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I would like to comment on several paragraphs of the Zero Draft referring to financing urban development and capacity development.

First, I would like to highlight the importance of paragraph 133, which reads, “We will implement specific mechanisms to capture the increase in land value generated by public investments, including the increased value of residential and commercial land brought about by provision of economic and social infrastructure and quality public space. Measures will be put in place to prevent its solely private capture, as well as land speculation, by introducing land value taxation with the aim to **ensure the contribution of land owners to a more equitable urban development.....**”

However there are many other benefits that can come from Land Value Capture or Taxation as well, so we suggest adding along with this the aim to also [capture unearned profits from increased value of land, create more compact cities, provide decent and affordable housing, eliminate poverty, and finance adequate infrastructure development and public services for all.](#)

Mayor Londoño of Bogotá mentioned the need and benefits that can come from establishing Greenways, parks and other public spaces and said that we need to plan and grow in the right ways in Cities. We could not agree more; and Land Value Capture can provide a strong incentive for, as well as the financing needed to, achieve all of these goals and outcomes. Typically, where such public amenities are located, along with around public transit hubs, land values tend to increase rather dramatically, resulting in the collection by land owners of these unearned profits. With Land Value Taxation the profits come from the rise in such land values can instead be returned to the community at large for further such developments or to pay for other public goods and services.

My colleague, Alanna Hartzok, also from the International Union for Land Value Taxation mentioned this morning a number of the policy recommendations on finance and Land Value Capture and Taxation from

the Vancouver UN-Habitat Founding Document and from the Istanbul Habitat2 agreement. Unfortunately, most of these recommendations have not yet been well implemented. It is imperative that UN-Habitat thus be directed to take a much more active role in this regards.

Ms. Sharif, a Municipal President from Malaysia, referred to the need for capacity development and professional training and capabilities; again we could not agree more. In addition, there is also a great need to agree on and put in place actual means and mechanisms for implementation.

Unfortunately the section of the Zero Draft starting at Paragraph 172 on strengthening the role of UN-Habitat while being incredibly important is somewhat general and weak. It reads in part:

“We call for an outcome of Habitat III to be the strengthening of UN-Habitat in implementing the New Urban Agenda including by considering the following measures....” which again is most important, however here we should not be agreeing to “consider the recommended measures” but should instead take actual action to do and to implement them.

Then two of the most important paragraphs that are commendable and incredibly important read:

Improving the ability of the organization (UN-Habitat) to provide capacity development to developing countries in designing, planning, and the implementation and sustainable management of urban and other human settlements;

Empowering UN-Habitat as the UN institution that seeks to mobilize and engage all actors on the sustainable urbanization agenda and urban governance, as well as the UN system in the implementation of mandates on urbanization and human settlements

We thus suggest here that UN-Habitat must be directed to take a much more active role in support of municipalities in responding to the outcome agreement and in particular in regards to the stated and included policies on Land Value Capture and Taxation.

For example paragraph 153 reads, “We will implement programs to increase knowledge and capacity in the use of legal land-based revenue and financing tools as well as real estate market functioning. Policymakers

will be informed on the legal and economic foundations of value capture, and local public officials will be capacitated to determine and capture land value increments.” But the text does not specify who is to implement these programs. We thus recommend that the international community or UN-Habitat be directed to either develop a multi-stakeholder partnership initiative or that UNITAR (the U.N. Institute for Training and Research) and UN Habitat be directed to partner with other stakeholders to develop and implement such capacity building programs to implement paragraph 153.

In conclusion, the International Union for Land Value Taxation is interested in partnering and working with a limited number of cities to demonstrate the financial results and other benefits that can and will accrue from adopting and implementing this tax policy. We believe that it can and will provide enormous value in achieving infrastructure development, providing basic social services, and funding the implementation of the Habitat 3 outcome agreement and the UN’s sustainable development goals. We invite you to join us in developing this SDG/LVT Cities Initiative and in demonstrating to the international community how well this policy approach can work.

For more information about it you can go to www.theIU.org/habitat-3.

Thank you