7</sup> It is estimated that an additional \$4.5 – \$5.4 trillion of investment will be needed annually to 'climate proof' urban infrastructure. This represents a profound challenge in terms of urban governance and planning; however, it can also be framed as a major opportunity for investment and partnership (both bilaterally and with the private sector).

The overarching philosophy of the SDGs is to 'leave no-one behind'. However, the world's urban population living in informal settlements has now reached more than one billion. The COVID-19 pandemic has reversed global progress in reducing poverty, with an estimated 100 million people having been pushed into extreme poverty in 2020 alone, in addition to a further 120 million 'new poor' entering poverty.<sup>8</sup> Recently-released UN analysis of SDG progress across Asia and the Pacific identified that across South-East Asia and the Pacific SDG11 – focused on Sustainable Cities and Communities – was one of five SDGs that regressed in 2021, driven by inadequate disaster resilience and risk management measures and inadequate urban waste management and pollution controls.<sup>9</sup>

Despite mounting evidence of the challenges and opportunities associated with urbanisation in the Asia-Pacific the Australian Government is yet to develop a coherent approach to engaging with urban areas and process. Instead, urban areas are primarily engaged through standalone infrastructure investments, with urban considerations 'mainstreamed' through existing programmatic interests. This piecemeal approach fails to acknowledge that cities are more than the 'sum of their parts', risking investment in stranded and ineffective assets that do little to address entrenched inequality or generate optimal economic growth. It also fails to capitalise on co-investment and/or strategic alignment opportunities with other development partners and the private sector in capital-intensive urban areas.

**Recommendation 1:** *That sustainable urban development is explicitly recognised as a critical pillar of Australia's new development policy, reflective of the challenges, risks, and opportunities of faced by a majority-urban Asia-Pacific.*

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**What development capabilities will Australia need to respond to these challenges? How can Australia best utilise its national strengths to enhance the impact of our development program, addressing multidimensional vulnerabilities?**

Australia is the 11<sup>th</sup> most urbanised country in the OECD, and our cities have been regularly counted amongst the world's most liveable and economically prosperous.<sup>10</sup> Our urban areas also underpin the success of our non-primary economic sectors: Metropolitan Melbourne alone contributes approximately one-fifth of Australia's national GDP.<sup>11</sup> However, our cities are some of the world's most carbon-intensive, ranking poorly in international measures of sustainability, affordability, and social equality.<sup>12</sup>

The Australian Government is yet to release analysis of domestic progress towards SDG11's ten sub-targets<sup>13</sup>, based on the associated SDG indicators, but independent analysis shows mixed progress to date.<sup>14</sup> In the absence of a clear national framework, Australian cities over the last decade have been driving sustainable urbanisation forward directly, particularly in relation to climate change mitigation, adaptation, and urban resilience.<sup>15</sup> Various local governments and municipal groupings have begun reporting progress towards the SDGs at a local scale, including the City of Newcastle,

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<sup>7</sup> [https://www.oecd-ilibrary.org/social-issues-migration-health/health-at-a-glance-asia-pacific-2020\\_26b007cd-en](https://www.oecd-ilibrary.org/social-issues-migration-health/health-at-a-glance-asia-pacific-2020_26b007cd-en)

<sup>8</sup> [https://unhabitat.org/wcr/files/Chapter\\_3\\_WCR\\_2022.pdf](https://unhabitat.org/wcr/files/Chapter_3_WCR_2022.pdf)

<sup>9</sup> [https://www.unescap.org/sites/default/d8files/knowledge-products/ESCAP-2022-FG\\_SDG-Progress-Report.pdf](https://www.unescap.org/sites/default/d8files/knowledge-products/ESCAP-2022-FG_SDG-Progress-Report.pdf)

<sup>10</sup> <https://www.abc.net.au/news/2022-06-23/australian-cities-fall-in-liveability-index/101175904>

<sup>11</sup> <https://www.sgsep.com.au/assets/main/SGS-Economics-and-Planning-Economic-performance-fo-asutralias-cities-and-regions-report.pdf>

<sup>12</sup> [https://melbourne.figshare.com/articles/report/Global\\_SDG\\_Cities\\_Benchmarking\\_Report\\_2022/20459880?file=37408597](https://melbourne.figshare.com/articles/report/Global_SDG_Cities_Benchmarking_Report_2022/20459880?file=37408597)

<sup>13</sup> <https://www.sdgdata.gov.au/goals/sustainable-cities-and-communities>

<sup>14</sup> <https://www.aegn.org.au/wp-content/uploads/2020/09/philanthropy-briefing-sustainable-cities-and-communities.pdf>

<sup>15</sup> <https://pursuit.unimelb.edu.au/articles/city-climate-leadership-a-model-for-sustainability>

Peri Urban Councils Victoria, City of Stonnington, and the City of Fremantle. In addition to developing Australia's first Voluntary Local Review (which reports progress against all 17 SDGs), the City of Melbourne has also fully framed its COVID-19 recovery through the lens of the SDGs, which now underpin its strategic plan, annual reporting, and budget.<sup>16</sup>

These key strengths at a local government level can – and should – be leveraged within Australia's development program. Examples of similar arrangements can be found in Aotearoa New Zealand, where the Ministry of Foreign Affairs and Trade has supported exchanges and technical capacity building with Pacific Island municipalities through Ko Tātou LGNZ.<sup>17</sup> ICLEI Oceania – whose secretariat is hosted by the City of Melbourne – has previously supported similar exchanges between Australian municipalities and those in our region, with recent focus areas including climate action and nature-city development.<sup>18</sup> DFAT will also be engaged the University of Melbourne in a similar role in 2023 through a series of city climate diplomacy masterclasses that engage a cohort of Australian and Chinese city representatives.<sup>19</sup> The investment from the Australian Government in this bilateral program has the potential to be leveraged for further exchange and capacity-building opportunities within the region.

Australian not-for-profit, private, and tertiary education sectors have engaged deeply across the SDGs, independently of government. One-third of ASX150 companies publicly reported on their SDG progress in 2020.<sup>20</sup> Australian scientists are also directly engaged in developing the UN's 2023 Global Sustainable Development Report, alongside SDG analysis and advocacy by bodies such as the International Science Council.<sup>21,22</sup> The wider 'buy in' to the SDGs was reflected in the diverse range of organisations – including ACFID, Australian Ethical Investment, Optus, and the University of Melbourne – that co-signed a letter to the then Prime Minister in late 2020 calling for Australia's COVID-19 Recovery Plan to be framed by and integrated with the SDGs.<sup>23</sup> This cross-sectoral strength that should be leveraged both by our development programs and through whole-of-government efforts to address the *2030 Agenda*.

To ground an effective development program within the Sustainable Development Goals, Australia must have a clear strategic capability aligned with SDG11, the so-called 'urban' goal. Rather than being 'mainstreamed', these capabilities should be built up explicitly within DFAT, either as a discrete branch, or dually within the sections of DFAT aligned with the two rapidly urbanising regions of South-East Asia (SRD/ARB) and the Pacific (OTP). In the short term these capabilities can be focused through regional work to report on and implement SDG11, which is a priority goal for the UN for 2023.

**Recommendation 2:** *That DFAT explicitly build core capabilities focused on urbanisation, recruiting suitably qualified and experienced personnel in areas such as urban planning, urban land governance and sub-national policy development.*

**Recommendation 3:** *That the Commonwealth Government develop programmatic linkages between sub-national urban governments and those within our region to exchange learnings and best practice in relation to the UN Sustainable Development Goals, with the aim of both enhancing our own cities and building urban governance capabilities abroad.*

**Recommendation 4:** *That Australia integrate domestic reporting on SDG progress by sub-national entities – such as municipal governments – into its national SDG reporting efforts, particularly in relation to SDG11, and that these efforts are aligned across both international development policies and emergent national urban frameworks.*

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<sup>16</sup> <https://www.weforum.org/agenda/2020/12/melbourne-post-covid-recovery-plan/>

<sup>17</sup> <https://www.lgnz.co.nz/pacificta/case-studies/vanuatu/>

<sup>18</sup> <https://www.icleioceania.org/icleioceanianews/2019/4/2/first-cities-in-oceania-to-join-global-platform-supporting-nature-city-development-citieswithnature>

<sup>19</sup> <https://sites.research.unimelb.edu.au/cities/education/city-diplomacy/shared-pathways-dfat-supported>

<sup>20</sup> <https://www.rmit.edu.au/news/sdg-related-news/sdg-measurement-and-disclosure-3-asx150>

<sup>21</sup> <https://www.monash.edu/msdi/initiatives/projects/global-sustainable-development-report-2023>

<sup>22</sup> <https://council.science/publications/position-paper-for-2021-hlpf/>

<sup>23</sup> [https://unglobalcompact.org.au/wp-content/uploads/2020/09/2020.09.07\\_Road-to-Recovery\\_Signed-Letter.pdf](https://unglobalcompact.org.au/wp-content/uploads/2020/09/2020.09.07_Road-to-Recovery_Signed-Letter.pdf)

How should the new policy reflect the Government's commitments to build stronger and more meaningful partnerships in our region, founded on mutual trust and respect and shared values of fairness and equality? What lessons from Australia's past development efforts should inform the policy? What is Australia seen to be doing comparatively well?

As noted in the Terms of Reference of this review, one of Australia's strengths as a development partner is our track record of integrating much of our foreign policy agenda with regional multi-lateral bodies, particularly in the Pacific, with a significant share of our ODA and institutional resourcing supporting these entities and their efforts. Regionalism in the Pacific remains a key strength both in terms of advocating for the region, whilst also allowing for the pooling of resources in ways that create effective 'economies of scale' in technical capabilities and bureaucratic oversight.<sup>24</sup>

Regional urban policy is still nascent, with commitments by PIFS to embed sustainable urban development within its own strategic policy framework following the 5<sup>th</sup> Pacific Urban Forum in Nadi in 2019 disrupted by the COVID-19 Pandemic.<sup>25</sup> The 6<sup>th</sup> Pacific Urban Forum, to be held in mid-2023, provides a critical opportunity to reinvigorate the Pacific Urban Agenda, in alignment with the review of SDG11 globally.<sup>26</sup> The 2050 Strategy for the Blue Pacific Continent also sets out key principles for aligning Pacific Sustainable Urban Development with the PIFS agenda. Australia has a time-sensitive opportunity to engage in the seminal stages of this process.

The Pacific Urban Forum and regional urban policy efforts are coordinated by the Pacific Urban Partnership, a consortium of NGOs, Universities, UN agencies, and other entities, several of which are based within Australia. The forum—drawing on the networks of these partnership members—has a strong track record of high-level engagement with PIC ministries with responsibilities for housing, urban planning, and local government. For example, PUF5 brought together over 200 urban practitioners, including two heads of government and six ministers, alongside delegations from eight Pacific Island countries. A Virtual Pacific Urban Forum—hosted by PUP and facilitated by the Melbourne Centre for Cities on Zoom—attracted more than 100 virtual participants. It included presentations from urban focal points across all Pacific sub-regions, drawing upon detailed preparatory interviews and survey responses from eight PICs reflecting on the impacts of COVID-19 on regional Sustainable Urban Development efforts.

**Recommendation 5:** *That Australia drive partnerships in sustainable urban development through its membership of existing regional bodies, building upon the frameworks, networks, and existing cooperative partnerships developed by the Pacific Urban Partnership.*

**Recommendation 6:** *The Australian government should be represented at—and support efforts to build PIC engagement in—the 6<sup>th</sup> Pacific Urban Forum, reflective of its role as a key preparatory event for the 8<sup>th</sup> Asia-Pacific Urban Forum and the 2024 World Urban Forum.*

DFAT's existing involvement with the ASEAN Smart Cities agenda is a positive model for partnership in Asia but has the potential to better leverage capabilities across the Australian tertiary sector. Further opportunities for deepening these relationships can be seen in the University of Melbourne's Digital Twin research, led by the Centre for Spatial Data Infrastructures and Land Administration (CSDILA).<sup>27</sup> This initiative, which operates both within Australian cities and elsewhere in the region, specifically addresses spatial analysis and land administration in support of the UN SDGs. Other examples of transferable urban analytics and evidence-based city policy development include the Australian Urban Research Infrastructure Network (AURIN), hosted by the University of Melbourne.

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<sup>24</sup> <https://www.tandfonline.com/doi/abs/10.1080/02723638.2022.2143692>

<sup>25</sup> <https://fukuoka.unhabitat.org/en/projects/2591/>

<sup>26</sup> <https://www.weforum.org/agenda/2022/10/why-cities-key-development-pacific-islands/>

<sup>27</sup> <https://research.unimelb.edu.au/facilities-and-resources/research-infrastructure/digital-twin>

**Recommendation 7:** That DFAT explore opportunities to support the transfer of domestically focused urban data analytical capabilities into regional initiatives, particularly in Southeast Asia (through ASEAN) and in the Pacific (engaging through SPC's Statistics for Development Division and/or SPREP).

2023 is shaping as a major inflection point for sustainable urban development globally and within our region.<sup>28</sup> In addition to the thematic focus on a review of the 'urban' goal SDG11 at the UN High Level Political Forum (HLPF) in New York, in tandem with the SDG Summit marking the mid-point of the *2030 Agenda*, the Republic of Korea will be hosted the quadrennial Asia Pacific Urban Forum (APUF-8).<sup>29</sup> Critically, APUF-8 will include a ministerial segment, with preparatory meetings throughout 2023 aiming to develop a Ministerial Declaration on Sustainable Urbanisation (building on preliminary work conducted as part of APUF-7, chaired by the government of Malaysia).

**Recommendation 8:** That the Australian Government engage at a ministerial level in the preparatory process prior to the hosting of APUF-8 in Suwon in October 2023, with a particular focus on contributing to the Asia-Pacific Ministerial Declaration on Sustainable Urbanisation.

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**How should the performance and delivery systems be designed to promote transparency and accountability, as well as effectiveness and learning in Australia's development assistance? How should the new policy address the role of ODA and non-ODA in supporting the development of our regional partners?**

The lack of an overarching framework for sustainable urban development weakens the capacity to assess both overall progress and the impact of individual investments in urban infrastructure.<sup>30</sup> At the same time, the weakness of regional engagement in urban issues risks duplication and conflict between ODA investments and non-government initiatives at both city and community scales. Support of regional entities, particularly in the Pacific, is a key aspects of non-ODA support, however urbanisation needs explicit consideration alongside intertwined frameworks such as the 2050 Strategy for the Blue Pacific Continent,<sup>31</sup> as well as under emergent frameworks such as the Global Goal on Adaptation (which includes cities as one of its five thematic areas).<sup>32</sup> Engagement of bodies such as the Australian Council for International Development – which hosts an urban Community of Practice – provides an avenue for ensuring greater transparency through partnership.<sup>33</sup>

**Recommendation 9:** That DFAT review the recommendations contained within ACFID's 2016 Policy Paper 'Prosperous and Sustainable Cities for All – An Australian Development Agenda for Urbanisation in the Asia Pacific'.

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<sup>28</sup> <https://www.unescap.org/events/apfsd10>

<sup>29</sup> <https://unhabitat.org/events/the-8th-asia-pacific-urban-forum-apuf-8>

<sup>30</sup> <https://www.dfat.gov.au/sites/default/files/aid-programming-guide.pdf>

<sup>31</sup> <https://www.forumsec.org/2050strategy/>

<sup>32</sup> [https://unfccc.int/sites/default/files/resource/ReportGGATP\\_final.pdf](https://unfccc.int/sites/default/files/resource/ReportGGATP_final.pdf)

<sup>33</sup> [https://acfid.asn.au/sites/site.acfid/files/resource\\_document/SRG-Urbanisation-Policy-Paper-August-2016.pdf](https://acfid.asn.au/sites/site.acfid/files/resource_document/SRG-Urbanisation-Policy-Paper-August-2016.pdf)