Governance and financing for urban health

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Acknowledgements

This policy brief was written by José Siri (WHO), Hugo Santa (WHO), Daniel Eppstein (BYCS), Lucas Snaije (BYCS), Daniela Gutierrez (BYCS), and Alex Baum (BYCS), with strategic guidance provided by Nathalie Roebbel (WHO) and Etienne Krug (WHO).

WHO extends its gratitude to the following external experts who participated in a policy consultation on Governance and Financing for Urban Health from April 17-21, 2023: Mervat Al-Mherat (City of Amman), Jens Aerts (ISOCARP), Daniel Black (University of Bristol), Jo Boufford (ISUH), Maruxa Cardama (SLoCaT), Alice Charles (Arup), Ingrid Coetzee (ICLEI), Uta Dietrich (Think City), Billie Giles-Corti (Center for Liveable Cities), Hamdan Majeed (Think City), Sue Parnell (University of Bristol), Zahidul Quayyum (BRAC University), Sarah Sabry (Save the Children), Andrea Santos (LSHTM), Sripriya Sudhakar (London Borough of Tower Hamlets), Rosa Surinach (Barcelona City Council).

The following WHO Staff contributed important technical feedback: Virginia Arnold, Matthias Braubach, Daniel Hunt, Hyung-Tae Kim, Monika Kosinska, Juliette McHardy, Sinaia Netanyahu, Francisco Obando, Susannah Robinson, Tamitza Toroyan.
Protecting people’s health in urban environments is a pressing challenge for national and subnational governments everywhere. In over two-thirds of countries, most people live in cities, and even countries that have yet to reach this threshold are rapidly urbanizing (1). Meanwhile, urban populations continue to increase in absolute and relative terms worldwide – including in slums, which today are home to more than a billion people (2). While cities can offer health and economic benefits and a favourable environment for urban health action, they also pose unique risks and challenges. In fact, while they have become healthier places overall, many avoidable health risks, harms, and inequities persist in cities around the world. In part, this is because urban health action has often focused on singular health outcomes, sectoral interventions, or vulnerable groups, without incorporating actions into an overarching, holistic approach. While focused work can, and often does, secure real health gains, it risks missing important effects arising from the complex nexus of sectors, actors, and environments interacting

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in urban areas. This can give rise to inefficiencies, unanticipated effects, declining gains, and other adverse outcomes. Only through a strategic, multi-sectoral approach, coordinated across national and local governments and rooted in the values of health equity and justice, can decision-makers realize the full potential of cities and secure urban health for all.

Governance

A fundamental question facing decision-makers is how to structure and implement governance for urban health, which is the framework through which decisions affecting the health of urban dwellers are made, delivered, and accounted for. Among other things, governance involves the strategic coordination of stakeholders across many sectors and across levels of government. Effective governance requires the integration of activities focused on specific urban infrastructure investments, issues, and groups; suitable regulations, legislation, and institutions; robust mechanisms for communication and conflict resolution; and adequate means, capacities, and working arrangements within the public sector. Governance mechanisms operating within the health sector must be complemented by parallel arrangements in other sectors that influence urban health and well-being and, where relevant, by higher-level processes that transcend sectors. Transparency, accountability, responsiveness to community concerns, and responsibility – among other universal attributes of good governance – are essential to a strategic approach to urban health (3). Moreover, given profound differences in resources and needs among urban inhabitants, such an approach demands a core focus on equity and justice and a prioritization of excluded or otherwise disadvantaged groups.

Intra-governmental coordination

Integrating national and subnational action is a crucial element of effective urban health governance (4,5). National governments play an essential role at the heart of legal, regulatory, financial, and resource policy. Large-scale infrastructural and economic decisions also affect local urban health action in both positive and negative ways. Meanwhile, subnational governments have a closer view of urban health challenges, are primarily responsible for
implementation, and are more directly accountable to stakeholders, but may be less able to shape the enabling environment for action. In some cases, differences of opinion between national and subnational governments on health-related policy or financial decisions may need to be negotiated and resolved.

**Finance**

One key aspect of governance in this context is structuring financial flows to achieve desired urban health outcomes. The quality of financing\(^1\) arrangements – which include funds themselves plus the capacities, mechanisms, and institutions for procuring, allocating, and disbursing them – can enable or constrain decision-making for urban health across the board. Financing for urban health and well-being is complex: not only do funds originate from many potential sources (e.g., taxation, intergovernmental transfers, external borrowing), but health benefits often arise from spending outside the health sector and efforts that do not foreground health. For example, the expansion of parks can also promote child wellness; efforts to reduce road congestion can also reduce respiratory and cardiovascular impacts from poor air quality. Despite this, funding is often siloed within sectors, rarely taking advantage of opportunities for coordination, and some avenues for financing urban health are underexplored. The mismatch, in some contexts, between budgets and financial regulations set at the national level and local funding needs and implementation logistics is another challenge—and, indeed, funds do not always reach the local level. To effectively address urban health action, therefore, financing arrangements need to coordinate financial flows from a diversity of sources across multiple sectors and between national and local governments, emphasizing transparency and accountability and ensuring that funding goes to the most worthwhile activities.

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\(^1\) Generally, “funding is about transferring resources from a financial contributor to a recipient, financing is about structuring different financial flows to achieve a common result.” (6) This brief seeks to maintain this distinction, but sometimes “financing” is used as a catchall term to improve clarity and readability.
The purpose of this brief

This policy brief reflects and offers guidance on how national and subnational governments can strengthen governance and financing for urban health, both independently and in collaboration. It draws on existing international guidelines, academic literature, and insights from a participatory workshop involving practitioners and research and policy experts. The brief is primarily intended for national and subnational decision-makers and their technical staff.

The recommendations and associated supporting actions highlighted below are intended to be complementary and iterative, in line with an integrated, constantly evolving vision for improving urban health. Given substantial variation in needs, capacities, opportunities, and governance arrangements within and across countries – including in how responsibilities are delegated across various levels and divisions of government – this guidance is not intended to be prescriptive, but rather to serve as a starting point for adaptation to local city and country contexts. Not all items will be immediately or fully implementable everywhere, and sequencing will vary with local conditions. Additional resources which readers may find useful in advancing some of these recommendations in their work are available on the WHO Urban Health Repository.

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2 In this brief, “subnational governments” is used to represent a variety of arrangements at various levels; it always includes local and city governments, but the broader term is sometimes used to improve clarity and readability.

3 [https://urbanhealth-repository.who.int/home](https://urbanhealth-repository.who.int/home).
Recommendations

URBAN HEALTH GOVERNANCE

1. Establish a whole-of-government political mandate for urban health

Extending responsibility and accountability for urban health to all of government is critical for various reasons. First, a cross-cutting mandate ensures that local and higher-level government departments with remits beyond health develop awareness of the health impacts of their work – and that they are provided with the evidence base and incentives to shape their programs, policies and investments in ways that improve health. Second, unanticipated cross-sectoral health impacts are more likely to be recognized and addressed if responsibility is widely shared. Third, a whole-of-government mandate provides incentives for integrated policy and practice that can improve efficiency and outcomes. Last, a stated commitment to urban health by political leadership is critical to empowering public actors at all levels to prioritize and act upon urban health, including through partnerships across government and with key external stakeholders (7–9). Various models exist for mainstreaming a health mandate across all of government, including WHO’s Health-in-All-Policies (10) framework, which can be usefully adapted to focus on a cross-cutting mandate for urban health.

To establish a mandate to work on urban health across all of government:

- Articulate a formal policy commitment to a vision of the future that prioritizes the health of cities and urban dwellers. At the national scale, this may involve dedicated instruments (e.g., a National Urban Health Strategy) or may appear in other vehicles (e.g., a National Urban Policy, or other policies/strategies for development or health). At the city scale, a commitment may be incorporated in city master plans or their equivalent.
- Establish mechanisms (e.g., committees, special hearings) to promote accountability, collective understanding, and agreement on needs and priorities for achieving urban health and health equity among heads of government, government agencies, parliamentarians and other political actors, and administrators (11). Where linked to the implementation of joint action, these should be outcome driven and time bound.

- Revise, adapt, or develop legal frameworks to provide adequate jurisdiction over urban health and health equity to government entities that require it, allowing them to pursue these ends in making policy, implementing action, developing partnerships, and other activities (12).

- Adopt guidelines, standards, and performance indicators to incentivize government entities to take responsibility for urban health, including in city and regional planning, service provision, public infrastructure development, and other areas.

- Develop and promote communications materials and case studies that illustrate the health and health equity impacts of non-health sector policies, plans, and interventions (e.g., in transport, housing, energy, or other sectors).

- Evaluate the extent to which government entities across all sectors and scales incorporate urban health and health equity into their deliberations, policies, and plans, identifying gaps and opportunities for more productive inclusion (13). This may involve both health impact assessment and mapping of the mandates, processes, and capacities of different entities against their potential urban health relevance.

**HIGHLIGHT**

Since 2015, the Well-being of Future Generations Act has required public bodies in Wales to consider the long-term impacts of their decisions. The Act created the “ambition, permission, and legal obligation” to act on seven well-being goals (including “a healthier Wales”), and an overseeing authority in the Future Generations Commissioner (14). In establishing a whole-of-government political mandate for wellbeing, the Act changed the way decisions are made, catalysed action on health promotion and inspired many non-government stakeholders to take up complementary actions. Although an initial review identified many opportunities for improvement (15), the Act has led to action on physical activity (e.g., community sports), green space (e.g., community gardens, urban tree planting), active transport (e.g., city commitments to support walking, cycling, public transport, and ultra-low emission vehicle use), and other areas relevant to urban health.
2. Develop institutional processes to support integrated action for urban health

Realizing the practical benefits of a whole-of-government political mandate for urban health depends on a governance model that assures effective institutional arrangements for integrated action. Integrated action encompasses, among other things, collective problem identification and prioritization, collaborative planning, and coordinated or joint implementation of interventions that have the potential for the greatest impacts on urban health and health equity. Achieving this rests on clearly defined roles and authorities to speed decision-making, reduce uncertainty, and increase accountability; a legal mandate to authorize action; appropriate resources; and effective communication to support information exchange and alignment of activities.

To support integrated action:

- Map and assess existing roles, responsibilities, capacities, and authorities related to urban health across government at national and subnational levels (16).
- Identify bottlenecks, blind spots, capacity deficits, conflicts of interest, and other challenges to integration in urban health action.
- Establish an accountability framework for urban health across sectors and levels of government. This framework should designate or establish leadership bodies (e.g., Urban Health Steering Committees at national or city scale (11)—or potentially Urban Health Ministries or Departments); document and clearly communicate differentiated roles and responsibilities; and provide for the resolution of internal conflicts.
- Implement processes for multilateral policy formulation and decision making for urban health and health equity (e.g., inter-Ministerial Councils linking health and non-health ministries) (12). These processes should seek to align policy instruments and secure coherence in approaches across government sectors at national and subnational levels (17) and should incorporate metrics and mechanisms to support accountability.
- Cultivate trust and facilitate communication across levels and divisions of government (18) through regular structured dialogue on urban health challenges, roles, and possibilities.
- Institutionalize formal tracking and evaluation of the coherence and impacts of urban health policies and processes (e.g., through legislation mandating health impact analyses).
India’s National Urban Health Mission, established in 2013, seeks to integrate and structure health care systems in urban areas in India, with a primary focus on the urban poor and vulnerable. Although health sector-focused, one of its guiding principles is “integration and collaboration with urban local bodies and other departments for addressing cross cutting issues of urban health.” Responsibility for implementation of the National Urban Health Mission is assigned jointly to Health Departments and Urban Local Bodies. Its training manual (19) explicitly recognizes the importance of intersectoral convergence of health with a broad range of other sectors. It provides recommendations for integration in the context of waste, water, air pollution, road safety, and food, processes to support intersectoral action more broadly (e.g., multi-stakeholder teams, integrated workforce development), and a series of local case studies.

URBAN HEALTH FINANCING

1. Ensure that urban health budgets reflect urban health needs

The complex, cross-sectoral nature of urban health issues poses challenges for traditional sector-based funding (5). To have maximum impact, urban health budgets must efficiently provide for action in multiple sectors at the right scales and often for intersectoral, integrated action (e.g., in public transport, housing, or other sectors). This, in turn, depends on adequate assessment of needs and opportunities and of the likely outcomes of specific policies or interventions. Although there are significant logistical and informational requirements for managing budgets across multiple sectors, addressing these issues can yield invaluable insights and offer greater efficiency and better coherence across the breadth of urban health action. Different institutional and political realities, which lead to greater or less centralization and flexibility in different countries, mean that opportunities for reshaping fiscal practice will vary with context. Yet there is often scope to improve coordination among higher and lower levels of government so that allocation better reflects common priorities and to improve how efficiently funds are used.
To shape public budgets for urban health:

- Map and review current spending relevant to urban health, including not only funds allocated through the health sector but health-relevant projects and policies in other sectors (e.g., housing, transport, parks) and higher-level funding for integrated work, to understand the scope and scale of current investments. Where relevant, this should cover both national and city-level expenditures.

- Estimate the costs attributable to significant urban health challenges, both at national level and in individual cities. This effort can lay the groundwork for discussion among fiscal planners at all scales about aligning budgets to needs. It can also highlight gaps in available evidence (see Generating and Working with Evidence for Urban Health).

- Conduct impact assessments (drawing on, e.g., pilot studies, modelling, or existing estimates) of the potential economic, health, and equity implications of alternative policy and practice scenarios, including wider impacts and co-benefits for other societal goals. Scenarios should include not only project-scale interventions, but integrated strategies for urban health.

- Review budgets to rationalize funding for urban health, setting priorities and allocating resources across government as informed by scenario-based impact assessment and consultation with urban stakeholders. Urban health budgets should address not only current urban health issues but also the urban determinants of health and health equity (including through funding for disease prevention, health promotion, health emergency preparedness, and healthy urban planning). In some contexts, community-based participatory budgeting is a promising way of identifying priorities for integrated action.

- Restructure budgeting processes to make integrated policy and practice for urban health easier to develop and implement. This includes, for example, earmarking funds for cross-sectoral programs and projects and providing opportunities for local and national departments to discuss funding plans and gaps.

- Analyse, document, and report on bottlenecks and inefficiencies in urban financial operations (e.g., low tax revenues due to shortfalls in reporting or collection) and act on opportunities to secure additional funding for urban health by closing systemic gaps, reducing waste, increasing efficiency, promoting integration, and improving targeting.
In the city of Rosario, Argentina participatory budgeting is a way to promote inclusion and focus government action on community priorities, including health. Open to all citizens, the process gathers ideas about challenges and opportunities from participants across the city. Municipal government representatives integrate this information with planning priorities to create a series of concrete proposals, which are discussed and refined in “citizen laboratories” and then prioritized through online voting by the public (21). During the 2023 participatory budgeting process, the organizing themes for these meetings were climate change and resilient cities, inclusive and caring cities, coexistence and culture of peace, mobility and urbanism, and digital transformation—all areas of clear relevance for urban health. Funded projects included improvements to parks, markets, community gardens, and health and recreational facilities, in some cases integrated in single cross-cutting initiatives (22).
2. Augment city budgets for urban health with innovative fiscal mechanisms and external funding

At the national level, urban health competes with many other legitimate government priorities (including rural health) for funding. The same is true at the level of cities, and evolving issues such as climate change, unplanned urbanization, and deteriorating infrastructure stretch resources even further in many contexts. Beyond ensuring that urban health funding is well spent, new resources must often be developed both within and beyond public budgets. Diversification of funding sources helps ensure that sufficient resources will be available for key priorities in urban health. Success in obtaining external funding depends on effective articulation of the value of urban health and often on creating genuine investment opportunities.

To augment city budgets:

- Improve city capacity to secure financing for urban health; for example, by upgrading financial skills of city technical staff, improving municipal creditworthiness (e.g., by increasing transparency), or documenting and disseminating funding opportunities. National governments can support cities through favourable regulatory frameworks, by making funding directly accessible for action on national-level urban health priorities, or, for example, by guaranteeing loans, offering subsidies or matching funds, or providing technical support (23).
- Facilitate direct interactions and relationships among decision-makers and potential external funders by providing opportunities for knowledge exchange and networking (e.g., study visits, conference presentations, or workshops).
- Implement innovative financial mechanisms to secure additional revenue streams for urban health. Where appropriate, land value capture can raise funds and combat gentrification—promoting health equity should be central to such efforts. Municipal bonds or other fundraising options (e.g., crowd-investing) also offer significant promise, as does redirected revenue from local fees or taxes intended to address other issues (e.g., congestion pricing) (12).
Explore partnerships (e.g., public-private partnerships, partnerships for public purpose) to generate financing and cost-sharing for urban health – partnerships can also provide in-kind value in the form of expertise and logistical support. Partnerships may be structured around outcome-based financing mechanisms (e.g., social, development, or environmental impact bonds), or may involve other incentives (e.g., subsidies) for private sector stakeholders. Partnership arrangements should ensure effective management of conflicts of interest, especially with respect to commercial actors in health-harming industries or undertaking health-harming practices.

Where feasible, seek to supplement municipal budgets for urban health with external grants. This may involve philanthropic sources, international financial institutions (e.g., World Bank), or regional or global funds relevant to urban health (e.g., Green Climate Fund).

**HIGHLIGHT**

In 2005, an energy upgrade project focused on low-cost housing was funded through the UNFCCC Clean Development Mechanism in the low-income Kuyasa neighbourhood of Khayelitsha, Cape Town, South Africa. The Clean Development Mechanism is a global, environmental investment and credit scheme that allows countries to meet their own environmental commitments by implementing emissions-reduction projects in developing countries. Given the deep links between climate change and cities, this funding holds significant potential value for addressing urban health issues. The Kuyasa project retrofitted 2,300 homes, including the installation of solar water heaters, ceiling insulation, and low-energy light bulbs. It reduced household energy costs while increasing energy access and creating local jobs. It also enabled warmer homes during winter, with households reporting 76% lower incidence of respiratory illness (24).
A strategic approach to urban health

The recommendations given here for governance and financing are components of a strategic approach to urban health, which should be:

01 Integrative
encompassing, involving, and empowering all stakeholders whose actions contribute to urban health; raising collective awareness of risks and opportunities; creating a shared vision prioritizing collaboration toward unified goals; supporting intersectoral connections and joint work; fostering coherence in action, diversity in ideas, and grass roots ownership.

02 Contextualized
tailoring solutions to local conditions, culture, and values; recognizing that social, environmental, economic, and commercial determinants of health vary widely, as do stakeholders and their needs, priorities, capabilities, norms, and resources; using place-based mechanisms to involve local actors in urban health planning, policy, and practice.

03 Complexity-informed
acknowledging the dynamic complexity of cities and their relationships to broader interdependent systems (e.g., climate, global trade); recognizing feedbacks among social, environmental, and economic determinants of health and health outcomes; avoiding unintended consequences, managing systemic conflicts, and capitalizing on synergies.
04 **Equity-oriented**
recognizing that populations in situations of vulnerability face heightened health risks, that exclusion exacerbates health inequalities, and that these are intersectional and compounding; devoting the effort and resources to rectify injustice and counter the self-perpetuating nature of inequities; leveraging urban health decision-making to prevent and reduce inequalities among cities, citizens, neighbourhoods, and population subgroups.

05 **Continuously improving**
regularly updating situational awareness through formal and informal mapping, assessment, monitoring, and evaluation; always seeking a higher level of health based on best information about present conditions and likely futures; swiftly reacting to changing circumstances; constantly learning from local experience, accumulated evidence, and engagement with peers and other stakeholders.

06 **Efficient**
taking advantage of cross-sector and cross-scale synergies and avoiding incoherence; pursuing integrated decision-making where appropriate; repurposing existing assets, resources, and mechanisms to mitigate the administrative and financial costs of new policies or structures; improving return-on-investment where feasible.

07 **Sufficient**
developing and assigning the financial and human resources needed to effectively anticipate, plan for, respond to, and overcome urban health challenges; allocating resources according to needs; investing in capacity building to meet current and future requirements.

08 **Forward-looking**
ensuring that short- and medium-term actions address immediate needs, yield tangible results, and demonstrate progress, while emphasizing long-term planning to lay strong foundations and sustainable mechanisms for healthy futures; recognizing the impact of current actions on future options (e.g., via path dependency and lock-in).
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