

Responding to the challenges of an urbanizing world



UN-HABITAT annual report 2005



UN-HABITAT

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Foreword



In 1978, when the United Nations Human Settlements Programme (UN-HABITAT) was established, urbanization and its impacts were barely on the radar screen of a United Nations that had been created over three decades earlier, at a time two-thirds of humanity was still rural. From 1978 to 1997, with meagre support and an unfocused mandate, UN-HABITAT (then known as the United Nations Centre for Human Settlements) struggled almost alone among multi-lateral organizations to prevent and ameliorate problems stemming from massive urban growth, especially among cities of the developing world. From 1997 to 2002, by which time half the world had become urban, UN-HABITAT – guided by the *Habitat Agenda and the Millennium Declaration* – underwent a comprehensive revitalization, using its experience to identify emerging priorities for sustainable urban development and to make needed course corrections.

Exemplifying the Secretary-General's reform principles, the transformation of UN-HABITAT into a modern, efficient and responsive UN Programme is nearly complete. Areas of duplication, activities of marginal utility and programmes no longer serving their intended purpose have been purged, and the productive elements have been strengthened and re-oriented to respond to the relevant goals of the *Millennium Declaration*. The result now requires a “running-in” period with adequate institutional and financial support from the international community.

Achieving sustainable development and alleviating poverty require the integration of economic,

social and political objectives into a coherent overall framework. As the world becomes increasingly urban, it is essential that policy-makers understand the power of the city as an organizing agent for national development. UN-HABITAT's recently integrated programmes are designed to help policy-makers and other stakeholders evaluate urban conditions and trends and to articulate strategies that will strengthen their cities socially and economically. UN-HABITAT's global campaigns on security of tenure and urban governance have influenced policies in several countries and helped others to push for better legislation in these areas. UN-HABITAT has also been active in monitoring Millennium Development Goal 7, Targets 10 and 11 on water, sanitation and slums and in 2003 came up with the first authoritative estimate of slum dwellers globally and regionally.


UN-HABITAT's technical cooperation activities in the areas of post-conflict reconstruction, disaster management, slum upgrading, urban management, urban crime prevention and provision of water and sanitation have also been strengthened. As of the fourth quarter of 2004, UN-HABITAT had 95 technical programmes and projects under execution in 56 countries, of which the vast majority were in the developing countries. As a direct response to increasing demands from developing country governments, the organization's technical cooperation activities have grown significantly over the last decade. Roughly 45 per cent of the financing for these technical co-operation projects in 2004 (excluding the Iraq programme) came from the United Nations Development Programme (UNDP)'s various

sources of funds and the balance from government and third-party cost-sharing. Other programmes including large reconstruction projects have been carried out in Africa (Chad, Libya), Asia (Afghanistan), the Arab States (Iraq) and Europe (Kosovo and Serbia). These programmes are almost entirely funded by various bi- or multilateral resources, or as in the case of Chad and Libya, through national cost-sharing.

In supporting these operational activities, UN-HABITAT is fully committed to the goals of maximizing the use of national expertise and to supporting both national execution and pro-

curement from developing countries. In 2004, more than 80 per cent of UN-HABITAT's project personnel were national experts.

Knowledge management, the linking of normative guidelines to field operations, innovative financing for pro-poor investment and partnerships comprise a powerful array of strategies that are being applied to nearly all elements of UN-HABITAT's work programme. From this strategic vision and work programme, a matrix of substantive themes and strategies can now be constructed that will allow donors with particular interests to support activities in these areas.



Anna Tibaijuka
Executive Director

Responding to the challenges of an urbanizing world

The urbanization of poverty

In 1950, one-third of the world's people lived in cities. Just fifty years later, this proportion has risen to one-half and will continue to grow to two-thirds, or six billion people, by 2050. In terms of population densities, spatial distribution, economic activity and social attitude, the world has become urbanized. After a half-century of intense global urban growth, the United Nations and its individual Member States now recognize the powerful developmental role that cities play as well as the challenges they face.

In a world of liberalized trade and finance, cities are focal points for investment, communication, commerce, production and consumption. They are magnets for immigrants and for others seeking a better life, as well as the locus of problems that result from these profound economic and demographic trends. The most alarming accompaniment to urbanization in this globalizing world has been the deepening of urban poverty and the growth of slums that now envelop nearly one billion persons worldwide.

The United Nations Millennium Declaration recognizes the dire circumstances of the world's urban poor, articulating Member States' commitment to improve the lives of at least 100 million slum dwellers by the year 2020.¹ As large as 100 million may seem, however, it is only ten per cent of the present worldwide slum population,



Pavement dwellers in Mumbai, India. © R. Warah/UN-HABITAT

which, left unchecked, will multiply threefold to 3 billion by the year 2050 (see Figure 1).

The problem of slums is a dynamic one. At any point in time and in any one place it may present itself as a cluster of symptoms that might be dealt with sector-by-sector until the problem begins to dissolve. There are, however, economic, social and political forces behind urban poverty that cause slums to form at a rate that overwhelms every effort to fight them. It is those forces that must be challenged and channelled, not just within the slums but also in the wider urban and regional context. Fundamentally, urban poverty and slums are not just a matter of local improvement but of region-wide and national development policy.

¹ The *Millennium Declaration* includes a number of elements directly relevant to UN-HABITAT mandate, including those on access to water and sanitation, the promotion of human rights, democracy and good governance and gender equality. Under its section III entitled "Development and poverty eradication," heads of State and Government specifically resolve "to have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers as proposed in the 'Cities without slums' initiative."

A Gender-sensitive Strategy

In many countries, women are systematically denied their human rights to access, own, control or inherit land and property and the vast majority cannot afford to buy land, and usually can only access land and housing through male relatives. UN-HABITAT's strategy for addressing this problem is to have gender impact assessment as an integral part of project planning, management and monitoring and evaluation in an effort to strengthen gender mainstreaming in all UN-HABITAT programmes and activities, including those related to the implementation of the Millennium Development Goals. To this end, a capacity-building programme is underway to equip staff with

gender analysis and planning skills so they are better placed to address gender issues and promote women's empowerment. This will contribute to increasing the focus of UN-HABITAT's programmes on gender issues, such as women's access to land and credit, improved housing and incomes and increased awareness of women's rights.



Women hawkers in Sudan. © UN-HABITAT

Facing the growing magnitude of the slum problem thus requires a three-part, integrated strategy that is both corrective and pre-emptive:

1. **Slum upgrading:** physical upgrading of housing, infrastructure, environment; social upgrading through improved education, health and secure tenure; governance upgrading through participatory processes, community leadership and empowerment;
2. **Urban development:** stimulation of job creation through citywide advance land use planning, development and management of the revenue base, infrastructure improvement, amenities provision, city management and urban governance practices, community empowerment, vulnerability reduction and better security;
3. **Regional development:** maximizing the positive impact of urbanization and reducing its negative impacts (regional disparity, rural-urban disparity, excessive pressure on natural endowments etc.) through appropriate national and regional investment policies, decentralization of authority to undertake local development, creating a broad-based system of urban centres for the efficient distribution of development services, and promoting reciprocal urban-rural relationships.

Clearly, improving the lives of slum dwellers requires much more than a reactive slum upgrading strategy, as critical as such a strategy is for

those already living in urban poverty. To head off the expected growth of urban poverty and slums, there must also be a pro-active strategy that creates the economic and social conditions for expansion of the urban middle class, the main exit from poverty, and that integrates urban and rural development planning to create a wider range of job opportunities throughout the national economy.

To reduce poverty and inequality, policies need to address the main structural defects in both city and countryside, including: urban and rural insecurity of tenure and landlessness; unfair terms of trade between urban and rural areas; and insufficiency of income, resulting in part from lack of diversification of jobs in rural areas.

The quest for sustainable development is a quest to balance rural and urban solutions. In terms of human settlements, the strategy must be one to maximize the comparative advantage of each location in a hierarchy of places – from cities to towns to villages to hamlets – tied together functionally through investment in national infrastructure systems for efficient production and equitable and sustainable consumption.

UN-HABITAT's strategic vision

UN-HABITAT's strategic vision focuses sharply on urban poverty and slums in particular, by incorporating the following elements:

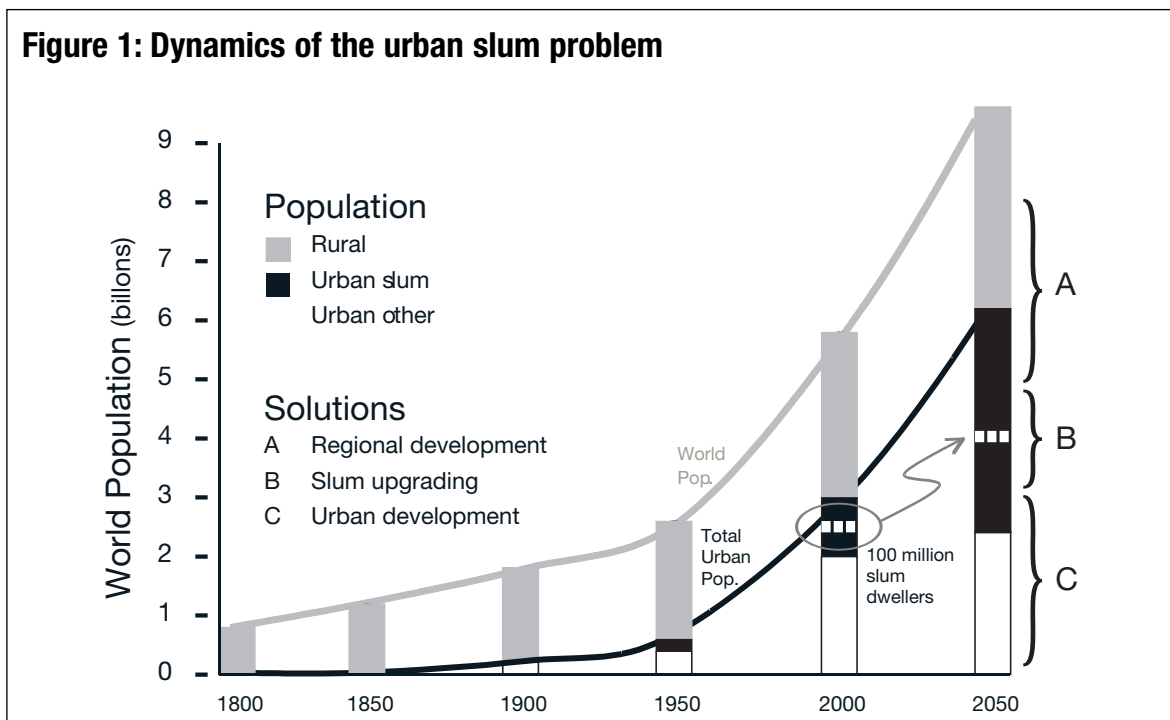
Monitoring and Evaluation

To ensure that the agency's programmes are implemented on time and within budget, and that they are having the expected impact, UN-HABITAT's Monitoring and Evaluation Unit selects four areas for in-depth evaluation each year, and carries out regular monitoring of the work programme through the UN-wide Integrated Monitoring Documentation Information System (IMDIS), which uses agreed indicators to measure progress and keeps track of delivery of outputs. According to this system, UN-HABITAT had implemented 48 per cent of the programmes for the 2004-2005 biennium by December 2004.

With regard to evaluations, the UN's Office of Internal Oversight (OIOS) carried out an in-depth evaluation of UN-HABITAT's activities. Evaluations were also carried out of the Global Campaigns for Secure Tenure and Urban Governance, the agency's flagship reports, UN-HABITAT's Partnership with the Huairou Commission, the Safer Cities Project in Dar es Salaam, and the 2nd World Urban Forum. The findings of these evaluations will be published in 2005. In addition, an Internal Monitoring and Evaluation Database Management System to facilitate planning, monitoring recording lessons learnt was developed, and a guide on the production of Environmental Assessment Requirements produced.

1. **Knowledge management and reporting**, expanding the global understanding of urban development, shelter and poverty, and tracking progress in implementing the *Habitat Agenda*;
2. **Advocacy of norms** for sustainable urbanization and urban poverty reduction, carried forward through two global campaigns and a number of global programmes;
3. **Technical cooperation** in linking norms and campaign/programme goals to urban poverty reduction activities on the ground;
4. **Innovative financing** for urbanization and specific shelter needs of the urban poor; and
5. **Strategic partnerships** to leverage resources and coordinate international programme activities that work toward similar ends.

The strategic vision is both forward-looking and pragmatic, being consistent with social norms and political principles as well as with UN-HABITAT mandates, capabilities and partners' objectives. In the months and years to come, it will be the task of UN-HABITAT to leverage more public and private resources to ensure that this vision becomes a reality.



Better information for better cities

Knowledge management and reporting

Knowledge management is increasingly being recognized as a key priority among development practitioners, and the processing, generation and dissemination of knowledge and information are now key activities of most United Nations agencies and their development partners. Timely, accurate and reliable information is fundamental to tracking progress in implementing the Millennium Development Goals (MDGs) and to monitoring urban conditions and trends. Accurate assessments of human settlements conditions and trends are also invaluable to the decision and policy-making process. Without the right information, it is difficult to make the right decisions or to recommend appropriate policies.

Monitoring Urban Inequities

A key function of UN-HABITAT in fulfilling its mandate is the monitoring of human settlements trends and conditions worldwide, particularly in relation to Millennium Development Goal 7, Targets 10 and 11 on water, sanitation and slums. UN-HABITAT's **Global Urban Observatory** focuses on building local capacity to select, collect, manage, and apply indicators and other information in policy analysis. Current activi-



ties support the updating of a city level database on slums, governance and shelter, the development of an integrated network of national and local Urban Observatories, whose functions are information gathering, analysis and reporting, and a network of support institutions.

In 2003, the Global Urban Observatory strengthened its monitoring and reporting activities by initiating the Monitoring Urban Inequities Programme (MUIP) that uses quantitative methods to analyze, examine and monitor intra-city differentials comparing slum and non-slum households. In 2004, intra-city differential studies were conducted in Nairobi (Kenya), Addis Ababa (Ethiopia), Lusaka (Zambia), Cairo (Egypt) and Mumbai (India).

1000 Cities Programme

The Global Urban Observatory, with its private sector partner, ESRI, the world's leading supplier of geographic information systems (GIS), has also established the **1000 Cities Programme** that aims to support institutions within developing and transitional countries with GIS software to enable them to improve urban planning and manage spatial data. To meet the needs of different urban actors like local authorities and community-based organizations working especially for poor communities, accurate data is required. The situation in most developing countries is that accurate spatial data are lacking and, if available, appropriate tools to handle the data are not available. The Global Urban Observatory is, therefore, committed to

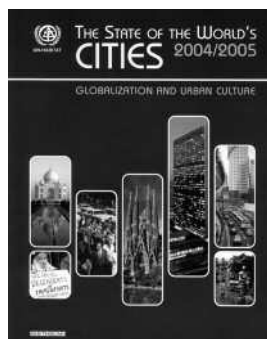
Ibero-American and Caribbean forum on best practices

The Ibero-American and Caribbean Forum on Best Practices is a regional network of public and private sector partners who came together in 1997 to identify, analyze, document and disseminate regional best practices that have contributed to improving the quality of life in the region's cities. The main partners include the Government of Spain, Fundacion Habitat Colombia, Instituto Brasileiro de Administracao Municipal of Brazil, El Agora of Argentina, Centro de Estudios de Vivienda y Urbanos and UN-HABITAT. The Forum operates through the networking of sub-regional nodes engaged in the search for best practices in sustainable human settlements development. In 2004, the project concentrated its efforts on the identification of new best practices and the analysis of those collected to promote the transfer of experience and knowledge and to stimulate horizontal cooperation among resourceful cities and their partners. The project has collected a total of over 500 best practices since its inception (approximately 200 in 2004). A key goal for 2004 was to stimulate the transfer of best practices at the regional level.

improving the capacity of cities and countries at large to manage data sources with the aim of using GIS for policy design and monitoring, specifically the *Habitat Agenda* and the Millennium Development Goals (MDGs). Since May 2003, over 170 applications for GIS software grants have been processed and in 2004, 70 GIS software packages and training materials were delivered from ESRI. GIS training has also been undertaken.

Flagship Reports

Reporting activities are divided into two elements: global reporting, and country level reporting. UN-HABITAT's Monitoring and Research Division contributes to global reporting by publishing the *State of the World's Cities* and the *Global Report on Human Settlements*, in alternating years. Urban poverty is the sub-text of both series. In 2003, UN-HABITAT published *The Challenge of Slums: Global Report on Human Settlements*, which for the first time provided a global assessment and estimate of slum dwellers at the global and regional levels. In 2004, UN-HABITAT released the *State of the World's Cities Report* focusing on globalization and urban culture. The report was launched at the second session of the World Urban Forum in Barcelona in September 2004.



Best Practices

UN-HABITAT's **Best Practices Programme** has a large, up-to-date collection of innovative experiences in urban poverty reduction, environmental management and gender mainstreaming. Criteria for evaluation are stringent, and an outside jury reviews all nominated cases for inclusion in the Best Practices database, which now contains over 1100 best practices. Selected best practices are analyzed for lessons learned, organized as case studies and guides and introduced to other countries, cities or communities through peer learning and city-to-city transfers. The programme is now focusing on good policies related to urban poverty alleviation, shelter and sustainable human settlements development.

To recognize outstanding contributions aimed at improving the living environment, UN-HABITAT entered into partnership with the Municipality of Dubai, United Arab Emirates in 1995, in what is known as the **Dubai International Award for Best Practices in Improving the Living Environment**. It has awarded prizes to ten projects every two years. In 2004, over 650 submissions were received from more than 100 countries. After reviewing the best practices, an international jury awarded the following initiatives with the award:

- Urban Agriculture Programme, Rosario, Argentina
- Tomorrow's Seeds, Human Development and Urban Poverty Reduction, Aura, Brazil
- First Nations Community Planning project, Canada

World Urban Forum

In two short years since its first session, the World Urban Forum has established itself as the world's premier platform for urban dialogue. The second session of the World Urban Forum, held in Barcelona, Spain, in September 2004, attracted 4,389 participants representing governments, non-governmental organizations, local authorities, the private sector, academia, the United Nations family and the media. The event was organized by UN-HABITAT and supported by the City of Barcelona and the Governments of Austria, Canada, France, Italy, Norway, Sweden, Thailand and the United Kingdom.



A youth event at the World Urban Forum in Barcelona. © UN-HABITAT

At the opening ceremony, world leaders and mayors warned that rapid urbanization was one of the greatest challenges facing humanity in the new millennium. Many speakers at the opening plenary called for more backing for local authorities from the United Nations system and governments. They called for a renewed drive for decentralization, and expressed concern that millions of people in cities around the world still lacked access to safe water and sanitation, health care, education, shelter and security of tenure. Political will and commitments to resolve issues related to provision of basic services in human settlements, cultural integration and security were highlighted.

Over 60 exhibitors from around the world showcased a range of initiatives and best practices. The Forum also became the venue of music by Hip Hop artists and other musicians who accepted to raise awareness of the Millennium Development Goals and the *Habitat Agenda*.

The Forum ended with renewed calls for decentralization and good urban governance. During the Forum, a historic agreement between UN-HABITAT and United Cities and Local Governments was signed, elevating the working relationship between the United Nations system and local governments around the world. The European Union and UN-HABITAT also launched a new joint initiative on making cities around the world more sustainable.

The next session of the World Urban Forum will be held in Vancouver, Canada, in June 2006.

- Brownfield Remediation of the Tangshan Southern Coal Mining Area, China
- A Green Path to Sustainable Development of Marginal Drylands, Iran
- Sand Dams for Water for Semi-arid Lands, Kitui District, Kenya
- IT4Youth, Occupied Palestinian Territories
- The Alba-Ter Consortium, River Ter Basin, Spain
- Business Development to Reduce Poverty and Unemployment, Togo
- Poverty Reduction Among Women Through Vocational Training and Micro-credit, Uzbekistan

The Association for Forest Development and Conservation of Lebanon and the Flying Circus

of Mexico were given special commendations for outstanding creativity, energy and continued commitment. All these initiatives will be presented with the Dubai International Award at a ceremony scheduled in 2005.

Enhancing the visibility of human settlements and urban issues

Main World Habitat Day Celebrations held in Africa's Largest Slum

On 4 October 2004, celebrations were held in scores of cities in Africa, Asia, Latin America, the Caribbean, the Pacific, Europe and North America to mark *World Habitat Day* and raise



World Habitat Day 2004, Kibera, Nairobi. © UN-HABITAT



President Mwai Kibaki of Kenya with Mrs. Anna Tibaijuka on World Habitat Day. © UN-HABITAT

global awareness of human settlements problems. The main celebrations were held in Kenya where thousands gathered on the outskirts of the capital city Nairobi in Kibera, Africa's biggest informal settlement. The festive atmosphere was punctuated by calls on policy-makers around the world to make cities engines of rural development. The idea of *Cities - engines of rural development* as the theme was to remind policy-makers at every level not to think of "urban" and "rural" as separate entities, but rather as parts of an economic and social whole.

"In the next 25 years, virtually all population growth will take place in the world's cities, most of it in the cities of developing countries," said UN Secretary-General Kofi Annan, in a message read on his behalf by Mrs. Anna Tibaijuka, Executive Director of UN-HABITAT. "The fastest growing cities will be secondary and market towns, which are especially close to rural areas. This growth can help to improve rural life and ease the problems associated with megacities. But to do so, it will need to be well-managed, with significant investments in communication, transport channels and other infrastructure, and with concerted efforts to ensure that all people have access to adequate services," Mr. Annan said.

Every year since 1985, when it was officially designated by the UN General Assembly, *World Habitat Day* has been celebrated annually on the first Monday in October to remind the world of the state of human settlements and the basic right to adequate shelter. The choice of Nairobi,

Kenya, for the global celebration was to highlight the phenomenal rate of urbanization in the developing world, which Kenya symbolizes.

Habitat Scroll of Honour Awards

The Executive Director of UN-HABITAT used the occasion of *World Habitat Day* to present the 2004 Habitat Scroll of Honour Awards to the following group of selected individuals and organizations for their commitment to the cause of human settlements development:

- **President Joaquim Chissano of Mozambique** was feted for bringing the plight of the urban and rural poor to the world stage in his role as Chairman of the African Union and for lending political support to the drive by African mayors to devolve authority to local governments so that basic services such could be ensured.
- **Xiamen Municipal People's Government** in China was honoured for achieving its goal of "a decent roof over everybody's head" through the Economy Housing Project that raised US\$8.66 billion for building 16.17 million square metres of residential houses.
- In India, the **Centre for Development Communication (CDC)** was cited for its work in improving the living conditions of slum dwellers in Jaipur. CDC involves slum dwellers in providing city-wide garbage collection, street sweeping and transportation of waste for disposal and recycling.
- Also making it into 2004's list was *The Big Issue* magazine, a current affairs and enter-

tainment magazine written by professional journalists and sold on the streets by homeless and vulnerably housed individuals. *The Big Issue* also founded the International Network of Street Papers (INSP), with over 55 street papers in 28 countries.

The late Rafic Hariri, the former Prime Minister of Lebanon, was awarded a Special Citation for his outstanding and visionary leadership in the post-conflict reconstruction of Lebanon. The award was presented to Mr. Hariri at the opening ceremony of the Second World Urban Forum in Barcelona in September 2004, barely four months before he was brutally murdered in Beirut.

Advocacy and Information Dissemination

In 2004, UN-HABITAT enhanced its advocacy and information dissemination activities using a multi-media approach. There was a considerable increase in the number of feature stories from around the world published on UN-HABITAT web site www.unhabitat.org on human settlements issues. The increased coverage and the significant technical developments to improve speed of access resulted in a higher number of visitors to the site. Key stakeholders were also consulted with a view to improving the readability and categorization of information on the website. The results were incorporated into a new user-friendly design that will be introduced in 2005.

Media coverage of UN-HABITAT's activities has increased through television and radio co-productions, journalists' workshops (held in China, Ethiopia, Bangladesh and Latin America) and better coverage of UN-HABITAT events by local and international media. Notable events that received wide local and international media coverage include the Second World Urban Forum, the launch of the *State of the World's Cities* and *World Habitat Day*.



Meanwhile, *Habitat Debate*, the quarterly magazine, which is produced in several languages and serves as a forum for dialogue and debate on human settlements issues and trends, focused on local governance, reviving the *Habitat Agenda*, cities as engines of rural development and urban planning in 2004. Over 50,000 print copies of the magazine are distributed annually to partners. The magazine is also made available electronically.

The year 2004 also saw the introduction of a new publications policy and a Publications Board headed by the Deputy Executive Director. The policy will make it easier for partners to obtain the agency's publications by increasing the number of libraries and bookshops that stock books. New technology will also be used to market the publications and to make electronic versions available via the Internet and CD-ROM. UN-HABITAT has signed an agreement in 2004 with Google Inc., the company with the most widely used Internet search engine, to include the agency's publications in their new Google Print product, a tool which makes it easy to find books on any topic via the Internet. UN-HABITAT also established links with booksellers and distributors to increase the circulation of books published by the agency.

In June 2004, the United Nations Library in Nairobi was officially opened. The new library, named in honour of the late Sergio Vieira de Mello, Special Representative of the Secretary-General in Iraq, contains a large number of books, periodicals and online resources on human settlements, urban and environmental issues and is widely visited by all our partners. Earlier in the year, UN-HABITAT launched an Intranet facility, which provides staff with a virtual library. In addition to online dictionaries, journals, databases and other reference materials on human settlements issues, the Intranet enables UN-HABITAT staff at Headquarters and around the world to keep abreast of human settlements developments more efficiently.

Securing people's access to land and housing

UN-HABITAT estimates that 924 million people, or 31.6 per cent of the world's urban population, lives in slums, where most lack access to basic services and secure tenure. Security of tenure is fundamental to the progressive integration of the urban poor, and an essential step to the realization of housing rights. It guarantees legal protection against forced evictions and leads to improved living standards. The granting of secure tenure is, therefore, one of the most important catalysts in stabilizing communities, improving shelter conditions, reducing social exclusion, improving access to urban services, leveraging corporate and individual investment and improving the urban environment.

The Global Campaign for Secure Tenure

UN-HABITAT's **Global Campaign for Secure Tenure** is an advocacy instrument of the United Nations designed to promote secure forms of tenure for the poorest populations, especially those living in informal settlements and slums. The campaign also provides a viable mechanism with which UN Member States can fulfill Millennium Development Goal 7, Target 11: *"to improve, by 2020, the lives of at least 100 million slum dwellers"*.

Workable policy options are being developed with national and city governments, based on extending to the urban poor a citizenship that recognizes their permanence in the city. The campaign is implemented through normative debate, advocacy, capacity-building and knowledge management, and has been launched in several countries since it was initiated in 1999. In 2003-2004, the Campaign



Bulldozer picture from WUFII exhibition. © UN-HABITAT

was launched in Brazil, Burkina Faso, Morocco and Senegal. Preparations are underway for launching the Campaign in Cambodia, Cuba, Mexico, Peru and Uganda.

The campaign has also produced and disseminated a handbook on *Best Practices in Security of*

South Africa: Helping to house the urban poor

Prior to the 1994 democratic elections in South Africa, there was no housing market for all South Africans and no coherent national housing policy. During the struggle for liberation and majority rule, housing became a political rallying point and a top priority of the new government. The Department of Housing in the new government was, therefore, and still continues to be, one of the most important nodes of development. The Department set out to produce one of the first policy documents in the new government and within one year outlined a National Housing Strategy. UN-HABITAT began engaging with the Department immediately after the elections and participated in the historical Botshabelo Housing Summit. The engagement resulted in the Programme to Support People's Housing Process to assist people who are poor, homeless or inadequately housed and not provided for in policy and practice. The programme, which has funding from UNDP and USAID and is executed by UN-HABITAT, aims to develop support mechanisms for building capacity at all levels to enable people to address their own housing needs. It has now been mainstreamed in all provinces and several local authorities. For instance, Provincial People's Housing Process Units have been established and provincial and local governments have committed subsidies to the process, with the result that housing subsidies are now available to more poor communities.

Tenure which carries examples of urban land management. It has prepared a manual on evaluating land management in post-conflict countries. A study on rental housing was also published and research is being conducted to improve knowledge on law and land issues in Southern Africa and Latin America.

The Campaign in Action

In India, the Philippines and South Africa, the **Three Cities Project** supports the efforts of local actors in Mumbai, Manila and Durban to scale up their experiences in slum upgrading. The project has also assisted local actors to mobilise communities, draw up financial models and generate assets to support slum upgrading, and to explore policies to improve security of tenure and access to land and basic services. The activity has brought together the largest networks of the urban poor and enabled them to exchange information, knowledge and expertise. Peer exchanges have been encouraged and incorporated into the programme as a means of synthesizing and disseminating information.

The Campaign for Secure Tenure has also indirectly influenced land and housing policies in various countries. For instance, in Morocco, the government has pledged to make the country "slum-free" by 2010. In the Philippines, the City of General Santos has committed the annual budget

to shelter-related activities, and allocated new land for slum dwellers. In Cambodia, the government has launched an unprecedented slum upgrading programme in Phnom Penh to be scaled up at country level. In Thailand, the government has launched a nationwide programme to solve the housing problems of the urban poor communities within five years. And in South Africa, Durban authorities and slum dwellers federations, with assistance from the Cities Alliance, are now engaged in large-scale slum upgrading and housing production activities.

Women and Secure Tenure

Close to one-third of the world's women are homeless or live in inadequate housing. Women's equal rights to access, own and control land, adequate housing and property are firmly recognized in international law. However, at the country level, the persistence of discriminatory laws, policies and patriarchal customs and traditions are still blocking women's access to these rights.

UN-HABITAT, together with various governments and partner organizations, is helping women attain land and property rights in many countries. Some of these activities include: a) Advocacy for further participatory law and policy reform; b) technical advice on how to include women's rights, concerns and needs in regula-

Dili city upgrading strategy

On 20 May 2002, the small nation of Timor-Leste became the world's newest nation after more than 400 years of Portuguese colonization and 24 years of Indonesian occupation. The militia-led violence and destruction following the referendum for Independence from Indonesia in September 1999 resulted in extensive physical destruction and the breakdown of the institutions of civil society. The country was systematically destroyed. Over two-thirds of the population was displaced, 40 per cent of the housing stock was destroyed (approximately 68,000 houses) and civic life was disrupted as Indonesian nationals fled. Dili, the nation's capital (population 120,000), was the hardest hit with over 50 per cent of the capital city's buildings destroyed with extensive destruction to physical infrastructure, including the country's only port, airport and major government buildings.

While much has been achieved in the past four years by both the United Nations and the first Government of Timor-Leste in rebuilding the city's basic infrastructure, there is a clear need to develop sustainable models for active community participation in planning for and implementing small-scale improvements to living conditions. There is a growing realization in Timor-Leste that the local community will need to take a more active role in community development initiatives. This is particularly so given the considerable reduction in both the size and financial capacity in the government following the end of Indonesian role.

Active community participation is a big challenge in a society where community organization and participation in decision-making has been extremely limited and actively discouraged under the Indonesian occupation. The Dili City Upgrading Strategy, supported by the Cities Alliance and UN-HABITAT, provides the first city-wide assessment of housing conditions in the city. Areas with acute housing problems will be mapped and analyzed based on criteria such as levels of infrastructure, socio-economic status and vulnerability (e.g. insecurity of land tenure). Three pilot project areas will be identified and these communities will formulate community action plans to improve their living conditions. Key government departments will provide support through technical assistance and adoption of these community action plans within their infrastructure planning. The project is in the early part of the start-up phase. Considerable preparatory work has been undertaken largely by building on the foundations of the National Housing Policy Paper completed by UN-HABITAT in March 2004.

UN-HABITAT continues to be a lead agency in East Timor in the promotion of urban development and housing issues. This has included such measures as advocating for increased donor involvement in the urban sector, developing regional networks and facilitating group exchanges, and assisting in the establishment of community groups around small-scale business and savings initiatives.

tions and guidelines for the implementation of laws and policies; c) training of judges, police officers, members of parliament, local councillors, land officials etc. on gender awareness and women's land and property rights; and d) linking up and supporting the already existing initiatives of women slum dwellers, such as savings schemes and cooperatives.

International Advisory Group on Forced Evictions

During its 19th session in May 2003, the Governing Council governments which oversee

UN-HABITAT, endorsed the idea of establishing "an advisory group to monitor and identify, and, if so requested, to promote alternatives to unlawful evictions". The inaugural meeting of the International Advisory Group on Forced Evictions, comprising governments, local authorities, global and regional organizations of slum dwellers, NGOs and research institutions, took place in March 2003. This first meeting agreed that there was a need to shift research, information and resolutions into actions as a way of dealing with the growing cases of forced evictions. In 2005, the Advisory Group will embark on missions to select countries to engage authorities in finding solutions to forced evictions.

Improving local governance



Afghan women working for change, Afghanistan, 2002. © UN-HABITAT

Global Campaign on Urban Governance

In an increasingly urbanizing world, sustainable urban development will depend largely on the management capacity of cities and the active participation of citizens. UN-HABITAT's **Global Campaign on Urban Governance** is designed to promote accountable and transparent urban governance which responds to and benefits all sectors of society, particularly the urban poor, and which strives to eradicate all forms of exclusion. Local democracy and decentralization are the two key areas the campaign seeks to influence through advocacy, information exchange at the global and regional levels and through

national launches. In 2004, the Campaign was launched in Burkina Faso, Morocco and Senegal.

Partnership with United Cities and Local Governments

In recent years, the Global Campaign on Urban Governance has stimulated policy debates in various countries through a wide range of forums, including professional conferences and seminars. At the Second Session of the World Urban Forum in Barcelona, the campaign held five seminars on planning, gender, participatory budgeting, international migration, measuring governance and the involvement of civil society in local governance.

The agreement with United Cities and Local Governments will cover five key areas deemed of crucial importance – governance, local democracy, a new urban millennium partnership to localize the MDGs in cities, the international dialogue supported by the Advisory Group on Decentralization (AGRED), and a stronger UN Advisory Committee of Local Authorities (UNACLA). As part of UN-HABITAT's Global Campaign on Urban Governance, UCLG and UN-HABITAT will provide each other with access to their networks and promote the involvement of local government associations in national campaigns by mobilizing resources at the global, national and local levels and running joint advocacy campaigns. They intend to establish a framework for a Global Observatory of Local Democracy and Decentralization (GOLD) that

Advisory Group on Decentralization

Mrs. Anna Tibaijuka established an Advisory Group of Experts on Decentralization (AGRED) in March 2004 to guide the international dialogue on decentralization and provide advice on strengthening local authorities around the world. The inaugural AGRED meeting was held in Gatineau, Canada, from 9-10 March 2004, at the invitation of the Mayor, Mr. Yves Ducharme, who was President of the Federation of Canadian Municipalities (FCM). AGRED was created pursuant to Resolution 19/12 of UN-HABITAT's Governing Council and will operate as a sub-committee of the United Nations Advisory Committee of Local Authorities (UNACLA).

The current AGRED membership includes experts from Brazil, Canada, Croatia, Egypt, India, Norway, Russia, Senegal, South Africa, Tanzania, Thailand, the United Kingdom, and a representative of Metropolis, and the new world organization, United Cities and Local Governments (UCLG). The AGRED group discussed decentralization legislation based on their national experiences. The committee has agreed on an ambitious plan of work to identify positive components of decentralization policies, from which all countries can benefit. AGRED's mandate includes developing guidelines, documenting best practices, and contributing to the international dialogue on decentralization.

The NEPAD City

The New Partnership for Africa's Development (NEPAD) aims to address urbanization and its consequences to make African cities more attractive for economic investment. The UN/NEPAD Cluster on Environment, Population and Urbanization formulated the NEPAD City Programme in February 2003 with UN-HABITAT as the lead agency. Seven cities were selected to start off the programme in July 2003: Bamako, Douala, Durban, Lagos, Lusaka, Nairobi and Rabat. The profiles of these cities were prepared by their respective municipalities with technical assistance from UN-HABITAT. The profiles were discussed intensively by their mayors at the First NEPAD City Consultative Forum held in Lagos in May 2004. Depending on the funding situation, these priority areas will form the main focus for development intervention in the second phase of the programme proposed starting in January 2005.

will look at best practices in local democracy, urban governance, and progress on decentralization around the world. On the Millennium Development Goals (MDGs), the two organizations have agreed to strengthen the interface between national and local governments by boosting the capacity of local authorities, associating with other UN bodies, and working with UCLG's regional sections to promote the MDGs.

Building the Capacity of Local Authorities

To improve the capacity of local authorities, UN-HABITAT's Training and Capacity-building Branch has begun the implementation of a global project entitled, "Strengthening National Training Capabilities for Better Local Governance and Urban Development Project (2002-2006), funded by the Government of The

Netherlands. It aims to enhance the role and contribution of local authorities and their partners in the realization of improved local governance and sustainable human settlements development by strengthening the capacities of over 30 national training and capacity-building institutions by the year 2006.

Urban Governance Index

The campaign has developed an **Urban Governance Index** that has been peer reviewed and field tested in 24 cities. The Index has been integrated into the European Union's Somalia local leadership programme, UNDP-Sri Lanka's urban governance programme and the Local Governance and Democracy Programme of the Urban Councils Association of Zimbabwe. Negotiations are underway to include the Urban Governance Index in the World Bank/DfID-

Urban Management Programme comes of age

The Urban Management Programme (UMP) has become one of the largest global technical assistance programmes in the urban sector since its launch in 1986. The programme was designed to strengthen the capacity of local governments and national governments to enhance the contribution that cities and towns in developing countries make toward development of their own human resources, including poverty reduction, the improvement of environmental conditions, improvement in local governance and the management of economic growth.

Phase 1 of the UMP (1986-91) focused on land management, municipal finance and administration, infrastructure and urban environment with primary impact at the global level. Phase 2 of the UMP (1992-1996) was aimed at building capacity at the regional level and extending it to the country and city levels. The alleviation of urban poverty was added to the substantive components in 1992. This was mainly done through the establishment of four regional offices. Phase 3 (1996–2002) saw concrete activities in 120 cities in 57 developing countries. This was achieved with the support of the programmes' six regional and sub-regional offices, 19 regional anchor institutions and over 40 national and local institutions and other networks of community-based organizations, NGOs and municipal associations.

Now in Phase 4 (2002-2005), the programme is working to institutionalize UMP participatory processes, consolidate experiences and deepen knowledge and understanding on urban management. UMP has an explicit focus on activities that impact the living conditions of the poor in cities and towns. The programme continues to develop and apply urban management knowledge in the fields of participatory urban governance, alleviation of urban poverty, urban environmental management and HIV/AIDS. Women's concerns are taken into account throughout. A new focus UMP Phase 4 is on "Localizing the Millennium Development Goals (MDGs)".

During 2002-2004, UMP regional offices have been handing over programme operations to established networks of Anchor Institutions in Africa, Asia, the Arab states, and Latin America and Caribbean region. As UMP activities are increasingly being sustained by local anchor institutions, the programme is being phased out and transformed into the "Urban Millennium Partnership – Localizing MDGs", which was launched by UN-HABITAT and its UMP partners at the Second World Urban Forum in Barcelona (September 2004), and began activities in January 2005. The Urban Millennium Partnership – Localizing MDGs, based on 18 years of UMP experience and knowledge, will further pursue the capacity-building of local governments and other stakeholders in meeting the MDGs at the local level.

funded Urban Growth Management Initiative and in the six-country UNDP pro-poor governance indicators project.

Development and application of a broad range of tools to improve the quality of urban governance has been one of the priorities of the Campaign. In 2003-2004, the campaign developed and disseminated manuals on participatory budgeting, local-to-local dialogue, transparency in local governance (developed jointly with Transparency International) and land governance.

Improving the urban environment

Cities are important engines of development; they absorb two-thirds of all population growth, offer economies of scale in the provision of shelter, jobs and services and are the centres of productivity. Environmental degradation threatens economic efficiency, social equity and sustainability. Overcrowding, poor sanitation and drainage, unsafe water supply, uncollected garbage, polluted rivers and fouled air not only result in environmental health hazards, but also reduce productivity and retard socio-economic development.

A common focus of many innovative and effective approaches to dealing with the urban environment is urban governance – the actual process of urban environmental planning and management. Many cities have found that successful environmental planning and management requires understanding, agreement and coordinated action by a full range of public and private sector groups, and organizations at the neighbourhood, community, city and national levels.

UN-HABITAT promotes urban environmental governance through improved Environmental Planning and Management (EPM) at the local, national, regional and global levels. Through its Localizing Agenda 21 and Sustainable Cities Programmes, UN-HABITAT is improving management and policy processes in cities around the world, thereby helping cities to achieve long-term sustainability. UN-HABITAT is also helping governments in Asia and Africa improve water supply and sanitation and develop pro-poor water governance.

Localizing Agenda 21 Programme

UN-HABITAT's Localizing Agenda 21 Programme uses a broad-based participatory process to help local authorities develop and implement environmental actions plans and integrate them within their overall strategic urban development plans. The programme started in 1995 in response to Chapter 28 of Agenda 21, which calls on local authorities to undertake participatory processes to develop and implement "Local Agenda 21" for and with their communities. It is currently active in a total of 30 cities in Brazil, Cuba, Kenya, Morocco, Peru, Senegal and Viet Nam, and is supported by the Governments of Belgium, The Netherlands, UNEP, UNDP, ILO and Inwent.

Sustainable Cities Programme

The fundamental objective of the Sustainable Cities Programme is to promote environmentally sustainable local development and to more fully realize the vital and growing contributions that human settlements make to overall social and economic development. The overall purpose of the programme is to enable municipal authorities to better address priority local environmental issues and to achieve sustainable urbanization by providing them and their partners with an improved environmental planning and management capacity and policy application processes.

The main thrust of the programme is to develop the ability of municipal authorities and their partners in the public, private and community sectors

Localizing agenda 21 in Cuba

The Localizing Agenda 21 (LA21) Programme in Cuba was initiated in response to a request by the Government of Cuba to strengthen the capacity of local actors to conduct urban planning and management processes. The LA21 programme supports the strengthening of inter-sectoral and citizen participation and provides ways of ensuring that the planning exercise translates into concrete actions.

The Cuba National Programme builds on activities initiated in 2003 with the establishment of a national capacity-building centre in Santa Clara. During 2003 the centre was rehabilitated, allowing the creation of a state-of-the-art training centre, where environmental planning and management training courses are held. These courses were jointly prepared and delivered by the Institute of Physical Planning, the universities of La Habana and Santa Clara and the Bayamo Local Agenda Project. A diploma course, organized through a series of 10 training sessions of one week each, was held over a period of 15 months (October 2003 to December 2004). The course was attended by two students from each of the 11 provincial capitals. The course provided lectures on the various steps and components of the environment planning and management process, illustrated from real life experiences. The current project supports the replication of this initiative in the cities of Santa Clara, Cienfuegos and Huguin. The project is part of the joint UN-HABITAT/UNEP Regional Strategy for the Urban Environment in Latin America and the Caribbean.

With the leadership of UNEP, the project is currently supporting the preparation of Global Environment Outlook (GEO) City Reports, which will provide an overview of the relation between urban development and the environment and analyze existing mechanisms for managing the urban environment. These profiles will offer a common information base for all actors involved in the project. They will also serve as a basis to identify priority urban environmental issues discussed during City Consultations. These Consultations, which will bring together key local and regional actors, will lead to the creation of inter-sectoral working groups around selected priority issues. These working groups will prepare issues-specific strategies and action plans and will initiate their implementation through small-scale demonstration projects.

to deal with urban environmental concerns. This is done through information collection and analysis, city consultations, facilitating stakeholders' meetings, developing environmental issue-specific joint strategies and coordinated action plans and implementing demonstration projects.

The orientation of the programme's activities is largely determined by its partner cities, within the over-arching UN framework of implementing Agenda 21 at the local level and the environmental dimensions of the *Habitat Agenda*. Currently, the programme is directly engaged in 16 countries.

Water and Sanitation

A recent UN-HABITAT assessment on the water and sanitation situation in the world's cities indicated that in many slums 150 inhabitants daily queue for one public toilet. A slum dweller in Nairobi or Dar es Salaam has to rely on private water vendors, paying 5 to 7 times more for a litre

of water than the average American citizen. Lack of access to adequate water and sanitation affects the health and productivity of communities and is a major source of environmental pollution.

Women and girls pay a far higher price for lack of access to sanitation and water than men. In

Children in Borel Rio de Janeiro, Brazil. ©UN-HABITAT



Lake Victoria Region Water and Sanitation Initiative

UN-HABITAT is also working with the Governments of Kenya, Tanzania and Uganda on the **Lake Victoria Region Water and Sanitation Initiative (LVRWSI)**, which involves improving water supply and sanitation of between 15 to 30 small urban centres on the shores of Lake Victoria. There has been a long-felt need for the improvement of water and sanitation facilities in the secondary urban centres in the Lake Victoria basin and this was brought to the notice of UN-HABITAT by the three East African ministers responsible for water. The objective of the initiative is to address the rehabilitation needs of water and sanitation infrastructure in the secondary urban centres around the lake to extend coverage to those currently unserved. These secondary urban centres have in the past, often been neglected in national / regional development plans and have received little benefit from the ongoing sector reforms.

This initiative, which is expected to be completed in 2009, presents a real opportunity to improve the situation on the ground by combining physical investments in infrastructure provision with targeted capacity-building, while at the same time protecting the lake environment on which the region depends for survival. The spirit of regional cooperation is underpinned by the initiative and opportunities for region-wide capacity-building will further enrich the region's ability to manage itself. A strategic partnership with some bilateral agencies is being pursued. When completed, the initiative will have improved water and sanitation coverage for approximately one million people who currently lack adequate access to water and sanitation. The Lake Victoria Region Water and Sanitation Initiative is part of UN-HABITAT's **Water for African Cities Programme**, which began in 1999 and is currently focusing on the following areas: pro-poor water governance and follow-up investment; sanitation for the urban poor; urban catchment management; water demand management; water education in schools and communities; and awareness creation and advocacy.

crowded urban settlements, sanitation is far more than a public health issue for women and girls; it determines their privacy and their dignity. Many girls are also removed from school to help with the daily tasks of fetching water. This has an adverse effect on their ability to get themselves out of poverty.

In recognition of these facts, Millennium Development Goal 7, Target 10 commits governments to halve, by 2015, the proportion of people without safe drinking water. In 2002, the World Summit on Sustainable Development added another target: to halve, by 2015, the proportion of people who do not have access to basic sanitation.

UN-HABITAT established a **Water and Sanitation Trust Fund** in 2002 to provide a fast-track mechanism to cities and municipalities to enable them to reach out to the poorest of the poor. Focused on Africa, it will be the principal funding source for further implementation of the **Water for African Cities Programme**. Drawing upon UN-HABITAT's core competencies, expe-

rience and networks, the Trust Fund offers its members the opportunity to enhance their aid-effectiveness.

In October 2003, a Memorandum of Understanding was signed with Hon. Susan Whelan, Minister International Cooperation of Canada under which the Canada Fund for Africa contributed 15 million Canadian dollars (US\$12.4 million) to the Water and Sanitation Trust Fund of UN-HABITAT, in support of the second phase of the Water for African Cities Programme. In early December 2003, the Government of Norway announced a further contribution to the Trust Fund of 10 Million Kroners (US\$1.6 million). The growth of the Fund demonstrates the commitment of governments to ensuring that internationally agreed targets on water and sanitation are met by 2015.

UN-HABITAT's **Water for Asian Cities Programme** is working in collaboration with the Government of the Netherlands and the Asian Development Bank in the Asia and Pacific region

to improve water use efficiency, scale-up sanitation provision city-wide through innovative public-private NGO partnerships, financing mechanisms and appropriate technical choices. It will also invest in pro-poor water supply and sanitation. Various aspects of the programme are being implemented in China, the Philippines, Nepal, Bangladesh and Sri Lanka. In 2004, the Board of Directors of the Asian Development Bank approved a loan of US\$200 million for investment in water and sanitation in six cities in the State of Madhya Pradesh in India.

Urban Transport

To address the problems of increasing motorization, air pollution and deteriorating public transport and conditions for appropriate usage of non-motorized transport, UN-HABITAT has been conducting field studies and expert group meetings to develop a range of policy options and management tools in the field of urban transport. This includes operational research and field demonstration projects in the area of transport demand management and using non-motorized transport as a tool for poverty alleviation. As part of the SUSTRAN-Africa network, UN-HABITAT is working with new projects and institutions to accelerate the adoption of sustainable transport policies and programmes in Africa.

Protecting Vulnerable Road Users: Road Safety and the Urban Poor



"...many of the urban poor cannot even afford public transport, much less a private vehicle or bicycle, and spend almost four hours a day walking to and from their place of work risking their health and their very lives on a daily basis."



Anna Thuijthuis,
Under-Secretary-General and
Executive Director,
UN-Habitat



Transport and Energy Section
Housing, Distribution and Infrastructure Branch
Chief, Africa/United Nations Human Settlements Programme (UN-Habitat)
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Rebuilding cities in crisis

The increasing occurrence of natural and man-made disasters, including armed conflicts, is causing extensive loss of life, damage to property, and harm to the environment. In many instances, disasters have forced countries to postpone national development programmes and have contributed to worsening already precarious social, economic and environmental conditions, particularly in human settlements.

In the last decade, more than 200 million people were affected annually by natural disasters – seven times more than those affected by conflict. Factors such as inappropriate land use, poorly designed and constructed buildings and infrastructure, and an increasingly degraded environment contribute to natural hazards that put human settlements at risk. Although these hazards exist in both developed and developing countries, they mainly affect developing countries, and more severely because the institutional capacity there is lower, leaving large populations of the poorest inhabitants chronically vulnerable.

As both complex emergencies and natural disasters have become more frequent, intense and costly, the international community is performing an ever-widening range of relief and rehabilitation activities. This exacerbates the fundamental challenges of the crisis management and recovery processes, how to bridge the gaps that have repeatedly emerged between emergency relief and sustainable development efforts, and how to provide local government, civil society and business organizations with practical strategies for mitigating and recovering from conflicts and natural disasters.

Disaster Management Programme

UN-HABITAT is mandated through the *Habitat Agenda* to take the lead in disaster,



Damaged housing in Kabul, Afghanistan. © R. Warah/UN-HABITAT

mitigation, and post-disaster rehabilitation capabilities in human settlements. The *Habitat Agenda* outlines the link between human settlements development and vulnerability to disasters. In addition, the need for coordination and close partnerships with national and local governments, as well as civil society is emphasized. The *Habitat Agenda* also recognizes the deleterious impact of disasters on women, and affirms the need for active involvement of women in disaster management. These steering principles underpin all normative and operational activities of the UN-HABITAT'S Disaster Management Programme. The programme's focuses mainly on the following areas:

- Protection and rehabilitation of housing, infrastructure and public facilities;
- Provision of technical and policy support to humanitarian agencies before and after crisis in the context of human settlements;

- Building partnerships and provision of complementary expertise in resettlement of displaced persons and refugees;
- Restoration of local social structures through settlement development;
- Rehabilitation of local government structures and empowerment of civil society;
- Land and settlements planning and management for disaster prevention.

Rebuilding Basic Infrastructure and Institutional Capacities

Kosovo

Building institutional capacities has been one of the central roles of UN-HABITAT in many countries affected by conflict. UN-HABITAT has played a key role in restoring property rights and settling disputes in the troubled Balkans region. In **Kosovo**, it was involved in establishing the Housing and Property Directorate and Claims Commission, which has exclusive jurisdiction to settle and resolve residential property disputes. The Directorate and Commission was, until December 2002, managed by UN-HABITAT, but is now administered by the United Nations Mission in Kosovo (UNMIK). Currently, UN-HABITAT is working with the Province of Kosovo to institutionalize a new inclusive planning system. Since the programme started in 2003, 19 new by-laws have been adopted and new urban planning and management frameworks have been introduced in 30 municipalities.

Iraq

Under the “Oil-for-Food” agreement between the United Nations and the Government of Iraq, UN-HABITAT was working with internally displaced persons (IDPs) and other vulnerable groups in **Northern Iraq** to rebuild basic infrastructure and housing. From 1997 to November 2003, UN-HABITAT constructed 21,268 houses for IDPs and other vulnerable groups, 706 kilometres of water mains, 199 kilometres of sewers, 765 schools, 134 clinics, 175 community centres, 2,940 kilometres of roads and 34 bridges. Today, UN-HABITAT continues to play a leading role in the reconstruction efforts in the country.

UN-HABITAT is part of the overall United Nations Strategic Plan for Iraq where it serves as Deputy Task Manager for Cluster 4 on Infrastructure and Housing. With the support of the Government of Japan and local authorities in Iraq, the organization is currently involved in the rehabilitation of 2,000 low-income houses in Baghdad, Ba’qubah, Basra, Kirkuk, Najaf and Samawah and is rehabilitating educational facilities in Southern and Central Iraq. UN-HABITAT has also recently begun training programmes for the staff of the Ministry of Housing and Construction and the Ministry of Housing and Public Works and various community-based and non-governmental organizations based in the country.

Somalia

Since 2003, UN-HABITAT has been working with UNDP in three regions of **Somalia** – Somaliland, Puntland and south-central Somalia – to improve urban planning, financial and fiscal management and service delivery. As of the last quarter of 2004, UN-HABITAT had rehabilitated most of the Hergeisa municipal building, provided technical support and advice to the formulation of a City Charter in Somaliland and Puntland, set up an urban land management system and trained a first set of local leaders. UN-HABITAT is also working with the European Commission to improve the skills of local authorities and civil society in basic leadership and urban planning. After years of surviving without any functional or legitimate government, the installation of a new government at the end of 2004 should pave the way for new rehabilitation initiatives in this strife-torn country. It is expected that the new government will work closely with UN agencies, including UN-HABITAT, to strengthen governance institutions and rebuild infrastructure in the country.

Safer Cities

Crime is a serious problem in cities all over the world. Crime and the fear of crime are serious threats to the stability and social climate of cities, to sustainable and economic development, the

Building solidarity in Afghanistan

One of the prominent features of today's world is the rapid rate at which states have been failing or breaking apart, resulting in prolonged conflict and human tragedy. UN-HABITAT has been working in conflict-ridden countries such as Afghanistan, Iraq, Kosovo and Somalia for more than a decade. A lesson learned from this experience is that while governments fall and states cease to function, communities continue to survive, albeit the difficulties, by inventing their own coping mechanisms. Recognition of this inherent capacity in people to survive is fundamental to any effective recovery and reconstruction programme.

This concept underpins UN-HABITAT's entire programme in Afghanistan, a country that has suffered continuous upheaval and physical destruction for more than two decades. Starting with basic engineering objectives (to assist families to rebuild their destroyed houses) in 1990, the UN-HABITAT programme in the country was able to develop, over a period of eight years, an approach to humanitarian aid that relied on community empowerment as the principal ingredient of the strategy. The institutional manifestation of this approach is a Community Forum with its own constitution and management structure that is entrusted with the task of building consensus in an otherwise fragmented community. By the end of 2001, there were 100 such Forums in four principal cities (Kabul, Mazar, Kandahar and Herat) and two secondary cities (Farah and Bamian). Today, UN-HABITAT operates in 5 provinces and 2,100 villages with the same concept applied in the National Solidarity Programme. Under the overall leadership of the Ministry of Rural Rehabilitation and Development, UN-HABITAT along with 20 other partners, is supporting the National Solidarity Programme by strengthening a network of some 30,000 self-governing local community institutions. Funded by the World Bank and a number of donors, including the Government of Japan and USAID, the programme aims to empower communities, re-establish relations between the government and rural communities and deliver emergency reconstruction of physical infrastructure to over 1,000 villages in Afghanistan.

quality of life and human rights. Urban violence erodes the social capital of the poor. Insecurity affects the poor more intensely, breaks down socio-cultural bonds and prevents social mobility, thus contributing to the development of urban ghettos and stigmatised neighbourhoods.

UN-HABITAT's Safer Cities Programme was launched in 1996 at the request of African mayors who wanted to address urban violence by developing a prevention strategy at city level. The main objectives of the programme are to build capacities at city level to adequately address urban insecurity; and thereby contribute to the establishment of a culture of prevention.

Cities have a primary role in co-ordinating the activities aimed at reducing crime. Local governments are seen as the key actors in coalitions and in the development of community-wide planning strategies for crime prevention. A partnership between local governments and other stakeholders can enable prevention and ultimately eliminate violence, crime and insecurity.

In line with the *Habitat Agenda* and in collaboration with other UN agencies (UNDP, UNICEF, UNESCO), the Safer Cities programme provides support to local governments by:

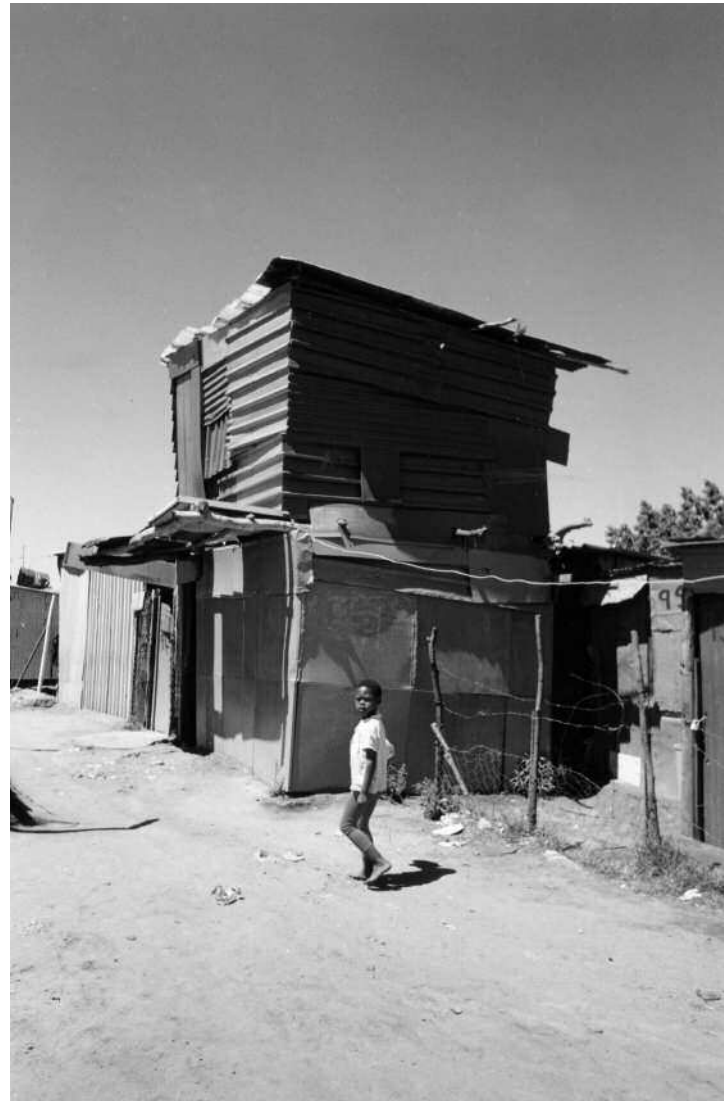
- strengthening their capacity to address urban safety issues and reduce delinquency, violence and insecurity;
- promoting crime prevention initiatives, implemented in collaboration with central and local authorities, the criminal justice system, the private sector and civil society;
- encouraging city networks to facilitate the exchange of expertise and good practices, which will be replicable in other regions as well as encourage international exchange of knowledge and expertise on crime prevention;
- preparing and implementing capacity building programmes, and disseminating lessons learnt in close collaboration with qualified partners from the North and the South;
- targeting three main areas of prevention: actions aimed at groups at risk, situational prevention, and reform of the criminal justice system.

Since 1997, the Programme has initiated Safer Cities projects in several African cities, namely Johannesburg and Durban (South Africa), Dar es Salaam (Tanzania), Abidjan (Cote d'Ivoire), Antananarivo (Madagascar), Dakar (Senegal), Nairobi (Kenya) and Yaounde (Cameroon). Several projects are in the pipeline in other cities in Africa, Asia, Eastern Europe and Latin America.

Financing human settlements

UN-HABITAT's new sub-programme on financing human settlements, established in 2004, responds particularly to General Assembly resolution 56/206, which calls upon UN-HABITAT to strengthen the United Nations Habitat and Human Settlements Foundation (UNHHSF). It also calls for the active collaboration of financial organizations and bodies within and outside the United Nations system in the activities of UN-HABITAT with particular regard to the provision of seed capital and the financing of programmes and projects, as well as the development of innovative financing approaches. The sub-programme will focus on the identification and promotion of such approaches to support the slum dweller target of the MDGs and the relevant principles and commitments of the Habitat Agenda. Its aim is to build capacity and institutional frameworks for the effective implementation of policies and programmes for sustainable urban development.

As a facilitator and coordinator of activities related to mobilizing investment resources for human settlements financing, the sub-programme will comprise a small but effective team of specialists on international and domestic financial institutions and financing models. Their task will be to seek out and develop mechanisms to mobilize domestic savings and capital, to improve the availability of affordable housing, decent shelter and infrastructure in developing countries and in countries with economies in transition. They will also serve as a key link between financing institutions and the normative and technical cooperation activities of UN-HABITAT, thus closing the gap that has heretofore limited the effectiveness in delivering



Soweto township, Johannesburg. © R. Warah/UN-HABITAT.

the implementation of the *Habitat Agenda*. This gap, if left unresolved, is bound to constrain the delivery of Millennium Development Goal 7, Target 11 to improve the lives of at least 100 million slum dwellers by the year 2020.

Slum Upgrading Facility

The **Slum Upgrading Facility (SUF)** is a new global facility located within UN-HABITAT. It is designed to lead and coordinate technical cooperation and seed capital initiatives established to develop bankable projects that promote affordable housing for low-income households, the upgrading of slums, and the provision of urban infrastructure in settlements in cities of the developing world. The key clients of SUF are municipal authorities, CBOs, NGOs, and relevant departments of central government, as well as the local, private sector, including retail banks, property developers, housing finance institutions, service providers, micro-finance institutions, and utility companies.

A central objective of SUF is to mobilize domestic capital for slum upgrading activities by bringing together all the relevant local actors and integrating the financial, technical and political elements of projects. This will entail identifying projects, building local capacities, networking, and providing direct technical assistance and seed capital. A second objective of SUF is to make

local projects attractive for investment by international donors, international financial institutions and investors in the global capital markets.

SUF will be executed by UN-HABITAT with Cities Alliance, the collaborative initiative of the World Bank Group and UN-HABITAT set up to advance strategies to improve conditions of cities in the developing world. Other international donor facilities that have expressed interest include the Private Infrastructure Development Group, the World Bank Group, the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Asian Development Bank (ADB), as well as UCLG, Slum and Shack Dwellers International. UN-HABITAT and its partners seek to capitalize the facility with US\$30 million for an initial three-year pilot. The United Kingdom's Department for International Development (DfID) and the Swedish International Development Cooperation Agency (Sida) have already pledged support towards the three-year pilot with a contribution of US\$20 million.

Strengthening partnerships

UN-HABITAT has made extensive efforts to strengthen its partnerships with key organizations both within and outside the United Nations system and with all *Habitat Agenda* partners, including governments, local authorities, the private sector and civil society. These partners are crucial in the organization's efforts to implement the *Habitat Agenda* and the MDGs.

Governments

UN-HABITAT recognizes that without the cooperation of all governments, realization of the twin *Habitat Agenda* goals of adequate shelter for all and sustainable urbanization will not be possible, and many governments have played key roles by contributing funds to the UN-HABITAT's programmes or collaborating with the organization to ensure that these goals are achieved in their respective countries, particularly through the implementation of technical cooperation activities.

Local Authorities

A number of new developments since the 1996 Habitat II City Summit in Istanbul have led to a growing trend towards decentralization and devolution of power and resources to the local level. In response to this, in March 2004, the Executive Director of UN-HABITAT established an **Advisory Group of Experts on Decentralization (AGRED)** to guide the international dialogue on decentralization and to advise on how to strengthen local authorities

around the world. More recently, at the World Urban Forum in Barcelona, UN-HABITAT developed a cooperation agreement with **United Cities and Local Governments (UCLG)**, a new world body – the largest local government organization in the world – dedicated to promoting the objectives and interests of cities and local governments worldwide. The new agreement covers five areas deemed of crucial importance: governance; democracy; a new urban millennium partnership to localize the MDGs in cities; an international dialogue supported by the Advisory Group on Decentralization; and a stronger United Nations Committee of Local Authorities.

Civil Society and the Private Sector

Cooperation and collaboration with non-governmental organizations and other *Habitat Agenda* partners continues to grow. This includes partners' engagement in intergovernmental processes and global events of relevance to UN-HABITAT, and system-wide involvement of partners in UN-HABITAT's activities. This cooperation resulted in the strengthening of specific forums of civil society organizations, such as grassroots groups, women's groups, Youth for Habitat, urban professionals, researchers and academics

The Second session of the **World Urban Forum** (13–17 September 2004), whose theme was "Cities: Crossroads of Cultures; inclusiveness and integration", hosted many events by NGOs and members of civil society. Over 1,020 civil-society organizations, including non-governmental organizations, were represented at the Forum,

comprising a quarter of the total participants at the event. Apart from the dialogues, which included the dialogue session under the rubric of urban governance on “Involving Civil Society to Improve Local Governance”, over 80 networking events were held. The events were organized either by *Habitat Agenda* partners or by UN-HABITAT in cooperation with partners to facilitate a broad-based discussion on a wide range of issues touching on human settlements and urban development.

The UN-HABITAT’s **Partners and Youth Section** has collaborated extensively with a number of non-governmental organizations, youth organizations and youth networks. It’s NGO database holds details of over 2,000 partners with whom it keeps regular contacts. The Section held a National Forum for Kenya-based civil society organizations in preparation for the second World Urban Forum. To provide visibility and focus on youth within the setting of the World Urban Forum. It also held a Global Youth Congress in Barcelona where young people were invited to express their views.

The Section also facilitated the development of the strategy on enhancing the engagement of youth and youth organizations in the work of UN-HABITAT. Wide consultations held between April and September 2004 involved young people, local authorities and civil-society organizations. Over 50 youth organizations participated, including organizations with local, national and regional outreach.

In 2003, UN-HABITAT signed a Memorandum of Understanding with the **Environment Sciences Research Institute (ESRI)**, the leading developer of geographic information system (GIS) software. ESRI has agreed to provide GIS technology and training for up to 1,000 cities in the least developed countries so they can participate in the collection of urban indicator information and improve city management. The grants, individually administered through UN-HABITAT’s Global Urban Observatory (GUO), consist of a package of GIS software, technical support and upgrades, and training. **MAPS Geosystems** has also granted UN-HABITAT free



Mrs. Anna Tibaijuka with Mr. Koichiro Matsuura, Director-General of UNESCO on signing MoU between two organizations..

use of their satellite images of cities around the world. These images were used in UN-HABITAT’s 2005 calendar and in various other publications. Other private sector organizations that UN-HABITAT has worked with include **BASF** during the World Urban Forum, the **Global Housing Foundation** for upgrading slums, and **Google Inc.** to enhance visibility of UN-HABITAT’s publications on the Internet.

Cooperation with multi-lateral organizations

Collaboration between the **World Bank** and UN-HABITAT has expanded in recent years, particularly through the **Cities Alliance** initiative, which was established by the two institutions in 1999 and has subsequently incorporated many bilateral development agencies, major international associations of local authorities and, more recently, the Asian Development Bank and the United Nations Environment Programme (UNEP). The Cities Alliance is co-chaired by the Executive Director of UN-HABITAT and the Vice-President for Infrastructure of the World Bank.

Through the Cities Alliance, the World Bank and UN-HABITAT have undertaken an increasing number of joint operational activities, both bilaterally and, increasingly, with additional partners, focusing on city development strategies and slum upgrading. These activities have been instrumental in raising the profile of the urban agenda at the global level. The two organizations are now working together in preparation for the comprehensive

review of the implementation of the Millennium Declaration, which is to be carried out by the General Assembly in September 2005. Collaboration has also increased in operational activities in post-conflict countries, such as Afghanistan, which are in need of renewed development assistance, combining UN-HABITAT's technical and social development expertise with World Bank investment.

Within the United Nations family, the **United Nations Development Programme (UNDP)** remains a major partner in UN-HABITAT country projects. In recent years, UN-HABITAT has diversified its partnership with funding agencies but close to 50 per cent of financial resources channelled to UN-HABITAT projects still originate from UNDP, and about 70 per cent of the funds for its programmes in over 30 countries in Africa. This ensures a continuous and important partnership at the operational level, currently in over 50 countries. UN-HABITAT has also traditionally served as catalyst for bilateral financing channelled as third-party cost-sharing to UNDP country programmes. The same function has been performed increasingly to channel funding by national Governments to UNDP cost-sharing.

UN-HABITAT has, in recent years, increased its support to UNDP country offices and to national Governments to ensure that housing and urban development are included in national human development plans and reports. UN-HABITAT and UNDP have extended their memorandum of understanding to strengthen their collaboration on a number of issues of common interest related to the implementation of the *Habitat Agenda* and to establish, in selected UNDP country offices, **UN-HABITAT Programme Managers** to ensure that the concerns and priorities of the human settlements sector are better mainstreamed in national policies and programmes. So far, 30 UN-HABITAT programme managers have been posted in developing countries.

The urban environment is of interest to both UN-HABITAT and the **United Nations Environment Programme (UNEP)**, and it is this joint interest that brings these two UN organizations together in programmes such as the Sustainable Cities Programme, the Localizing

Agenda 21 Programme and in the preparation of UNEP's Global Environment Outlook (GEO) City Reports. The extensive operational experience of UN-HABITAT in project-level local development and its accumulated expertise in practical urban management appropriately combine with the scientific and technical strengths of UNEP with its data banks, international networks, global accords and expertise in all aspects of the environment. They also work together on the global campaigns on developing urban governance norms and environmental agreements.

Many of UN-HABITAT's operational activities are executed in cooperation with other UN agencies in the humanitarian field. For instance, UN-HABITAT has strengthened its partnerships with the **United Nations High Commissioner for Refugees (UNHCR)** and the **United Nations Office for the Coordination of Humanitarian Affairs (OCHA)**, particularly in the area of post-disaster reconstruction and rehabilitation in countries such as Afghanistan and the Indian Ocean tsunami-affected countries. UN-HABITAT and the **International Labour Organization (ILO)** have been working together on youth employment, the Sustainable Cities Programme and the ASSIST and SEED programmes of ILO in cities of Dar-es-Salaam and Kampala.

UN-HABITAT also cooperates closely with the Office of the **United Nations High Commissioner for Human Rights (UNHCHR)** and undertaken several activities to promote the realization of human rights in general and housing rights in particular. The United Nations Housing Rights Programme is a component of the Global Campaign for Secure Tenure, and many of its activities are undertaken in cooperation with and in support of the mandates of the **Special Rapporteur on Adequate Housing**.

Resources

Income

In 2004, UN-HABITAT's total contributions amounted to US\$92,769,582, of which 49 per cent was donated by government and inter-governmental donors. Other United Nations agencies and the World Bank contributed to joint projects, while some funds came from foundations, local authorities and other institutions. In addition, the United Nations headquarters' contribution to the regular budget for core mandated activities amounted to 9 per cent of the total income for the year.

The table below shows the top 10 government and inter-governmental donors in 2004 who contributed US \$40,998,273 accounting for 44 per

cent of the total income and 91 per cent of income from governments and inter-governmental organizations.

Core versus earmarked resources

Of UN-HABITAT's total income for 2004, US\$74,075,111 or 80 per cent were received as earmarked funds. These are donations targeted by donors to specific projects in specific countries, while US\$10,505,370, received as general purpose or core funds was allocated to projects by UN-HABITAT according to priorities as outlined in the organization's strategic plan, ensuring that all areas are covered in a balanced manner.

Figure 2: Top ten government and inter-governmental donors

Donor	General Purpose (US\$)	Special Purpose (US\$)	Total Contribution (US\$)
Japan	214,000.00	9,257,832.65	9,471,832.65
The Netherlands	1,490,830.00	6,541,654.75	8,032,484.75
Sweden	1,331,735.25	2,949,923.39	4,281,658.64
Norway	2,448,349.98	1,829,967.51	4,278,317.49
European Commission	0.00	3,923,452.87	3,923,452.87
Canada	62,672.35	3,014,175.50	3,076,847.85
United Kingdom	1,837,000.00	1,052,718.00	2,889,718.00
USA	745,575.00	1,248,452.00	1,994,027.00
Italy	789,715.00	768,109.28	1,557,824.28
Belgium	0.00	1,492,109.81	1,492,109.81

UN-HABITAT appeals to donors to increase non-earmarked funding and to pledge on a multi-year basis to achieve predictable and sustainable funding for human settlements work. This also ensures that projects, regions and countries that do not receive earmarked funding are not neglected.

Funding levels from 2000 to 2004

The following charts shows how the total income in 2004 compares to previous years. As funds for the “Oil-for-Food” Iraq programme contributed significantly to UN-HABITAT’s budget until November 2003 (when the Iraq programme was handed over to the Coalition Provisional Authority under Security Council Resolution 1483), the total income is shown both with and excluding the funds earmarked for that programme. Figure 2 shows total income from 2000-2004, including funds for the Iraq programme. Figure 3 shows total income for the same period excluding funds for the Iraq programme.

Expenditure

The activities of the organisation can be categorised as normative and technical cooperation activities. Normative activities focus on helping nations implement the *Habitat Agenda* by enhancing their capacity through training programmes, helping them to improve their policies and legislation in key areas relating to human settlements, promoting good urban management and governance, by carrying out research and monitoring activities to provide information on global trends in urban and human settlements. Regional and technical cooperation activities, on the other hand, put into practice the policies and strategies identified by the normative programmes. In this way, they not only provide operational assistance to nations but also demonstrate that the concepts and policies identified by the normative programmes are workable. These operational projects also help to establish a knowledge base of best practices and lessons learnt based on real initiatives in the field.

The diagram below shows, in percentage terms, a breakdown of expenditure on regional and technical cooperation activities, and on each on the normative areas covered by the organization.

Figure 3: 2000-2004 total income including funds for the Iraq programme

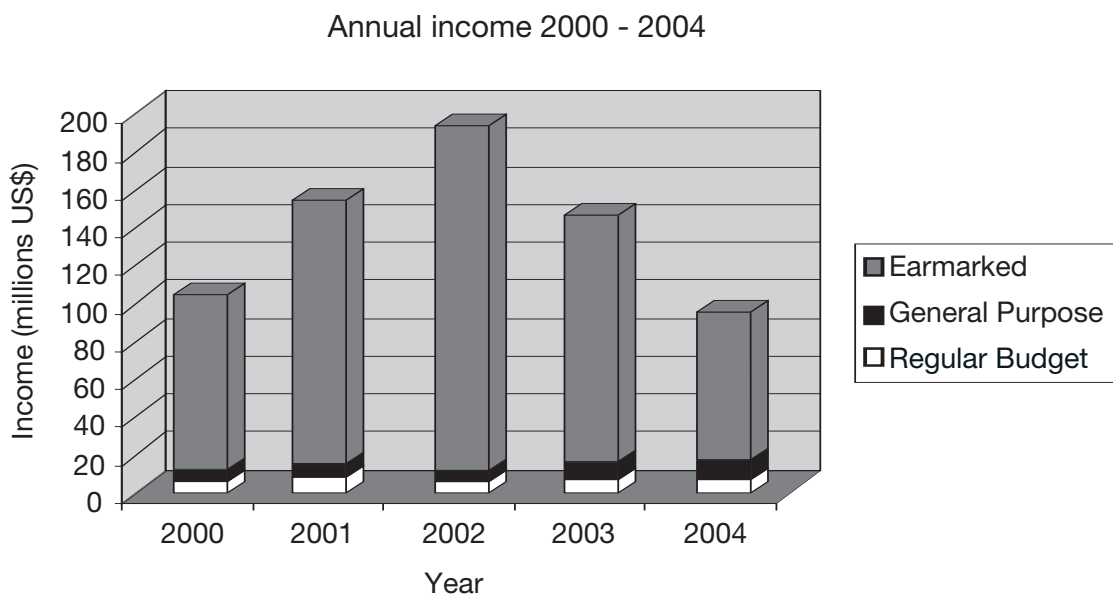


Figure 4: 2000-2004 total income excluding funds for the Iraq programme

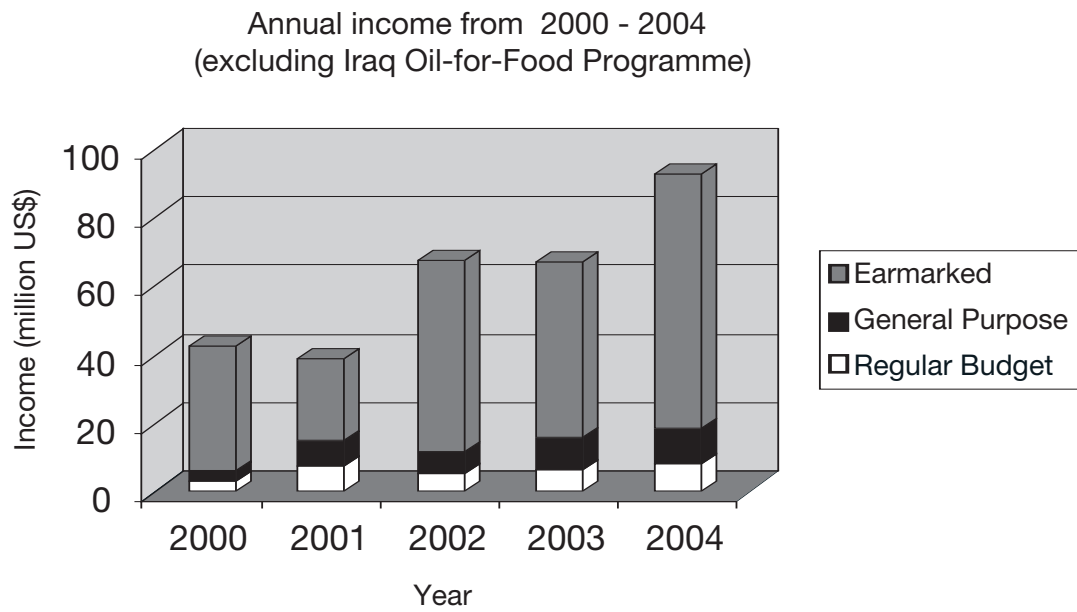
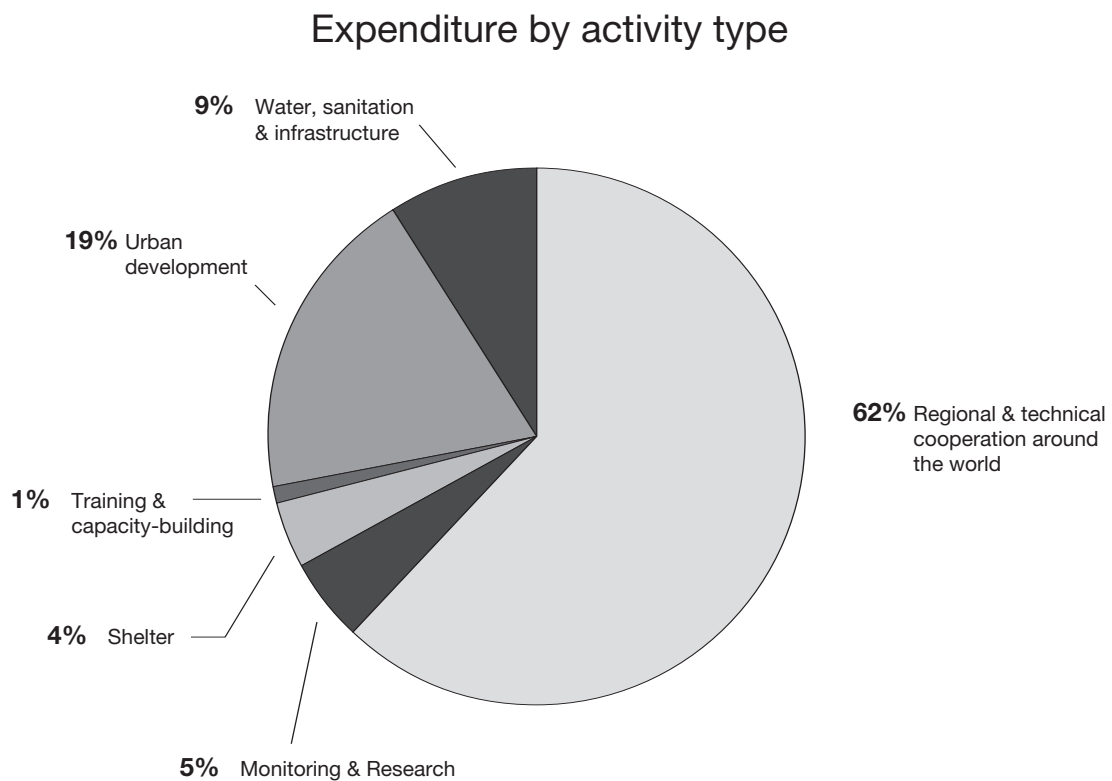


Figure 5: Relative percentage of expenditure on types of activities



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