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THE GENERAL ASSEMBLY FOR AN OVERALL REVIEW  
AND APPRAISAL OF THE IMPLEMENTATION OF  
THE HABITAT AGENDA

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**DRAFT REPORT ON THE OVERALL REVIEW AND APPRAISAL  
OF THE IMPLEMENTATION OF THE HABITAT AGENDA**

UNEDITED

## Summary

1. At its first substantive session, the preparatory committee for the special session of the General Assembly for overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) decided to include in the provisional agenda of its second substantive session the item "Preparation of a draft report on the overall review and appraisal of the implementation of the Habitat Agenda".
2. This report is based on information contained in national reports for Istanbul + 5 received so far, on the Centre's own information, and on the elaboration work done in re-ordering such information according to a regional perspective, in order to provide the required background documentation for the five regional preparatory meetings for Istanbul+5 held between September and November 2000.
3. Detailed information on conditions, trends and national and local experience following Habitat II is contained in the five regional reports of the regional meetings, which are being issued as addenda to the present report.
4. Consequently, the focus of the present report is on placing the new knowledge acquired in a global context. The questions that are addressed are the following:
5. What are the opportunities for localized responses to local situations and local needs in a globalizing context?
6. What are the prospects and policy implications for sustainable human settlements development in the world's five regions, and what lessons can be drawn both for local and global policymaking?
7. What are the constraints and obstacles encountered during the first implementation phase of the Habitat Agenda, and what further actions can be suggested to address them?
8. What priorities have emerged in the imminence of the review and appraisal of the first five years' implementation of the Habitat Agenda?
9. In what way can the role of local authorities, the closest partners of governments in the implementation of the Habitat Agenda, be further strengthened in order to ensure sustainable and effective action?
10. In what way can the United Nations system be further energized in the follow-up to Istanbul+5?

The present draft report attempts to address these questions. It is submitted to the preparatory committee in order to enable the Centre to prepare a final document capable not only of reviewing progress and obstacles since Istanbul, but also to indicate the way forward.

In its final form, it will constitute the report of the Executive Director on the implementation of the twin goals of the Habitat Agenda as well as on the actions and the achievements of the Global Campaigns to the special session of the General Assembly for an overall review and appraisal of the Habitat Agenda.

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## INTRODUCTION

11. At its first substantive session in May 2000, the preparatory committee for the special session of the General Assembly for the overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) decided to include in the provisional agenda of its second substantive session the item "Preparation of a draft report on the overall review and appraisal of the implementation of the Habitat Agenda".
12. The preparatory committee did not issue specific instructions on the structure and content of the draft report. However, substantive discussions held at the first substantive session all but confirmed the orientation contained in the report of the Secretary-General on the implementation of the outcome of the Habitat II endorsed by the General Assembly at its fifty-third session and presented at the same session of the preparatory committee<sup>1</sup>. Reference is made, in particular, to Section II of the Secretary-General's report on the scope and substantive aspects of the special session and its preparatory process.
13. In this section of his report, the Secretary-General stated that "based on progress reports from governments and its own sources of information, the Commission Secretariat would prepare a global analysis of achievements and constraints to serve as a basis for a review by the special session. This would also allow the special session to formulate a report on lessons learnt and to prepare recommendations for future action".
14. Three features of this draft report directly relate to the recommendations contained in the Secretary-General's report. They are: scope; profile; and objectives.
15. The scope of the draft report is deliberately broad. A clear emphasis is given throughout to the integration between the national and local dimensions of Habitat II follow-up actions. In addition, the Secretary-General's report also called for an assessment of actions taken at the regional level and by the regional commissions. Accordingly, Chapter 2 of the draft report includes prospects drawn from the five regional reports on the implementation of the Habitat Agenda prepared for the five regional meetings held between September and November 2000<sup>2</sup> and a synthesis of region-wide policy implications identified at the same meetings. In addition, Chapter 6 of the report is devoted to review of the role of international cooperation and the activities of the United Nations system.
16. The profile suggested for the review in the Secretary-General's report was an inclusive one. The report stressed the Habitat Agenda's call for partnership among actors from public, private, voluntary and community-based organizations, the cooperative sector and non-governmental organizations as essential to the achievement of sustainable human settlements and to the provision of adequate shelter and services for all. Consequently, a call was made for the special session to review the specific contributions of different partners to implementing the Habitat Agenda at national and local levels.
17. Precisely because of centrality of this principle, the draft review report does not treat this subject in a separate chapter. Instead, emphasis is placed in Chapter 2 of the draft report (Regional prospects and policy implications) on Habitat Agenda follow-up actions built upon the partnership principle. However, attention has been given under Chapter 3 ("Overcoming constraints and obstacles") to the factors that still undermine the wide application of the partnership principle as one of the strategic objectives of the Habitat Agenda.
18. The objective of the special session, as repeatedly stressed by the General Assembly and by the preparatory committee, is not to review the Habitat Agenda itself, but to document lessons learnt in its implementation and to prepare recommendations for future action. Accordingly, substantive sections of the draft report attempt to extract conclusions and inspiration for action from the varied and multi-faceted experiences collected in implementing the Habitat Agenda.
19. In addition, the draft report touches upon three important issues. Its first chapter (Globalization and Urbanization) responds to the need to place the first quinquennium of Habitat Agenda implementation

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<sup>1</sup> A/53/267, contained in HS/C/PC.1/CRP.4

<sup>2</sup> The reports of the five regional meetings are being issued as addenda to the present draft report.

in the context of the globalization processes that have undergone a dramatic acceleration since Habitat II.

20. The draft report also addresses, in its chapter 4, the most crucial emerging priorities which are seen as fundamental in the successful implementation of the Habitat Agenda and in addressing the priority needs of the poor - urban governance, housing rights, urban basic services, civil conflicts and urban violence and the urban environment.
21. Special attention is devoted in chapter 5 to the leading actors in Habitat Agenda implementation processes - cities and local authorities. While the Istanbul Declaration, experience since Istanbul and consequently, the review report itself emphasize central-local government partnership as a sine-qua-non ingredient of success, the monitoring process has once again confirmed that ultimately, actions that actually improve the quality of life of people, and particularly the poor, are forged and executed at the local level. Hence the importance of consolidating the partnership between UNCHS, the United Nations system and local authorities in the post Istanbul+5 era.
22. The preparation of the present report was greatly enhanced by an expert-group meeting hosted by the city of Västerås, Sweden, with the support of the Swedish Government. The Secretariat wishes to express its gratitude to both, as well as to the individual experts from member States, local authorities and non-governmental organizations who provided precious and insightful comments to the first draft of the report.

## CHAPTER 1

### GLOBALIZATION AND URBANIZATION

*“Globalization of the world economy presents opportunities and challenges for the development process as well as risks and uncertainties. In this context, international cooperation assumes added significance and importance in the wake of recent trends in the globalization of the world economy, on the one hand, and the continued deterioration of the plight of developing countries, on the other. Problems resulting from poverty, urbanization, lack of adequate shelter, including social housing, rapid population growth, rural-urban migration, economic stagnation and social instability are especially acute.”*

– The Habitat Agenda, paragraph 196.

#### 1.1 The Dawn of the Urban Age

23. The new millennium marks a milestone in the history of humankind: the dawn of the Urban Age. For the first time, the majority of the world’s population will soon be living in areas classified as ‘urban’<sup>3</sup>. This historical transition is intimately linked to the course of human development.
24. This transition is the result of a long process, and since 1996, no significant changes are being detected in urbanizations trends and projections in the world’s regions. With the population of industrialized countries already largely urban, urbanization processes are still acute in developing countries. Today, 40 per cent of the population of developing countries already lives in cities. By 2020, that figure will have risen to 52 per cent. Yet, many nations in the Latin America and the Caribbean region already have 75 per cent city dwellers, while in contrast, only one-third of the population of Africa and Asia live in urban areas. The greatest challenge will present itself in Africa and Asia, where an explosive demographic change is expected in the next quarter century. By 2015, 153 of the world’s 358 cities with more than one million inhabitants will be in Asia. Of the 27 ‘mega-cities’ with more than 10 million inhabitants, 15 will be in Asia. There are even indications of forthcoming mega-cities with 20 or even 30 million inhabitants - urban agglomerations of a size never known before in human history.
25. The impacts of urbanization clearly vary from region to region, from country to country and from city to city. Currently, three-quarters of global population growth occurs in the *urban areas* of developing countries, causing hypergrowth in the cities least capable of catering for such growth. The present decade’s average annual population increase in developing countries’ cities is estimated at 64 million, or 175,000 persons per day. Half of this increase is caused by natural population growth within these cities. Additionally, urbanization processes in the South do not merely recapitulate the past experience of the developed nations. Contemporary urban growth and rural-urban shifts in the South are occurring in a context of far higher absolute population growth, at much lower income levels, with much less institutional and financial capacity, and with considerably fewer opportunities to expand into new frontiers, foreign or domestic.
26. This urban transition is accompanied by significant increases in the scale of urban poverty, disproportionately affecting women and children; ethnic and racial conflicts; crime; homelessness; increased environmental deterioration; and increased marginalization of the poor, often expressed in their social exclusion, intolerable living standards and spatial segregation. All of the above contribute directly or indirectly to increases in social unrest and urban violence.

#### 1.2 Urban Archipelago vs. Rural-Urban linkages

27. As a result of fading distinctions between traditional political spheres and other components of society, human settlements, and large cities in particular, have come out as a considerable actor in the global political economy arena. In response to this change, shifts have taken place in attitudes to urban governance: cities are now increasingly viewed as a product to be marketed at a regional and global scale. Information and communication technology (ICT) allows for internationalization of footloose

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<sup>3</sup> Today, more than 47 per cent of the world’s population lives in cities. The actual transition to 50 per cent urban is believed to occur in 2007, while projections show that 57 per cent of the global population will be urban by 2020.

investment funding, resulting in vast increases in the volume and speed of international capital flows of all types, ranging from foreign direct investments (FDI) to short-term banking activities. In such an environment, cities often have no option but to compete on a global stage for these investments, exploiting whatever comparative advantages they may have - at times even to their own detriment. This development has created a downward spiral of increased subjugation of domestic, economic and social needs to international competitiveness; an often painful phase after the massive socio-economic transformations that characterized the entire 20<sup>th</sup> century.

28. Globalization has placed human settlements in a highly competitive framework of inter-city linkages and networks with a geographical context limited only by planetary boundaries. This new constellation of globally networked cities is sometimes referred to as 'the urban archipelago.' It implies that a city may have more relations with some faraway place than with its hinterland and that such cities act as energy nodes in a global force field. These are processes with considerable potential, and the urban strategies of many governments are now gravitating towards providing an enabling environment for human settlements to compete on the international stage. Many cities now acknowledge that the current nature of funding flows and investment capital demands an international urban orientation over and above managing local issues. Since the supply of international investment funding is often driven by profit optimization through the identification of areas with lower labour costs and standards and regulations that are more favourable for business, this trend should also be viewed with some caution.
29. Although the paradigm of the urban archipelago reflects a very real urban evolution at the global level, the relationships between rural and urban areas still include a host of factors that do not necessarily depend on the international level. It is not simply the linkage to faraway places that defines the nature of the urban archipelago, but rather individual cities' ability to make efficient use of newly available links to resources and markets offered by networks of cities. Therefore, cities' responses to globalization are not to control this global phenomenon, but rather to manage their own resources within a new global context, including traditional links with the hinterland.
30. There remain considerable local economic factors (the symbiosis of rural primary production and urban secondary and tertiary activities), local demographic issues (migration and absorption of rural population surpluses), local environmental consequences (water and air) and local infrastructure matters (transport, energy, telecommunication etc) that still bind cities to their rural hinterland. Additionally, the mobility of labour still lags far behind the mobility of capital and traditional urban-rural linkages will, therefore, remain crucial in a host of mutually supportive functions.

### **1.3 The Glocalization Paradox: More Global - More Local**

31. Globalization has caused the end of territorialism: the condition whereby socio-economic and political space is reducible solely to territorial coordinates. It has created an apparent paradox whereby polity – the condition of civil order – is simultaneously becoming more global *and* more local. This concept captures the notion that the economic and information features of globalization are penetrating even the remotest corners of Earth and that each locality is now forced to participate in the new globality, while, at the same time, local concerns increasingly spring to the foreground as major social and political issues. Within this new trend, human settlements of all sizes have emerged as major new actors and areas to address social, economic and political issues – both at the global and at the local level.
32. In many localities, people are overwhelmed by changes in their traditional cultural, spiritual and social values and norms and by the introduction of a cult of consumerism intrinsic to the process of globalization. In the rebound, many localities have reacted by stressing their *own* identity, their *own* roots, their *own* culture and values, and the importance of their *own* neighbourhood, area, vicinity or town. In political terms this has translated into demands for political decentralization to deal more effectively with the impacts of globalization at the local level, on the one hand, and to filter out desirable benefits of internationalization, on the other. By this process, begun in the last decade but markedly apparent since Habitat II, civil society has become important in recasting national and local politics as a third-sector actor - distinct from state and market - shaping policies, norms and social structures. As in the case of all transformation process, some deal better with these issues than others.

33. Despite these positive developments, the future of large and small settlements in the developing world looks grim indeed if they continue to develop in the unstructured and unstable fashion that characterized many of them until now. Cities in the developed world also face unprecedented problems of urban decay, ageing populations, widening gaps between poor and rich, layers of vested interests and large disparities between knowledge-based elites and under-educated urban populations. These problems cannot be left to civil-society initiative alone. They determine the need for a new, inclusive approach to local governance, and present a great and inspiring challenge to local government.
34. On a more positive note, the world is no longer only a community of states, but also an increasingly borderless network of interconnected cities where power is being shared more evenly and where governance is becoming more democratic. Promising partnerships are evolving between the public sector, the private sector and civil society. There is a growing awareness of the needs and rights of women, the indivisibility of human rights and the need for participation and for social, economic and environmental stewardship.
35. To address the glocalization paradox that distinctly emerged since Habitat II, governments and their partners will have to curb the obviously untenable present course of the global urban environment. To do so, the highly articulated goals and objectives of the extraordinary series of United Nations global conferences of the 1990s *must* remain the overriding agenda of the international community.

#### **1.4 Three Typical Cities**

36. Cities worldwide vary and will continue to vary. Nevertheless, they all face fairly similar problems and the emergence of one urban network will help unite cities in different countries and continents overcoming common and fundamentally similar problems. On the basis of similarity in urban issues, the 2000 *World Report on the Urban Future 21* recognized that cities worldwide largely fall into three categories of demographic-socio-economic evolution.
37. The first category is the informal hyper-growth city, characterized by very rapid population growth; an economy heavily dependent on the informal sector; wide-spread poverty and proliferation of informal housing areas; severe environmental and public health problems; and extreme social polarization. In this group fall many cities in sub-Saharan Africa, the Indian sub-continent, and some of the poorer cities in the Latin America and the Caribbean region.
38. The second category is the dynamic growth city, characterized by continuing rapid growth, but with environmental problems associated with prosperity and decreasing possibilities for dealing with these problems. They often show stable population growth rates and hold the prospect of an ageing population. These are typically the cities in much of East Asia, Latin America and the Caribbean and the Middle East.
39. The third category is the ageing mature city, characterized by stable or declining population, challenges of ageing and of decreasing household sizes, slow economic growth, social polarization, urban congestion and pollution problems. These are typically the cities of Europe, North America, Japan, Australia and New Zealand.
40. The above classification into three major categories of cities is certainly an over-simplified model of the world's cities. It has also been argued that these three categorizations do not necessarily fit all cities, and that aspects of all three can be found in most cities - notably social polarization and the concurrent phenomena of rapid population growth and stagnant economic growth. Also, it would be self-defeating to suggest that all cities are destined to follow an evolutionary process from informal hyper-growth to dynamic growth, to conclude with the "ageing mature city". As said elsewhere in this report with regard to locational factors, trend is not destiny. The urban challenge is precisely to strive for city models that encompass all the positive aspects of these three categories while eliminating or discouraging the others.

#### **1.5 Smaller World, Wider World: the Global Divide**

41. Globalization is not a new phenomenon<sup>4</sup>. What is new is the accelerating speed, scope, scale and complexity of global connections.
42. First, these global connections function at much greater speed than ever before. Improved technologies enable much faster transportation of people and goods and the instantaneous transmission of information. Second, globalization operates on a much larger scale, leaving few people unaffected and making its influence felt in even the most remote places. Third, the scope of global connections is much broader and has multiple dimensions - economic, technological, political, legal, social, and cultural, each of which with multiple facets<sup>5</sup>.
43. In his introduction to his Millennium Report<sup>6</sup>, the Secretary-General stated that "globalization offers great opportunities, but at present its benefits are unevenly distributed while its costs are borne by all ..... Thus, the central challenge we face today is to ensure that globalization becomes a positive force for all the world's people, instead of leaving billions of them behind in squalor ....."
44. Indeed, in the short period of five years, the world has become a smaller and more comfortable place for some, but a wider and more difficult place for many more. One can jet from London to Athens and back for 50 US dollars, the equivalent of roughly 2 per cent of an average monthly salary in Western Europe. But in the average African city, it is common for workers to walk for hours and miles each day because a return bus fare can amount to more than half their daily wage, and therefore is simply unaffordable.
45. In many countries, housing prices have soared well beyond rates of inflation. This can make housing an attractive investment for those who can afford it, but also makes this affordability gap prohibitive for growing numbers of people. This is "virtual distance" in the sense that the goal of decent and secure housing becomes more and more remote. But it also translates itself in physical remoteness, as young and lower-income citizens are forced to look for cheaper housing located in the distant peripheries of cities. Often, these savings are offset by increased costs of transport and loss of valuable time and economic opportunity, therefore opening a vicious cycle which hurts everybody - people first of all, but also the economy and the environmental sustainability of cities in general. The "distance" between common people and adequate housing is becoming greater.
46. The price of computers has dropped dramatically in recent years, to the point where affluent families in all countries, developed and developing, are assumed to have one or more in their home. But the purchase and operating costs of the same machines remain astronomically high for a rural school or hospital in a least-developed country, where their potential, rather than for surfing the internet and sending e-mails, could be used to save human lives and to sharpen and broaden learning skills. This is just one example of the "digital divide", which emphasizes the "virtual distance" in human and intellectual wellbeing and development between the "haves" and the "have-nots" of this earth. This happens at a time when the world's most prestigious development thinkers point at education as the key to lift people out of exclusion and poverty.
47. In addition, the information technology revolution is powered by means invented more than a century ago - electricity and the telephone. In some countries, their costs have become negligible. But in most other countries, unpredictable power supply and unreliable and expensive telephone services often place the fortunate minority equipped with a computer and a modem in a position comparable to that of a car owner without a reliable supply of fuel to propel his engine.
48. The social impacts of globalization have been addressed by the UNDP's most recent Human Development Report. While depicting its positive aspects, the report adds "Globalization ... is also fragmenting production processes, labour markets, political entities and societies. So, while

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<sup>4</sup>The Habitat Agenda only contains seven brief references to globalization. Today, globalization is at the centre of the world's debate on development. The Millennium Report of the Secretary-General "We, the Peoples: the Role of the United Nations in the 21<sup>st</sup> Century" (<http://www.un.org/millennium/index.html>) devotes its first substantive chapter to "Globalization and Governance".

<sup>5</sup> UNCHS (Habitat), Third Global Report on Human Settlements, draft version.

<sup>6</sup>"We the Peoples: The Role of the United Nations in the 21<sup>st</sup> Century".

globalization has positive, innovative, dynamic aspects - also have negative, disruptive, marginalizing aspects....."

49. A closer picture of today's world going beyond global considerations and filtered through a human (and humane) development perspective, is one where differences between continents, nations, regions, and cities are also becoming sharper.
50. In the aggregate, Western industrialized countries are enjoying unprecedented prosperity; the Asian continent's economic growth rates are the highest in the world; Latin America's economy has come out of its best decade since the end of the second world war; while Africa is going through perhaps the most troublesome times since its nations achieved independence, and the countries of Central and Eastern Europe are still struggling with the transition from a centrally-planned to a full market economy. Regardless of present conditions of health of the economies of nations and continents, there simply is not enough investment in building the foundations of sustainable economic development - physical and social infrastructure. Lagging continents and regions can justify this gap with their unpaired ability to invest in improving their physical and human capital, starting with the unbearable weight of their debt burden, but also rapidly growing economies (with the notable exception of China) may be missing a historic opportunity to respond with adequate investment in urban services and infrastructure to their urbanization challenges and the demands of mature and dynamic urban societies.
51. A human (and again, also humane) settlements perspective offers further insights into the growing disparities detectable between, and within, individual States. Aggregate economic figures for geo-economic groups of nations hide enormous disparities between countries in income distribution, health and morbidity, level of educational attainment, housing conditions, and models and practice of governance.
52. These disparities are also painfully detectable within individual countries. Even nations whose economies are doing well, such as the United States, the UK and China, recognize growing disparities in economic performance and quality of life between booming regions and lagging regions, prosperous urban centres and cities in decline. This suggests a direct correlation between globalization and responses to urbanization processes. Most booming regions, be they along the western seaboard of the United States, the South of England or the South East coast of China, are the ones which have seized the opportunities provided by globalization and are indeed driving it. Invariably, and this is the crucial point in terms of human settlements development, they are also the regions which have invested most in physical infrastructure, environmental protection, housing markets, educational and health facilities, and communication networks. The question of which factor drives the other one may be the subject of a long and fascinating debate - but the close interconnection between investment in human settlements development and the opportunities offered by globalization, particularly in term of economic growth, is incontestable.<sup>7</sup>

## 1.6 The Divided City

53. The growing disparity between levels of development and quality of life at the global, continental, national and regional spheres is dramatically present, and indeed even more clearly discernible, at the city level. In its analysis of current urban realities, the Urban 21 Global Conference on the Urban Future (Urban 21) recently held in Berlin came to the conclusion that "no city is free of problems". In its summarized simplicity, this statement confirms an uncomfortable reality often underlined before in other international fora. The urban challenge is a global one because it manifests itself everywhere. It is also a global challenge because in an increasingly interconnected world economy the range and reverberations of urban crises have a much greater impact than before. And it is a global challenge because, despite obvious differences running across the whole development spectrum, cities also increasingly face similar problems. Hence the opportunity to learn from each other's experiences and multiply the potential for sustainable development along the lines of a common agenda.
54. One of these common features is the "divided city". Within cities in all regions of the world we almost invariably see the growth of disparities between the affluent and the dispossessed, exemplified by the coexistence of thriving business districts, affluent neighbourhoods and slums (in the case of most

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<sup>7</sup> Also see Agenda 21, Chapter 7 (Sustainable Human Settlements), introduction.

developing countries) or "distressed neighbourhoods" and derelict quarters (in more affluent countries). This is the most visible trait of the divided city. What is equally disturbing is the presence of invisible barriers within the divided city. It is entirely possible for a modern business executive to spend months in any of today's "world cities", as well as in the capital of a developing country, without ever coming into visual contact with a slum, a banlieue, a derelict neighbourhood. Similarly, affluent residents of virtually any city can spend years without ever needing to, not to mention wanting to, come into contact with less palatable sections of the city nor with their inhabitants.

55. Their contacts are with their peers, and on the right side of the digital tracks. The cybernetic peers of the privileged classes in any large city are business contacts and personal relations in another large or world city. Their lifestyles are undistinguishable from those emanating from the great capitals of business, banking and fashion. They speak the one global language and deal in the one global currency. The globalization of lifestyles is another aspect of the phenomenon under discussion, and one that is most evident in cities, both in the cultural and consumption attitudes of the affluent and in the homogenization of the physical image of large and smaller cities, all increasingly alike in their architecture, their shopping malls, their gentrified historical neighbourhoods, their impeccable suburban housing estates, but also in their derelict brownsites, their degraded and sub-standard residential districts or informal settlements where the invisible other inhabitants of the divided city survive.
56. Have cities always been this way? No, they have not. Does the divided city draw its roots from the past, or is the divided city a strong trait of the era we are living in, emphasized by a prevailing "globalization culture" based on seizing economic opportunity and leaving behind the principles that made communities and cities the opposite of what they appear now at the dawn of the urban millennium - distinguishable in character but unified by solidarity and civic pride?
57. During the past five years, civil society and their organizations have been consolidating their views and hopes in alternative scenarios for a more just and humane global development model<sup>8</sup>. There are now powerful forces striving for a better world, and they draw their strength and legitimacy from countless women and men operating on the same principles and striving for better human settlements conditions in their communities and in their cities. This era in which States are trying to adjust to rapid, traumatic and profound changes, presents great opportunities for democratic governments, central and local, to harness this civic capital and put it to work for the common objectives enshrined in each nation's constitution and the development principles adopted by all member States, including the Habitat Agenda.

## **1.7 The Way Forward**

58. This first chapter has attempted to illustrate and actualize the Habitat Agenda's only statement devoted to globalization and the growing social and economic problems that accompany it in the presence of intense urbanization processes. What follows are two major arguments for policy and action in response to the processes and challenges described so far and emerged in clearer relief since 1996.

### **Promoting entrepreneurial cities**

59. Until recently, the success, decline and stagnation of cities and other settlements were strongly and often uniquely linked to territorial, geographic, resource or political features. This is the case of settlements at the intersection of important communication corridors, or facing waterways and harbours, or grown around the processing and/or commercialization of agricultural products or mining resources.
60. In a globalizing economy, these factors are no longer the exclusive driving forces of urban economic growth. There are no classic locational factors that can explain the meteorical rise in prominence of "e-regions" like Silicon Valley and Seattle in the United States, or Bangalore in India.
61. The real explanation is entrepreneurship. For a number of different reasons, often romanticized by the image of teenagers re-inventing technology in their garages, thriving new activities sprang out of

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<sup>8</sup> See "Millennium Forum Declaration", May 2000.

nowhere, creating jobs for millions of people and also a snowball effect that enabled the birth of equally amazing e-regions in other parts of the world.

62. The point is that location is not destiny. But an important corollary is that all booming regions require a minimum package of enabling conditions to develop and sustain themselves. These conditions, whether directly or indirectly, are determined by the actions of central and local government. This mix will vary from place to place, but it is likely to contain incentives, tax expenditures, high-level educational facilities, research centres, universities, coupled with well-functioning infrastructure and urban services, availability of housing, excellent communications, and efficient transport systems. All these factors are, of course, both the foundation, the essential purpose, and the product of good governance.
63. **It is expected, therefore, that member states may be able to reiterate that the increasing economic role of cities in our globalizing world, as well as the progress made in forging public-private partnerships, must be encouraged, in line with the principle that well-managed cities hold the potential to maximize the benefits and to offset the negative consequences of globalization.**

### **Supporting human settlements initiatives of the urban poor**

64. The "urbanization of poverty" is one of the most challenging problems facing the world today. Globalization all but emphasizes this phenomenon because the opportunities it offers are monopolized by highly educated and upper-income urban dwellers. The commercialization and internationalization of agricultural production is also transforming the economy of the rural areas of the developing world from one based on smallhold and intensive agriculture into capital-intensive and specialized activities. This only intensifies the exodus of rural dwellers to urban areas in search of an alternative livelihood. Cities in the developing world are thus faced with a triple challenge: sustained population growth; a population base which needs shelter and services but whose income cannot satisfy this demand in the marketplace; and a diminishing ratio of resources per inhabitant, compounded by the weakening of the support role of the State, an inadequate revenue base, and poor institutional capacity for planning and management.
65. The contrast with the buoyant image of e-regions and the prosperous cities of the north could not be sharper. And the dilemma for developing-country cities is that they are faced with explosive problems which require immediate solutions, for which no sustainable solution is in sight, at least in the conventional terms of public housing, subsidies and social programmes that worked so well in the industrialized countries of the north half a century ago.
66. This is why the entry-point for addressing this dilemma has been identified, in full coherence with the Habitat Agenda, in the provision of secure tenure within comprehensive slum and squatter-settlement upgrading programmes. Various forms of tenure exist, not all of them linked to freehold property, that can guarantee physical, social and economic security to the threatened half of the divided city. It is only on this basis that the poor can acquire dignity, improve their health conditions, invest in the improvement of their own shelter and communities, and gradually earn a role as full-fledged citizens. This has been done, and is being done with success. The challenge for the partners of the Habitat Agenda is to reproduce these successes to a scale unheard of before.
67. A different reality is beginning to emerge from within some of the world's slums - a reality that reveals the poor as active participants in development and as the true poverty experts. Where banks do not lend to them, they save and lend to each other; where no housing is available they build their own shelter; where no education is provided, they teach each other. The poor are currently the single largest producers of shelter and, indeed, builders of cities in the world today. In most cases, it is women who take the lead in designing survival strategies; these strategies provide the conditions for development.
68. It is also clear that some city leaders want to gear up to face the challenge of urban poverty by actively engaging with the poor and the marginalized. The recent progress that has been made in participatory local democracy is providing fertile ground for innovation in the way that people's demands are articulated and satisfied. It is precisely these sorts of initiatives that provide some of the best prospects

for sustainable development strategies, and to which the world's development institutions are being invited to respond.

- 69. It is expected, therefore, that all member states may be able to build on the efforts and resourcefulness of the poor in improving their living conditions and to adopt explicit strategies to address urban poverty, the exclusion of women and marginalized groups and social fragmentation in an integrated manner to achieve a more inclusive living environment world wide.**

## CHAPTER 2

### REGIONAL PROSPECTS AND POLICY IMPLICATIONS

#### 2.1 Africa

##### Urban and Shelter Prospects<sup>9</sup>

70. Although Africa is the least urbanized continent with only about 35 percent of its population living in urban areas, it is currently experiencing high rates of population increase and the world's most rapid rate of urbanization. National reports on the implementation of the Habitat Agenda indicate that several governments in Africa are in the process of revising national policies and strategies and reviewing legislative and institutional frameworks related to shelter development targeted both in urban and rural areas. In many countries, the role of government is gradually changing from a provider to a facilitator of public-private partnerships, and a supporter of community-based initiatives in the housing sector. However, expansion of informal settlements and lack of adequate basic services has been a major concern for the governments and local authorities in the region. Much remains to be done to establish well-functioning land markets. Factors that constrain the supply of land in African countries have been identified and these include customary land rights, land speculation and lack of updated cadastral and land-data systems.
71. Several countries have promulgated legislation that supports the participation of women and disadvantaged groups in economic, social and political decision-making processes. The challenge remains of how to translate these legislative reforms into concrete action.
72. A similar gap applies to the strengthening of the role of local authorities in social development and poverty eradication, including capacity building in gender analysis, planning and mainstreaming. Widespread poverty, low levels of economic development and lack of financial and human resources in many countries of the region present a daunting challenge. Coupled with this is the rate at which the HIV/Aids pandemic impacts on human settlements and specifically on the working-age population.
73. Comprehensive water resource management plans have been prepared in some sub-regions with the aim of securing resources and maintaining quality. Since 1996, a growing number of countries have undertaken studies/assessments to identify and assess the various environmental problems related to rapid urbanization. Programmes that address air and water pollution and improved solid waste management have been intensified. Significant efforts have been made in environmental resource management in the context of the development planning process. Countries recognize the value of consensus building through involving a wide range of actors concerned and information on the relevant issues, strategies and decision making processes and implementation. Local development plans and local agenda 21 initiatives have offered an opportunity to engage in such participatory processes. Inadequate disaster preparedness for prevention, mitigation and response to disasters has been identified as an issue in a number of countries. Sustaining regional and sub-regional mechanisms for preventing conflict and promoting political stability and ensuring a reliable flow of resources for peace-keeping operations have also been emphasized.
74. Informal micro-enterprises absorb over 60 percent of the workforce in urban Africa. This sector continues to show absorptive capacity and is the most rapidly expanding employment segment of the contemporary African urban economy. In the next decade, more than 90% of additional jobs in the urban areas in Africa will come from micro-and small-scale enterprises. Women play a prominent role in the urban informal sector, but they are usually relegated to the lower end of the informal economy, earning less than men and often not having acceptable collateral to enable them access substantial

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<sup>9</sup> This section is a synthesis of selected issues, trends and prospects in the region drawn from national reports and additional sources. A more complete version, structured around the topics adopted by member states for their national reports is contained in the regional addendum to this report (HS/C/PC.2/2/Add.2).

credit facilities.

75. Several countries have undertaken constitutional reforms towards decentralized systems of governance in support of the political and institutional structures of emerging democracies. The relationship between central government and local authorities, however, is still poorly developed even in some countries where decentralization is enshrined in national constitutions. In addition, local authorities have low management and administrative capacity and lack resources.
76. Little international assistance has been provided so far for the implementation of national plans of action. The need to enhance sharing of information through international cooperation, especially in documentation of best practices and technology transfers with priority to south to south cooperation, is also identified in several national reports.

### **Policy Implications**

77. On 6-8 November 2000, the Economic Commission for Africa (ECA) and the United Nations Centre for Human Settlements (UNCHS) jointly organized a Regional African Ministerial Conference on the Implementation of the Habitat Agenda in Addis Ababa, Ethiopia. Ministers and government representatives responsible for human settlements in African countries reviewed progress made, challenges and future initiatives indicated in a draft position paper prepared for the Conference. They endorsed the draft position paper and adopted an “Addis Ababa Declaration on Human Settlements.”<sup>10</sup>
78. In its introductory part, The Declaration acknowledges that close to 50 per cent of the African population presently lives in poverty, and recognises the increasing urbanisation and feminisation of poverty taking place in many African countries, including its manifestation in the form of inadequate urban housing and limited access to basic services, including water, sanitation, waste management, energy and public transport. Welcoming the progress made so far, the Declaration recognizes the negative impacts of ineffective management of cities and human settlements, poor conditions of infrastructure and rising crime and violence, on economic growth and on the quality of life and working environment in many African cities and towns. It acknowledges that one out of every five Africans lives in countries severely disrupted by wars or civil conflicts and that there are approximately 3 million refugees and 16 million internally displaced persons on the African continent, and that this has resulted both in the destruction of human settlements and infrastructure and in the serious disruption of economic activities. It also recognizes that the majority of the African population still lives in rural areas and stress the need to address rural development, rural housing and rural-urban linkages. It finally recognizes that the sustainable policies and programmes on improving shelter, basic services and urban governance being implemented have the potential to make a positive contribution towards Africa's economic recovery and development in the new millennium.
79. In the Declaration's operative part, African member states renew and reaffirm the Habitat Agenda's commitments endorsed in Istanbul under adequate shelter for all, sustainable human settlements, enablement and participation, gender equality, financing shelter and human settlements, international co-operation, and assessing progress.
80. The Declaration also contains the following new commitments and recommendations under the six headings adopted by member states for their national reports to Istanbul+5:

### **Shelter**

- Welcomes the launching of the Global Campaign for Secure Tenure and recognizes that the extension of secure tenure must benefit women and men equally and that the right to own, have access and control of land, property and other economic resources should be considered an important indicator of progress towards the realization of this Habitat Agenda goal;
- Urges UNCHS(Habitat) and its partners to expand the Water for African Cities Programme to improve access to sanitation, waste management, energy and public transport;
- Welcomes the UNCHS-World Bank Cities Alliance partnership;
- Undertakes to promote the mobilization of domestic resources for shelter development;

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<sup>10</sup> Both documents are available in the report of the Regional Meeting (HS/C/PC.2/2Add.2).

- Undertakes to promote the use of new technologies for the development of low-cost housing and social infrastructure, and of appropriate, cost-effective and environmentally friendly technology;

### **Social development and Poverty**

- Acknowledges the need to create an enabling environment for enhancing the capacity of the private sector in housing development and increasing employment opportunities;
- Commits, by accelerating urgent and contextually relevant policies and programmes, to bringing closer the realization of the second goal of the Habitat agenda, Sustainable Human Settlements in an Urbanizing World, together with a pledge to:
  - Initiate policies and programmes exclusively targeted to the provision of shelter for the rural poor;
  - Formulate and implement policies for housing HIV/AIDS victims, including shelter solutions ensuring public awareness of ways to prevent the spread of HIV/AIDS, and for accommodating HIV/AIDS victims.

### **Environmental Management**

- Recognizes the efforts of UNCHS(Habitat) in support of African countries affected by war and natural disasters in reconstructing their settlements, rehabilitating their local governance institutions and enhancing their preparedness and prevention capacity;
- Commits to promoting policies for creating environmentally sustainable, healthy and liveable human settlements, for sustainable energy use in transport, industrial production and households; for strengthening disaster prevention, mitigation, preparedness and post-disaster rehabilitation; for promoting peace in post-war/conflict context through reconstruction, rehabilitation and development policies and actions; and to reintegrate refugees and settle internally displaced persons;

### **Governance**

- Welcomes the launching of the Global Campaign for "Good Urban Governance";
- Encourages the emerging regional focus on decentralization policies and re-affirms the need to strengthen the role of local authorities and their national and regional associations as key partners in the implementation of the Habitat Agenda;
- Calls for more deliberations on the proposed World Charter of Local Self-Government to enhance further understanding of the issues;
- Reconfirms support to the Regional Council for Africa of Global Parliamentarians on Habitat and to the Africa NGO caucus;
- Reaffirms commitment to institute and reinforce capacities to enhance transparency, accountability and efficiency in the management of public resources and to combat corruption in all forms;

81. The Declaration also lists a number of recommendations aimed at strengthening international co-operation and the institutional framework for the monitoring and implementation of the Habitat Agenda. They appear in full in the report of the Addis Ababa Conference (HS/C/PC.2/2 Add.2) and are reflected in Chapter 6 of this report devoted to the issue of international co-operation.

## 2.2 Asia and the Pacific

### Urban and Shelter Prospects<sup>11</sup>

82. The Asia-Pacific region is characterized by great internal differences in levels of socio-economic development. South-East and East Asia have seen high economic growth for several decades, which was interrupted by the economic crisis in 1997. However, fuelled earlier by economic growth, urbanization continued unabated. While annual population growth is expected to decrease to 1.11 per cent in the 2000 - 2010 period, household formation will grow at a much higher level (2.29 per cent). This will keep housing demand in the developing countries of the region at a very high level. The industrialized countries in the region face specific problems such as the changing housing needs of the ageing populations and the formation of single-person households. Therefore, demand for new housing will continue in these countries also, especially for small households. Together with an existing backlog in most of the developing countries of the region, where homelessness and inadequate housing and lack of access to basic services are still widespread, the provision of housing will remain one of the top priorities.
83. Among the major trends in the region is the shift of government policy towards an enabling role and more reliance on partnerships with the private sector, as well as with NGOs and local community organizations. In many countries with national level organizations, self-reliance of well-organized communities is playing a growing role. This is particularly visible in the well-established democracies, while more centralized states tend to move towards more inclusive shelter policies more cautiously. Such policies tend to include various actors, but are mostly relying on the private sector to deliver shelter to all strata of the population. Despite a long tradition of public participation in shelter development processes in some countries, the Habitat Agenda's call for widening these participatory processes and mechanisms by involving more stakeholders and promoting sustainability still remains a challenge. Some countries encourage shelter provision for the poor by making it a requirement for developers to set aside a portion of any development for low-income groups. Eviction is the greatest threat to inhabitants of informal settlements since it means an end to access to affordable housing at a convenient location and a loss of an interdependent community lifestyle. Despite this, arbitrary forced evictions are still taking place in some countries of the region.
84. Specific measures, including legislation, have been adopted to support the participation of women in decision-making. Despite these various regulatory frameworks, discrimination against women persists in some parts of the region.
85. The rapid growth of motorization in the vast majority of cities has significantly contributed to urban air pollution. Industrial pollution of air and water quality also remains an area of major concern requiring legislative action and effective enforcement.
86. Widespread recognition and understanding of the negative environmental and economic development impacts on the overuse of the private automobile to meet regional travel needs has been in clear evidence since 1996. Massive amounts of financial resources have been placed on expanding and enhancing public transport, and LRT systems have been opened or are currently under construction in Kuala Lumpur, New Delhi, Manila, Jakarta, Bangkok and Singapore, among others. However, the widespread use of two-wheelers or motorcycles in the largest cities in Asia are replacing many trips previously made by public transport and are having negative impacts on atmospheric pollution, traffic congestion, health and quality of life. As the share of greenhouse gas emissions from the transport sector in Asia continues to remain considerable, further steps must be taken to strengthen and expand ongoing efforts, which include improved fuel mixes and alternative modes of urban transport.
87. Economic development in the region was shaken by the Asia financial and currency crisis of 1997, which also had a global impact of slowing global growth momentum and decrease in world trade. In the region itself, this shock has had severe socio-economic effects, by considerably reducing the rate

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<sup>11</sup> This section is a synthesis of selected issues, trends and prospects in the region drawn from national reports and additional sources. A more complete version, structured around the topics adopted by member states for their national reports is contained in the regional addendum to this report (HS/C/PC.2/2/Add.3).

of growth, raising the rate of inflation, increasing unemployment and undoing the social and political fabric of society. Employment in the informal sector accounted for a large percentage of all employed persons. In terms of encouraging public - private sector partnerships and stimulation of productive employment opportunities, some public services have been consigned to the private sector increasingly for example social welfare and medical service, traffic services and public safety. One of the major weaknesses has been the mis-match between financial resources of the local bodies and their functions and responsibilities.

## Policy Implications

88. The United Nations Economic Commission for Asia and the Pacific and UNCHS (Habitat), in collaboration with UNDP (TUGI), the Asian Development Bank, WHO's Western Pacific Regional Office and CityNet, organized a Regional High level meeting for Asia and the Pacific from 19-22 October 2000 in Hangzhou, China. Representatives from national and local governments, NGOs, research and training institutions and the private sector participated in the meeting. After the presentation of an overview paper on the implementation of the Habitat Agenda in the region, and five background papers on the main themes of the meeting, four symposia were convened for national governments, local governments, non-governmental organizations and research and training institutes.
89. The symposium of **national governments** reported positive developments in the shelter sector, with the adoption of more realistic building standards, an increase in public-private partnerships and community-based approaches to low-income housing. Some policies such as the resettlement of rural households to reduce rural-urban migration and urbanization had, however, failed. Governments were decentralizing powers and functions to the local level, but decentralization of financial powers remained limited. Inroads into poverty alleviation had been made through the empowerment of the poor, a focus on women in poverty alleviation and increased stakeholder participation in local decision-making, but more needed to be done.
90. The symposium of **local governments** felt that the roles, powers and the functions of different levels of governments needed clarification. Resources and decision-making had to be devolved to the local level. Through an appropriate legal framework, capacity building and human resources development, local governments should be empowered to address urban issues. Security of land tenure was critical for housing the poor, but local governments lacked power to acquire land. Similarly, cities in the region faced environmental problems, but local authorities lacked the capacity to implement environmental laws. They were also unable to promote local economic development by a lack of resources and the absence of a legal framework to mobilize them. To alleviate poverty, local governments needed to increase their support to community-based organizations and non-governmental organizations that work with the poor, especially with women. Multi-stakeholder coalitions should monitor and evaluate actions towards urban governance.
91. The symposium of **non-governmental organizations** focused its attention on the process of implementation of the Habitat Agenda which some NGOs did not see as a "peoples agenda". It had been drafted and approved by national governments, and many stakeholders were unaware of it. The Agenda needed to be localized and its implementation institutionalized by the creation of Habitat Committees at national, sub-national and municipal level. The Agenda was quite comprehensive, but new issues (globalization, international, debt indigenous knowledge, corruption) had emerged. The Agenda had to be made more readable and understandable. There was concern that Istanbul+5 was a session of the General Assembly where civil society would not be represented. NGO views were often not included in the national reports and reported progress differed from reality. Greater transparency was needed in the review of the implementation of the Habitat Agenda, and the country reports should be the result of a broad consultation process with involvement by all stakeholders. Audits by actors not involved in its implementation should be incorporated in the monitoring and reporting on the progress in the implementation of the Habitat Agenda.
92. The symposium of **research and training institutions** identified the need to critically analyze and document "best" and "worst" practices. Beneficiaries needed to be identified so that the research results could be used in policy development and programmes. Many issues had already been researched and findings had to be disseminated to decision-makers in the government and civil society. In this respect, the symposium asked ESCAP's assistance in developing and hosting a regional

portal website. Because training needs were constantly changing, institutes should determine the needs before building training programmes. Government officials needed to change their attitude, become more entrepreneurial and manage the assets of the local government more effectively. They should learn to work in a participatory way and develop the ability to understand the realities of cities.

93. In the subsequent plenary sessions, participants cautioned against over-emphasis on poverty alleviation in slums and squatter settlements, as the urban poor who did not live in such settlements would be excluded. Considerable efforts were necessary to re-educate people to change their attitudes, and reduce consumerism and wasteful behavior. Participants agreed that policy makers, researchers and civil society did not fully understand the implications of globalization and its impact on economies, societies, cultures, cities and the poor. Methodologies and indicators were needed to audit governments on good governance and measure progress in the implementation of the Habitat Agenda. However, there were not only problems in the cities of Asia and the Pacific, but also many initiatives to find solutions. A better use should be made of these solutions through the sharing of experiences at regional level using existing regional networks like CityNet and LOGOTRI.

## **2.3 Europe and North America**

### **Urban and Shelter Prospects<sup>12</sup>**

94. The main shelter issue in most of the countries in the region, is not the construction of new units. Instead, most countries focus on urban renewal with consideration of conservation of historic sites and cultural heritage and on renovation, modernisation and thermal insulation of existing dwellings. In some countries the main problem is the degraded housing stock. Housing units are being torn down to make room for more attractive housing. The conservation, renovation and modernisation of housing estates is one of the main concerns of the shelter sector in Western Europe, and even more so in Eastern Europe and the Commonwealth of Independent States (CIS), where the quality of many old dwellings is generally poorer than in many countries in Western Europe. Most countries have increasingly experienced renovation/ upgrading of entire neighbourhoods, in some cases eventually leading to displacement of the original occupants, due to increased rental costs. Several countries have completed work or are working on legislation to facilitate the process of urban renewal. Wars and conflicts erupted since 1996 in the Balkans and in the Caucasus regions left a heavy toll of destruction and internal and international displacement. Post-war reconstruction, as well as rebuilding of social fabrics of war-torn societies and re-inventing local governance will be one of the most notable international challenges in the region.
95. In these countries, the issue of secure tenure is of major importance. In Kosovo, for instance, the entire land registration system has to be totally recreated anew, following the destruction caused during the recent conflict.
96. Another trend faced in all countries in the region is the ageing of the population, with its related consequences for the type of dwellings required, e.g. improved accessibility. With growing numbers of older people, demand for smaller housing units close to services in densely developed inner cities will rise. The problem is most acute in some Southern European countries, which had relatively youthful population in the past. While some 20 per cent of the population in Europe are more than 60 years old in 2000, this figure is projected to increase to 26.7 per cent in 2025. Similar figures for North America are 16.3 per cent and 24.4 per cent respectively.
97. In countries with economies in transition where social protection has declined considerably, there is a strong need to address the needs of tenants as housing markets are becoming increasingly commercialised. For example, “out of the approximately 4 million households in Hungary, 140,000 are more than six months in arrears with National Savings Bank housing loans and face the threat of foreclosure procedure that would end with eviction. In half of these cases, the legal procedure has already started and many thousand households face imminent foreclosure. There are also some 100,000 households which are in serious arrears with utility companies.”

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<sup>12</sup> This section is a synthesis of selected issues, trends and prospects in the region drawn from national reports and additional sources. A more complete version, structured around the topics adopted by member states for their national reports is contained in the regional addendum to this report (HS/C/PC.2/2/Add.4).

## Policy Implications

98. The Ministers of Housing and Spatial Planning of the ECE region met in Geneva in September 2000 under the auspices of the Committee of Human Settlements of the ECE to outline their vision of the city in the twenty-first century. The meeting also sought to provide common policy priorities in the imminence of the five-year review of the Habitat Agenda. The Ministers adopted a Declaration and a Strategy to improve the quality of life in human settlements in the region in the 21<sup>st</sup> century.
99. The underpinning rationale of the declaration is "Quality, not Quantity: Improving Living conditions in our Cities". The strategy's goal is fivefold:
- Promote a system of meaningful and democratic governance that responds to the needs of local communities;
  - Improve urban environmental performance;
  - Facilitate social cohesion and security;
  - Promote market reform in the housing and urban sector;
  - Improve land and real-estate markets and secure private rights in land.
100. Among the many challenges emerged at the meeting were the loss of the economic base of cities previously relying on mining and industry; housing renewal to improve standards, create smaller-scale, more attractive housing solutions and respond to changing demand; and ways to reduce solid waste, minimise traffic congestion and pollution and motorized transport, and promote high-efficiency and ecologically sound building technologies and design solutions.

## 2.4 Latin America and the Caribbean

### Urban and Shelter Prospects<sup>13</sup>

101. Latin America and the Caribbean is the most urbanized region in the developing world. This transition from a predominantly rural to a predominantly urban region took place between 1950 and 1990. Despite significant differences between countries, today 76% of the region's population live in urban areas, and confront environmental management challenges which cannot keep pace with this change. The percentage of urban residents living in informal settlements varies between 40 and 60 per cent. Consequently, invasions of land and buildings continued to be a feature in many countries of the region. There is a growing power and recognition of popular urban movements and civil society in general, many of which are involved in negotiated programmes for security of tenure and settlements upgrading, mainly through self help construction. This has reduced the incidence of invasions. Many countries have recognized the right to housing in national constitutions, including non-discrimination on the basis of sex, race, or age. Co-operative housing and subsidized self-help housing have offered viable shelter and alternatives for low-income groups. There is widespread guarantee of secure tenure for renters in the region. Gender equality has been a significant criterion in home ownership and subsidized schemes and there are significant numbers of women heading households as home owners.
102. As a direct result of considerable and growing societal inequality and polarization, the region offers little outlook on early tangible urban and shelter improvements benefiting society at large. Progress is affected by a host of macro-economic and social impediments. Poor labour fundamentals; extreme poverty levels; corruption and favouritism; escalating violence; and the world's most inequitable income distribution all play a role in further marginalizing the region's high number of poor households. They also undermine the very democratic principles that are pursued to strengthen political decentralization efforts. The region's major challenge is to extend the benefits of economic restructuring to larger sections of society and considerably more effort is required to target the poor

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<sup>13</sup> This section is a synthesis of selected issues, trends and prospects in the region drawn from national reports and additional sources. A more complete version, structured around the topics adopted by member states for their national reports is contained in the regional addendum to this report (HS/C/PC.2/2/Add.5).

in such areas as education, access to land and housing, and provision of adequate basic services. There is an urgent need for the ECLAC region to promote inclusive cities, based on participatory governance. Unless increased social expenditure breaks escalating patterns of societal fragmentation, violence and crime, the prospects for the region are bleak.

103. The nineties have, by and large, registered steady economic growth, but nevertheless social investment has not received the emphasis that the accumulated backlog in social services would have demanded. Governments were forced to opt for a fundamentally monetarist policy, to maintain, often artificially and through high interest rates, currency stability, and stave off the danger of a comeback of the inflation which had ravaged the region's economies in previous decades. An aggressive social policy should have been the result of this phase of economic stabilization; in reality, it has remained a yet unfulfilled promise.
104. Natural disasters including earthquakes, hurricanes, landslides have had a serious impact on human settlements and on development efforts. There has been regional and sub-regional level responses to disaster mitigation and management through the Committee for the Prevention of Natural Disasters and the Centre for Coordination for Prevention of Disasters respectively. Another area being addressed is the disaster management needs of small island states.
105. Decentralization has been widely accompanied by participation of civil society in local governance. The issue of gender equality in local governance and urban issues has been widely addressed in the region with programmes to improve women's participation in decision making, including capacity building. Violence against women has been addressed by several countries through legislation, training programmes and public awareness creation programmes.
106. However, there has been a drastic reduction in bi-lateral and multi-lateral assistance for the region. Only 3% of such funds worldwide go to this region. This is partly explained by the high GDP in this region, yet the region also has very high disparities between the rich and the poor. There is also more direct channeling of aid to NGOs who are perceived to be more responsive to the poorest section of the population. Housing is ranked low in development assistance, except in areas affected by natural disasters.
107. Local governments are unable to directly enter into agreements with bi-lateral and multi-lateral agencies due to legislative constraints. This is seen as obstacle to effective decentralization.

### **Policy Implications**

108. On 25-27 October 2000, the Economic Commission for Latin America and the Caribbean hosted a Regional Preparatory Conference for Istanbul+5. The Conference's review and commitments were consolidated into a "Santiago Declaration on Human Settlements".
109. The Declaration's introductory considerations, particularly in terms of recalling the unique character of the Habitat II Conference, the role of cities and close linkages between urban and rural areas, are germane to those of other regional declarations (see for instance, the "Manama Declaration in section 5 of this chapter).
110. The Declaration contains a recapitulation of the most acute human settlements problems affecting the region. Among them are the increase of poverty, hampered access to social services and growing segregation in cities; escalating difficulties in providing adequate housing to poorer segments of the population, also linked to the unresolved issue of security of land and housing tenure; the persisting neglect of a qualitative approach to housing including housing improvement and maintenance programmes; escalating violence leading to breakdowns in community life in urban centres; growing numbers of women-headed households exposed to the highest degree of social vulnerability; homelessness and its linkages to weakest group of society such as pregnant teenagers and street children; the lack of public spaces in cities to foster social integration and a better quality of life; the lag between territorial and urban policies and recent economic processes of growth, liberalization and changing production patterns; economic growth not matched by the commensurate growth of work opportunities in cities, particularly for women and youth; the lack of suitable environmental and development standards for human settlements; the need to expand

potable water and sewerage services to low-income sectors; the increasing vulnerability of human settlements to natural disasters and the consequent need to take this into account in land-use, urban and housing policies, plans and programmes.

111. The Declaration also touches upon important economic, territorial and institutional trends having a direct impact on the region's human settlements. The opening up of the region to international markets has contributed to new areas of regional integration and urban systems, calling for new forms of territorial integration beyond national boundaries. On the other hand, greater participation of civil society in urban, human settlements and housing issues throughout the region calls for new paradigms of decision-making and institutional response. In addition, the devolution of "habitat management functions to the local level calls for greater attention to ensuring national and regional coherence in human settlements planning and policy co-ordination.
112. The concerns are echoed in the endorsement of the ECLAC strategic document titled "From rapid urbanization to the consolidation of human settlements in Latin America: a territorial perspective" emphasizing the importance of the region's spatial configuration for the Regional Plan of Action.
113. The Regional Plan of Action is repeatedly referred to in the Declaration as the main framework for the implementation of the Habitat Agenda in the region. Co-ordination is advocated between the Commission on Human Settlements, UNCHS (Habitat), ECLAC and the Regional Forum of Ministers and High-level Authorities of the Housing and Urban Development Sector (MINURVI) in monitoring the Habitat Agenda's implementation, combining best practices, enabling policies, legislation and action plans in identifying representative cities for the two global campaigns on secure tenure and good urban governance.
114. The Declaration also lays emphasis on the strengthening of human resources training and development, the concentration of efforts on women and vulnerable groups, the promotion of exchange of information and experiences and pro-active policies to achieve equality between women and men on security of housing and land tenure, and the integration of natural disaster mitigation policies in human settlements planning.
115. The Declaration concludes with a call to ECLAC to organize a first meeting of experts to propose mechanisms and develop indicators for the implementation of the Regional Plan of Action. The meeting should also analyze new challenges emerged at the Conference, such as:
  - Modernization of governmental institutions for urban and housing management;
  - land-use planning and land policies;
  - decentralization policies;
  - citizen participation and social integration;
  - gender equity.
116. Finally, the Chairperson of the Conference was invited to present the results of the meeting to the second session of the Preparatory Committee and to the special session, placing special emphasis on:
  - (i) urbanization,
  - (ii) international co-ordination and co-operation,
  - (iii) capacity building and institutional development.

## **2.5. Western Asia**

### **Urban and Shelter Prospects<sup>14</sup>**

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<sup>14</sup> This section is a synthesis of selected issues, trends and prospects in the region drawn from national reports and additional sources. A more complete version, structured around the topics adopted by member states for their national reports is contained in the regional addendum to this report (HS/C/PC.2/2/Add.6).

117. National reports indicate that a number of countries in the region undertook legislative reviews in compliance with the recommendations of the Habitat Agenda and amended existing legislation and/or promulgate new legislation in favor of the poor. The characteristics of the housing stock and demand are different in the oil producing gulf countries of the Gulf Cooperation Council (GCC) from other countries in the region. The existing housing stock and the actual housing demand are influenced by a number of factors such as the considerable expatriate population of workers and employment-seekers in the GCC area and the unprecedented flow of refugees from Palestine (particularly to Lebanon, Syria and Jordan).
118. The high natural growth rates of population in Egypt, Jordan, Syria and Yemen have contributed to the already existing housing crisis in these respective countries. Iraq, Jordan, Lebanon, Syria and Yemen have strengthened their housing delivery processes by involving and increasing the role of the private sector and the various actors of the civil society. Another important development taking place in the shelter field in the region is the strengthening of the role of women in housing and urban development as stated by the national reports from both Egypt and Iraq.
119. Within the Western Asia region there is a marked difference in social progress and the scale of poverty between the Gulf Cooperation Council (GCC) and the rest of the countries. These wide regional disparities are paralleled by disparities within countries in several cases. While the majority of people in GCC have adequate shelter, access to basic urban services, health and education, in the other countries there are still gaps in meeting the needs of the population, in spite of the policies put in place after Habitat II.
120. In most of the countries of the region, eradication of poverty has been tackled mainly through comprehensive five-year development plans.
121. Environmental issues remain paramount in the region, where harsh climatic conditions are compounded by a scarcity of water resources. Environmental pollution resulting from all urban areas (particularly due to the prolific use of the private automobile) and coastal urban centres (ports dealing in the export of crude oil) is given increasing and special attention. Initiatives have been undertaken to support mechanisms for implementation of local agendas 21.
122. The high rates of population growth and the internal and external migrations contributed to the acceleration of the city expansion in many countries of the region, particularly, in the GCC sub-region. One of the major emerging issues is the lack of potable water for cities in the region.
123. Decentralization has been encouraged in many countries of the region. In some countries, legislation and policies have supported an overall visible change for women's role in the region, especially by the elections of women as mayors or members in the municipal councils.

## Policy Implications

124. Representatives of governments from the Arab countries, from local governments and from the World Associations of Cities and Local Authorities Co-ordination (WACLAC) met in the capital of Bahrain, Manama City, on the occasion of the Western Asia regional preparatory meeting for the follow-up to the implementation of the Habitat Agenda.
125. The Manama Declaration, adopted on 19 October 2000, renewed the participants' support of the Habitat Agenda. It endorsed a rights-based approach to human settlements development and the two campaigns on secure tenure and good urban governance. It also re-affirmed the role of cities as engines of growth and incubators of civilization as well as the interdependence between urban and rural areas, and the need for policy to be based on enablement, partnership and participation, empowerment of civil society organizations and the strengthening of local authorities as the principal partners of governments, in the implementation of the Habitat Agenda. It also reaffirmed the commitment to enabling and further enhancing the role of women in the decision making process, and to develop and adopt legislation to include all partners in the Habitat Agenda implementation process. It stressed the emphasis on the common commitment to the elimination of poverty and the living conditions of the poorest segments of society.
126. The Declaration also reaffirmed the region's engagement in the mobilization and efficient use of water and other vital resources, coupled with a pledge to provide safe water to all urban populations including the poor. It also expressed a strong commitment to promote and be actively involved in the process of the proposed World Charter of Local Self-Government. Emphasis was also placed on peace as the essential pre-condition for sustainable and prosperous human settlements, and a request for support was expressed to regional and international efforts for the liberation of Palestinian cities and villages under occupation and the Holy City of Jerusalem.
127. The Declaration also includes a commitment to more specific actions in support of the Habitat Agenda implementation in the region. It calls for specific action to establish, inspire and encourage new forms of co-operation, partnership and co-ordination at the country-to-country and city-to-city levels; to continue promoting, reviewing, monitoring and assessing the progress made in implementing the goals of adequate shelter for all and sustainable human settlements development in the region; to review best practices, urban indicators, enabling policies, legislation and action plans for upgrading human settlements; to identify illustrative cities with regard to the goals of the two global campaigns; and to further advance the normative debate on major human settlements issues in the region.

## CHAPTER 3

### OVERCOMING COMMON OBSTACLES

128. The results of information and feedback gathered during the first five-year phase of implementation of the Habitat Agenda, with particular reference to national reports and the analysis and deliberations of the five regional preparatory meetings points at six major challenges. One of them, international co-operation, deserves special treatment and is addressed in chapter 6 of this report.
129. Some of the obstacles which determine this situation are known, but some of them are relatively new and are linked to the limited implementation of some of the key innovative principles of the Habitat Agenda.
130. These challenges, as well as further actions suggested address them, are presented in the draft "Declaration on Cities and other Human Settlements in the new Millennium" under consideration by the Preparatory Committee.<sup>15</sup>

#### 3.1 Growing gap between human settlements conditions and national responses

131. Current conditions of human settlements worldwide, as documented in the third Global Report on Human Settlements currently being finalized for presentation at the special session, are a cause of great concern. Despite the continued efforts of government and their partners, widespread urban poverty remains and the living environment has not been significantly improved in most countries since 1996. The improvement of shelter and human settlements conditions is a moving target that requires evolving responses based on the strategic principles adopted at Istanbul. In particular, there has been, on the whole, insufficient political will to implement the three enabling principles of the Habitat Agenda: partnership, participation and decentralization.
132. With regard to the first principle, what is still generally found missing is the translation into policy and practice of partnership at the international, national and local levels between the private sector, governments, local authorities and other actors of civil society as outlined in Istanbul by the World Business Forum in the basic concept that it is in the interest of business to see that cities work.
133. Strides forward have been made in terms of a growing legitimization of citizens' groups, grass roots organizations and civic leaders, particularly at the local level. However, much remains to be done in creating a level-playing field whereby the interests and aspirations of politically weak members of society can truly influence decision-making processes and legislative reform.
134. Decentralization, as documented elsewhere in the present report, has also made significant steps forward since 1996. However, the most important obstacle to effective decentralization remains the gap between transfer of responsibilities and the devolution of powers, resources and revenue-generation mechanisms.
135. **It is expected, therefore, that member states may be able to build appropriate institutional capacities in all spheres of government to enable all partners to play an effective role in shelter and human settlements development.**

#### 3.2 Insufficient Information and Awareness Raising

136. Gaps in public information and awareness-raising have resulted in insufficient political will and mobilization towards the implementation of the Habitat Agenda.
137. This has been often the case at all levels- international, regional, national, and local. The Habitat II Conference did succeed during its preparatory process and at Istanbul itself, to call the world's attention to the plight of slum dwellers and the challenges of an urbanizing world. But it did so

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<sup>15</sup> HS/C/PC.2/3

precisely because it was a unique world event, twenty years after the international community had first recognized, in a similar occasion, the importance and legitimacy of human settlements for the global development and co-operation agenda.

138. As mentioned in chapter I, the concerns that mobilised the world community in Istanbul, however real and frightful in their implications, do not possess the same "staying power" as, for example, the equally important concerns about the environmental future of the planet. Governments and partners will need to give serious thought to this issue, because it is only awareness that can determine an adequate level of attention of international agencies and political leaders to human settlements issues.
139. Concerns have also been expressed, both by governments and partners, regarding the insufficient level of information on the Habitat Agenda itself and its goals. This can be attributed to many causes, including lack of funds, competing international agendas, and a general tendency to consider a global conference the conclusion of an effort, rather than a platform for an internationally agreed action agenda. The least convincing one is probably that the Habitat Agenda is a complex document, difficult to assimilate and to reduce to a manageable case of precepts and solutions. The Habitat Agenda is a complex document because it reflects the complexity and inter-relatedness of human settlements problems and solutions.
140. **It is expected that governments may be able to raise awareness on human settlement challenges and solutions through national information campaigns and through a commitment to foster political will at all levels. Specific initiatives should be identified to operationalize this crucial element in the Habitat Agenda implementation process.**

### 3.3 Lack of Domestic Financial Resources

141. National and regional reports, particularly from developing countries, identify in the lack of domestic financial resources one of the most formidable constraints to the national and local implementation of the Habitat Agenda.
142. This is a persistent problem which has only worsened in recent years. Policy shifts in virtually all countries from direct intervention in the housing, services and infrastructure sector to an enabling approach focused on decentralization, privatization and the mobilization of community involvement have not compensated for weakened central institutions and the decrease of public budgets in the human settlements sector. One important example, mentioned elsewhere in this report, is the transfer of functions and responsibilities to the local sphere of government without corresponding financial resource transfers and revenue-generating powers. Another example is the severe constraints of housing finance mechanisms, whose ability to address the needs to lower-income groups is generally becoming weaker. This problem is also common in industrialized and transition economies, where repossession of mortgage-acquired housing units has severely impacted on high numbers of lower-income households.
143. **It is therefore expected that governments may be able to multiply efforts in identifying and developing innovative approaches for financing shelter and urban development at the local levels, and to resolve to promote access for all people to open, efficient, effective and appropriate housing finance, to support savings mechanisms in the informal sector, and strengthen fiscal and financial management capacity at all levels. This is one area which requires a close re-visitation of the specific recommendations of the Habitat Agenda, with particular regard to mobilizing sources of housing finance (paras. 80-82) and domestic financial resources and economic instruments (paras. 187-189).**

### 3.4 Isolated good practices

144. In the shift towards the enabling approach and the implementation of the strategies recommended by the *Habitat Agenda*, cities and their civil society partners are assuming new roles and responsibilities. This is particularly apparent where partnerships are actively involved in areas that were heretofore assumed to be the purview of higher-level authorities in most countries. Examples include the design and delivery of social services, the creation of jobs and of income-generating activities, housing,

infrastructure and basic services, and information and communication technology.<sup>16</sup>

145. The types of policy responses which are emerging as a result of the enabling approach appear to be much more holistic, as called for by the *Habitat Agenda*. This can be attributed to the participation of social organisations, including the private sector, that demand effective solutions to what they perceive as convergent rather than sectoral issues. In forging solutions, they play an active role in promoting dialogue, in formulating socially-oriented projects, in mobilising and leveraging public, private and community resources, and in implementation. As a result, they not only influence policy but also create sustainable and replicable processes.
146. The post-Istanbul period has marked an unprecedented flowering of local initiatives which have resulted in a tangible improvement of the human settlements situations of communities in all regions and virtually in each nation.
147. However, the contribution of these experiences to the implementation of the Habitat Agenda has been hampered by two constraints. First, the actual empowerment of local authorities to encourage local initiatives at the community level and their mainstreaming into local-level strategies and policies has not obtained the encouragement and support it deserves. Secondly, only few governments have managed to take advantage of successful local-level experiences and strategies by mainstreaming them into national legislation and national policy.
148. A major lesson learned in the analysis of documented best practices is that the strategic objectives of the Habitat Agenda are most effective in the context of local plans of action. National governments, however, have yet to adopt concerted policy frameworks to maximise and leverage the impact of their sectoral investments. Piecemeal grants and transfers to local authorities to implement sectoral priorities are still pervasive in most developing countries. The lack of visioning and participatory planning efforts that have a proven track record in promoting co-ordinated and concerted action plans for more sustainable forms of settlement development are being hindered in many developing countries by the lack of reliable and predictable inter-governmental transfers and multi-year budgeting.
149. **It is expected that governments, local authorities and other Habitat Agenda partners expand efforts in regularly monitoring and evaluating their own performances in the implementation of the Habitat Agenda. Governments at all levels should continue to identify and disseminate best practices and other experiences at the national, local and community levels, and expand their capacity to identify and evaluate conditions, trends and outcomes through shelter and human settlements indicators. Both instruments will create opportunities for mainstreaming knowledge and experience nationally and internationally and to enable a positive transition from better knowledge and good practice to good policy.**

### 3.5 Limited Institutional Capacities

150. Institutional reform, including structural adjustment and the restructuring of the public sector has proven beyond a doubt that they need to be accompanied by long-term capacity-building and human resources development. In Africa, where technical resources have been long concentrated at the central government levels, civil service reform has often left both central agencies and local authorities with a paucity of qualified personnel and an apparent inability to recruit, train and retain the requisite human resources to meet the challenges of rapid urbanisation and the impact of global change. Countries which have successfully embarked in normative reform also need support to transform good policy into effective and sustainable results.
151. By the same token, decentralisation and the devolution of authority to lower tiers of government requires a concomitant strengthening of centralised ex-post monitoring, evaluation and auditing, without which poor governance and management practices risk being perpetuated at the local level. In a similar vein, lessons learned from both developed and developing countries in the privatisation

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<sup>16</sup> A wide exemplification of best-practice experience is contained in Commission documents HS/C/18/3 (local implementation of the Habitat Agenda, including the role of local authorities) and HS/C/18/5 (lessons learned from best practices and partnerships in the achievement of adequate shelter for all and sustainable settlements in an urbanizing world).

of public services show the need for strong regulatory mechanisms to ensure performance as well as sustainability in terms of infrastructure development and maintenance, social inclusiveness and in the use of natural resources.

152. In conclusion, much has been done, at the international, regional, national and local level, to mainstream the principles of partnership, decentralization, participation, capacity building, and networking and information and to identify good practices in the combined implementation of these principles. The challenge that remains is to mobilize the human and financial resources to expand the capacity of international agencies to promote the transfer of good practice; to support central government/local government partnership in mainstreaming good practice and elevating it to the level of national policy; to translate good policy into effective and sustainable action; and to enhance the opportunities of the poor, the excluded, the marginalized in fully participating in the normative revolution championed by the Habitat Agenda - empowerment.
153. **Insufficient local capacity constitutes a major constraint to Habitat Agenda implementation. In reflecting this concern and defining further actions required, the emphasis should not only be placed on the requirements for strong and accountable public institutions. An equal stress is required on capacity building in support of decentralization and participatory management processes, and on facilitating the legal recognition of community organizations in order to promote the further development of locally-based models that can inspire local, national and international action.**

## CHAPTER 4

### EMERGING PRIORITIES

154. Among the policy priorities which emerged since 1996, five are particularly noteworthy as they deserve a renewed commitment from the international community. They are related to (1) urban governance; (2) housing rights; (3) basic urban services; (4) urban safety and (5) sustainable urbanization processes.

#### 4.1 URBAN GOVERNANCE

##### Promoting Decentralization and Strengthening Local Authorities

155. The debate on decentralization as a framework for sharing of obligations, competencies and revenues and of placing decision-making as close as possible to the citizens, has become very lively over the past years. Constitutional reforms that provide periodic elections, independent parliament, devolution of power, and functions and responsibilities to local governments have facilitated the decentralization and strengthening of local authorities. For instance, in **South-Africa** and in several **Latin American countries**, policy changes have been characterized by national constitutions that provide planning, administrative and decision-making powers to local governments. In some cities, such as **Amsterdam**, neighbourhood councils have been introduced. Where municipal and district offices are much more integrated into the planning process than in the past, this has provided more sustainability for the programmes that before. Formal government reforms have also taken place at the metropolitan level, such as the **Greater London Authority** and **Metro Toronto**. Systems of laws and budgeting procedures have been developed to support local authorities in undertaking new responsibilities. Such systems have also facilitated in widening of the tax base for the local authorities. Strategies aimed at fostering the relationship between national and local government have been reviewed, for instance in **Bulgaria** and the **Netherlands**.
156. However, city governments newly enfranchised by decentralization, have sometimes too little experience and capacity to catch up with huge deficiencies that have been built over the years. In spite of the quantitative transfer of tasks to local authorities, capacities do not match the administrative and financial capabilities required. It is, therefore, important to strengthen the institutional and financial bases of local authorities to enable them to participate effectively in the development process. It is also important to strengthen the local authorities' ability to handle responsibilities that have been transferred to them through provision of training for local leaders in areas related to their new responsibilities in local policy setting. There is also a clear need to develop a platform for taking positions on key issues that affect local governments and other stakeholders.
157. The uncertainties brought about by a global economy in which urban centers will increasingly stand on their own, in a system which will inevitably include, among cities, winners and losers, require equitable distribution of central resources, compensation and social funds, and capacity building programmes for weaker local authorities. Associations of local governments have proven to be effective in lobbying for decentralization; encouraging new approaches to sustainable urban development; promoting participation and transparency; and facilitating exchange between their members. Several excellent capacity-building programmes have been initiated, for instance in the **Philippines** and in **Slovakia**, where a Local Self Government Assistance Centre was established to help local governments become more effective, responsive and accountable to their citizens. Incomplete and imperfect as the decentralization processes still may be, they are now the driving force of debates which address not only the efficiency of urban strategies but the whole fabric of national governance.

##### Encouraging Participation and Civic Engagement

158. Popular participation and civic engagement in the management and improvement of villages, towns and cities was confirmed during Habitat II as key in the creation of better and environmentally sound conditions for settlements. It has been acknowledged by most countries that participation, civic engagement and partnership are fundamental in their efforts to create sound conditions for settlements management, economic growth and social cohesion. Many countries have also recognized that citizen participation is

likely to promote efficiency and productivity, prompt service delivery and increase production as well as resource mobilization and accountability. In this regard governments at various levels have undertaken interventions that facilitate effective stakeholder consultative processes and the strengthening of political, administrative and financial interventions at the local level. Through pressure on city governments, the significant development of citizens', womens' and grass-roots organizations have demanded greater participation in governance and have highlighted the need for greater equity in the definition of investment priorities. The growing recognition of these demands has created opportunities for low-income families to participate in their own settlement improvements, citywide planning and other areas. Many cities have encouraged and instituted widespread community involvement in sectors such as planning, budget setting, environment, basic services, crime and conflict prevention and disaster preparedness. Examples include citizens' involvement in budgeting in **Porto Alegre** and **Belo Horizonte** and Local Agenda 21 campaigns in **Bolivia**, **South-Africa** and in a large number of EU countries.

159. Despite this growing recognition, citizen's participation in the decision-making process is often still limited for varying reasons. These include the sometimes un-coordinated and piecemeal action resulting from community groups' efforts, their fluctuating membership and the lack of accountability and control by the population of elected leaders. Citizens may only participate actively when the relevant groups or organizations support a particular interest. Another important constraint is the fact that despite remarkable progress in, for instance, all **Scandinavian countries** and in **Namibia**, women remain underrepresented in governing structures, institutions and organizations within cities. It is important to develop policies that create a gender balance in decision-making by facilitating the increased participation of women at urban decision-making levels both within local authorities and within civil society. Programmes in **India** and **Uganda** have demonstrated the benefits of such policies.
160. The challenge is how local and national partners can ensure that decisions are made in full collaboration with all relevant stakeholders including women's groups, neighbourhood organizations, and associations of small businesses and NGO's. Local authorities need to build on the comparative advantages of these urban actors. The need has also been recognized to enhance the capacity, particularly of low-income groups, to participate in the complex and political development processes and to strengthen civil society in order to bridge the gap between the state and the citizenry. Forums for multi-actor participation such as the People's Council instituted in **Naga City**, and networks for local organizations to support one another contribute to addressing these capacity gaps. In countries with long traditions of decentralization, the new challenges have been to widen the participatory processes and mechanisms by involving more stakeholders in decision making and follow-up of development policies and projects related to sustainable development. The city of **Bologna** is, for instance, using information technology to foster citizen participation in urban governance, which has enormously improved citizen access to municipal information and promoted dialogue between citizens and municipal authorities.

### **Ensuring Transparent, Accountable and Efficient Governance**

161. Cities are expected to become increasingly efficient in their management of revenue sources and expenditures, the administration and delivery of services, and in the enablement, based on comparative advantage, of government, the private sector and communities to contribute formally or informally to the urban economy. Issues of efficient governance have been addressed by a set of joint practices of collaboration between public and private bodies at various territorial levels, including public-private partnerships, contractual procedures and co-funding mechanisms. Experiences in UK and the Philippines illustrate the benefits of these innovations.
162. Apart from efficiency expectations, the accountability of local authorities to their citizens is seen as one of the most fundamental tenets of good governance. Unaccountable and corrupt city management can undermine local government credibility and can deepen urban poverty. All member states of the United Nations have recognized the need to address the issue of corruption, which undermines the efforts made and the efficient use of resources for social development. Transparency is essential to stakeholders understanding of local government and of who is benefiting from decisions and actions. Access to information and free media are fundamental to this understanding. It has been recognized that growth of citizen consciousness increases the perception of the importance of transparency. One of the concerns emerging is how to broaden consultation mechanisms and allow maximum participation at the local level in elaboration, decision-making and follow-up of development policies and projects. This is likely to

promote efficiency and productivity, prompt service delivery and increased production as well as resource mobilization and accountability.

163. Practical means of realizing transparency and accountability in local authorities which have been implemented in several countries over the past five years include transparent tendering procedures, independent audit reports, eliminating incentives for corruption, provision for regular disclosure of assets of public officials and elected representatives, public feedback mechanisms such as report cards, publication of documentation on the entire planning and participation process both in large and small-scale projects and encouraging open and free debate about local government and urban issues in the media. Issues of transparency are also dealt with through the ability of elected leaders and local authority employees to declare any possible conflict of interests. Evidence further suggests that a strong core of women political representatives can be causally linked with greater public sector transparency and accountability. Ethical principles for local government have been promoted, for instance, in **El Salvador** and **Zimbabwe**. The experience of **Penang** further illustrates the benefits of transparent local government and citizens' participation in a broad range of aspects that affect the city's development agenda.

## Synthesis

164. During the years following Habitat II significant progress has been achieved in recognizing the need for good urban governance as a key to poverty reduction. Significant steps have been taken in many countries to promote decentralization and strengthening of local authorities; to encourage and support participation and civic engagement; and to ensure transparency, accountable and efficient governance of cities. While consensus on normative principles for good urban governance is emerging, the implementation modalities vary widely between regions and between countries and cities within a certain region. The past years have also shown that reforming systems of governance and strengthening local action is a slow process, and many weaknesses still remain. Continued efforts are needed to intensify debate on global norms of good urban governance; to advocate for further change in values, behaviour, attitudes and approaches at the national and local levels; and to develop appropriate practical means and tools, encourage wider application of successful practices and build the capacity of all actors concerned in the promotion of good urban governance.
165. **It is therefore expected that governments may be able to intensify efforts for ensuring transparent, responsible, accountable, just, effective and efficient governance of towns, cities and metropolitan areas, in line with the recognition that improved urban governance is essential in addressing the challenge of urban poverty and in harnessing the opportunities that globalization provides. Cities need specific approaches and methodologies to improve their mode of governance, to plan and act strategically in order to reduce urban poverty and social exclusion and improve the economic and social status of all citizens. In this connection, governments may wish to reiterate their appreciation and support the initial approach and activities of the Global Campaign on Urban Governance, including initiatives aiming at promoting inclusive cities.**

## 4.2 THE RIGHT TO ADEQUATE HOUSING

166. Despite considerable progress accomplished in improving housing conditions in many parts of the world contributing to the realization of the right to adequate housing globally, more than a billion people still live in inadequate housing with no or limited access to basic services. Furthermore, it is estimated that there are more than 100 million homeless people around the world, most of them living in developing countries.
167. The issue of the right to adequate housing is addressed specifically in paragraph 61 of the Habitat Agenda, which states that "since the adoption of the Universal Declaration of Human Rights in 1948, the right to adequate housing has been recognized as an important component of the right to an adequate standard of living." The same paragraph also recognizes the responsibility of all Governments in the shelter sector. It also stresses an enabling approach to the provision of adequate housing, which requires action not only by Governments but by all sectors of society, as well as by partner organizations and entities of the international community. It is in this context that Governments, in the Habitat Agenda's own words, should take appropriate action in order to promote, protect and ensure the full and progressive realization of the right to adequate housing.

168. While placing this objective of adequate shelter for all within a human rights perspective, the Habitat Agenda is also very careful not to create expectations that are neither realistic nor enforceable. The objective of full and progressive realization of the right to adequate housing cannot be read as a requirement on the State to provide directly, nor instantly, adequate shelter to all their citizens. The Habitat Agenda does, however, create an obligation on Governments to create conditions in terms of which this objective can realistically be achieved.
169. Three categories of actions are identified under this priority area. They are: defining the normative framework; supporting civil-society organizations; and co-ordinating international action.

### **Defining the normative framework**

170. Since 1996, the conceptual framework of the human right to adequate housing has expanded. In rising to the challenge of creating an enabling environment to promote, protect and ensure the progressive realization of the right to adequate housing, Governments have become increasingly aware that this requires concerted action in a number of connected areas. These include the promotion of secure tenure, replacing arbitrary forced evictions with negotiated resettlement, the promotion of open land markets to reduce the potential for corruption and speculation and, most vitally, the provision of affordable, well-located land for human settlement by the poor. Running as a theme through all of these policies is the need to systematically remove discrimination against women, particularly in respect of their ability to hold title in their own names, and to be treated equally in terms of inheritance rights. Together, these elements constitute the most essential in realising the right to adequate housing.
171. Many governments, in their efforts of implementing the Habitat Agenda, have taken steps to contribute to the realization of housing rights. These actions have been both at the level of facilitating improvements in the housing development process resulting in better housing standards, as well as on specific areas directly related to the right to adequate housing.

### **Supporting civil society organizations**

172. The right to adequate housing has a more prominent place in the industrial and developed countries compared to the other parts of the world. Although the right to housing *per se* has not necessarily been part of national legislations with specific focus and provisions, its context has been addressed, in most cases, within the framework of general legislation covering areas such as real estate, property, housing loans and tenant protection. Furthermore, most industrial countries have a strong history of social housing where the needs of the poorest and most disadvantaged groups are addressed by granting subsidies, allowances and arrangement of affordable (subsidised) rental units. Many of these countries are undertaking legislative reforms to strengthen their approaches towards homelessness and prevention of discrimination in the housing field, particularly addressing issues and problems propelled by immigration, including but not limited to refugees and asylum seekers.
173. Regions confronted with civil conflicts and ethnic clashes have witnessed gross violations of human rights in general and housing rights in particular. Meeting the housing needs of the victims of such clashes and restitution of property rights in these regions has been a challenge to the international community. In Kosovo, Housing and Property Directorate and, Housing and Property Claims Commission have recently been established as institutional mechanisms to address these issues. Need for support to people's initiatives in the reconstruction process is the most critical factor in peace-building and restoration of rights under new rules of law in such regions.
174. The realization of housing rights in developing countries goes hand in hand with efforts and interventions of turning the urbanization process into opportunities for economic and social development. Upgrading and regularization of informal settlements is a priority, although too many local authorities have neither the capacity nor the resources to manage burgeoning informal settlements and slums. It is becoming increasingly apparent that the granting of secure tenure and the extension of basic services has a dramatic effect on the lives of ordinary people, who respond by constructing their own permanent shelter as they are able to afford materials. Local authorities that recognise the permanence of the urban poor, and work with their organizations, have made real

progress in reducing tension and in creating the enabling environment promoted by the Habitat Agenda.

175. Another very important element in the promotion of the right to adequate housing is the eradication of gender inequalities and equalization of opportunities for women. Many governments in these regions have focused on gender inequalities in addressing human rights issues with particular emphasis on property and inheritance rights, and took action on initiating legislative reviews, as has occurred in Rwanda, for example. Prompted by the preparatory process for the Habitat II Conference and stimulated by the Beijing Conference on Women in Development (September 1995), the international community started to address the issue of women's equal right of access to land, housing and property, including equal inheritance rights. As demonstrated by the parallel partners meeting on "Women's Security of Tenure" at the Beijing +5 Conference held in New York, June 2000, this has gained momentum since Habitat II Conference and is becoming one of the single most important policy issues in the provision of 'adequate shelter for all'.
176. It is important to note the increasing focus and activities of civil society organizations in the field of the right to adequate housing. Organizations such as Oxfam, Human Rights Watch, the Red Cross, the Asian Coalition for Housing Rights, Habitat International Coalition and the Centre on Housing Rights and Evictions have been active since Habitat II in housing rights monitoring and advocacy. The contribution of the Habitat International Coalition to the Habitat II Conference entitled "The people prepare for Habitat II: The right to Shelter" opened the way for making people's voice heard by policy-makers. Civil society organizations have initiated a process of debating and reporting on the relationship of human rights violations – including evictions and social exclusion – and the vicious circle of poverty and social injustice. Some of these organizations have also been at the forefront in to the formulation and initiation of the Global Campaign for Secure Tenure.

### **Coordinating international action**

177. Involvement by United Nations agencies in the area of human rights has expanded considerably in recent years. Most agencies have incorporated human rights themes within their work programmes. The reform report of the Secretary General, in 1997, placed human rights as a cross-cutting issue relevant to peace and security, development, humanitarian issues and economic and social affairs.
178. The decision taken by the Commission on Human Rights at its fifty-sixth session in April 2000 to appoint a special rapporteur on the right to adequate housing is a very important indicator of the increasing focus of the international community on this issue.
179. The implementation of the Global Campaign for Secure Tenure, including the joint UNCHS/OHCHR Housing Rights Programme and the operational capacity marshalled within the Cities Alliance are important activities undertaken in this field since 1996.

### **Synthesis**

180. A global overview of the promotion of the right to adequate housing since the Habitat II Conference indicates that three processes have been developing which need to converge, gain momentum and strength. These processes are:
  - Promoting an international legal framework within the activities of the United Nations relevant bodies such as the Commission on Human Rights and the Commission on Human Settlements, resulting in the implementation and enforcement of this framework at national and local levels;
  - National legislation and local level activities contributing to the realization of the right to adequate housing by governments, local authorities and by other relevant institutions and civil society organizations;
  - People's and their organizations' struggle to claim for their rights not to be evicted, to live in decent housing conditions, to be treated with equity and without discrimination, voicing their problems and building coalitions.
181. **It is therefore expected that governments may be able to undertake legislative and administrative reforms to support the efforts of people, individually and collectively, to produce**

**affordable shelter, to promote the efficient functioning of land markets, to remove all obstacles that hamper equitable access to land and to ensure that equal rights of women and men to land and property are protected under the law. In implementing the above, the need should be acknowledged for more vigorously promoting affordable shelter and basic services for the homeless, preventing forced evictions that are contrary to the law and facilitating access of all people, particularly the poor and vulnerable groups, and providing information on housing rights and remedies where these rights are violated. In this connection, the initial approach and activities of the Global Campaign for Secure Tenure, working with organisations representing the urban poor and governments in promoting upgrading and regularisation of slums and squatter settlements worldwide, are acknowledged and appreciated.**

### **4.3 BASIC URBAN SERVICES**

182. Adequate and affordable basic services for the urban poor such as water supply, sanitation, waste management and transport and mobility, are central to promoting environmentally sustainable, healthy and liveable human settlements. Yet, five years after the adoption of Habitat Agenda, this goal remains a distant reality to almost all developing country cities of the world. Rapid urban growth has outpaced the capacity of urban authorities to provide and maintain basic civic services. The result is a lowering of the quality of life, reduced urban productivity, increased burden of health care and unmitigated environmental pollution.
183. Inner-city slums and squatter settlements both within and outside the regulatory boundaries of the formal city, are growing at nearly double the rate of the formal city. Currently, these settlements accommodate between 30 and 60 per cent of urban populations in developing country cities. Even more importantly, between 75 and 90 per cent of future urban growth are likely to take place in these settlements. The low-income households inhabiting these settlements live in the most polluted and inaccessible areas, frequently at risk from flooding and landslides, or in areas contaminated with wastes. With uncertain or illegal land tenure, these low-income, high-density settlements lack the most basic infrastructure and services. It is now increasingly recognized that the challenge of attaining the goals of the Habitat Agenda will have to be primarily met in these peri-urban settlements.
184. Some of the policy priorities that have emerged in this context from ongoing intergovernmental consultations, as well as from the experience gained by UNCHS through technical cooperation, are summarized below.

#### **Improving management of basic services**

185. The current wide disparity of services between urban and peri-urban settlements and in the levels of different services (e.g. sanitation and waste management falling well behind water supply in most cities, the continued neglect of surface drainage, and inadequate transport services failing to respond to the needs of the urban poor) poses a wide range of challenges that call for urgent integration of all basic services into overall urban planning. The key policy objective here is to ensure an overall but also balanced improvement of effectiveness, efficiency, equity and sustainability in service delivery.
186. In accordance with this objective, future investments should first be directed to cost-effective repairs and rehabilitation of existing infrastructure and services before adding new services that cannot be maintained. Managing the growing demand must also be addressed as a priority. Demand management not only saves or delays new investments in water projects but also significantly reduces the cost of wastewater treatment. Similarly, transport demand management can stimulate sustainable transport modes, including public and non-motorized transport.
187. Public-private partnerships can bring in efficiency gains and cost-effectiveness in transport and water sectors and effective regulatory control can ensure that poor neighbourhoods are not neglected. A strong political commitment, transparency in management and sound strategies will be needed to attract more private sector investment and risk-taking in urban services.
188. Community participation in the provision and management of urban basic services can go a long way towards cost recovery and long-term sustainability of services. Policies and programmes should

therefore focus with priority on building capacity at local level for effective community participation in the planning, provision and management of infrastructure and services. The women of the community can be important agents for change.

189. Correcting the current gender imbalance in the profession and training professionals to take into account the different concerns of men and women through gender mainstreaming in the design and management of services are two important challenges that need to be addressed with priority.

### **Investing in the urban poor**

190. The urban poor, mostly living in peri-urban settlements should, unquestionably, receive the highest priority in the matter of future investments and institutional capacity building for the delivery and management of urban basic services. Key issues to be addressed in this context are: housing rights (including security of tenure), realistic pricing of services, reliability and level of service and choice of technology. All these issues affect the affordability and willingness to pay by communities which, in turn, impact on investment and sustainability.
191. Policy makers need to be aware that infrastructure investments, unless properly directed, do not necessarily lead to better services for the urban poor. The social and environmental health implications of new investments in infrastructure need to be evaluated in each case to assess their impact on the urban poor. A clearly articulated infrastructure investment policy for urban basic services could go a long way to safeguard the interest of the urban poor.
192. The vast majority of urban poor are forced to rely on small-scale private sector or community-based service providers (e.g. water vendors and informal transport to be seen in all developing country cities) for urban basic services. Priority should be given to support these providers with access to finance on flexible terms. Also, better regulatory control of this sector will help to improve the quality of service to the urban poor at prices they can afford.

### **Promoting Innovative Financing Mechanisms**

193. The private sector can bring in the much-needed investment funds to urban basic services. Its role has expanded in recent years in the water and sanitation sector and to a lesser extent in the transport sector in developing country cities. However, its participation in the extension of services to the urban poor remains a critical issue, interrelated with pricing and cross-subsidy policies. Experience is now available with a wide range of innovative financing mechanisms for urban basic services (e.g. Mvula Trust in South Africa, Grameen Bank Scheme in Bangladesh, Swiss-based RAFAD Scheme, WWB etc.). NGOs and CBOs can play an important role as intermediaries in these schemes. Innovative financing of basic services for the urban poor should receive priority in policy interventions and demonstration projects.

## Supporting Local Initiatives

194. The urban poor in peri-urban settlements are often de-facto managers of the local environment. The major motivation for local environmental initiatives, however, comes from the income-generating possibilities that such activities offer to poor households. Communities in many developing country cities have demonstrated that given the necessary support, they can contribute significantly to the management of local water supply, sanitation and solid waste disposal. The informal transport sector has also shown considerable potential for generating employment for the urban poor. Such activities not only reduce the burden of local authorities but also helps to keep the local neighbourhood environment clean and provide significant opportunities for additional income and employment generation to the urban poor. Local authorities can play an important role here through institutional support in providing training, technology and markets to promote such local initiatives.

## Synthesis

195. The experience of the implementation of Habitat Agenda over the past five years in the area of urban basic services by city and national governments has been further enriched by ongoing initiatives for the implementation of Agenda 21 at the local level.
196. There is now a better understanding of the key urban governance issues which affect the delivery and performance of urban basic services. For example, for most governments the question is no more of why or whether to involve the private sector but more of how and when. The issue of decentralisation of central-government functions to the local level has also been accepted by most governments as a priority. There is also wider recognition of the importance of involving local communities in operation and management of services at neighbourhood level. Empowering women is also now an accepted concept.
197. Clearly, the priority should now shift to mainstreaming these concepts into national policies and legislation and demonstrating the validity and sustainability of these approaches through well-conceived programmes and projects at local level. Capacity building at institution level and related human resource development should be an integral part of this process. International development agencies, including UNCHS (Habitat), have a strategic role to play in this process.
198. **It is therefore expected that governments may be able to intensify efforts in promoting the right to access to safe drinking water for all and to facilitate the provision of basic infrastructure and urban services, including adequate sanitation, waste management and public transport. To this end, autonomous, transparent and accountable management of services at the local level as well as partnerships with the private sector and with non-profit organizations for the delivery of services are essential pre-requisites to achieve this objective.**

## 4.4 CIVIL CONFLICTS AND URBAN VIOLENCE

199. In contrast to the growing welfare and peace in countries in the North, regional conflicts and civil wars have continued to affect countries in the South due to nationalism, territorial disputes, dictatorial rule, religious/ethnic differences and regional and international claims on rich natural resources. In Africa, more than ten countries have in the past five years been adversely affected by war and/or civil strife. A prime example is the Congo, where more than six countries have been involved in the struggle over resources in one way or another. These conflicts have posed a considerable obstacle to economic and social development. They have maimed and killed millions of people; brought about the phenomenon of child soldiers; destroyed cities; generated hate for generations to come; and undermined both the democratic process and the spirit of co-operation between nations.
200. In addition to war, financial de-regulation and the weakness of unconsolidated states are leading to the growing globalization of organized crime. Co-ordination among member states on money laundering issues is one of the responses sought to this phenomenon. The 10th UN Congress on crime in Vienna (April 2000) was devoted to this issue and recommended strong co-operation between states and precise measures to face organised crime.
201. Violent and petty crime have also contributed to the deteriorating quality of life in many countries.

However, crime rates have differed between regions. During the second half of the 90's, countries in the North saw a stabilisation or a gradual drop in crime rate. Countries in the South have shown increased rates of urban crime and an exponential rise in youth crime. Juvenile crime has risen worldwide to the point that the age of reference for youthful delinquency has dropped to an average of 12 years. The degree of violence in crime has intensified globally resulting in a general feeling of insecurity, reinforcement of urban segregation, stigmatisation of neighbourhoods and/or communities, lawlessness, waste of economic and social resources, reduction of social capital of the urban poor and escalation in the overall costs associated with insecurity. The widespread development of private security companies whose staff levels often exceed those of the police has been one of the most visible responses to escalating crime. However, their restricted coverage has a limited impact on crime control. Crime caused by social exclusion, the crisis in the criminal justice systems, arms trafficking and poorly managed urbanization is undermining the social fabric of cities, reinforcing urban segregation and feeling of insecurity. This is manifested in the incidence of mob justice.

202. Given the irreversibility of urbanization trends, the sustainable future of cities will depend on their ability to ensure a stable and safe environment for all. Unfortunately, the reverse is true today in so many cities which generate and intensify social exclusion, and in doing so create an environment for crime and a culture of fear.

### **Rebuilding communities after conflicts**

203. External support agencies have been increasingly called upon to provide support in complex post-conflict and emergency situations. Human Settlements agencies and institutions have been playing an increasing role, also because local authorities and municipalities are the first to suffer from such situations. While initially focusing on the rehabilitation of community shelter and infrastructure, this role now covers a whole array of components contributing to reconstruction and peace building.
204. Interventions to rebuild municipal structures and local democracy and to build a capacity for local development management are at the core of recent United Nations and external support agencies in Kosovo, Sierra Leone, Somalia and East Timor. Secure tenure and the rehabilitation and regularization of housing, property and land rights based on community participation are also a key element in solving conflict, community building and building confidence in investment and economic activities.
205. The recent adoption by the General Assembly of the Brahimi Report on Peace Keeping Operations opens a whole range of opportunities for bringing together the principles of the Habitat Agenda on disaster and conflict mitigation and rehabilitation, with a system-wide approach to peace building and conflict prevention. Human settlements inputs to monitoring and conflict prevention, as well as peace building, are essential for success.

### **Promoting partnerships for urban safety**

206. In response to this alarming situation, some states have adopted crime control measures and promoted close co-operation with local authorities in order to establish partnerships to address rising insecurity. This has provided an enabling environment for initiatives focussing on youth, protection of city centres, violence against women, incorporation of traditional leaders in justice delivery, support to vulnerable families, assistance to victims of violence and the creation of municipal police. Co-operation between states to control small arms trafficking has developed recently. Substantial headway has been made in the Northern countries where crime prevention at the city level through community policing, criminal justice reform, partnership approaches and measures to discourage urban and domestic violence have led to a noticeable change in the perceived levels of crime.
207. In North America, cities such as Boston, Baltimore, Chicago have also developed successfully crime prevention programmes, making crime prevention everyone's business. In Canada, the tradition of prevention has been maintained and some new practices have emerged, such as "safety audits" for women and restorative justice in cities such as Montreal, Quebec, Toronto, Calgary and Vancouver. Municipal programmes on crime prevention and control continue to focus on juvenile crime and violence against women. Many municipal police services have been experimenting with community policing approaches.

208. In Western Europe, new approaches have been developed such as the "Crime and Disorder Bill" initiative (UK), decentralised creative crime prevention policies (Barcelona, Frankfurt, Turin), local safety contracts promoted by governments (France, Belgium). City networks have increased as has the exchange of experiences and practices through, for instance, the European Forum for Urban Safety which includes 200 European cities.
209. In Asia the experience of the Japanese police (Kobans) which works closely with the population has largely contributed to a guaranteed level of security. This has been replicated in Singapore.
210. In the South, the Safer Cities approach pioneered by Dar Es Salaam and Johannesburg has been, or is being, replicated in Abidjan, Antananarivo, Bamako, Cape Town, Dakar, Durban and Yaounde. These approaches have also been disseminated through the first international conference on urban security ever held in a developing country (Johannesburg 1998).
211. All of these approaches, in line with ECOSOC recommendations issued in 1995 have followed a systematic process designed to nurture local crime prevention capacities through the following phases:
- The identification and mobilization of key partners at a local level;
  - A rigorous appraisal of the crime situation through a local diagnosis of insecurity;
  - The formulation and development of local plans of action which identify clear and measurable priorities and programmes that address the causes of crime;
  - The implementation of local plans of action.

### **Focusing on youth and women**

212. **Countries engaged in civil conflict** should constitute the most urgent priority. In addition to the destruction of cities and human settlements, killings, injuries and destruction of resources, these conflicts have created thousands of refugees and have spread small arms trafficking in the cities of neighbouring countries. It is worth mentioning that small arms trafficking has also contributed to the rise in urban crime in almost all countries. In Africa, for instance, the main cities of Cameroon, Côte d'Ivoire, Kenya, Mali, Nigeria and Republic of South Africa have been severely affected.
213. **Juvenile urban crime** has grown everywhere. Experience shows that the increase of youth crime and violence and its multi-faceted manifestations force cities to develop local responses which involve all city actors.
214. Approaches focusing exclusively on repression and imprisonment lead, in the long term, to the stigmatisation of youth. On the contrary, preventive programmes lead to inclusion, if well designed and implemented. For instance, ongoing practice in Port Elizabeth, South Africa, where criminal justice systems, local authorities, social services and community organisations are co-operating in addressing youth delinquency issues by promoting re-education programmes, highlights the viability of this inclusive approach. In developing countries and countries in transition, various programmes addressing street children or youth at risk illustrate the potential of preventive methods.
215. The issue of **family violence**, far from being limited to the private sphere, affects society as a whole. It is estimated that on average, family violence affects at least 30% of families worldwide. Among its multiple causes, the most important is the traditionally male-dominated culture. Suffering from violence puts psychological and physical restraints on women which prevent them from pursuing their daily life: taking care of the home, going to work etc. Children born and raised in violent homes are prone to violence themselves and suffer from physiological and psychological damage. The occurrence of street children and prostitution are a common outcome of violence in the home.
216. The inclusion of women ensures progress of the society as a whole, but this cannot be achieved by legislation nor by women themselves. It is crucial to create awareness and to bring about a change in men's attitudes. Approaching this at the local level is essential. Emergency services for victims

at the local level; programmes addressing perpetrators; preventive actions to sensitize and educate and specific training for police officers have been created in many countries. The example of the NGO "ADAPT" in Johannesburg which attaches as much importance to comforting the victim as it does to helping and reeducating the offender, highlights the potential of this approach.

### **Decentralisation as a key factor in civil conflict and urban violence prevention**

217. Research and recent experience consistently indicate that the more democratic and open States are, the more stable they are likely to be and the greater their capacity they are likely to possess to avoid conflict and civil strife. Thus, a key feature of strategies for conflict prevention is building the capacity of local governance institutions and networks.
218. By the same token, post-conflict rehabilitation should give priority attention to the strengthening of these institutions, to ensure their sustainability and avoid a relapse into conflict and war. Human settlements agencies and institutions should thus be actively engaged in developing good governance practices, particularly in states that present high instability indicators.
219. Lessons learnt from experience indicate that without urban safety, cities' economic growth and social peace are threatened as well as the democratic institutions and the local social fabric. Urban safety is a common good which has to be protected.
220. On the other hand, the increase of crime and its continuously renewing manifestations force cities to identify local multiple causes and to develop local responses involving all city actors. Police should not be held solely responsible: security should be everybody's business. Growing private security systems show little efficiency outside limited boundaries and highlight the risk of a profit-oriented approach to matters of urban security of concern to all.
221. Experience indicates the promising perspective of city approaches to urban crime prevention when developed in partnership with the local actors and the support and collaboration of central government. An appropriate institutional framework for decentralisation should facilitate partnerships between central governments, cities and civil society organizations in addressing crime and its causes.
222. Lack of capacities in developing countries at the levels of local authorities and criminal justice systems also impede the development of local approaches. Exchanges of experiences and expertise, as requested by local authorities, has to be encouraged. Experience also illustrates the importance of co-operation between states, international police authorities and international financial institutions to address organised crime in line with the recommendations of the 10th UN Congress on crime held in Vienna (2000), and to eradicate small-arms trafficking.

### **Synthesis**

223. **It is therefore expected that governments may be able to intensify efforts in promoting more determined action against urban violence through a coordinated response at the local level, in accordance with integrated crime prevention action plans. These plans should include a local diagnostic survey of crime phenomena, the identification of all the relevant actors in crime prevention and the fight against crime, the establishment of consultation mechanisms for the design of a coherent strategy and the elaboration of possible solutions to these problems in the local context. With respect to conflicts and human-made disasters, prevention strategies should become an integral part of post-disaster rehabilitation programmes.**

### **4.5 A Sustainable Approach to Urbanization**

*"... There is a sense of great opportunity and hope that a new world can be built, in which economic development, social development and environmental protection as interdependent and mutually reinforcing components of sustainable development can be realized through solidarity and co-operation within and between countries and through effective partnerships at all levels."*

(The Habitat Agenda, Preamble, I.1)

### **The Territorial Dimension of Sustainable Human Settlements Development**

224. Nature invented globalization a few million years ago. Everything is related to everything else. Three millennia ago, thriving civilizations were destroyed because precarious balances between the natural and human-made environment were broken. Today, the whole world is subject to the effect of human actions that know no boundaries and whose effects over time are unknown. Since 1996, the threat of human activity to the ecological stability of our one and only planet earth has become more apparent, and therefore most urgent. Only a few years ago, the question was whether greenhouse gas emissions were the primary cause of permanent modifications of the earth's climate. Today, the question is how much can be done, and how quickly, to minimise the irreversible damage caused by the growing amount of CO<sub>2</sub> emissions released into the atmosphere.
225. So far, the territorial dimension of sustainable human settlement development has been seen primarily as an "ecological footprint", defined as the impact of urban agglomerations far beyond their own administrative boundaries in terms of environmental disruption and consumption of natural resources.
226. The fallacy of the ecological footprint paradigm lies in its one-way definition (cities seen as "predators"). As the Habitat Agenda itself suggests<sup>17</sup>, urban settlements hold a promise for human development and for protection of the world's natural resources through their ability to support large numbers of people while limiting their impact on the natural environment.
227. Theory and experience since Habitat II has confirmed that sustainable human settlements development has to be seen, first of all, in territorial terms. The effects of unsustainable urban lifestyles, land uses and production patterns are well documented. But examples also abound of effects of poor territorial planning and management well beyond urban boundaries, whose impact affects adversely both urban and rural areas. Hydroelectric power is one of the cleanest form of energy available to both urban and rural areas, but its capacity can be hampered by wanton deforestation of water catchment areas, causing in turn loss of precious top soil and silting of dam reservoirs. And the remedies can often be as bad as the cause if, for example, hydropower is substituted by fuel-powered power stations entailing higher costs and higher greenhouse-gas emissions. At the same time, desertification creates "environmental refugees" whose only alternative is migration to the city in search of economic survival. More broadly, the expulsion of small-hold farmers due to large-scale exploitation of agricultural lands is one of the major causes of accelerated rural-urban migration.
228. Therefore, the sustainable future of cities and of their vast hinterlands are inextricably linked. The lessons learned since Istanbul assign a sense of priority to one of the commitments of the Habitat Agenda - promoting optimal use of productive land in urban and rural areas and protecting fragile ecosystems and environmentally fragile areas ..... through developing and supporting the implementation of improved land management practices that deal comprehensively with potentially competing land requirements for agriculture, industry, transport, urban development, green spaces, protected areas and other vital needs.

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<sup>17</sup> para 101,C, "Sustainable human settlements development in an urbanizing world" .

## **Safeguarding against natural disasters**

229. The progressive intensification of severe climatic events attributed to global warming has only intensified the need for strategic, comprehensive plans for early warning and mitigation of so-called natural disasters, whose impact in human losses, physical destruction, forced displacement and economic disruption has increased dramatically. This is an area which demands national and often international co-ordination, since prevention, mitigation, rehabilitation, relocation and post-disaster reconstruction go well beyond the boundaries and capacities of individual local authorities. Such co-ordination is equally needed in the case of non-preventable and non-predictable disasters, such as earthquakes. Too often, the damages caused by earthquakes are compounded by inadequate and illegal building practices in violation of existing land-use restrictions, codes and regulations.

## **Urbanization patterns**

230. Both the Habitat Agenda and Agenda 21 recommend the promotion of geographically balanced settlement structures and of small and intermediate cities. Despite obvious difficulties, the promotion of balanced settlements systems remains a priority for sustainable human settlements development. New factors that may favour such strategies are the rapid spread of communications technology and a growing propensity to establish or re-locate high-tech activities in smaller urban centres which can combine efficiency with lower costs of living, safety and more favourable environmental conditions. National reports for Istanbul+5 have also documented recent efforts in reducing the gap between rapidly-growing and lagging regions through deliberate fiscal and incentive measures.

## **Towards the Sustainable City**

231. Cities are an integral part of a wider economic, social, environmental and cultural context. Throughout history, and even more so today, cities have always nurtured and represented the highest moments and accomplishments of civilization. Their challenge for the new century is to become living expressions of the principles of sustainable development.
232. Experience over the last ten years shows that this is not an impossible task. Ten or fifteen years ago, the much-acclaimed example of Curitiba could have been dismissed as a meteor, without a discernible past or a secure future. Neither assumption is valid. The successes of Curitiba's integrated planning and management approach, including sustainable transport, pro-poor policies and environmental amenity, are rooted in an enlightened city plan devised in the sixties and have now developed a foundation going well beyond the efforts of the elected city leader who turned it into a success story and popularized it worldwide. Curitiba has successfully established a win-win style of governance based on the support and involvement of its citizens, a holistic view of its future, a commonly shared belief in environmental values, and the realization that well-invested resources in better infrastructure, social services, housing and public spaces attract additional investment and resources and benefit directly the poor.
233. One of the positive aspects of the post-Habitat II process is that there are many cities around the world - among them, Chengdu, Chennai, Colombo, Concepcion, Dar-es-Salaam, Katowice, Ibadan, Ismailia, Shenyang - which have embraced a deliberate and participatory sustainable development policy. The priority challenge is to mainstream their successful experience far and wide.
234. The most intensive experiment in environmentally sustainable urban policy is the local Agenda 21 approach introduced by the Rio Plan of Action. In fact, hundreds of local Agendas 21 adopted by local authorities in North America and large parts of Europe are the most visible embodiment of Agenda 21 and its sustainable approach to human settlements development. Many of them adopt an integrated planning and management approach which incorporates, but is not limited to, environmental sustainability. Therefore, the question is not the label - be it local Agenda 21 or the local plans of action advocated in the Habitat Agenda - but the diffusion of integrated, sustainable planning, development and management strategies to all regions of the world, taking advantage of the consolidation of pioneering experience, city-to-city co-operation opportunities, and the linkages between sustainable urban development and the commitments taken at the Earth Summit.

## **The Urban Poor and the Sustainability Paradigm**

235. While the universally accepted definition of sustainability rests on the harmonization of environmental, social and economic imperatives, it is still common to consider environmental protection on one hand, and poverty reduction on the other, as the two ends of a wide policy spectrum. Similarly, it is common to regard the "environmental agenda" as the primary and virtually exclusive concern of the North, and the "poverty agenda" as a characterization of the South.
236. This divarication draws its origin from the different levels of consumption and command over the global economy reached by regions and countries. "Rich" countries, according to this interpretation, want to defend their lifestyles and current prosperity, and are only interested in the economic and environmental situations of poorer countries and regions in terms of their collective impact on global environmental phenomena which will affect them as well. Conversely, developing countries are often accused of being oblivious to the long-term environmental future of the planet and to resist agreeing to voluntary environmental protection measures which would further imperil prospects for the sustainable economic growth they require, particularly in view of indebtedness and economic marginalization.
237. A discussion of these opposed perceptions would be entirely outside the scope of this report. What is worthy of note, however, is that global environmental threats have been the ones to capture the attention of the world media. As mentioned before, these threats are real, and they are bound to have an impact all human beings, now and for a long time to come. But it is rare to hear a similar plea in defense of the over one billion of urban poor, both in the North and in the South. To quote the words of the Secretary-General<sup>18</sup>, "Cities are often described as cradles of civilization, and sources of cultural and economic renaissance but, for the roughly one third of the developing world's urban population that lives in extreme poverty, they are anything but that. Most of these urban poor have no option but to find housing in squalid and unsafe squatter settlements or slums".
238. Analyses and policy developments since Istanbul and immediately preceding it, notably the "Social Summit" and its Plan of Action, have confirmed that it is precisely the poor who should be placed at the centre of the sustainability paradigm. First of all, their survival strategies are based on levels of consumption that should put members of affluent societies to shame. Most importantly, there can be no global sustainability agenda worthy speaking of, as long as such a consistent portion of humanity is condemned to live in the circumstances depicted by the Secretary-General of the United Nations in his Millennium Report.
239. The improvement of the living conditions of the world's urban poor, particularly in terms of shelter adequacy, security to tenure, access to decent infrastructure and services, and participation in a new, people-centered style of governance, is the core concern of the Habitat Agenda. No other priority can be more pressing for the family of nations and for the sustainable future of human development efforts.

## Synthesis

240. **It is expected that governments may be able to take note of the development of integrated and participatory approaches to urban environmental planning and management in relation with the implementation of *Agenda 21*. In this regard, the support provided by many governments to mechanisms for consultations and partnerships among interested parties to prepare and implement local environmental plans and local *Agenda 21* initiatives should be further encouraged.**
241. **It is equally expected that governments may be able to intensify efforts for upscaling sustainable environmental planning and management practices and for promoting sustainable production and consumption patterns in human settlements. Integrated plans of action addressing social, economic and environmental issues should be prepared more systematically at city and regional levels. Particular attention should be given in this regard to promoting an integrated approach to natural disaster prevention, preparedness, mitigation and response.**

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<sup>18</sup> Secretary-General's Millennium Report, <http://www.un.org/millennium/sg/report/ch2.htm>.

## CHAPTER 5

### NEW LEADING PARTNERS: LOCAL AUTHORITIES

242. At Istanbul, local authorities and their associations were identified as the closest partners of Governments in the implementation of the Habitat Agenda and the realization of sustainable urban development and equitable economic growth (Article 12 of the Istanbul Declaration). And in the years since then, cities and local authorities have taken up this challenge and new leading role with enthusiasm.
243. The post-Habitat II process has been characterized by a flowering of initiatives of individual cities in all regions to further develop key normative and operational aspects of the Habitat Agenda. Chapter D, sections 2 and 3 (Decentralization and strengthening of local authorities and popular participation, and civic engagement for capacity building and institutional development) inspired the International Conference on "New Partnership for Action", hosted by the city of Turin in December 1998. In July 2000, Johannesburg hosted a major international conference on issues confronting the city at the turn of the millennium - the Urban Future Conference 2000. Dubai continued to be the global reference centre for Best Practices in improving the living environment, with a growing number of cities engaging in Best Practice events - notably, Shenyang, host of the 2000 Technical Advisory Meeting on Best Practices, and Chengdu, host of the 2000 International Conference on Best Practices. Cape Town was the site of the September 2000 meeting of the Urban Environment Forum, an international network of cities and their development partners for environmental management, providing another example of the activism of post-apartheid South African cities in international cooperation. Rio de Janeiro and Fukuoka continued to provide substantive support to Habitat technical co-operation activities in the Latin America and the Caribbean and in the Asia regions. Mumbai took the initiative in July 2000 in hosting the launch of the Secure Tenure Campaign, aimed to strategically support the implementation of the shelter component of the Habitat Agenda. Finally, in 1999-2000 regional consultations for the proposed World Charter of Local Self-Government, an international framework agreement to implement Habitat II's commitments to decentralization and local democracy, were hosted by Agadir (Morocco), Santiago de Chile, Chonju City (Republic of Korea), Accra (Ghana), Mumbai, (India) and Kathmandu (Nepal).
244. City-based initiatives in support of the Habitat Agenda since 1996 have shown a common feature: partnership with national governments and the international community, and a strong concern for quality of life and a sustainable future in an urbanizing world. The best example of this concern is "Urban 21", the Global Conference on the Urban Future, held in Berlin on 4-7 July 2000. Organized by the Federal Republic of Germany in co-operation with the partner countries of the Global Initiative for Sustainable Development (Brazil, Singapore and South Africa) and preceded by preparatory conferences in Singapore, Essen, Pretoria and Rio de Janeiro, the Conference took its premise from the recognition that the future of humanity lies in cities. It gathered an impressive number of mayors and world personalities on urban issues, and focussed the world's attention on cities and practical solutions for their sustainable future at the intersection of the Habitat Agenda and Agenda 21.

#### 5.1 New Guiding Principles

245. On the conceptual level, since 1996 a number of new developments have exercised considerable influence on the formulation of policy, in turn raising the profile and importance of cities and local authorities in sustainable development and as the essential partners of Governments and international agencies in the successful implementation of the Habitat Agenda.
246. The first and perhaps most significant of these new concepts which have gained wide currency since 1996 is that of **subsidiarity**. Not widely discussed at the time of the Habitat II Conference, although referred to implicitly in paragraph 177 of the Habitat Agenda, the principle of subsidiarity stipulates that decisions should be taken, and services delivered, by the sphere of government which is closest to citizens, having regard to the nature of the subject. The principle is a means by which to guarantee accountability and efficiency in delivery.
247. Moreover, subsidiarity is not seen as a hierarchical principle in which local government is the "lowest", and therefore least important, "level" of government. Rather, it is leading to a new form of partnership

between the spheres of government (national, provincial, local), designed to secure effective, integrated decision-making. This concept of co-operating spheres of government is particularly pertinent in relation to all of the "big issues" facing our cities and human settlements - such as employment creation, social inclusion, improving the environment, urban policy and rural development. None of these key issues can be solved by a single "level" of government - all spheres need to make their relevant contribution, in a real partnership.

248. The emergence of subsidiarity as the main political justification and organizing principle for decentralization policies in the post-Habitat II period has to be appreciated within the context of the continuing emphasis on the deepening of democratic reform in a number of countries on the one hand, and moves to provide greater flexibility to local and intermediate levels of government in terms of economic planning and decision-making on the other. In fact, these measures are part of the ongoing process of modernizing government and administrative practices in the developing and transition countries, and should provide further impetus and validity for the decentralization and local government reforms proposed in the Habitat Agenda. The municipal reforms already undertaken or contemplated in virtually every country of Latin America; the policy initiatives in Africa and Asia to grant greater autonomy to local and regional (state) governments, including greater fiscal autonomy and revenue raising powers, have to be understood in this light, with subsidiarity proving one of the political and intellectual arguments in favour of these processes.
249. In fact, subsidiarity cannot be wholly separated from the principles underlying the current trends of global economic liberalization, which favor a transformation in the role of the central state apparatus to that of an enabler and regulator, as well as greater local autonomy, civil society and private sector participation in decision-making, and individual responsibility as opposed to collective rights. Within this context, local government also increasingly acts as "community leader" and catalyst, bringing together all local actors into partnerships for local government, and acting as advocate - as well as service deliverer - for the local community.
250. Subsidiarity, understood as bringing government closer to the people, has also informed the proposed World Charter of Local Self-Government, an initiative of the international and regional associations of local authorities gathered under the WACLAC umbrella. Of course, the concept of local self-government is located within the framework of national constitutions and law. The discussion process on this subject has been assisted by UNCHS, to help take forward the commitment by governments at Istanbul with regard to decentralization and the furthering of local democracy, as well as of good local governance, through an agreement under the auspices of the United Nations.
251. Begun in 1998, work on a potential World Charter has been the subject, to date, of consultations in all the world's regions, involving local authorities and their associations from some 100 countries, as well as around 50 national governments. Whilst some states have, in this period, expressed reservations from their constitutional perspective, the European Charter, ratified now by over 40 states, provides an established international precedent for such an initiative. Local government, through WACLAC, hopes that an ongoing dialogue can be maintained within UNCHS and the Special Session of the General Assembly, with a view to seeking an appropriate consensus on the role and content of such a Charter.
252. Another political priority which has emerged since 1996 and moved local authorities and cities to centre stage, is the increasing emphasis in the international and national development dialogue on effectiveness, transparency and accountability as sine qua non conditions for good governance, most recently in the Secretary-General's Millennium Report and in the Report of Copenhagen+5. This in turn has resulted in much greater attention paid to the **accountable and transparent governance of cities and human settlements**, as necessary prerequisites for sustainable and equitable development and poverty eradication. On the conceptual level, "clean government" as a major urban priority for policy is a new development since 1996, going hand in hand with a much more open discussion of corruption as a principal cause for continued lagging economic growth in many developing countries. This is evidenced also by the increasingly high-profiled activities of international NGOs such as Transparency International.
253. Programmes and policies that have been developed to induce accountable and transparent urban governance have emphasized the participation of civil society and of community groups, and the

strengthening of the local political process, as primary means to produce the desired results. This has given urban programmes and projects at the local level a decidedly political flavor since Habitat II, with much less emphasis on the technical issues that were at the core of the human settlements policies post-Habitat I. There is no doubt that good governance at the local level is certainly a requirement for sustainable urban development, so as to unleash potential capacities and to mobilize potential resources. However, in most countries it is still too early to judge whether the ongoing governance programmes will be successful given the often complex political situations they must address at the local level. These do not favor quick solutions, but rather require medium-term remedial action, combined with economic and social policies and financial support, which explains the multi-sectoral approaches of a number of pioneering governments and multilateral and bilateral organizations.

254. For although there is no doubt that democratic local government (a necessary component of good local governance), when directly confronted with local interests and demands, can potentially release more resources, political decentralization is clearly not enough. It must be accompanied by financial decentralization, as well as by an equitable distribution of central resources. Despite the advances made since the beginning of the past decade at the political level on a new approach to local government, focused on the themes of accountability, markets democratization and decentralization, the shift of power to local authorities remains unfinished. Financial and regulatory autonomy have therefore been identified as primary goals and guiding principles of policy for the coming decade to complement political decentralization, both new and old, and in countries as diverse as India, South Africa, Indonesia, the Republic of Korea, Poland, Albania, Colombia and Kenya, among others. In step with greater financial autonomy, and improved access to new intermediate municipal finance institutions in some countries, a number of cities have made some progress in improved financial management, the latter emerging as a prerequisite for the granting of greater financial autonomy to them by higher authorities. As a consequence, there has been a noted improvement, for example, in the tax collection performance of a number of cities in the developing countries.

## **5.2 Partnerships for Local Development**

255. Despite these many hopeful signs since Habitat II, the narrowness of the financial and human resource base in many cities of the developing countries, especially in the LDCs, continues to be a primary obstacle to dynamic local human settlements development and effective management. Overcoming this requires, on the one hand, a continued emphasis on partnerships for capacity-building and human resource development between local government and national and international partners, including city-to-city cooperation, as well as a strong political and working relationship between local government and the organizations of civil society, especially with CBOs and NGOs, and particularly in such areas as infrastructure development and management, shelter and other services. The last few years have seen some successful pioneering efforts in this direction, especially when supported by national or intermediate – level financial schemes, such as the Municipal Infrastructure Programme in South Africa, the Municipal Development Programme in the Philippines and the Community Institute Lending Programme in Guatemala, to cite some examples. Another emerging and important local partner in human settlements development is the private sector, especially for financing infrastructure, as demonstrated in cities as diverse as Chengdu, China and Luanda, Angola over the past few years.
256. However experience has also shown that general prescriptions for human settlements development must be tailored to individual cities and that for cities and local authorities to take on a new vanguard role in development, they must be supported by a network of enabling partnerships, legislation and regulation in order to be successful. This fundamental understanding must guide policy towards city development and local government in future.

## **5.3 International Networks**

257. Habitat II was the starting point for the strengthening and consolidation of the international role of the cities and local authorities. This process started with the first World Assembly of Cities and Local Authorities held in Istanbul prior to Habitat II (WACLA). The Assembly's main institutional outcome was the creation of the World Associations of Cities and Local Authorities Co-ordination<sup>1</sup> (WACLAC). WACLAC has survived the first tests and is now a lean and efficient mechanism enabling cities and local authorities to speak with one voice in all international fora.

258. The dialogue established at Habitat II between world associations of cities and local authorities also set the stage for increased synergies and co-operation. The World congress of the International Union of Local Authorities (IULA) and of the United Towns Organization (UTO), scheduled in Rio de Janeiro just before Istanbul +5, may result in the unification of these two major organizations to better serve the interests of local constituencies and, by implication, accelerate the effective implementation of the Habitat Agenda. Cooperation among cities has also intensified on the regional level since 1996, with notable new activism in Africa, which may mirror the ongoing economic and administrative reform programmes on that continent. Worth mentioning here is the Africities network, supported by a number of multilateral and bilateral agencies, and which at its last meeting in Windhoek in May 2000 focused on decentralization as a priority for municipal reform and local sustainable development on the African continent. It is anticipated that as Africities evolves as a regional network it will forge a close working relationship with the Commission on Human Settlements. Finally national city associations, especially those of Canada and The Netherlands, have continued to sponsor direct technical assistance by their members to cities in the developing countries, especially in Africa.

#### **5.4 Cities and the United Nations**

259. Since Habitat II, relations between cities and local authorities and their organizations and the United Nations system have strengthened.<sup>19</sup> The United Nations Development Programme, for example, signed a memorandum of understanding with the International Union of Local Authorities and activated, in co-operation with partner cities, the Alliance of Cities Against Poverty. UNCHS (Habitat) forged a partnership with WACLAC which includes, among several substantive co-operation activities, joint work on the World Charter of Local Self-Government.
260. The element of true novelty in the relationship between cities and the United Nations, however, is the United Nations Advisory Committee of Local Authorities.
261. In May 1999, the United Nations Commission on Human Settlements, in its resolution 17/18, decided to establish this advisory body for the main purpose of strengthening the role of cities and local authorities in the implementation of the Habitat Agenda. For the first time, an intergovernmental body of the United Nations had officially recognized the need and advisability of establishing a visible and official relationship with cities and local authorities, and singled them out from the amorphous mass of civil society and non-governmental organizations. Fully in line with the mandate and terms of reference set by the Commission, the Committee was established in January 2000 in Venice, Italy and held its second meeting in Nairobi, in conjunction with the first substantive meeting the Preparatory Committee for Istanbul +5.
262. The Committee's advisory role covers several facets of the Habitat Agenda's implementation process. On the strength of its unique membership - individual mayors and Presidents of global and regional associations of cities and local authorities chosen with particular regard to gender and geographical distribution representing all regions of the world - it brings to the UN a vast and diverse experience in shelter and sustainable urban development policy and management. This experience is invaluable in supporting the centre's normative and operational work, but also in identifying future challenges of urbanization and appropriate solutions tested in the real world.
263. The Committee has already revealed its potential in expanding the range and impact of the Habitat Agenda implementation process. In their capacity as UN special advisors, the members of the Committee bring the message of the United Nations to new audiences and forums. This role has already been recognized by the Preparatory Committee itself and by the Secretary-General of the United Nations in his inaugural address in July 2000 to the World Conference on the Urban Future (Urban 21). The third session of the Committee is taking place in conjunction with the 18<sup>th</sup> session of the Commission and the second substantive session of the PrepCom.

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<sup>19</sup> For more detailed information on this subject, reference is made to document HS/C/18/3 (Local implementation of the Habitat Agenda, including the role of local authorities) submitted to the 18<sup>th</sup> session of the Commission on Human Settlements.

264. Mayors and presidents of global associations of local authorities have also participated actively in the Cities Alliance launched in 1999 by the World Bank and Habitat to build a global partnership between cities and their multilateral and bilateral development partners. A first major step was the launching by the Alliance of the “Cities without Slums” initiative under the patronage of President Nelson Mandela. The goal of its action plan, which, as mentioned elsewhere in this draft report, has received unequivocal support and endorsement at the Millennium Assembly, is to improve the living conditions of 100 million of the urban poor in developing countries by 2020.
265. Finally, WACLAC is engaged in organizing, in concomitance with the special session, a second World Assembly of Cities and Local Authorities (WACLA II), to follow the historic first meeting of cities held at Habitat II. This meeting is likely to be the largest and most authoritative gathering of mayors and presidents of global and regional associations of local authorities ever assembled at the United Nations.
266. The unprecedented strengthening of the relationship between local authorities and the United Nations since Habitat II also poses an institutional question. As remarked by the Secretary-General in paragraph 16 of his report on Istanbul+5 endorsed by the fifty-third session of the General Assembly, "a further focus of the special session will be on the legal status of partners and their international associations in the United Nations system, in particular to assure their participation in the work of the Commission on Human Settlements." As mentioned above, a first step has been made with regard to local authorities and their associations with the constitution of the Advisory Committee of Local Authorities. The legitimate aspiration of local authorities, in their capacity as democratically elected leaders, remains to gain, not independently, but under the aegis of the United Nations, a formal recognition of their role and proven contribution to the realization of the goals embodied by the United Nations. This is an ambitious goal, but one in full synchony with the course of action for UN reform introduced by the UN Secretary-General- bringing the UN closer to the people. It is hoped that the special session will provide an opportunity for advancing towards this goal.
267. **It is therefore expected that governments may be able to acknowledge the important contribution made by local authorities from all over the world to the implementation of the Habitat Agenda and of the increasing partnerships between central and local governments resulting in improved urban governance. Broad-based participation in decision-making and management at the local level, combined with accountability and transparency are imperative in order to prevent corruption and ensure that the available resources are used to the benefit of all people. Governments may also reiterate their appreciation for the establishment of the Advisory Committee of Local Authorities and its contributions to the work of the United Nations Centre for Human Settlements (Habitat) and to the preparations for the Special Session.**
268. **It is therefore expected that governments may be able to empower all interested parties, particularly local authorities, to play a more effective role in shelter and human settlements planning and management. This can be achieved through the effective decentralization of responsibilities, policy management, decision-making authority and sufficient resources, including revenue collection authority, to local authorities, as well as through international cooperation and partnerships. In this context, governments should further deliberate on the proposed World Charter of Local Self-Government with a view to reaching a consensus on an enabling international framework which would guide national legislative reforms in support to effective decentralisation policies.**

## CHAPTER 6

### INTERNATIONAL COOPERATION

#### 6.1 Policy priorities of the United Nations System

269. The share of international funding for adequate shelter and human settlements programmes in official development assistance has not increased since 1996. This highlights the contradiction between these diminishing overall flows and the growing interest of multilateral and bilateral assistance actors in the urban sector and in particular in areas emphasized by the Habitat Agenda - strengthening of local authorities, capacity-building, technology transfers, information exchanges and the involvement of civil-society organizations.
270. Accordingly, the current review re-iterates the added significance and importance of international co-operation in the light of recent trends in the globalization and interdependence of the world economy. As pointed out in Chapter I, cities are facing a dual challenge - creating the conditions for attracting investment and creating employment in an increasingly competitive global environment, and deliberately support the efforts of the poor to participate in the social and economic life of the city as recognized and legitimate actors. Most developing-country cities will not be able to face this challenge without a massive and focused support at the international level. Deliberate targets, such as the commitment of the "Cities without slums" initiative to achieve by 2020 a significant improvement in the lives of at least 100 million slum dwellers, can only help in attracting the interest and support of the international community.
271. It will be recalled that the Habitat Agenda invited the organizations and agencies of the United Nations system to strengthen and adjust their programmes and medium-term strategies, in order to ensure a system-wide contribution towards meeting the goals and global commitments agreed in Istanbul. Further, the Secretary General was requested at the Habitat II Conference to include the Habitat Agenda in the mandate of inter-agency task forces of the Administrative Committee on Coordination to facilitate integrated and coordinated implementation of the agreed action plan. However, few specific mechanisms were foreseen by the international community in 1996 for systematically reviewing the role and contributions by the relevant United Nations organizations and agencies. As a result, the commitments made in Istanbul by the United Nations organizations and agencies, as well as their specific efforts in that direction over the years, did not benefit from a systematic and system-wide review to ensure focus, complementarity, monitoring and assessment.
272. Faced with an ever-increasing complexity of providing system-wide and focused action to a growing number of international agendas in the field of social and economic development during the last decade, the Secretary General, as part of his reform agenda, decided to establish a small number of Executive Committees to ensure the urgently required coordination of a system-wide response to the sectoral and cross-cutting issues for international cooperation. Once established, both the United Nations Development Group (UNDG) and the Executive Committee on Economic and Social Affairs took up a range of sectoral and cross-cutting issues which either emanated from the Habitat Agenda, or which were brought into a sustainable human settlement focus by the Habitat Agenda: shelter and social services, urbanization, the role of local government, and the emerging focus on civil society and its organizations in implementing global development agendas. Being the last in the series of global development agendas, the implementation of the Habitat Plan of Action points to the importance of addressing sectoral and cross-cutting issues through coordinated action at the local level, and within the framework of an enabling approach towards improving living conditions in human settlements.
273. Under the overriding goal of tackling poverty eradication from the human settlements perspective, and primarily at the local level, the role and activities of the United Nations system and of international cooperation in implementing the commitments and plan of action of the Habitat Agenda is gaining momentum. The global commitments made at Istanbul to adequate shelter for all and sustainable human settlements development in an urbanizing world has enabled the United Nations system to globalise/mainstream these goals, and put them into the overall framework of poverty eradication, social justice and sustainable urban development. Resulting from this process, strategic partnerships with the World Bank are emerging. Further, the highly indebted poor countries (HIPC) now have a range of opportunities to incorporate Habitat Agenda goals of adequate shelter for all and sustainable

urban development into the Poverty Reduction and Growth Facility offered by the Bretton Woods institutions. The challenge is that human settlements action in pursuit of the Habitat Agenda goals needs to be placed into the broader context of urban poverty reduction and sustainable development, which would allow for the assessment of activities by the United Nations system from a cross-cutting rather than a sectoral perspective.

## **6.2 Urbanization: A Global Issue Requiring A Global Response**

274. Since Istanbul, the most significant emerging arena for coordinated action on poverty eradication is the global trend towards an urbanizing world. Urbanization is not limited to rural-urban migration, but represents a complex social, economic and environmental transformation of the way we live. The wide-ranging implications of this world-wide transformation of societies and the resulting multiple interlinkages with economic growth, social development and environmental management have been noted by a number of organizations and agencies of the United system. This growing recognition by the actors of international cooperation of the significance of urbanization as a common framework for coordinated action is expressed in through the formulation of global programmes which call for partnership action at local, urban levels. Local Agendas 21, local Habitat Agendas, urban poverty programmes and programmes in support of creating systems of good urban governance are examples of a broader global response by the United Nations system to the commitments made at Istanbul. However, coordination of global and local action remains coincidental rather than systematic.
275. The lessons from experience have, however, shown that urbanisation, and its impact on world poverty, is a matter of pressing concern and that the international community must organise itself to address these issues. As a result, interest in UNCHS (Habitat ) and the Habitat Agenda has been renewed. There has been a concerted effort to strengthen the capacity of the organization to enable it to take forward the Habitat Agenda, with a strategic focus on urban poverty. A fundamental reform process, supported by a number of donors (including DFID)<sup>20</sup>, is enabling UNCHS (Habitat) to strengthen its core role of monitoring the implementation of the Habitat Agenda and to becoming the global UN centre for disseminating good policy and practice in urban development, governance and management. Recommendations issued by regional preparatory meetings, and notably by the regional meeting for Africa, strongly confirmed this orientation.
276. The reform process is also helping to strengthen the framework of co-operation and support for the implementation of the Habitat Agenda, through the establishment of improved international co-operation and closer links with local government and civil society. As a result, links between a range of bodies, such as the World Bank and, for example, the joint UN/multi-donor Urban Management Programme, Cities Alliance and others with interests in urban areas, have expanded.
277. Several donors, including the World Bank, the Asian Development Bank, and the European Community have been reshaping their own urban strategies. There are remarkable parallels in the way in which these international organizations are approaching the challenge. The new World Bank Urban and Local Government Strategy is concerned with ensuring that countries and their population, including the poor, extract the most benefits from urbanisation. It places emphasis on developing liveable, competitive, well-governed and management and bankable cities, within the context of national Comprehensive Development Frameworks and national Poverty Reduction Strategies. These will provide a view on the contribution of the urban system within the macro economy.
278. Similarly, the Asian Development Bank's new strategy focuses on infrastructure and services, transport and housing, complemented by capacity-building and policy reform work at city and national levels to support decentralisation measures designed to improve the management and performance of services and service providers, especially for poor people. The Swiss Agency for Development and Co-operation, the United States Agency for International Development (USAID) and the Canadian International Development Agency (CIDA) have developed similar strategies. The European Community has concentrated on developing guidelines for programme managers on sustainable urban development.

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<sup>20</sup> "Strategies for Achieving the International Development Targets: Meeting the challenges of Urban Poverty", Department for International Development (DFID), consultation document, November 2000.

279. The universally observed trend towards formulating and implementing action plans at the local level, and the corresponding devolution of responsibilities to local government and civil society, is going hand in hand with the urbanization of our planet, pointing at the increasing importance of well-managed cities and new forms of urban governance. As noted by the Comprehensive report on the implementation of the outcome of the “World Summit for Social Development” submitted by the Secretary-General to the Copenhagen +5 Preparatory Committee<sup>21</sup>, urbanization has become a critical factor influencing prospects of, and opportunities for poverty reduction, social integration, local democracy, and the observance and protection of human rights.

280. It should be noted here that a number of international development cooperation initiatives have been set up in recent years which demonstrate the potential of the United Nations system for coordinated action in providing support to the goals of the Habitat Agenda:

- The “Cities Alliance” has been established as a cooperation initiative between the World Bank and the United Nations Centre for Human Settlements (Habitat), to help cities meet the urban challenges of the 21<sup>st</sup> century, particularly with regard to assisting in establishing city development strategies, in setting up systems of good urban governance, and in reducing urban poverty by improving conditions in urban slum settlements on a city-wide basis (“cities without slums”). This cooperation initiative directly addresses the two main goals of the Habitat Agenda: (1) adequate shelter for all, and (2) sustainable human settlements in an urbanizing world. The “Cities Alliance” has attracted a broad-based constituency of development partners in multilateral and bilateral agencies, and associations of local authorities. By adopting a comprehensive urban strategy in line with the Habitat Agenda, the Alliance partners commit themselves to a coherence of efforts to improve the living conditions of an unprecedented number of urban poor.
- The human rights approach by the United Nations system to issues of human development in international cooperation was extended to the topic of “human right to adequate housing”. As mentioned in chapter 4 of this report, based on the commitments in the Habitat Agenda to “the full and progressive realization of the right to adequate housing” the Human Rights Commission in March/April 2000 decided to appoint a Special Rapporteur on the Human Right to Adequate Housing for a duration of three years. The human rights approach has become fundamental to the UNCHS(Habitat) – initiated global campaign on secure tenure.
- In outlining the role of the United Nations at the start of the 21<sup>st</sup> century and the new millennium, the Secretary General, in his report to the Millennium Assembly, strongly supports the need to urgently upgrade the slum conditions of rapidly growing urban settlements. The Secretary-General outlined the goals and targets of the “Cities without slums” initiative, strongly supported it and asked all member states to endorse it and to act on it. This recommendation was adopted by the Millennium Assembly of the United Nations in its Millennium Declaration.

281. **It is therefore expected that governments may be able to reiterate that international cooperation takes on added significance and importance in the light of recent trends in the globalization and interdependence of the world economy. Governments may, therefore, call for specific action at the international level including between cities, to inspire, encourage and strengthen innovative forms of cooperation, partnership and coordination at all levels and increased investment from all sources, including the private sector, in order to contribute effectively to the improvement of shelter conditions, especially in developing countries. In this context, governments should also support the Upgrading and City Development Strategies promoted by UNCHS (Habitat), the World Bank and other partners of the Cities Alliance and reiterate their commitment to achieve by 2020 a significant improvement in the lives of at least 100 million slum dwellers as proposed in the “Cities Without Slums” initiative.**

### 6.3 The Potential for Co-ordinated International Cooperation

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<sup>21</sup> AC.253/13

282. In parallel with the recent trend in international development cooperation to focus attention on local-level action in the context of urban governance, the liberalization of international trade and processes of globalization pose enormous challenges to the commonly agreed goals of poverty reduction in an urbanizing world. Urbanization, and corresponding shifts of stronger focus at the local level, generally presents positive impacts on fostering democracy, participation and the involvement of civil society. However, policies need to be formulated to ensure that the gains of a globalizing world can demonstrate their impact on reducing inequities, social exclusion and poverty within cities and between regions in a more visible and convincing way. There is urgency in taking up these challenges by the policy-making organs of the United Nations system and of international development cooperation.
283. A number of efforts have been undertaken by the United Nations organizations and agencies since 1996 to address the Habitat Agenda, identify emerging issues and include in their work programmes such human settlements issues as urban governance, capacity building for local development, urban poverty reduction, gender and development, and improved service delivery at the local level. Where these development topics meet with cross-cutting issues of other international development agendas, the human settlements goals of the Habitat Agenda have a better chance of finding their way into being incorporated into the overall policy orientation of international cooperation. Nevertheless, more systematic initiatives for coordinating globally emerging trends are needed, as well more effective strategies of ensuring complementarity of action within the framework of urbanization. Moreover, such interlinked and complementary action must be experienced by civil society stakeholders at the local level in a more visible manner.
284. The reduction of official development aid flows for international development work remains a serious obstacle to the ability of the United Nations system to provide targeted and sustained support to the implementation of commitments made in Istanbul. These limitations continue to reduce the potential of international organizations and agencies to carry out needed capacity-building programmes at regional, national and local levels, particularly as regards institutional development at municipal levels. Equally affected are technology transfers, information exchange and the linking of civil society organizations to international networks of knowledge. Recent initiatives of the United Nations system to involve civil society, particularly local government associations, NGOs, parliamentarians, private sector representatives and academic institutions need to be intensified. They offer considerable potential to make the work of the United Nations organizations more visible and meaningful at the local level, in terms of making a difference to the life of people.
285. Financial resources for implementing the action plan of the Habitat Agenda on a sectoral basis, i.e. for human settlements or housing programmes, remain extremely limited. Prospects for enhanced availability of international finance are closely linked to overall progress in the implementation of poverty reduction strategies as the basis of renewed financial assistance to developing countries, as well as outcomes of current initiatives to reduce or cancel the debt of heavily indebted poor countries (HIPC). Increased attention needs to be paid to improving the coordination of international aid programmes, particularly as regards the overall impact on reducing urban poverty of such strategies as the Comprehensive Development Framework, the United Nations Development Assistance Framework for operational activities, country strategy papers, and national poverty strategy papers prepared by Governments in collaboration with the IMF and the World Bank. There is still no mechanism to ensure the review and integration of Habitat Agenda action plans for international cooperation into these existing strategy frameworks. Almost five years after Istanbul, it appears that efforts of UNCHS(Habitat) to disseminate guidelines to the system of United Nations Resident Coordinators and introduce human settlements issues into the United Nations Development Assistance Framework (UNDAF), as well as the system-wide comprehensive development strategies have met with only limited success.

#### **6.4 Building on the results of the July 2000 ECOSOC Session**

286. The above considerations do not imply that the implementation of the Habitat Agenda is ignored by the international community. One important evidence to the contrary is the extensive debate held by the Economic and Social Council (ECOSOC) in July 2000 on the coordinated implementation by the United Nations system of the Habitat Agenda. The session concluded by taking a number of decisions with the purpose of outlining the direction and basic modalities for a coordinated and integrated

approach on international cooperation. Key among the conclusions were that the Council requested the relevant United Nations bodies and agencies, in particular the Executive Committee of the United Nations Development Group (UNDG) to undertake a review of the follow-up of their commitments on implementing the goals of the Habitat Agenda, as part of the Istanbul+5 review process in 2001.

The Council also requested the Secretary General to review the matter of participation of the United Nations Centre for Human Settlements (Habitat) in all aspects of the work of the Administrative Committee on Coordination (ACC) and its subsidiary machinery, in light of its focal point role in the UN system on implementing the Habitat Agenda. Further, the Council requested the Secretary General to consider adopting a Habitat Agenda task manager system to facilitate co-ordinated implementation of the Habitat Agenda by the United Nations system of organizations and agencies.

287. On the substantive side, the Council noted the proposed establishment of an Urban Forum of bilateral and multilateral agencies engaged in urbanisation issues, including the rural dimension of sustainable urban development, as a platform for the exchange of ideas and sharing of experience among the interested parties. The Council also took note of the Advisory Committee of Local Authorities which was established to advise the Executive Director of UNCHS (Habitat) on the role of local authorities in the implementation of the Habitat Agenda. Further, the Council emphasized the particular significance of the commitments of the Habitat Agenda with regard to cross-cutting issues, like sustainable human settlements, urban poverty, gender, involvement of the civil society and recommended their inclusion when setting up working agendas for future coordination segments of the Council. Finally, the Council welcomed the decision the preparatory committee to discuss a Declaration on the role of cities and human settlements in the new millennium, to be adopted by the special session of the General Assembly in 2001.
288. **It is therefore expected that governments may be able to reconfirm the role of the Commission on Human settlements and UNCHS (Habitat) in promoting, reviewing, monitoring and assessing the progress made in implementing the goals of adequate shelter for all and sustainable human settlements development in all countries and in combining best practices, enabling policies, legislation and action plans for identifying illustrative cities for the two global campaigns and further advancing the normative debate on major human settlements issues.**
289. **With regard to institutional arrangements, it is also expected that governments may be able to reiterate that the full and effective implementation of the *Habitat Agenda* requires the strengthening of the role and functions of the United Nations Centre for Human Settlements (Habitat) as the focal point for the implementation of the *Habitat Agenda*; and in this context, support the establishment of the *Habitat Agenda* Task Manager System, designed to allow better monitoring and mutual reinforcement of actions undertaken by international agencies in support of the implementation of the *Habitat Agenda*.**

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<sup>1</sup> Note for the French translation: use CAMVAL (Coordination des Associations Mondiales de Villes et Autorités locales) in all references to WACLAC (World Associations of Cities and Local Authorities Co-ordination).