Chapter 1

An introduction to national urban policy

This chapter provides an overview of national urban development across OECD countries. It begins by explaining the methodology used to assess the national urban policy (NUP) development in those countries. It clarifies, among other things, the definition, classification and stages of an NUP. It then depicts the major findings from the data collected across countries and summarises the state of NUP in OECD countries.

Introduction

Effective implementation of national urban policy (NUP), in supporting the New Urban Agenda and other global agendas, will require a sound monitoring and evaluation mechanism of NUP. In the past, there was no framework to systematically assess NUP in countries given the diversity of urban and institutional conditions. This report is the first attempt at offering a comprehensive picture of the level of progress on NUP processes for OECD countries. Although urban challenges and opportunities are contextually different, and institutions vary from country to country, systematic qualitative information can allow lessons to be learnt and to identify good practices on NUP development. This report offers comparative results, not only with regard to the stage and elaboration of the policy in each country, but also to the sectors and other specific issues that the policy can cover.

Methodology

The material presented in this report has been collected with the help of delegates to the OECD Committee on Regional Development Policy and to the Working Party on Urban Policies from the OECD member countries. The OECD carried out a first assessment based on literature and preliminary inputs from the member countries. The initial assessment was reviewed by the member countries to verify and refine the information described.

Definition of NUP

The report adopts the United Nations Human Settlements Programme (UN-Habitat, 2014) definition of NUP as "a coherent set of decisions derived through a deliberate government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative productive, inclusive and resilient urban development for the long term".

Classification of NUP

The evaluation of an NUP entails some degree of interpretation which requires a close degree of co-operation with each country's government. The classification of an explicit or partial NUP is grounded in previous works made by UN-Habitat. An **explicit NUP** is observed "where a policy has a title of 'National Urban Policy' or variant such as 'National Urbanisation Policy' or 'National Urban Strategy' or 'National Urban Development Strategy'…a **partial NUP** has many of the elements of an NUP but is not yet brought together as a formal NUP" (UN Habitat, forthcoming 2017). This distinction may be more conceptual and organisational, rather than a definitive difference, but it is ultimately useful to review the degree of clarity with which an NUP is spelled out. A more clearly formulated NUP could be expected to imply a larger degree of coherence of different urban policies undertaken at the national level. The "No NUP" classification indicates that countries do not have any evidence of NUP in their urban policy landscape.

Secondary/previous policies

The report illustrates previous policies or secondary policies that governments implemented with regards to their urban development strategy. Previous policies are policies the country had before, and are typically found in countries that are in the process

of changing their NUPs. Secondary policies generally refer to minor policies that also touch on national urban issues.

Stages of NUP

The report identifies the stages of the NUP process. It is divided into five categories: "diagnostic", "formulation", "implementation", "and monitoring and evaluation" and "not applicable". "Diagnostic" is the first stage and refers to the period when the country is conducting the preliminary analysis to create an NUP. During "formulation" the policy is being drafted, and "implementation" indicates the phase when the policy is being put into action. The final stage, "monitoring and evaluation", is the moment when outcomes of the policy are being analysed and evaluated. "Not applicable" refers to the countries without any evidence of NUP.

Scope of NUP

In the report, the OECD has also assessed the scope of NUP in the fields of economic development, spatial development, human development, environmental sustainability and climate resilience (Dodson, J. et al, forthcoming 2017). These categories represent long-standing issues that governments, to a greater or lesser extent, have been dealing with for some time, and reflect an array of challenges such as dealing with climate change. In this assessment there are four categories: "extensive", "moderate", "low" and "insufficient information". The "extensive" indicator represents a strong policy commitment on the part of the national government that is also integrated into NUP policy, with specific measures such as objectives, rationales and precise policies. "Moderate" levels indicate relative attention to policy area, such as the presence of policy statements and objectives, but without signalling specific guidelines for action or clear implementation plans. The "low" category indicates either the absence of policy addressing specific areas, or the presence of sectoral policies unconnected to the over-arching NUP. "Insufficient information" indicates that insufficient policy material was available to the OECD at the time of finalising this study, and indicates the need for further information gathering in the future.

Institutional setting

To be successful, an NUP requires not only an explicitly recognised urban policy setting at the national level, but also an institutional setting in which the NUP is properly lead and co-ordinated. Following the methodologies proposed by the UN-Habitat, this report evaluates the presence of a governmental authority in charge of NUP, identifying the type of national urban agency in place, "specialised urban agency", "general national planning authority" and "subnational planning authority" (UN Habitat 2017, forthcoming). The effective setting of a specialised agency with technical expertise, that oversees urbanisation at the national level, is an important base for the institutional capacity of a country to lead the NUP processes. In case such a specialised agency doesn't exist, a national planning authority, overseeing national development and planning, could take on the responsibility of NUPs as a part of a wide range of other policy matters, but needs to be sufficiently empowered in such a setting. In some countries, a subnational planning authority can also be in charge of the NUP process. The report states "not applicable" when it was unclear which type of agency is in charge of the urban policy.

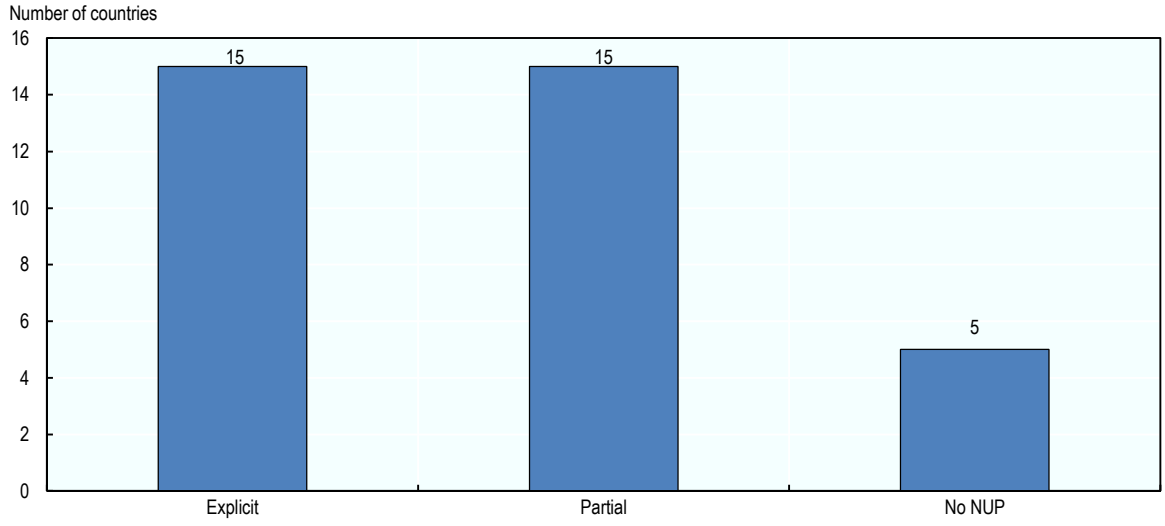
Types of approach

The report also identifies the type of approach followed to create the NUP. It describes the level of participation that different stakeholders could have taken in the development of NUPs.

Major findings

- Only 15 out of the 35 OECD countries have an explicit NUP, of which one-third are still in the formulation stage. On the positive side, almost 90% of OECD countries have partial elements of NUPs.
- There are 5 countries where the urban policy landscape does not show any evidence of NUP adoption. These cases call for careful analysis in future work.

Figure 1.1. **Type of national urban policy in 35 OECD countries**

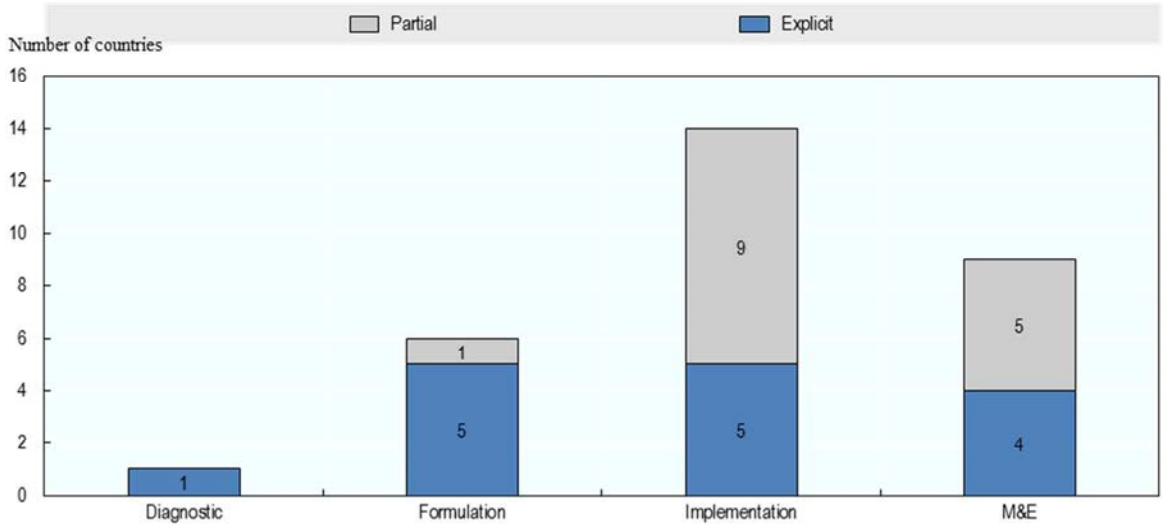


Source: OECD (2016a), "OECD survey on national urban policy", unpublished.

The stage of development of NUPs

- Out of the 15 countries with explicit NUP, 33% are in the formulation stage with a similar proportion in the implementation process.
- When considering both explicit and partial NUPs, 14 countries (corresponding to 40% of OECD countries) are in the implementation stage. Within this group, 9 countries have partial elements of NUPs, while 5 have an explicit NUP.
- The second most common stage is monitoring and evaluation with 9 OECD countries (26%) in this stage. The majority of these countries have partial NUP (5 countries).
- Six OECD countries are in the formulation stage, of which 5 are developing an explicit NUP.

Figure 1.2. **National urban policy by stage of development in 35 OECD countries**

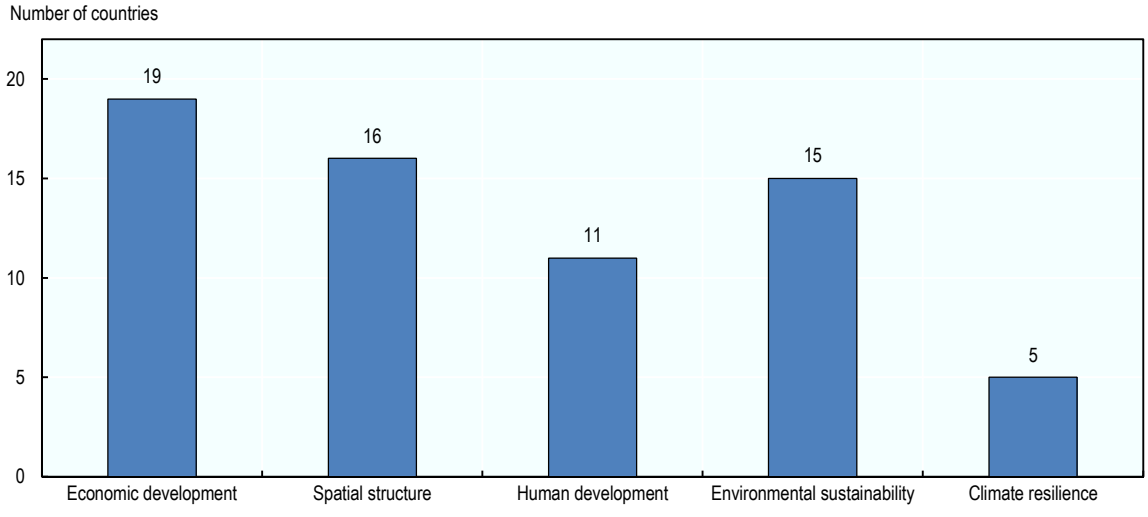


Source: OECD (2016a), "OECD survey on national urban policy", unpublished.

Scope of NUPs

- Economic development is the sector most extensively covered by NUP in OECD countries. 54% of the countries give strong attention to this area. In contrast, climate resilience is the area that receives the weakest degree of attention, with only five countries paying extensive attention to this sector, offering particularly large scope for improvement.

Figure 1.3. **Areas with extensive scope in OECD countries' national urban policies**

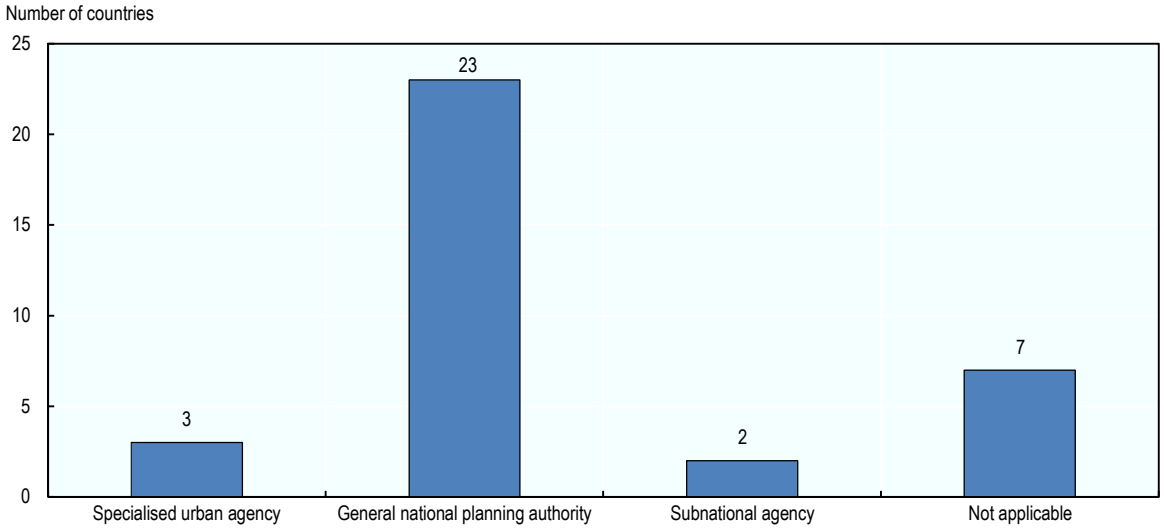


Source: OECD (2016a), "OECD survey on national urban policy", unpublished.

Other results

- The large majority of countries do not have a specialised national urban agency in charge of NUP implementation, but have a general national planning authority to oversee the policy. This underlines the importance of co-ordination mechanisms at national level to successfully implement an NUP.

Figure 1.4. **Type of urban agency in 35 OECD countries**



Source: OECD (2016a), "OECD survey on national urban policy", unpublished.

- The majority of OECD countries chose a participatory approach which involved a wide range of stakeholders in developing an NUP.
- In most of the OECD countries, the implementation mechanism of NUPs is carried out through a process of national-local level co-ordination, involving a multi-sectoral co-ordination approach.

In summary, most OECD countries are actively engaged in developing and advancing their NUP, although much work has to be done in accelerating their processes and increasing their scope so as to contribute to implementing the New Urban Agenda over the next 20 years.

This first attempt to evaluate the state of NUP can be improved in future works. Further differentiating the categories of NUPs and their institutional context would be a desirable step to improve the monitoring of these policies. More details on the participatory approach to develop the policy and the type of indicators used to monitor and evaluate an NUP would also be useful.

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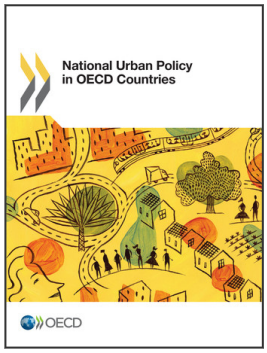

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