



ANNUAL REPORT

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**2009**

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**UN  HABITAT**

UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME

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Climate change and demographic expansion inseparably combine to pose cities an unprecedented challenge. Admittedly, leaders of the major regions of the world need more time to allocate respective responsibilities and duties as far as global climate change is concerned. In the meantime, though, local authorities and the international system continue pushing the agenda of sustainable urbanization, with UN-HABITAT standing at the forefront of these efforts.

In this respect, this agency received a major boost from member states when in early 2009 its Governing Council reaffirmed and strengthened its mandate, signalling enhanced confidence in the organization and its capacity to act as a catalyst of various partners' efforts and resources. UN-HABITAT as a whole responded with a flourish of activities that reflected its determination to achieve the objectives set out in its medium-term strategy, including those related to the Millennium Development Goals.

This is why the year 2009 may remain as a landmark in the 30-year history of UN-HABITAT. Our new flagship reports in 2009 provide policy-makers the figures, facts and policy guidance they need if they are to make the cities of this world more socially sustainable. Two of these new reports highlight the specific challenges women and young people continue to face in urban environments.

Our forthcoming World Urban Campaign, which involves partners from local government, business and organized civil society, will generate and maintain awareness and momentum around the themes of our biennial flagship and companion reports.

From a more operational point of view, and at the request of member governments, the year 2009 also saw the launch of our Cities and Climate Change Initiative. As a result, UN-HABITAT is streamlining climate change mitigation into its whole agenda – land and housing, urban governance, the environment, infrastructure and basic services, housing finance and disaster-related schemes. The initiative includes

institutionalised support to local governments, city networks and associations, among others, to address climate change and its implications at local, regional and global levels. Improved management must prevent uncontrolled urban sprawl, pollution and unsustainable consumption of land, water and other natural resources. The lessons from four early pilot-programmes have already been learned.

Over the course of 2009 UN-HABITAT also strengthened and widened partnerships with a wide range of groups and organizations. This includes the UN system, where the agency's voice is now better heard. These strategic links amplify the catalytic role of UN-HABITAT and, where needed, help deploy projects at scale.

This new initiative shows that attitudes to urban expansion and even the climate issue are now changing, and for the better. Indeed we should take urbanization for the opportunity it is – for the millions who have moved into cities in search of more fulfilling lives. And difficult as it may seem from a global perspective, we should take climate change as the opportunity it is at the local level – paving the way for healthier, more inclusive cities for all. Local authorities around the world have woken up to these positive perspectives and this agency stands ready to support them in this new, complex endeavour.

Indeed, UN-HABITAT staff are responding to the daunting double challenge of sustainable, inclusive cities with a renewed sense of confidence; as I am about to complete my last mandate at the head of this agency, I would like to express my appreciation for their achievements over the past ten years, as well as my heart-felt gratitude for their commitment.

A handwritten signature in black ink, appearing to read 'Anna K. Tibaijuka'.

Anna K. Tibaijuka,  
Undersecretary-General of the United Nations  
Executive Director, UN-HABITAT



The image shows a stark contrast between a modern city skyline and a slum. In the background, several tall, modern skyscrapers with glass facades stand against a bright blue sky with scattered white clouds. In the foreground, a dense cluster of makeshift, shanty-style buildings is visible, constructed from various materials like wood, metal, and plastic. The ground in the foreground is covered in a large pile of debris and trash, including wooden planks, cardboard, and other waste. The overall scene highlights the social and economic inequality in the city.

## EFFECTIVE ADVOCACY, PARTNERSHIPS AND MONITORING

*“Enable all key stakeholders in the public, private and community sectors to play an effective role – at the national, state/provincial, metropolitan and local levels – in human settlements and shelter development.”*

-- The Habitat Agenda

As the challenge of urbanization takes on unprecedented dimensions, one of the most serious obstacles to policy development is the lack of appropriate policies and data at city level. If the cities of this world are to face the often simultaneous challenges of slum growth, access to basic services, climate change, urban poverty and shelter deprivation in any effective, sustainable way, then well-informed advocacy, partnerships and monitoring are required, along with innovative institutional arrangements and policies.

The diversity and complexity of these challenges call for extended, broader partnerships. Advocacy and monitoring also include assessing and forecasting trends and risks. This is why in 2009 UN-HABITAT made a number of unprecedented strides in the areas of advocacy, partnerships and monitoring.

The year saw the preparation of the first-ever dedicated reports on Latin American, Asian and East European cities, as well as on urban youth and gender issues, along with the biennial report, *The State of the World's Cities*, most of which were to be released in late March 2010 at the 5<sup>th</sup> World Urban Forum in Rio de Janeiro, Brazil (see Boxes).

The agency's worldwide monitoring function was further strengthened with the creation of an additional seven local units of its Global Urban Observatory, a network that now collects and develops policy-oriented indicators in 133 cities around the world. In a further effort to help policymakers respond to the challenge of urbanization with well-informed decisions, UN-HABITAT has also organized capacity-building workshops on the use of census data to prepare city and slum indicators and the measurement of inequalities at city level. On top of contributions to UN inter-agency reports, UN-

HABITAT has enhanced its role as a major source of urban data with the publication of the *Statistical Book on Human Settlements* and of *Slum levels and trends 1990-2010*, as well as a series of *Urban Inequities Surveys* and a revised edition of its *Urban Indicators Programme Training Manual*.

## YOUTH AND GENDER: MAJOR BREAKTHROUGHS

At a time when one human being out of two is under 25 years of age, often living in an urban area, and therefore stands to play a defining role in the decades to come, opportunities for youth came under sharp focus from both a normative and an operational point of view: UN-HABITAT's first world report on urban youth was prepared for release at the 2010 World Urban Forum, and the UN-HABITAT Urban Youth Fund granted close to one million US dollars to over 60 projects in 33 countries in its first year of operation.

In the meantime, UN-HABITAT had taken this recognition of the major role of younger generations one step further with the creation of an Interim Youth Advisory Board. This new form of participatory governance now makes it possible to formally engage youth in UN-HABITAT decision-making on an ongoing basis, between the biennial sessions of the World Youth Forum held on the eve of each World Urban Forum.

Final endorsement of the Gender Equality Action Plan came as one of the highlights of the March-April 2009 session of the Governing Council. The plan promotes gender equality for sustainable urban development and better shelter, setting out a road map to bring strategic and measurable results up to 2013 on the third Millennium Development Goal (gender equality and female empowerment).





Rio de Janeiro. Photo © Maurício Hora

## A BROAD PARTNERSHIP FOR THE WORLD URBAN CAMPAIGN

By mid-October, the full range of Habitat Agenda partners was represented at the first session of the Steering Committee of the World Urban Campaign in Barcelona, Spain.

Ahead of the formal launch of the campaign at the Rio forum, over 40 representatives of central and local governments, civil society (including women's groups, youth and foundations) as well as professionals, academics and the private sector met to establish a set of working groups and finalize the partnership model. The groups will design and disseminate advocacy material, organizing platforms, documenting good practice, raising funds and sharing information. The campaign will focus on sustainable urbanization and climate change, with UN-HABITAT in a coordinating and mobilizing role.

## STRENGTHENED PARTNERSHIPS

Partnerships lie at the core of UN-HABITAT's Medium-Term Strategic and Institutional Plan (MTSIP), and the agency made a number of crucial steps in this area in 2009.

A broader, more systematic and strategic approach to partnerships will enable UN-HABITAT to fulfill its role as a catalyst for sustainable urbanization. This is the shared goal of the mutually beneficial links the agency looks to maintain with a variety of partners.

The role of partnerships was enhanced from both a policy and an institutional point of view in 2009. In order to ensure consistency and accountability across links with diverse bodies and for a variety of purposes, UN-HABITAT has mapped out

a specific *Partnership Strategy* largely based on experience, past challenges, lessons learned and consultations with partners. The document defines partnership criteria, setting a strategic vision and a way forward.

From an institutional point of view, UN-HABITAT has upgraded its Partners and Youth Section to full-fledged "branch" status. The new branch has promptly taken advantage of this enhanced functional and external standing to strengthen and broaden partnerships in a renewed spirit of cooperation.

This spirit extended to institutional governance when, in late March, representatives of organized civil society attended a high-level session of the Governing Council which focused on the ruling body's theme of choice, 'Affordable housing finance.'

## THE PROFESSIONS, LAW-MAKERS AND UNIVERSITIES

The year 2009 also saw some important partners strengthening their own structures for the sake of closer, more effective collaboration with UN-HABITAT. Particularly welcome in this respect was the Habitat Professionals Forum. With renewed awareness of their crucial roles in shelter, infrastructure, land and urban affairs, the practitioners involved – architects, engineers, surveyors and urban planners – convened a strategic meeting where they agreed on a new operating structure that will better coordinate and channel their contributions to the ongoing debate. A further move in this direction was their decision to embed their shared commitment to 'better cities' in a single "Professionals' Charter" currently under development.

In the same vein and across several major regions of the world, law-makers, who have

such significant roles to play in democracies, agreed to enhance shelter and urban concerns in their own agendas. This was the case with the Association of European Parliamentarians for Africa (AWEPA), as well as a conference of Global Parliamentarians on Habitat held in Washington, D.C., to coincide with the World Habitat Day celebrations, the focal point of which in 2009 was the U.S. capital. In a more worldwide perspective, UN-HABITAT established a network with Parliamentarians for Global Action, in a bid to support the Habitat Agenda as well as the Millennium Development Goals.

UN-HABITAT has strengthened links with the Asia-Pacific Ministerial Conference on Housing and Urban Development (APMCHUD) ahead of its third plenary meeting due in June 2010 in Solo, Indonesia.

The year 2009 also saw an expansion in the agency's higher education network, as more universities committed to promote sustainable urbanization, through research and knowledge management. For instance, a close partnership was established in 2009 with Seinan Gakuin University in Fukuoka, Japan to hold a course on "International Cooperation Studies." In the same city, UN-HABITAT is also working with the Department of Architecture and Urban Design, Kyushu National University, to develop an Asian Urban Studies programme. To date, the Habitat Partner University Initiative brings together 10 full member institutions and an additional six are about to join. Many others have also expressed interest.

## LINKS WITH THE UN SYSTEM

*Vulnerable groups* – Slums today are hosts not just to the urban poor, but also to increasing numbers of refugees, internally displaced or stateless persons and returnees. In those already

densely populated and poorly-served communities on the outskirts of small or medium-sized towns, these groups find themselves more vulnerable to the impact of natural and man-made crises. This is why in 2009 the UN Inter-Agency Standing Committee for the coordination of humanitarian assistance (IASC) asked UN-HABITAT to lead a dedicated task force to address the issue of humanitarian response in urban settings. The 26-strong task force included UN agencies, non-governmental organisations and the Red Cross Movement. Together they assessed the main strategic and operational challenges and institutional gaps in administering humanitarian assistance in urban areas. In November the task force decided to undertake an overall assessment of the tools and methodologies for IASC humanitarian assistance in urban areas, as well as a comparative review of current methods, practices and capacities. These efforts are continuing into 2010 under UN-HABITAT leadership.

The agency is also working with the UN Development Programme in Sudan and Liberia on the design and implementation of post-conflict capacity-building programmes.

*Climate change education* – As joint chairs, UN-HABITAT and UNEP, the United Nations Environment Programme, hosted the fourth annual meeting of the UN Inter-Agency Committee for the *Decade of Education for Sustainable Development* in August/September 2009 in Nairobi, Kenya. The event featured a one-day symposium on Climate Change Education and Sustainable Cities, which focused on curricula and learning methods that promote values, knowledge and skills in connection with sustainable development. Also on the agenda were strategy, projects and joint activities for 2010.

## URBAN PLANNERS READY FOR THE “SUSTAINABLE” CHALLENGE

Unplanned expansion has become a defining feature of urban areas in today's developing world, but professionals are willing to meet the challenge – or so concurred the 70 or so urban planners who contributed to UN-HABITAT'S *Global Report on Human Settlements 2009*, which has *Planning Sustainable Cities* as its theme.

The report recognizes that “master” or “modernist” urban planning, as practised in the colonial era, had been shaped by 19<sup>th</sup> century Western European practitioners and was largely irrelevant for the purposes and requirements of today's developing world.

At the same time, the advent of sustainable, inclusive cities calls for comprehensive, forward-looking strategies in which a more “bottom-up” than “top-down” type of planning can have a major positive role to play. This includes provision of basic infrastructure like water, sanitation, power and public transport, a lack of which is a significant factor behind urban poverty in the developing world.

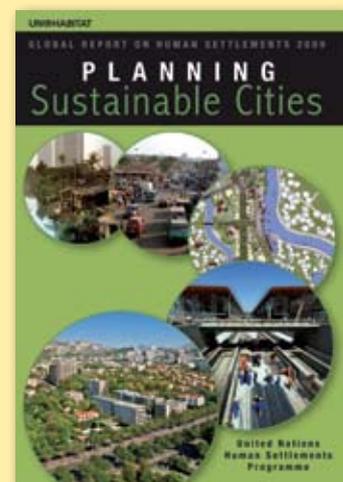
If urban planning is to rise to this challenge, central and local government must take on stronger roles, according to the report. “Reformed urban planning systems must fully and unequivocally address (...) climate change, rapid urbanization, poverty, informality and safety,” and do so in a context-responsive way. These efforts must be based on well-articulated national urban policies and adequate capacity-building, which together must overcome the fragmented

governance of the past decades.

Instead of being manipulated by local elites, “regulatory systems must adhere to the principle of equality under the law.” In their new role they must also be both “protective and developmental” as well as participatory and socially inclusive.

These requirements in turn include “unequivocal” recognition of the important role of the informal sector. “More specific innovative and tried approaches to land development and use of space should be adopted and implemented if urban policy and planning are effectively to respond to informality.” In this respect, the report mentions issues like forced eviction of slum dwellers and forced removal or closure of informal businesses.

In its well-rounded perspective on 21<sup>st</sup>-century urban planning, the report also emphasizes the need for proper monitoring and evaluation of urban plans, as well as for improved planning education.



© UN-HABITAT



UN-HABITAT is working to improve women's access to housing finance, Kuruniyawatta, Sri Lanka, 2009.

Photo © UN-HABITAT

## ORGANIZED CIVIL SOCIETY

The 22<sup>nd</sup> session of UN-HABITAT's Governing Council gave a number of groupings an opportunity to consult with the agency's Civil Society Organizations (CSO) unit. The organizations were familiarized with the new operational guidelines mandated by UN-HABITAT's medium-term plan and the attendant strategy for engagement with civil society. This in turn gave them an occasion to make comments and suggestions on various aspects of the new strategy.

Developments in Nairobi, UN-HABITAT's home city, came to illustrate the further potential for links with the local voluntary sector. Two events were organized in 2009 as part of a "Discussion Series" enabling civil society organizations to share views and suggestions with regard to sustainable urbanization, and

hopes are that they can continue every quarter from 2010 onward. In order to spread the benefits as wide as possible, meeting minutes as well as international partners' statements are disseminated through the agency's CSO partner database.

UN-HABITAT is also taking advantage of a development that has become apparent over the past two years or so in Kenya's capital city, *viz.*, the central role individual mobile telephones are playing nowadays as privileged channels of *information*, not just communication, and particularly among the underprivileged. At a time when UN-HABITAT is advocating rights-based approaches to urban inclusiveness, the agency has joined efforts with the local People's Movement for Human Rights Learning. As part of the initiative, slum dwellers will be

given access to information on their fundamental rights via their mobile phones, in a bid to improve awareness, familiarize them with the principles of a fair society, and enhance their collective voice in public debates.

## GENDER

In June 2009, UN-HABITAT and the UN Fund for Women (UNIFEM) strengthened operational links through a Memorandum of Understanding. The highlight is cooperation on UNIFEM's new Global Programme on Safe Cities Free of Violence against Women and Girls. And in April 2009, as part of a new framework on interagency working, UN-HABITAT became one of 14 UN agencies working together to strengthen gender mainstreaming and women's empowerment in Kenya.

In December, UN-HABITAT and the UN Inter-Agency Network on Women and Gender Equality launched a Web feature on Gender Equality and Sustainable Urbanization. This is a compilation of research and information from a wide variety of UN sources. It is available on the UN Web portal *Womenwatch* (<http://www.un.org/womenwatch/>), raising awareness of urbanization issues to an audience, which, in the past, rarely discussed gender outside of rural backgrounds.

### GENDER EMPOWERMENT, LAND AND WATER

Research on gender issues in urbanization gives policy-makers the evidence-based information they need to develop the right policies in their own contexts. The year 2009 saw the completion of UN-HABITAT's *Global Assessment of the State of Women's Empowerment and Gender Mainstreaming in Local Governance*. The material will be published as a series in 2010, assessing progress in 25 countries.

In 2009, UN-HABITAT also conducted specific research and analysis on gender and climate change in cities. The material will be included in the 2010 edition of the *Global Report on Human Settlements*.

As far as gender advocacy is concerned, UN-HABITAT continues developing and promoting Women Land Access Trusts in seven sub-Saharan African countries. These give women access to affordable housing finance, leading to more secure tenure.

Improved water and sanitation services for poor urban communities make an enormous difference to the daily lives of women and girls, who are most often tasked with water collection and management of household waste.

Under the umbrella of the

One UN Joint Programme on the Environment, UN-HABITAT worked with Pakistan's Ministry of the Environment as well as with non-governmental organizations and other United Nations agencies, to deliver gender mainstreaming workshops on water, sanitation and hygiene programmes. Participants were from federal, provincial and local governments, water and sanitation service providers, and community-based organizations. Similar UN-HABITAT training schemes have taken place in African cities.

Seoul hosted the 2<sup>nd</sup> International Metropolis Women's Network Forum, with a speaker from Ghana's Gender Development Institute sponsored by UN-HABITAT.

The agency is assisting the Korean capital's Metropolitan Government in the development of a gender equality action plan and promotion of a "Women-Friendly City Project."

### GENDER AND YOUTH TRAINING

UN-HABITAT also worked with the Huairou Commission on regional training schemes in Africa (Accra, Ghana) and Latin America (Quito, Ecuador). The schemes enabled grassroots women to develop skills using the Local-to-Local Dialogue approach to engage with local leadership and authorities, with a view to enhancing women's participation in local governance.

UN-HABITAT has formalized its longstanding partnership with the Huairou Commission to strengthen the involvement of grassroots women in projects and programmes for better housing and sustainable urban development. The two organizations signed a Memorandum of Understanding on World Habitat Day in October.

In September 2009, the agency worked with the Golda Meir

### UN-HABITAT LAUNCHES ITS FIRST URBAN YOUTH REPORT

The majority of the world's population today are under 25 years of age and never have cities offered so many opportunities for personal and collective development, yet they keep eluding many young people, especially in the developing world. This is the basic finding of UN-HABITAT's first-ever *Urban Youth Opportunity Report*, which has been launched as a companion to the main *State of the World Cities 2010/2011 – Bridging the Urban Divide*.

The dedicated report comes in response to requests from UN-HABITAT's own Youth Forum, as endorsed and relayed by the agency's Governing Council in early April 2009. The report combines a review of state-of-the-art literature and updated statistics together with a unique survey of local young people in five selected cities of the developing world – Kingston, Jamaica; Lagos, Nigeria; Mumbai, India; Nairobi, Kenya; and Rio de Janeiro, Brazil.

Mount Carmel International Training Centre in Haifa, Israel to conduct a training-for-trainers course for local authority workers in Africa, Asia and Latin America. Israel's Ministry of Foreign Affairs and the Centre for International Cooperation (MASHAV) were also partners in the project.

In July 2009, chief executives of municipal and district assemblies in Ghana benefited from gender training on local government, organized by Ghana's Institute of Local Government Studies,

## BUILDING NEW BUSINESS TIES

The links between the agency and the private sector took on a fresh dimension in July 2009 when the first-ever UN-HABITAT International Business Forum on Better Cities was held in India's capital New Delhi. The chosen theme was "Innovative Cities – Showcasing and Debating Urban Challenges and Solutions".

As major companies around the world are showing ever greater degrees of interest in urban issues, the three-day Forum provided a new platform to debate and review challenges, solutions, best practices and innovation for sustainable cities, including with representatives of central and local government and civil society.

The 500 participants validated and formally endorsed the format in the 'New Delhi Declaration' whereby they committed to continue sharing ideas, knowledge and best practices for the sake of better cities, including through UN-HABITAT's World Urban Campaign to be launched in March 2010.

The participants called for closer dialogue with UN-HABITAT, inviting the agency to create the conditions for effective operational partnerships.

In order to enhance their contribution to the World Urban Forum, private sector representatives set up a working group on

'Business at the Bottom of the Pyramid for Urban Sustainability' and another on 'Good Urban Governance Towards an Effective Private Sector Engagement'. The groups will make recommendations for improved business practices and better cities.

The significant contribution of the business sector to urban shelter and infrastructure was further recognized through the first-ever Habitat Business Awards for sustainable urbanization. The rationale is to recognize and publicize outstanding contributions to sustainable urbanization through corporate responsible practices in five major areas.

The 2009 awards went to Cemex (Mexico) for affordable housing; WIPRO (India) for sustainable water, sanitation, waste management and urban infrastructure systems; Adopt-a-Light (Kenya) for innovative street lighting; China Merchants Property for clean urban energy systems; and Safaricom (Kenya) for an innovative information and communication technology. The winners were commended for responsible business practices that promote economic, social and environmental well-being.

with support from UN-HABITAT. The training was important in the context of Ghana's political decentralization programme and shift towards a more equitable allocation of power and wealth at the local level.

Gender training for field staff took place in June 2009 in Fukuoka, Japan, helping technical staff in diverse fields—including shelter and water and sanitation—to develop good skills for gender analysis and implementation of gender-responsive programmes. The training targeted field staff

from UN-HABITAT and partner agencies in the Asia and Pacific region.

In East Africa, youth training has gained further momentum in 2009. The Youth Centres have completed 'training of trainers' schemes in entrepreneurship, asset mapping and evaluation. Three related manuals have been drafted with a view to replicating the programmes in all the centres, for which relevant logistical frameworks are also going to be developed.

At Nairobi's Moonbeam Youth

Training Centre, 385 youth from local informal settlements were trained in vocational skills (plumbing, electrical, masonry, carpentry and metal works), leadership, business and organizational development, landscaping, block-making and basic road construction.

## PROMOTION OF PARTICIPATORY PLANNING, MANAGEMENT AND GOVERNANCE

*Enabling local leadership, promoting democratic rule, exercising public authority  
and using public resources in all public institutions at all levels in a manner  
that is conducive to ensuring transparent, responsible, accountable, just, effective  
and efficient governance of towns, cities and metropolitan areas*

-- The Habitat Agenda

UN-HABITAT's unique mission to promote socially and environmentally sustainable towns and cities was strengthened in 2009 when the Governing Council mandated the agency to develop a Climate Change Strategy and mainstream it across its normative and operational schemes and programmes. In the area of sustainable planning and management, UN-HABITAT responded with a new technical partnership and the launch of four pilot programmes in East Africa, among others.

UN-HABITAT is well aware of the fact that if they are to meet the challenge of climate change, towns and cities around the world need a whole new range of methods and instruments. This provides the rationale behind a dedicated technical partnership with the World Bank, the Cities Alliance and the UN Environment Programme. In this area, too, sharing best practices has a crucial role to play and a dedicated network known as "SUD-Net" has been launched (see Box 2.1). The instruments currently under development include an urban greenhouse-gas inventory system, a methodology for vulnerability assessment, a set of tools for mayors (an action guide with various instruments for the development of climate-related action plans), and a clearing house for best practices.

In recognition of its urban mandate and to strengthen its normative function, UN-HABITAT has been granted formal observer status on the Intergovernmental Panel on Climate Change, giving the agency additional influence. In this capacity, the agency attended the 31<sup>st</sup> session of the group, where the outlines of the 5<sup>th</sup> Assessment Report included a provision for new chapters on urban issues and human settlements in connection with the adaptation and mitigation working groups.

## THE CLIMATE CHANGE INITIATIVE

From a more operational point of view, in March 2009 UN-HABITAT formally launched its Cities and Climate Change Initiative in Oslo, Norway (see Box 2.2), and promptly deployed four pilot schemes with local authorities on three continents. These involve the cities of Esmeraldas, Ecuador; Kampala, Uganda; Maputo, Mozambique; and Sorsogon, Philippines. In a demonstration of the specific methodology devised by UN-HABITAT, the four cities began with assessments of their vulnerabilities, and the agency summarised the findings in a dedicated publication, *Cities and Climate Change – Initial lessons from UN-HABITAT*. The document notes increased degrees of awareness and understanding of climate change among local authorities and their need for more information. Specific issues have been identified that highlight the need to strengthen governance systems, involving local and national government, community groups and the

private sector, if cities are to meet the challenge of climate change.

The Climate Change Initiative gathered further momentum when the "African Local Government Climate Roadmap Pre-Copenhagen Summit" in South Africa gave five other cities a formal occasion to announce their participation in the UN-HABITAT initiative: Bobo Dioulasso, Burkina Faso; Kigali, Rwanda; Mombasa, Kenya; Saint-Louis, Senegal; and Walvis Bay, Namibia. In Asia, cities in nine countries are preparing to follow suit. Since urban areas in Small Island Developing States in the Pacific and in the Caribbean are under special threat from climate change, they will also be included for further expansion of the UN-HABITAT initiative.

In the meantime, UN-HABITAT continued to promote urban environmental governance and strategic planning in the Lake Victoria region, East Africa, to reconcile urban expansion and a unique ecosystem. The Lake Victoria City Development

### BOX 2.1: AN INNOVATIVE NETWORK FOR SUSTAINABLE URBAN GOVERNMENT

Climate change is a vast and complex phenomenon and if cities are to become more sustainable all tiers of government must benefit from a wide range of knowledge and experience. This is the rationale behind the Sustainable Urban Development Network ('SUD-Net'), a worldwide interdisciplinary link supported by UN-HABITAT.

SUD-Net assists cities in a variety of ways: mobilizing partners and networks, building partnerships, implementing innovative, pro-poor projects, stimulating the acquisition and sharing of knowledge,

and disseminating good practice. The network provides access to up-to-date information (tools and guidelines, resource packages, documents) as well as feedback on ongoing debates, initiatives and activities at the global, regional, national and local levels. SUD-Net also supports institutional capacity-building through improved governance and leadership against a background of decentralized public authorities. Over the past year or so, links have been established with local urban knowledge networks, city councils and universities, as well as the World Bank.

## BOX 2.2: CITIES AND CLIMATE CHANGE: UN-HABITAT'S LEAD STRATEGIC ROLE

Mitigating climate change while promoting inclusive cities for all is a double challenge UN-HABITAT is particularly well-placed to meet, thanks to its broad-based, in-depth expertise, local knowledge and wide range of partnerships. Member-States recognized as much when, at the biennial Governing Council meeting in late March and early April 2009, they instructed the agency to launch the "Cities and Climate Change Initiative".

The resolution reflects the increasing recognition of the link between urbanization and climate change. It also recognizes that proper adaptation and mitigation actions taken at the local levels and being integrated into national policies will be of importance in tackling the global challenge of climate change. The resolution lays the foundation for UN-HABITAT's further work in this field and calls on governments, among others, to widen the geographical scope of the ongoing work on cities and climate change and to expand the range of capacity-development approaches in order to support local authorities in addressing climate change.

Accordingly, and as part of its medium-term strategic plan, UN-HABITAT is streamlining climate change

mitigation into its whole agenda. This includes institutionalized support to local governments, city networks and associations, among others, to address climate change and its implications at local, regional and global levels. The agency must also enhance better management of urbanization to prevent uncontrolled urban sprawl, pollution and unsustainable consumption of land, water and other natural resources that accelerates environmental degradation and the negative impacts of climate change.

The initiative benefits from synergies and strategic partnerships with some 10 other UN bodies, including the Intergovernmental Panel (IPCC) and the Framework Convention on Climate Change (UNFCCC). Outside the UN system, partnerships, both new and re-energized, have been arranged with a number of non-governmental organizations, including the International Council for Local Environmental Initiatives (ICLEI), United Cities and Local Governments (UCLG), Metropolis, the Clinton Climate Initiative, the International Institute for Environment and Development, Urbanization and Global Environmental Change, and the Climate Change, Environment and Migration Alliance.

Looking ahead to 2010 - the International Year of Biodiversity - and the deadline for the Millennium Development Goal of "achieving a significant reduction in the rate of biodiversity loss", UN-HABITAT has taken on a special role. It participates in the Global Partnership on Cities and Biodiversity and supports the "Local Action for Biodiversity" programme sponsored by the International Council for Local Environmental Initiatives, with the agency's Executive Director sitting on the Advisory Board. UN-HABITAT is also developing guidelines for urban wetlands management jointly with the Ramsar Convention secretariat. An expert workshop on "Urban development, biodiversity and wetlands management" kick-started the process. Consultations continue with UNEP through the Joint Operations and Coordination group, and new focus areas have been identified for the next two years: climate change, buildings and transportation.

UN-HABITAT advocacy on 'cities and climate change' was further notable in a number of milestone events, including the 5<sup>th</sup> Urban Research Symposium in Marseille, France; the "Local Government Climate Change Leadership Summit" in Copenhagen, Denmark; and the 3<sup>rd</sup> World Climate Conference in Geneva, Switzerland.

### REGIONAL ACTION

In Latin America and the Caribbean in 2009, UN-HABITAT deployed important follow-up actions on decentralization. A regional expert group meeting and two country-level workshops were organized, and there is interest in creating an association of ministers for decentralization in 2010 with a view to strengthening local government.

UN-HABITAT also supported a broad-ranging series of workshops on urban risk

Strategies are at work in eight cities in the area, which have joined forces across borders to set up a common institutional framework and are engaged in a dedicated capacity-building

programme. Responding to demand, UN-HABITAT prepared a toolkit to help local authorities raise funding (both domestic and external) for priority projects and programmes.

## UN-HABITAT AT THE COPENHAGEN CLIMATE TALKS

UN-HABITAT sent a strong team to the December 2009 Copenhagen climate summit led by Mrs. Tibaijuka. Under the banner *UN-HABITAT@COP15*, the agency organized and took part in many events, particularly those dealing with cities and climate change.

The UN side event on Cities, Population Dynamics and Climate Change highlighted the system's support to low-carbon and sustainable urban development, as well as the importance of population dynamics for climate change adaptation and mitigation. This session was organized and led by UN-HABITAT, with participation from six other UN bodies and agencies, with comments from a wide range of government officials and practitioners. The speakers highlighted the complementary nature of UN action on cities and climate change, including with regard to urbanization, vulnerable slum populations, local government capacity development and 'green' building techniques.

The conference was an occasion for a major mobilization effort among the local authority movement. More than 1,200 local officials joined more than 115 heads of State in a shared commitment to a global climate solution. Central government officials and other major stakeholders were invited to debates with local officials. Various local government agencies released a number of topical publications.

Among other things, this material

showed that, so far, 2,800 cities have come up with voluntary targets for gas emission reductions. This emphasized the urgent need for national government to enable and empower cities. Local authorities will continue their efforts on emissions reductions and innovative solutions until the final deal is sealed between governments. Local authorities – along with other sub-national entities and, increasingly, the corporate sector – appear to be committed to lead the way.

The outcome of the Copenhagen climate conference makes local authority leadership on climate change more imperative than ever. However, a binding agreement is still needed, paving the way for a "clean energy revolution" that would transform the prevailing economic model. Governments are called upon to bring local authorities in as partners, give mayors a seat at the table and share responsibilities. Local authorities also need to further raise their voices and intensify local action.

The Copenhagen conference was the occasion for Marcelo Ebrard, mayor of Mexico City, to be elected as new chair, and Juergen Nimptsch of Bonn, Germany as vice chair of the World Mayors' Council on Climate Change. Both cities will play a significant role in the climate policy process throughout the year 2010: Mexico will host the next climate conference in December, and ahead of which Bonn will host the intergovernmental negotiations.

reduction, preparing local action plans, habitat and gender, participation and local development, and the environment in an urban context.

In Colombia, some cities are implementing comprehensive safety policies with UN-HABITAT's support ("Municipal Plans 2008-2011") and the government has adopted a new binding policy guideline on "Social Housing and Land Use Management" with an urban planning component. In Cuba, the National Institute for Physical Planning has agreed

to replicate Local Agenda 21 processes and tools across the country as part of the Climate Change Initiative.

In Costa Rica, a National Decentralization Strategy provides general guidelines that are now being refined for the purposes of provincial and municipal authorities. UN-HABITAT has provided the "Committee of Local Forces" technical support for Local Agenda 21, local planning and gender tools, together with training for local stakeholders in connection with gender equity policies.

In Ecuador, UN-HABITAT has assisted with the organization of workshops on housing for indigenous people. Representatives from Bolivia, Brazil, Chile, Mexico, Nicaragua and Peru participated and showed interest in developing urban projects. Mexico has implemented security policies that have improved the situation in Mexico City.

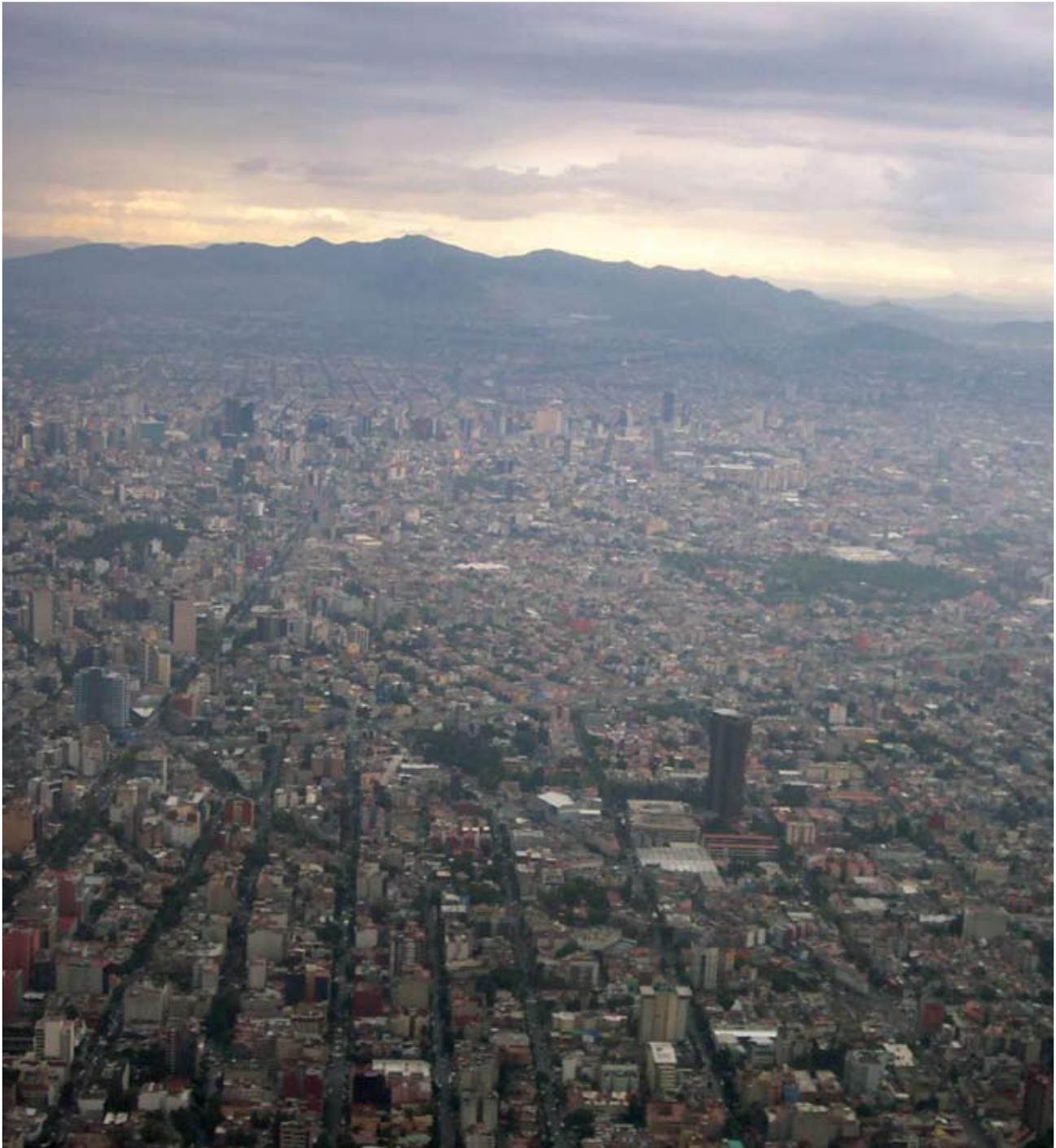
In Africa and Arab states, UN-HABITAT looks to strengthen the performance of national governments, local authorities and other stakeholders to pave the way for liveable, productive

and inclusive cities. The Participatory Slum Upgrading Programme is promoting participatory urban planning, management and governance in 30 countries.

In transition countries in Europe, UN-HABITAT provides technical assistance to 10 urban authorities in Kosovo on a range of issues and projects, including mobility policy, public space

planning and design, cultural heritage conservation and disaster risk assessment and management, with “learning-by-doing” as the primary capacity-building tool. Capital investment projects derived from the urban development plans assisted by UN-HABITAT were also formulated jointly with the municipalities, and are due for implementation in 2010.

The feasibility study and preparatory phase of the Settlements and Integrated Local Development Programme were launched in 2009. The scheme comes as a follow-up to the three-year Settlement and Integration of Refugees Programme, which UN-HABITAT has completed in Serbia, addressing social housing (670 units, including 570 new ones, for 3,000 refugees and other vulnerable people) and integrated



**Environmental conditions are improving in Mexico City.** Photo © Dennis Poulette

## URBAN PLANNERS CALL FOR "VISION" IN THE FACE OF CLIMATE CHANGE

Echoing UN-HABITAT's own renewed mandate, the planning profession signaled at its latest gathering in Porto, Portugal that it was ready to meet the double challenge of climate change and urbanization.

With "*Low carbon cities*" as the theme, speakers at the 2009 congress of the International Society of City and Regional Planners (ISOCARP) recognized that urban areas were major sources of greenhouse gas emissions, as well as critical potential contributors to any global action plan on climate change that would necessarily call for widely different solutions across different conurbations.

Participants highlighted the roles to be played by spatial and integrated, inclusive planning. Spatial planning seeks to influence the distribution of, and capital investment in, activities such as housing, transport and water management, a process that can pave the way for "climate-proof" cities and a carbon-neutral built environment.

The congress stressed the need for a sense of urgency, leadership and vision, from the very top to the lower tiers of government – and since climate change strategies are of a long-term rather than one-off, overnight nature, this political commitment must endure from one generation to another.

Professional planners from around the world also concurred that any climate change

strategies in an urban context must reflect the specific needs and responsibilities of the countries in the developing and developed world, with an appropriate mix of mitigation and adaptation measures.

This particular aspect of sustainable urban planning will come under sharper focus in September 2010, when the next congress convenes in Nairobi, Kenya, with "*Sustainable city – developing world*" as its chosen topic. With this first-ever meeting in Africa, the international planning profession will emphasize its awareness of the fact that a sustainable outcome of the world's urbanization process is largely dependent on what happens in cities in the developing world.

Developing countries will triple their combined built-up urban areas by 2030, a dramatic pace that can only come with significant resource constraints. On current estimates, the newly constructed urban areas in developing countries will, over the next thirty years, be equal to the world's total built area at the beginning of this century. Steering this unprecedented expansion in a sustainable way features high on UN-HABITAT's agenda, and the worldwide planning profession is welcome to help meet this daunting challenge.

In a related development, UN-HABITAT keeps supporting national planning associations in Africa with a view to convening a congress in 2010.

local development planning. The new programme is to bring the benefits of this experience to urban areas in Albania, Bosnia and Herzegovina, on top of Serbia. As an added value, the new programme will promote regional networking and building bridges between neighbouring nations, in order to strengthen complementarities with the main forms of assistance provided by the European Union.

Also in 2009 and in collaboration with the Network of Associations of Local Authorities of South-East Europe and the Helsinki University

of Technology, 15 urban practitioners from eight countries were trained on participatory action planning in the context of informal settlements; on this occasion, a fledgling network of cities and institutions involved in legalisation and upgrading of informal settlements was also established accordingly. Held in Ohrid, Macedonia the event also paved the way for the development of a medium- and long-term regional capacity-building programme on urban management.

## PROMOTION OF PRO-POOR LAND AND HOUSING

*“We reaffirm our commitment to the full and progressive realization of the right to adequate housing, and to provide legal security of tenure and equal access to land to all.”*

-- The Habitat Agenda



Slums in Asia are in desperate need of investment to improve the living conditions of the poor, 2009.

Photo © WEE LING SOH

The supply of land is central to housing delivery as well as to slum upgrading and prevention. Land features a range of social, cultural, political, economic and financial attributes associated to property rights, property tax and national laws that have direct implications for the performance of the housing sector and the overall macro-economic development of any nation. The lack of pro-poor instruments to deliver effective urban land policies is well-recognized by now. Short of these, it will not be possible to achieve any notable slum prevention or enable housing delivery on the required scale. Another, related, well-recognized fact is a lack of well-trained human resources to deal with the magnitude of the problems which rapid and uncontrolled urbanization is throwing at local authorities.

This double challenge highlights the need to create an environment and the knowledge and capacity that will enable governments and Habitat Agenda partners to design and implement citywide slum upgrading and prevention policies and programmes. The other

answer to this double challenge is to promote and support the formulation and implementation of enabling land and housing reforms that will help boost the supply of affordable, secure and accessible land and housing. Rights-based approaches have a powerful role to play in this respect.

### THE LAND NETWORK

UN-HABITAT's Global Land Tool Network has participated in the Land Policy Initiative jointly launched by the African Union Commission, the UN Economic Commission for Africa and the African Development Bank. Experts from the four institutions devised a comprehensive land policy framework and guidelines that were formally endorsed by African Heads of State and Governments in Sirte, Libya in July 2009. It highlighted African leaders' determination to ensure that land laws provide for equitable access to land especially by the landless, women, youth, displaced persons and other vulnerable groups. UN-HABITAT continues to support this policy initiative through the

development of land indicators and a tracking system.

Partnerships and sharing of expertise are the linchpins of the Land Tool Network, which brings together international non-governmental organizations and financial institutions, research and training institutions, donors and professional bodies. The network is currently comprised of 42 global partners and has a total of 1,130 registered members from 132 countries. The network supports the development of innovative land tools to contribute to poverty alleviation and the achievement of the Millennium Development Goals through land reform, improved land management and security of tenure.

In 2009 and jointly with various partners, the network organized a dozen workshops on gender evaluation criteria, Islamic land law and post-conflict technical support, among other land-related themes. The network also produced 15 advocacy publications, including brochures on 'Gender Evaluation Criteria for Large-Scale Land Tools', among other titles.



Kabul numeracy class 2009. Photo © D. O'REILLY

**BOX 3.1: LAND REFORM IN KENYA**

Land reform in Kenya provided an apt example of UN-HABITAT's comparative advantage when it comes to supporting linkages, synergies, processes and interventions in the land sector. In late 2009 the country finally adopted a new national land policy that provides an adequate framework for reform. In this regard, the Development Partners Group on Land, which is chaired by UN-HABITAT, has also agreed with Kenya's Ministry of Lands on a road map and 'quick wins'. Non-governmental stakeholders are already engaged and a basket funding mechanism has been established. The partners' group had already committed an estimated USD 13 million to land reform, and more resources are expected following parliament's vote on the law.

**SUPPORT TO NATIONAL POLICIES**

The Land Tool Network supports member governments and other partners in the implementation of land policies where there is potential to achieve systematic, pro-poor reform. For instance in Kenya, such efforts culminated with parliament's adoption of improved land policies in December 2009 (see Box 3.1).

*Africa*

In Madagascar, a land regularization programme aims for access to secure tenure for all. In the Democratic Republic of Congo, a land and post-disaster programme has been launched. In the set of so-called 'One-UN countries' including Cape Verde, Mozambique and Rwanda, UN-HABITAT helps in the development and application of enabling

policies and improved regulatory frameworks.

*Benin*

Benin has launched an innovative urban land registration programme, which is now in the process of expanding. UN-HABITAT is documenting these projects including the institutional and legal arrangements involved, in partnership with local and international institutions. The programme complements the prospective documentation and institutionalization of the country's rural land registration programme ("*Plan Foncier Rural*") which also benefits from UN-HABITAT support.

*Botswana*

UN-HABITAT has documented the land inventory programme, which is considered as best practice particularly with regard to the "Tribal Land Integrated Management System". The documentation includes the process, steps and key features of the land inventory as well as the accompanying land information system. These provided the basis for a set of "Guidelines for Implementing a Land Inventory" devised by the Land Tool Network.

*Ethiopia*

Together with the World Bank and Ethiopian authorities (Amhara Region), UN-HABITAT is jointly testing a "Social Tenure Domain Model", which is a pro-poor system that can record a wide range of land rights, including private, public and customary/traditional, as well as individual and group rights or claims (see Box 3.2).

*Mozambique*

UN-HABITAT supports the massive process of land use regularization launched in the capital, Maputo, as part of its City Development Programme. The process is based on an inclusive and participatory spatial planning approach, with traditional peri-urban settlements under special focus.

**BOX 3.2: SAFER TENURE FOR MILLIONS IN ETHIOPIA**

Over the past five years in Ethiopia, some 20 million land certificates have been issued across the country. The format is one of the many alternative secure forms of tenure advocated by UN-HABITAT through the Global Land Tool Network. UN-HABITAT has been supporting the World Bank and the government with seed funding and technical support during the past three years, including research and impact evaluation of the land certification initiative. A recent assessment shows that despite policy constraints, the programme has improved security of tenure (particularly for women) as well as land-related investment and rental market participation, with overall benefits way beyond implementation costs. As a result, the government has decided to extend the programme from 24 million to over 60 million land certificates, at a cost of USD 1.3 billion.

*Colombia*

UN-HABITAT helped in the preparation a new binding policy guideline on slum upgrading that is now the main reference for nine new municipal integrated programmes. The government has adopted a new policy on housing restitution and land rights for internally displaced people.

*Costa Rica*

The Housing National Policy was developed with UN-HABITAT support.

*Ecuador*

Meetings were held with the Social Contract for Housing Platform to advise on draft housing legislation.

## BOX 3.3: LAND AND HOUSING: A GROWING CRISIS

For all the progress already achieved by a number of countries towards the Millennium 'slum target', cities will remain host to hundreds of millions of new slum-dwellers unless radical measures and significant efforts are made to provide a range of affordable housing options and improved access to legally secured land at scale. The situation is critical and unprecedented in human history.

Today, some 1.15 billion urban residents – one sixth of humankind – live in slums and if no serious action is taken, their number is projected to rise over the next 30 years to about two billion. These global figures have clear regional dimensions. Asia is already home to more than half of the world's slum population (581 million), followed by sub-Saharan Africa (199 million) and Latin America where 120 million people, or nearly 30 percent of the population, already live in slums. Slum growth and proliferation will also vary by region, but with a likely largest impact on Africa where, in many countries, urban growth will be virtually synonymous with urban slum growth and proliferation.

A dysfunctioning housing sector – resulting in a scarcity of adequate and affordable housing – and inequitable access to urban land are critical factors contributing to urban slum growth and proliferation. Between now and 2030, some three billion additional people will need access to adequate housing and related social and basic services infrastructures. This translates into a global need to deliver 96,150 housing units per day. Across the world today, the acute shortage of affordable housing is most severe in developing countries. For example, India is estimated to require 40 million additional units; Indonesia, 735,000; 709,000 in Malaysia; 700,000 in Angola; 659,000 in Bangladesh, 650,000 in South Africa; and 240,000 in the Democratic Republic of Congo.

On the use and allocation of land for housing and other urban functions, the space occupied by cities is increasing faster than actual urban populations. Between the year 2000 and 2030, the world's urban population is expected to increase by 72 percent, compared with 175 percent for the developed urban areas. Various factors drive the process of urban sprawl, notably unequal and inequitable access to land, insecurity of tenure, dysfunctional land and housing markets and inappropriate land and housing policies. Every year, an estimated two million

people are victims of unlawful forced evictions, the vast majority of which live in Africa and Asia.

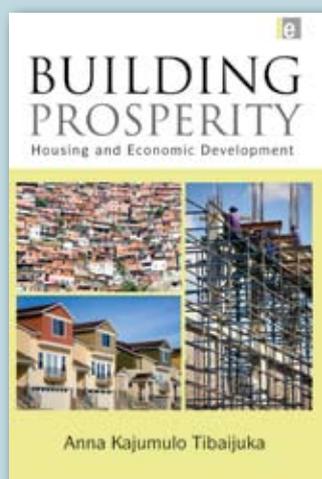
Additionally, it is estimated that only a little less than 30 percent of land in the developing world is actually registered in some form of cadastre. Women hold less than 10 percent of the registered land titles in the world. Land management tools often focus on delivering land to the middle class and the business sector. Associated with this, land resources are inequitably distributed in many countries in Africa, Asia and Latin America. Often the political and economic elites hold vast amounts of land commonly used for housing and real estate speculation, which further excludes low-income households. In some cities, 60 percent of the urban poor occupy less than 5 percent of the land living in settlements often plagued by overcrowding, inadequate water and sanitation provision and poor health.

The lack of political will, at times linked with corruption and impunity, is one of the pervasive causes for the persistence and continuation of slums in many cities. This tends to lead to increasing social unrest and conflict over the control of land which, in turn, contributes to political and social instability, civil strife, increased incidence of internally displaced persons, refugees and poverty. On top of this come detrimental economic and environmental consequences, leading to deterioration in the quality of life for all citizens. Inadequate city management to deal effectively with these critical issues and rapid urbanization further increases the vulnerability of cities, and particularly the urban poor.

Rapid urbanization makes cities vulnerable to both conflict and natural disasters. Informal settlements are often located on hazardous land, have limited access to water and basic services, are frequently beyond the political control of the state and can be prone to violence. In such a context, cities have very limited capacity to cope with even the smallest shock. Natural disasters or conflict can trigger massive displacement of affected populations to urban areas, often creating secondary waves of humanitarian crises through, for example, the spread of disease. Climate change will also accelerate migration and displacement and will impact, in particular, the nearly 634 million people living in at-risk coastal areas. Housing, land and property issues often arise in situations of displacement and can be a significant barrier to return and durable solutions.

#### BOX 3.4: A BOOK BY THE EXECUTIVE DIRECTOR

Mrs. Tibaijuka launched a new book she has written at a ceremony in the Swedish capital. Entitled *Building Prosperity* it argues why it is good to invest in housing for the poor. She told Swedish and international dignitaries and housing experts gathered at a signing ceremony in November that there was now clear, empirical evidence showing the multifaceted ways in which housing impacts on the process of economic growth. The book is conceived as a catalyst to raise awareness about the central role of housing in economic development. It argues that housing investment contributes directly and indirectly, through backward and forward linkages in the economy, to national economic growth and, to a large extent, to national capital stock. "This is an important contribution to the international debate on the role of housing in economic development. It is my sincere hope that its conclusions and recommendations will lead to greater prosperity across the world and translate into positive changes in the lives of the urban poor," UN Secretary-General Ban Ki-moon said in his foreword to the book.



#### Albania

With technical assistance and a loan from the Council of Europe Development Bank for the construction of 1,100 municipal social housing units in eight municipalities, UN-HABITAT in 2009 supported the preparation of a handbook on Social Housing Management, which maps out a sustainable institutional and operational framework for social housing in Albania.

#### LAND: NORMS AND PROJECTS

As far as land is concerned, UN-HABITAT is also combining normative and operational dimensions at country level, in an effort to build partnerships, harmonize interventions and take full advantage of existing capacities, in line with the agency's Medium Term Strategic and Institutional Plan. This approach is also consistent with the Paris Declaration on enhanced development aid through actions and indicators amenable to monitoring. The declaration was endorsed by over 100 countries in 2005 under the aegis of the Organization for Economic Cooperation and Development.

**Forced evictions:** UN-HABITAT and the Global Land Tool Network are jointly developing anti-eviction guidelines (including compensation and expropriation), associating major stakeholders in a bid to bring a variety of perspectives to bear on this issue. The evidence collected during fact-finding missions by the Advisory Group on Forced Evictions and UN-HABITAT to Port Harcourt (Nigeria), Greater London (UK), Istanbul (Turkey), New Orleans (USA) and Buenos Aires (Argentina) is to be used by partners to develop well-adapted alternatives.

**Pro-poor housing:** As cited earlier, training is a vital precondition for more efficient land and housing policies. At year's end, UN-HABITAT was about to publish a string of *Quick Guides for Housing the*

*Poor for African Cities*, after the success of the Asian series in 2007 and as suggested by African policy-makers and civil society. The eight-volume series has been drafted and presented to an expert group meeting of housing and land specialists for review and improvements. The Guides will be published in 2010 with the overall objective of building capacities of national and local government officials and policy-makers, civil society and poor groups in Africa, in a bid to promote low-income housing.

#### LOOKING AHEAD

In its scaling-up phase, the land tool network is planning to test a range of land tools in various parts of the world, to assess the impact of various land projects, organize training events and continue strategic advocacy at selected global events.

The network is looking to broaden the range of its financial supporters in order to implement its agenda. For example, funding from the Gates Foundation is under negotiation in connection with the deployment of land tools in three sub-Saharan countries.

#### DISASTER AND POST-CONFLICT

In 2009, UN-HABITAT extended the Strategic Policy on Human Settlements and Crisis and the Sustainable Relief and Reconstruction framework to all issues related to human settlements in crisis situations. Dedicated seminars were organized in Geneva and Nairobi, where a set of guidelines and tools were further refined. The agency produced four publications, including *Land, Tenure and Housing Issues for Conflict-Displaced Populations in Georgia* and *Interlocking Stabilized Soil Blocks: Appropriate Earth Technologies in Uganda*.

#### Colombia

UN-HABITAT concluded a fact-

finding mission on land and property rights with a Preparatory Assistance Programme focusing on displaced populations.

#### *Democratic Republic of the Congo*

UN-HABITAT has been running a systematic land dispute resolution scheme in Eastern Congo while coordinating programmes in North Kivu and Ituri within the humanitarian framework operated by the UN High Commissioner on Refugees.

#### *Uganda*

Together with UNICEF and the World Food Programme, UN-HABITAT looks to facilitate sustainable return and reintegration in Northern Uganda with basic (health, schooling) services, including housing for

teachers and health workers (with alternative building materials and technology), while injecting immediate cash into the returnee communities through use of local contractors. UN-HABITAT has also supervised the implementation of a housing project for extremely vulnerable individuals.

### LOOKING AHEAD

At year's end, the major conflict-related projects focus on reducing vulnerabilities and preventing violence in Antananarivo, Madagascar, and peripheral municipalities, further to the socio-political events of 2009, as well as in Mindanao, Philippines (focusing on displaced persons).

In Sudan, housing, land and

property assessment missions and programme formulation are on the agenda, along with programme formulation on land management and conflict resolution in South Sudan.

Guidelines and tools on security are forthcoming, with emphasis on vulnerability reduction through conflict-prevention and livelihoods, land tenure, shelter, and basic service provision. Special attention is given to youth and gender.

UN-HABITAT is also preparing a *Manual for field staff on Sustainable Relief and Reconstruction*, together with training material on land response, assessment of shelter and settlement needs and some more on land and conflict.

### BOX 3.5: LAND TOOL NETWORK ACHIEVEMENTS

An independent mid-term review has commended the Global Land Tool Network for its first two years' performance, recommending stronger staffing and funding in the face of future challenges.

The network effectively began operations in late 2007 and its current mandate lasts until the end of 2011. In their 2009 mid-term review, the international experts noted that the network had *"achieved some significant successes with a small secretariat staff, a limited budget and in the face of administrative constraints. (...) It has established a network that includes many of the most important actors in the land sector, it has a 'brand' and credibility in the international land arena. Notable achievements have been attained in the areas of advocacy, research and tool development."*

A large part of the network's success lies in its ability to scale up by the use of partners' capacities and contributions, enabling small funds to go a long way. Partners have shown their commitment to the vision and values of the network. The experts added: *"Secretariat staff are also very motivated, skilled and committed. UN-HABITAT has been an enthusiastic supporter of the network and has contributed considerable staff and management time to ensure its success."* The scheme is funded by the Swedish International Development Cooperation Agency (SIDA) and the Government of Norway.

With less than two years of effective funding, the network has made rapid progress in the development and documentation of land tools covering most of its targeted issues and themes. Forty-one of its own published documents were available on its Website as of 31st July 2009. There had been over 70,000 downloads of which over 16,000 were of Land Tool Network documents.

The network is now involved in Kenya, Ethiopia, Liberia, Haiti and Botswana, and has worked in many other countries as part of its research, tool development and training programmes.

The experts noted that on top of staff shortages, the network *"faces a number of challenges ahead,"* including:

- Resourcing and managing expansion into country-level activities.
- More efficient contracting and overcoming the constraints on procurement.
- Expanding Secretariat staff resources to make the most of emerging opportunities.
- Spreading wider awareness of Network activities among donors, land projects, government agencies and consultants.

The review was discussed at a meeting of Land Tool Network partners held in Nairobi in September 2009.

## CHALLENGES

The lack of pre-investment funds inhibits action in post-disaster/ conflict situations (initial staff deployment for shelter, early recovery, land coordination, assessments, project formulation). Also lacking are streamlined technical/administrative procedures and an agency-wide resource mobilization strategy. Institutional roles and responsibilities with respect to humanitarian and crisis-related activities should be clarified.

## SLUMS AND HOUSING: A RIGHTS-BASED APPROACH

Improved housing policies and programmes are a major component of achieving the goal of adequate shelter for all. The development of efficient, effective and affordable housing delivery systems is an essential element of this objective.

In order to better promote the rights-based approach advocated in *The State of the World Cities 2010/11*, UN-HABITAT coordinates the United Nations' Housing Rights Programme. This joint scheme with the Office of the High Commissioner for Human Rights, seeks to incorporate housing rights into housing policies and shelter strategies.

Together with the UNEP, UN-HABITAT is co-chairing the Inter-Agency Support Group on Indigenous Issues (IASG), whose annual meeting in Nairobi gave members of the UN Permanent Forum on Indigenous Issues an occasion to visit UN-HABITAT. This official visit highlighted the importance of the urban challenges for indigenous peoples, in particular with regard to their right to adequate housing.

Together with SUD-Net, UN-HABITAT sought throughout the year to promote low-cost alternatives for 'green' building materials and construction technologies.

## SLUM UPGRADING AND PREVENTION

UN-HABITAT launched Phase II of the Participatory Slum Upgrading and Prevention Programme in 12 African countries. Phase I focused on Urban Profiling (assessing the institutional, legal, regulatory and financial set-up and capacity of urban institutions from several perspectives) – in one major, one medium-size and one small-size city (from which a nationwide urban sector profile was extrapolated). Phase II of the programme identifies the steps needed for upgrading (and the resources to be mobilized) and, where possible, maps out a slum prevention policy in each country.

Given the magnitude of the slum problem, UN-HABITAT has signed an agreement with the World Bank on capacity development in the urban sector, the first outcome of which is a "Joint Work Programme on Successful Approaches towards National Slum Upgrading and Prevention". Jointly run with the World Bank Institute, the Inter-American Development Bank and German technical cooperation, the scheme reviews and disseminates recent experiences and best practices in slum upgrading and prevention in 15 selected countries.

Complementing those efforts though on another scale, UN-HABITAT is analyzing and systematically documenting slum upgrading experiences, developing a web-based technical and policy documentation centre, with a dynamic database to be accessible to urban authorities around the world.

## HOUSING SECTOR PROFILING

Housing sector profiling is a systemic analysis of the housing sector in a given country. In particular, profiling identifies various aspects of the shelter delivery system, including bottlenecks and current practice. The resulting knowledge and in-depth understanding enables various stakeholders, particularly

government, local authorities and others to devise appropriate and well-informed policies for improved shelter provision in urban areas.

*Malawi, Uganda, Senegal, Nepal and Vietnam*

In Malawi, profiling was officially launched on World Habitat Day and the government is already implementing subsequent recommendations, including strengthening the new ministry for lands, housing and urban development. Profiling is also in progress in Uganda, Senegal, Nepal and Vietnam.

*Brazil*

UN-HABITAT has substantially contributed to the *My House, My Life* government scheme launched in June, 2009, which looks to fund one million social housing units by December 2010.

*Chile*

In Chile, integrated planning schemes for upgraded housing "Upgrading Pacts" have been agreed in 194 neighbourhoods with community leaders, municipal authorities and the ministry of housing, with some disbursements made in 2009 and others allocated for 2010.

*Occupied Palestinian Territories*

Consistent with Governing Council recommendations, UN-HABITAT is assisting in the development of a strategic framework for the housing sector in the Occupied Palestinian Territories. The agency has also secured funding to rebuild 100 housing units in Gaza, on top of rehabilitating community infrastructure and establishing neighbourhood technical support centres. With the Cooperative Housing Foundation (CHF International) and the International Labour Organization as partners, and with support from the Palestinian Authority, the agency provides a compensation system for rehabilitation or rebuilding of homes. Faced with blockade-related shortages, the

three partners and the UN Relief and Works Agency are assisting with the demonstration and use of improved local and traditional materials. Compressed earth blocks provide transitional homes for living under tents or makeshift shelters. These sustainable initiatives support the local building sectors.

#### Tanzania

UN-HABITAT has assisted authorities in Dar es Salaam for the completion of an upgrading plan for 50 percent of all unplanned and un-serviced settlements in the city. UN-HABITAT is now taking the lead in efforts to mobilize the necessary funding.

## LOOKING AHEAD

Building on the work carried out by the Advisory Group on Forced Evictions (AGFE) since 2004, UN-HABITAT is planning to establish a global network to monitor forced evictions.

Promotion of the right to adequate housing through the UN Housing Rights Programme will continue with the Office of the High Commissioner for Refugees. Stronger links provide a timely opportunity for joint resource mobilization for enhanced knowledge generation, tool development, capacity-building and advocacy.

The scheme will support the implementation and testing at regional and national levels of the *Policy Guide to Housing for Indigenous Peoples*, an issue that will come under special focus at the 5<sup>th</sup> World Urban Forum in March, and at the 9<sup>th</sup> session of the UN Permanent Forum on Indigenous Issues in April. The Nairobi meeting was an opportunity to identify joint action with other UN agencies for the next two years.

Further progress will be made with regard to sustainable buildings. An expert group meeting in March 2010 will define the

### BOX 3.6: AT WORK IN AFGHANISTAN

In May 2009 UN-HABITAT and USAID joined forces in a new drive to improve Afghanistan's literacy rate, which after years of conflict is one of the lowest in the world.

The USD 40 million project called the Learning for Community Empowerment Programme, is looking to address literacy and numeracy skills in a country where, in rural areas, 90 percent of women and 63 percent of men cannot read or write.

Afghanistan's population has almost no accumulated assets or resources to enable them to take the first steps out of poverty. To date, no strategy has addressed these inter-related concerns: the lack of literacy and numeracy skills, productive skills, and an approach to savings and investment on a wide scale.

The goal of the empowerment programme is to contribute to community economic empowerment through an education programme that integrates literacy and numeracy education, productive skills and business development skills training, and establishment of self help groups for savings and investment.

The project is to be implemented in 2,766 rural and 2,766 urban communities in 20 provinces across Afghanistan, with UN-HABITAT providing support to the National Literacy Centre, Ministry of Education, during this process.

A total of 312,000 older youth and adults will benefit from the programme of which 60 percent will be women. The project will provide support to establish and train National Literacy Centre staff at the district, provincial and national level for the support, management, and oversight of the program, while new learning materials will be developed corresponding to the needs identified by rural communities.

agency's specific strategic role in the promotion of low-cost, 'green' alternative materials and techniques.

violations may compromise UN-HABITAT's normative and advocacy efforts to promote alternatives to forced eviction.

## CHALLENGES

Housing sector profiling requires institutional capacity-building and funding from donors and domestic sources, if affordable housing for the urban poor is to become available. Malawi, where the potential looks promising, is a case in point.

Increasing numbers of forced evictions threaten secure tenure. Lack of compliance with recognized human rights national legislation stands in the way of the Millennium slum target and the Habitat Agenda. Persistent



Teenage girls enjoy their sewing class in Kabul's District 13, Afghanistan, 2009. Photo © D. O'REILLY



A house in Kabul's District 13 rebuilt with support from UN-HABITAT, Afghanistan, 2009. Photo © D. O'REILLY

**BOX 3.7: LIVING AND WORKING IN AFGHANISTAN IS VERY DAUNTING AND DANGEROUS**

“By early 2008, no outsider could enter Safian, a settlement of 20,000 residents in Lashkar Gah, the main city in Helmand province in Afghanistan’s troubled south.

A stronghold of Taliban supporters and drug lords, it was one of the most dangerous areas in the most volatile province of Afghanistan. In June 2008, shortly after the murder of an NGO worker living there, a municipal team sent to enlarge a road in Safian was attacked and two police officers killed.

The thought of Safian becoming a standard bearer for planning a better urban future in Afghanistan seemed laughable. Yet less than a year later, the city’s mayor was able to walk freely in the area, discussing the improvements brought by the new road with residents and planning the distribution of land titles.

Security there is still tight and both foreign and local NGO staff keep a low profile but work continues. UN-HABITAT has set up six local community development councils in the settlement and is working with residents to develop a place where they are proud to live.” *Read more of Dominic O’Reilly’s first-hand account of the life and work of UN-HABITAT’s courageous, dedicated team in Afghanistan in our flagship magazine, Urban World, Volume 1, issue No. 4 .*



## ENVIRONMENTALLY SOUND BASIC INFRASTRUCTURE AND SERVICES

*“We commit ourselves to the goal of sustainable human settlements in an urbanizing world through efficient use of resources and by providing all people with equal opportunities, thereby contributing to the achievement of national sustainable development goals.”*

--- The Habitat Agenda

10,000 poor families have moved into new sustainable apartments in the district of Chongwen, China, 2009.

Photo © NEW WORLD CHINA LAND

Broader access to basic services for all promotes the relevant Millennium Development Goals and contributes to dignity, quality of life, sustainable livelihoods and human sustenance, with tangible and intangible effects on health and education for present and forthcoming generations.

The Governing Council's 2009 resolution on *Cities and Climate Change* recognizes that cities are major contributors of greenhouse gas emissions, but that they also have a major role to play in promoting energy efficiency through more appropriate urban planning, management and building practices for sustainable urban development, along with more sustainable urban mobility policies across the Globe.

These mandates coincide with UN-HABITAT's medium-term strategic plan 2008-2013 seeking expanded access to, and sustained provision of, adequate clean water, improved sanitation, waste management and ecologically sound transport, energy and appropriate technologies, both in urban and peri-urban areas.

In 2009, UN-HABITAT achievements in the water, sanitation and infrastructure area were both of a normative and an operational nature, in support of partner countries' efforts to reach the relevant Millennium Development Goals. Projects involved expanding access to urban water and sanitation services as well as promotion of sustainable urban transport, energy efficiency and renewable energy technologies, with the dimensions of gender and women empowerment systematically mainstreamed.

## WATER AND SANITATION FOR THE URBAN POOR

With support from the Water and Sanitation Trust Fund, UN-HABITAT in 2009 increased institutional capacity for pro-poor water and sanitation initiatives and policies,

## A BUSY, SUCCESSFUL GOVERNING COUNCIL

Delegates from more than 100 countries met at UN-HABITAT headquarters in Nairobi 30 March-3 April for the 22<sup>nd</sup> biennial session of the Governing Council at which governments set the agency's budget and work programme.

The theme of the 2009 meeting was: *Promoting affordable housing finance systems in an urbanizing world in the face of the global financial crisis and climate change*. Diplomats said it was important that the theme reflect the prevailing global mood at a time of economic downturn.

"The theme is a clear indication that affordable housing finance systems have a direct bearing on sustainable urbanization," said Kenya's Vice President Kalonzo Musyoka.

United Nations Secretary General Ban Ki-moon warned the meeting that the financial crisis now threatened to roll back the achievement of the Millennium Development Goals.

"In an urbanizing world, as we face the global economic crisis and the expanding impacts of climate change, we have to work particularly hard to ensure that the legions of urban poor are not left behind. Indeed, there is much to be done if we are to meet UN-HABITAT's strategic goal of improving access to sustainable financing

for affordable housing and infrastructure," he said.

He said slums are now home to 1 billion people around the world. Slum prevalence is highest in sub-Saharan Africa, where 62 percent of the urban population suffers from inadequate shelter, followed by southern Asia, 43 percent, and eastern Asia, 37 percent.

"The persistence of urban poverty is largely the result of weak urban economies and finance, and the absence of the instruments and institutions required to support housing and infrastructure finance. The current global financial crisis and credit crunch only exacerbate this situation," Mr. Ban said. "There is a risk that our efforts to meet the Millennium Development Goals, and to address the shelter crisis, will be rolled back.

"I have been urging industrialized countries to ensure that national stimulus packages pay due attention to the needs of developing countries," he said.

In a similar vein, Mrs. Tibaijuka added: "This year, our meeting takes place at a time our world is mired in the worst economic crisis in living memory. The origin of the crisis lies with a housing finance system gone wrong. Lessons learned from this experience must inform our housing policies and strategies."

strengthening partnerships with development banks and other stakeholders, and improving water and sanitation-related Millennium

Development Goal monitoring mechanisms.

## GOVERNING COUNCIL RESOLUTIONS

Key resolutions adopted at the 22<sup>nd</sup> Governing Council included new *Guidelines on access to basic services to all*. It is a resolution that comes after seven years of consultations with the UN Institute for Training and Research, other UN bodies and specialists aimed at improving the delivery of water, sanitation, transportation, electricity, communications, health and education and other services to the urban poor. It complements the International guidelines on decentralization and strengthening of local authorities adopted in 2007. It urges

Governments to place the issue of access to basic services at the centre of their national development policies, and calls on UN-HABITAT to publish the guidelines in the six official UN languages and disseminate them widely.

Other resolutions on *Cities and climate change*, *Affordable housing finance*, and *South-South cooperation in human settlements* were all hailed as key to sustainable economic growth, social equality and justice.

## GOVERNING COUNCIL HIGHLIGHTS

- Member States gave their blessing to a landmark new gender strategy that will enable the agency to better promote equal opportunities and benefits for women in towns and cities of the developing world, especially in light of the global economic crisis and climate change.
- Despite the financial crisis it is still possible to provide finance for houses for the poor experts told a meeting on the sidelines of the 22<sup>nd</sup> Session of the Governing Council. Take note, they said that the default rate on loans among the poor was very low making them genuinely bankable. The international community should provide funds that can take the bigger percentage of the risk when the poor negotiate for loans
- The Global Parliamentarians on Habitat (GPH) met on the sidelines of the 22<sup>nd</sup> Session and agreed to play greater role in seeking shelter for all.
- UN-HABITAT signed six agreements with partners from Argentina, Bangladesh, Kenya, Nepal, Tanzania and Uganda to provide funds for affordable housing and infrastructure.
- The Russian Federation announced plans to open a UN-HABITAT office in Moscow to serve the greater Commonwealth of Independent States region. A Habitat Programme Manager has already been appointed.
- Police departments in urban centres are being encouraged to have closer collaboration with local authorities and communities, thanks to a new initiative by UN-HABITAT and the Swedish National Police Board.
- Youth groups lobbied member governments demanding that young voices must be heeded.
- The Brazilian city of Rio de Janeiro formally started preparations of the fifth session of the World Urban Forum which it will host 22-26 March next year under the banner, *Bridging the urban divide: The right to the city*.



Members of the Albino Revolutionary Dancing Troupe from Tanzania at the Governing Council, Kenya, 2009.  
Photo © UN-HABITAT.



The 22<sup>nd</sup> Governing Council, Nairobi, Kenya, 2009.  
Photo © UN-HABITAT

### INCREASED INSTITUTIONAL CAPACITY

In a number of countries in 2009, training and technical assistance to water and sanitation utilities have improved capacities to deliver proper water supply services on a sustainable and viable basis. This included developing strategic business plans, performance improvement plans, water demand management, billing and revenue collection, customer care, block mapping, raising awareness on gender mainstreaming and women's empowerment.

Over 300 utility managers and operators in Bolivia, Bulgaria, Jordan, Mexico, Uganda and the U.S. Virgin Islands were familiarized with best practice and trained in water demand management, wastewater treatment plant operations, water safety planning, non-revenue water, energy efficiency and utility management for change agents. In Africa, eight water utilities in three countries have benefited from UN-HABITAT's capacity-building schemes, including a targeted mentoring, technical assistance and on-the-job training programme. An "Upgrading of Basic Urban Services" programme has been launched in Bobo-Dioulasso, Burkina Faso.

In Asia, improved water billing software has been developed for nine small towns and water and sanitation users' committees trained to increase efficiency in managing service delivery. The improved billing system will be expanded to another 29 small towns. Water and sanitation master plans of three municipalities were drafted and are under a stakeholders' consultation process for finalization.

Significant progress has also been achieved in institutionalizing a water demand management culture in the operations of local utilities. In India for example, leak detection in the Madhya Pradesh municipal corporations of Gwalior and Jabalpur has reduced

water losses by 15 percent in target areas, and some 10,000 households are benefiting from improved water supply as a result. Similarly in China, dissemination of water conservation and demand management among utilities is continuing.

Rainwater harvesting is receiving increasing attention but, as an alternative source of safe drinking water, is constrained by the lack of knowledge at grassroots and effective promotion by governments. These are the two dimensions on which UN-HABITAT is focusing, including demonstration projects that involve training for community groups, small local contractors and artisans. In Nepal, where the agency has helped develop *Rainwater Harvesting Guidelines*, the technique is now mandatory for all new government buildings, and promoted through incentives by the Kathmandu municipality and the national budget has already yielded tangible results.

### SANITATION AND WASTE MANAGEMENT

During the year under review, the capacity of local authorities, non-governmental and community-based organizations to address the sanitation needs of the poor was significantly enhanced through a dedicated micro-credit scheme in 10 African cities under the *Water for African Cities* and specific Lake Victoria programmes. These projects have already mobilized community savings and strengthened partnerships among local authorities, non-governmental organizations, community groups and micro-finance institutions, on top of training local community groups and local artisans in low-cost toilet building.

An innovative programme now provides revolving funds through local micro-finance institutions to enable poor, mostly women-headed households, to access funds to improve sanitation. A



major feature of the programme is the establishment of solidarity groups at the community level, as well as "community banks" where households accumulate the savings, enabling them to access loans from the revolving fund. In 10 African cities, over 1,300 families have already started saving with the local community banks.

In East Africa under the Lake Victoria Water and Sanitation Initiative, a model solid waste management system for small urban centres is being deployed in seven towns. In Kenya, the



Improving water and sanitation services. Photo © IRIN

*"Non-Motorized Transport Project for Solid Waste Management"* has established an efficient, sustainable and cost-effective alternative, in the process generating fresh income-earning and business opportunities for low-income people in informal settlements.

In Asia, the emphasis is on more effective wastewater management through demonstration projects. In Pakistan, UN-HABITAT provides technical assistance to five decentralized wastewater management systems. Designs for enhanced wastewater

management have been completed with UN-HABITAT support, including in Kunming, China, where wastewater volumes have been reduced by 10 percent through small treatment plants. Similar initiatives have been implemented in three other towns, with participation from the utilities and communities, resulting in significant environmental improvements. In Nepal, the policy framework for solid waste management has been strengthened with UN-HABITAT's assistance, resulting in the preparation of

dedicated legislation. *Solid Waste Management Guidelines* have been adopted, and a micro-credit scheme has also been launched in nine towns to provide sanitation services.

Community-based solid waste management systems are strengthened through pilot projects, some of which demonstrate how waste can be a source of energy. This is the case in Laos, PR China, Cambodia and Vietnam under the Mekong initiative. In Laos, biogas digesters at community level and market

places are piloted in 'cluster villages'.

UN-HABITAT promotes various urban solid waste management options. In Bolivia, a municipal water company has been created to improve solid waste management and encourage best practice for disposal. In Managua, Nicaragua, the *Improving Capacity for Solid Waste Management* programme supports the municipality, as does as a strategy and new policy guidelines for nationwide waste recovery and recycling.

#### **STRONGER LINKS WITH DEVELOPMENT BANKS**

The need to increase capital investment flows into the water and sanitation sector has led UN-HABITAT to strengthen existing partnerships with the three major regional development banks (African, Asian and Inter-American). Under these well-coordinated linkages and as part of regional programmes, the Water and Sanitation Trust Fund provides pre-investment capacity building where substantial opportunities for projects arise in partner countries, resulting in shorter preparation and appraisal periods for development

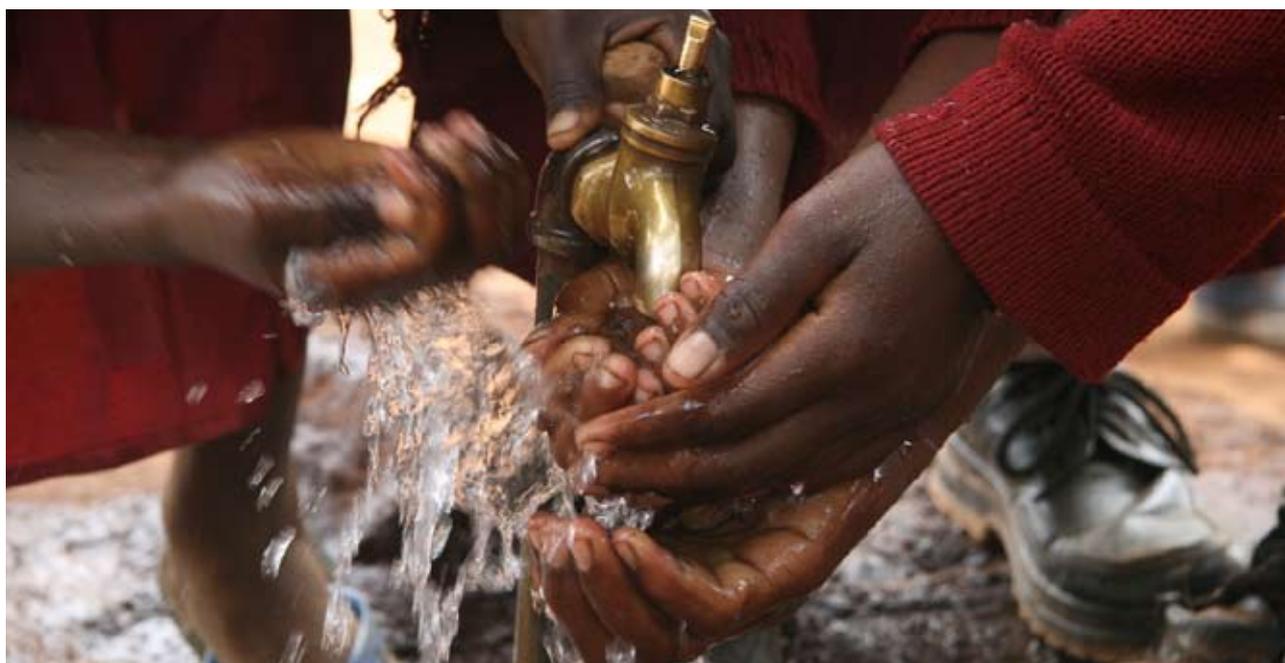
banks and a sharper focus on the poor and underprivileged.

This was the case in Africa, where pre-investment capacity support brought not just faster processing but also more effective use of loans or grants for expanded access to water supply and sanitation services, including in Tanzania (Zanzibar), Kenya, Ethiopia and Mali, in cooperation with the African Development Bank. Under the Lake Victoria Region Water and Sanitation Initiative, the African Water Facility funds a soon-to-be-completed project blueprint to extend the scheme to another 15 towns in five countries. Funding is expected to exceed USD 150 million, with the African Development Bank taking care of the bulk of follow-up investments. The Japan Habitat Association has contributed USD 105,000 to the regional scheme toward the water and sanitation needs of vulnerable groups. Increased capital investment in the region is likely to result from a new partnership with the European Investment Bank, which is to fund a UN-HABITAT-supervised project formulation study involving three cities (Kisumu, Kenya; Mwanza, Tanzania; and Kampala, Uganda).

In Bolivia, preparations for four

master plans have started in cooperation with the Inter-American Development Bank as part of its Water Peri-urban Programme.

In Asia, local mining company Oxiana/Lane Xang Minerals has contributed USD 208,000 to the Water and Sanitation Trust Fund toward a community-based water and sanitation project in Vilabouly, Laos, which is expected to benefit around 10,000 people, with provincial and district authorities contributing over USD 0.5 million. Also in Laos a community-based financing project for private and public investment in water and sanitation (on top of housing-related infrastructure) is under development, with the community scheme expected largely to match UN-HABITAT's USD 0.55 million contribution. UN-HABITAT has also received USD 114,000 from the Centralized Emergency Relief Fund for emergency water and sanitation relief in three provinces (Saravane, Sekong, Attapeu) affected by typhoon Ketsana in October 2009. In the Mekong region, extension of the major water and sanitation programme is in early stages in small towns in Cambodia, Vietnam and Laos (of which 14 are located in economic corridors) following completion of



**Water is essential to health.** Photo © IRIN

formal agreements.

In India and Nepal, two of our major private sector partners continued working ever more closely with the agency in 2009. In West Bengal, Coca Cola India now helps local authorities to provide potable water and improved sanitation for some 100,000 students in 150 schools located in dry or contaminated areas. A rainwater harvesting scheme in Nepal (which is already operational in Madhya Pradesh) is attracting more local contributions. On top of a post-tsunami water and sanitation project, the German chemical giant BASF has launched a similar project in flood-affected border areas of India and Nepal.

#### ADVOCACY

In the year under review, UN-HABITAT published and disseminated two landmark publications collecting worldwide best practices: *A Global Atlas of Excreta, Wastewater Sludge and Biosolids Management: Moving Forward the Sustainable and Welcome Use of a Global Resource*; and an updated and expanded edition of the publication entitled, *Collection of Solid Waste in Developing Countries*. The third *Global Report on the State of Water and Sanitation in the World Cities*, which focuses on *Solid Waste in the World's Cities: Understanding Global Trends and Practices*, was completed in 2009 for launching at the World Urban Forum in March 2010.

The Trust Fund also supported pro-poor advocacy and active engagement in a number of water and sanitation related political processes and events. At the Fifth World Water Forum in Istanbul, Turkey, UN-HABITAT coordinated debates on governance and organized a number of seminars. In late 2009, the agency was elected as Governor of the World Water Council and is also now sitting on the newly created advisory board of the World Water Week. The agency also

participated in the Singapore Water Week, the UNESCO World Conference on Education for Sustainable Development, the International Water Association Annual Conference, and 2<sup>nd</sup> Africa Water Week under the auspices of the African Ministers' Council on Water.

Gender-mainstreaming in water and sanitation projects continued, with the focus on advocacy, training workshops as well as on pilot projects. Dedicated training workshops for policy- and decision-makers, women and youth groups were organized in 11 African towns for over 400 women and men.

In Asia, a gender resource book is in the works, together with another (the World Bank) on opportunities in sanitation for the private sector. In India, continuous efforts have resulted in the adoption of a Gender Mainstreaming Strategy and Action Plan by four cities in Madhya Pradesh. The plan was developed by UN-HABITAT in 2006 and will come on stream in 2010.

In the Mekong Region, gender mainstreaming activities will look to build the local capacity to mainstream gender effectively in the water and sanitation sector in Laos, Cambodia and Vietnam, with training targeted at water utility staff projected to go into 2011.

In Kenya, a *Lake Victoria Urban Schools Water and Sanitation Project* was launched.

#### BETTER MONITORING

Still in the water and sanitation area, UN-HABITAT during the year launched a number of schemes to monitor progress toward relevant Millennium Development Goals. These efforts include the "h2.0 Monitoring to Inform and Empower" initiative, a partnership with Google.Org, the first phase of which is progressing well in Zanzibar, Tanzania. In 2009, a number of innovative monitoring

methodologies were developed and piloted under the h2.0 Initiative. Improvements were made to Urban Inequities Surveys, the African water operators and Citizen Report Card systems piloted in Zanzibar. Cost-efficient surveys in urban 'hotspots' and across Kenya has now collected data for 2.3 million people.

In Zanzibar, trials of the Human Sensor Web, an innovative tool to improve utility responsiveness to service delivery problems on their networks, were successful. A prototype of the interactive online platform that will host and visualize the component h2.0 datasets was also developed using Google Earth, Maps and Fusion Tables.

National and local institutions have also been trained in regular monitoring and use of data for decision-making. Training carried out in 2009 has enabled statisticians, partner non-governmental organizations and water operators in the pilot areas of Zanzibar and Lake Victoria to carry out Urban Inequity Surveys as well as Citizen Report Card and benchmarking methodologies, and to complete h2.0 pilot data collection. For the *MajiData* initiative, national teams were trained and manuals developed to enable local stakeholders to replicate the surveys.

In Asia, monitoring of Millennium Goals is currently in progress in Laos, Vietnam, Cambodia and Nepal.

In Mexico, UN-HABITAT supports ongoing efforts to institutionalize "Citizen Observatories" in the area of water and sanitation, as have already been established at Ecatepec de Morelos (Mexico) and, with Spanish government support, at Xalapa (Veracruz) and Tuxtla Gutierrez (Chiapas). The scheme promotes better water and sanitation services, including alternative technologies such as eco-sanitation and rainwater-harvesting. Negotiations are underway with the Council to

launch three more observatories and a nationwide network. In Ecuador, an ongoing water and sanitation governance project supports democratic governance in the sector, integrating management of water resources, social, territorial and gender equity, and will also contribute to the development of new legislation on water. It will improve access to safe water and sanitation for the poorest populations of four provinces in pursuit of the relevant Millennium Goal, with positive effects on six others. In Bolivia, UN-HABITAT, together with the Japanese and German cooperation agencies and the World Health Organization, is looking to launch a water and health observatory in Santa Cruz, the rationale being

that crossing indicators from both sectors would help local authorities identify critical areas.

### PROMOTING SUSTAINABLE URBAN TRANSPORT

UN-HABITAT also brought its normative and operational abilities to bear on the promotion of sustainable urban mobility in 2009, through combinations of improved access to transport services, reduced environmental impact and higher productivity.

### PARTNERSHIP AND ADVOCACY

With the challenge of climate change looming larger over cities of the world and continuing

problems for the poor to access transport services, UN-HABITAT has strengthened partnerships with organizations inside and outside the UN system to promote sustainable mobility. This is the case with the UN Environment Programme through a dedicated framework, as well as with the International Energy Agency, the Global Environment Facility (GEF), the Global Alliance for EcoMobility, the International Association of Public Transport (UITP) and German Technical Development Cooperation (GTZ).

These two bodies together with UN-HABITAT hosted an international seminar on "Sustainable Public Transport for Africa" in Nairobi. In Yogyakarta,

## THE WORLD'S TOP ENVIRONMENT AWARD

Mrs. Tibaijuka was announced as a winner of the coveted *Göteborg Award for Sustainable Development* on the eve of the Copenhagen climate talks. Widely known as the "Nobel Prize for the Environment", she shared the 2009 award with Enrique Peñalosa, the former mayor of Bogotá, Colombia, and the world renowned hero of the environment, Sören Hermansen, of Samsö, Denmark.

The ceremony on Tuesday, 24 November 2009 marked the 10th anniversary of the award, which this year stressed the urban dimension of the climate change and environment debate.

"Rapidly growing cities and towns house half of the world's population. They represent 75 percent of all energy consumption and generate 80 percent of greenhouse gas emissions," said the Jury Chairman Stefan Edman.

"We are thrilled to award our jubilee prize to these brilliant visionaries, strategists and system transformers."

The Jury cited Mrs. Tibaijuka for raising the profile of UN-HABITAT and the importance of urban sustainability as a key to a better future. In her acceptance speech she said she felt "honoured and humbled" at the

great recognition conferred upon her and the agency.

"I accept this award not only for myself but also for my colleagues at UN-HABITAT who have stood at my side in our campaign for sustainable urbanisation," she said. "We continue to seek an end to homelessness, urban poverty, deprivation, social exclusion and suffering throughout the world. If we cannot secure the human habitat, we shall not be able to secure the environment," she said.

Mr. Peñalosa stressed the importance of cities that accommodate all their citizens, making all feel that they belong, so that, for example, "a person who cycles to work has as much right to get around safely as someone who drives a thirty-thousand dollar car".

Mr. Hermansen said it should always be remembered that climate change and the environment are not matters of science alone, but rather all about people, and that people in the world had to learn how to share better.

The Göteborg Award for Sustainable Development celebrates its ten year jubilee in 2009. It is funded by the City together with the Second Swedish National Pension Fund, Carl Bennet AB, Elanders AB, Eldan Recycling, Folksam, Götaverken Miljö, Handelsbanken, Nordea, Peab, Schenker AB and SKF.



Mrs. Tibaijuka with Enrique Peñalosa(left) and Sören Hermansen in Göteborg, Sweden, 2009.  
Photo © UN-HABITAT / EDLAM YEMERU

Indonesia, an expert group focused on "Access to clean urban transport for the poor in Asia." UN-HABITAT has also launched the Global Energy Network for Poor Urban Settlements (GENUS), which promotes access to energy and improved urban mobility for the urban poor. Ahead of the World Urban Forum, UN-HABITAT organized an electronic exchange among prospective participants on the theme "Bridging the urban transport divide".

**SUSTAINABLE TRANSPORT FOR EAST AFRICA**

With funding from the Global Environment Facility and as part of its own sustainable transport strategy, UN-HABITAT in 2009 launched a model initiative to enhance awareness of, and support for, sustainable transport systems among policy-makers, stakeholders and the general public in East Africa and beyond. Based on the UN-HABITAT-based *Sustainable Transport Action Network for Africa (Sustran)*, the model project combines technical

assistance and institutional support for the design and implementation of inter-related sustainable transport projects in the capitals of Kenya, Uganda and Ethiopia. Supporting partners include the Institute for Transportation and Development Policy (USA), the Transport Research Laboratory, UITP, GTZ and the respective national and local governments. Close cooperation will be established with projects currently funded by the Global Environment Facility.

**MAINSTREAMING TRANSPORTATION**

Besides partnerships, advocacy and demonstration projects at global level, efforts in urban mobility were also aimed at integrating transportation issues into other UN-HABITAT initiatives and strategic focus areas, including the Cities and Climate Change Strategy. For instance in Nicaragua, cooperation with the United Nations Office for Project Services is improving the transportation dimension of UN-HABITAT's Integrated Solid

Waste Management Programme in Managua.

**PROMOTING ENERGY EFFICIENCY**

UN-HABITAT focused during the year under review on improved access for the urban and peri-urban poor, enhanced energy efficiency and renewable energy technologies.

UN-HABITAT worked with governments and power utilities to increase electricity access in slum areas through innovative solutions, including prepaid systems and decentralized, community-owned power generation. The agency also helped governments develop pro-poor energy policies.

UN-HABITAT helped national and local governments update building laws and regulations to make them more energy efficient and thus reduce costs.

The agency also promotes renewable energy technologies in a pro-poor, sustainable perspective in order to reduce the cost of



Linz, Austria. Photo © Shutterstock

conventional energies (fossil fuel and electricity from national grids), ease access to modern energy and mitigate climate change through carbon footprint reductions. In particular, urban public facilities such as market places, slaughterhouses, toilets, schools, prisons, barracks, to generate significant amounts of organic waste that could be converted into thermal energy (biogas) for productive use. On top of improving the sanitary condition of those facilities, biogas reduces demand for firewood for cooking and cuts greenhouse gas emissions.

In 2009 and in collaboration with the UN Environmental Programme, the Global Environment Facility and governments of the East African Community (Burundi, Kenya, Rwanda, Tanzania and Uganda), UN-HABITAT began to develop a programme known as "Promoting Energy Efficiency in Buildings in Eastern Africa." The rationale is to incorporate energy-efficiency into housing policies as well as building codes, standards and practice in the sub-region, where energy savings and use of passive systems did not feature, as in most of the developing world. This initiative has the benefit of disseminating energy-efficiency and renewables across sectors of activity in a single country, as does promotion of energy-saving lamps and solar domestic water-heaters. Since buildings typically account for 40 percent of a country's energy consumption, even savings of 10 percent would release resources for better uses.

#### UTILITY AUDITS

Another "pro-poor" dimension of the energy-efficiency programme involves energy audits for water and sanitation utilities, such as those carried out in 2009 in Africa (the Ghana Water Company Ltd, the Addis Ababa Water and Sewerage Authority, and the Plateau State Water Services Board (Nigeria)). As a result, the Ghanaian utility is expecting to save 18 percent of total energy

costs, or USD 0.52 million a year, some of which will be passed on to end-users. The experience gained in the three audits has been collected in an *Energy Audit Manual for Utilities in Developing Countries* for dissemination among other utilities, in a bid to encourage them to conduct regular energy audits in their operations. With technical assistance from UN-HABITAT and its Water and Sanitation Trust Fund, a number of utilities in the Caribbean have embarked on intensive energy audits of their own.

Feasibility studies on the various options available for cost-effective renewable energy technology options in connection with water and sanitation services have been conducted in 10 African cities and towns. One for the construction of a 200 kilowatt micro-hydropower plant in Kisii, Kenya, which shows that costs could be reduced by just under 80 percent for a stable, clean source of electricity for water pumping, and reduce electricity costs for the water utility by over 79 percent. UN-HABITAT is working with Kisii Municipal Authorities to find a financial partner for the project.

The potential for biogas has been assessed in some cities and towns in seven African countries. A total of 29 project profiles have been subsequently developed and are ready for implementation. Five potential biogas plants in Kenya, Tanzania and Uganda have been identified for pilot projects.

As part of the energy-efficiency programme, a booklet entitled *Case Studies on Renewable Energy Technologies and Energy Efficiency* was under preparation and is mainly aimed at urban authorities in developing countries.

UN-HABITAT's Urban Energy Section chairs the "Africa" component of UN-Energy, the UN system's dedicated interagency mechanism. It facilitates information, knowledge, best practice sharing as well as joint energy projects, among partners

including non-the private sector and others working in the field of sustainable energy. High on the 2010 agenda is the first African Energy Week, assistance to the design and development of the African Union's "Africa Energy Vision 2035" report, and publication of a flagship *African Regional Integrated Energy Development Report*.

UN-HABITAT is also contributing to a process launched in May 2009 at the fourth Tokyo International Conference on African Development for the promotion of affordable and clean lighting energy for African human settlements and sustainable water and sanitation for the poor.

#### LOOKING AHEAD

In the water, sanitation, energy and transportation areas, UN-HABITAT expects the year 2010 to see the continuation and expansion of current programmes, projects, and partnerships with the private sector. Focus will remain on sustainable access to water and sanitation services for the urban poor through city-level demonstration projects as well as region-wide advocacy and capacity-building.

Once the pilot phases of the model-setting initiatives are completed, the Lake Victoria and Mekong projects will be extended to additional towns in 2010 (including 15 in Africa). In the Mekong region, work is now in progress in 27 towns. New partnerships will be explored with a view to scaling up the next phase, in a bid to reach the overall target of improved water and sanitation for 1.04 million people in small towns in the region.

Development and dissemination of water and sanitation management toolkits, sourcebooks and guidelines that set standards of practice will be continued in 2010. Contributions to regional and global policy debates will continue through water-and sanitation-related networks and events,

## WORLD HABITAT DAY

The Obama Administration in October 2009 set important precedents that have raised the bar for World Habitat Day celebrations, turning the occasion into a World Habitat Week and signaling new directions for how member States work with the United Nations to advance local actions for global goals.

For the first time, World Habitat Day included both a high-level awards ceremony culminating in a video message by President Obama, and seven days of affiliated and regional events organized by non-State actors in what became “World Habitat Week.”

Setting a precedent for the Global North, the US government used the global celebrations as a platform to advance domestic urban

policy. This marked clearly the importance of the United Nations to a major industrialized nation for accelerating a national development priority. Further, the United States used the occasion of World Habitat Day to call for both diplomacy and development to promote sustainable development in a rapidly urbanizing world. Finally, the 2009 global celebrations marked a deliberate effort by the government and partners to use World Habitat Day to mobilize interest in the World Urban Forum.

The expansion of World Habitat Day to World Habitat Week was the result of extensive planning. In June 2009, Hon. Shaun Donovan, Secretary of Housing and Urban Development (HUD) and

Mrs. Tibaijuka held a private dinner in Washington to launch the US Honorary Committee for World Habitat Day. They brought together leading policy makers of the White House, the US Congress, the Department of State, the US Conference of Mayors, major policy institutes, national associations, and housing organizations.

In the months that followed Ms. Valerie Jarrett, Advisor to the President, and Ms. Melody Barnes, White House Director of Domestic Policy, provided guidance as Co-chairs of the Honorary Committee while participating institutions worked with HUD and UN-HABITAT to plan the occasion. The global celebrations on 5 October were the morning session



World Habitat Day, Washington D.C., 2009. Photo © UN-HABITAT

at the National Building Museum that included addresses by high-level officials and the Habitat Awards ceremony; the “Livelihoods Forum” of eminent persons at Howard University, and a private dinner hosted by the Rockefeller Foundation at the National Building Museum. The affiliated events held from 1 to 8 October included a series of policy forums based in Washington and regional events in six cities of the United States. These were organized by Habitat for Humanity International, the US Chamber of Commerce, American Planners Association, the Brookings Institution, United Nations Federal Credit Union, the Huairou Commission, the International Housing Coalition, and the Woodrow Wilson Center for International Scholars.

The government strategically aligned the 5 October 2009 morning, afternoon and evening sessions of World Habitat Day to advance emerging domestic housing and urban policy. During the morning session President Obama promoted the national strategy for sustainable metropolitan development in his video message aired at the National Building Museum. Ms. Barnes and Secretary Donovan outlined specific measures by the government to ensure affordable housing, green cities, and inter-departmental, placed-based approaches for the nation’s metro areas. In the afternoon,

Mr. Adolpho Carrion, Director of the White House Office of Urban Affairs, used the “Livelihoods Forum” together with Mr. Ron Sims, Deputy Secretary to outline the “listening tour,” that the Obama Administration launched in July 2009 to begin a national conversation on the country’s urban future.

At the private dinner, Ms. Jarrett emphasized that change ultimately takes place at the local level and that the role of government is to nurture and strengthen local action.

In her addresses at the morning, afternoon and dinner events, Mrs. Tibajuka highlighted the key findings of the 2009 *Global Report on Human Settlements: Planning Our Urban Future*. She urged Americans to draw upon their planning tradition to advance sustainable metropolitan development at home and abroad.

On foreign policy, high level officials of the Department of State used the events to articulate new directions for meeting the urban challenge. Hon. Susan Rice, US Ambassador to the United Nations, praised the work of UN-HABITAT in raising awareness about rapid urbanization and in working with the United States in numerous countries to promote affordable housing and sustainable urban development.

At the Livelihoods Forum, Ms. Esther Brimmer, Assistant

Secretary of State for International Organizations, reiterated the comments of Ambassador Rice and added that the United States had recently doubled its voluntary contributions to UN-HABITAT. At the private dinner, Anne-Marie Slaughter, State Department Director of the Policy Planning, argued that addressing the urban challenge will require more than development assistance—it must also involve a major diplomatic initiative. Participating in all three events, Mrs. Tibajuka challenged the US foreign policy establishment to rethink its assumptions about urban development. She urged the government to view sustainable urbanization as both a result of, and a requirement for, sound agricultural development.

Ms. Jarrett in her keynote address urged Americans to attend the fifth session of the World Urban Forum in Brazil in March 2010.

Secretary Donovan announced that he will lead the US delegation to the World Urban Forum. These remarks—six months in advance of the Forum—went a long way towards encouraging Americans on World Habitat Day to participate in the Forum. It is anticipated that Members of the Honorary Committee will take an active role in assisting government and partner institutions to prepare for the gathering in Brazil.

THE 2009 UN-HABITAT SCROLL OF HONOUR AWARD WINNERS

1. **Un Techo Para Mi Pais, a Chilean NGO**  
For providing 42,000 homes for the poor in 15 Latin American countries
2. **The Alexandra Renewal Project, Johannesburg, South Africa**  
For helping thousands of poor people move into better homes and boosting health, water and electricity services.
3. **Al- Medina Al-Munawarah Local Urban Observatory, Saudi Arabia**  
For pioneering a Local Observatory System now used elsewhere in the country and in the Middle East for smart urban planning
4. **Rizhao Municipal Government, China**  
For transforming their city into a green home with new housing and infrastructure
5. **The City of Grozny, Russia**  
For resurrecting their war scarred city and providing new homes for thousands
6. **Peter Oberlander, Canada**  
A founding father of UN-HABITAT - for a lifetime of promoting the urban agenda around the world
7. **Jan Peterson (United States of America)**  
For championing the rights of grassroots women and their movements for better human settlements
8. **Neal Peirce, journalist, United States**  
For a lifetime of journalism dedicated to reporting cities for cities for a better urban future.
9. **UWESO, the Uganda Women's Efforts to Save Children**  
For providing water, health and sanitation to orphans and vulnerable children
10. **The City of Malmö, Sweden**  
For its innovative, holistic approach to becoming a 21<sup>st</sup> century eco-city
11. **Cementos Mexicanos (CEMEX)**  
For helping more than 1 million poor people build their own homes, and more



Mrs. Tibaijuka with the Scroll of Honour and World Habitat Award Winners, Washington D.C., 2009.  
Photo © UN-HABITAT

## PRESIDENT OBAMA'S WORLD HABITAT DAY MESSAGE

Welcome to Washington D.C. I want to thank everyone who is celebrating World Habitat

Day across the country and around the world. And I want to thank Secretary Donovan and Dr. Tibaijuka of the United Nations for making this day possible. Every year, World Habitat Day gives us the opportunity to raise awareness and offer ideas about how we can make our planet a better place for ourselves and our children. This year's commemoration comes at a moment of challenge for America and the world. We find ourselves in the midst of a global recession. Millions of families in our nation and all nations have lost their homes or fear that they will lose their homes some time in the future. World Habitat Day is a chance for us to help make sure that doesn't happen. To build a future where all our families can find a place to call home. Where all our families can find a thriving community to call their own. My administration is committed to doing its part to meet this goal by bolstering

our metropolitan areas, the cities, suburban and rural areas that are the engines of our economic growth. We are investing in a clean energy sector that will generate new green jobs, building affordable energy efficient homes and promoting more sustainable development so that we can meet the needs of the present, for securing the future for our children and grandchildren. I believe we can do this. But we cannot do it alone. That is why we are committed to working with the United Nations and our partners around the world to help more families to find a safe and secure place to live. From Nairobi to Delhi to Washington D.C. That is how we will advance opportunity and prosperity not only in the United States but around the globe. In the end this moment is one not only of great challenge but great opportunity. We have an opportunity to lift up the lives of people in all our countries. That is a goal we must work to meet on World Habitat Day. That is a goal we must work to meet everyday. And that is a goal we can and will meet together. Thanks."

including the African Ministers' Council on Water, the Asia-Pacific Ministerial Conference on Housing and Human Settlements, and UN-Water, among others, as will advocacy of pro-poor urban water and sanitation issues at upcoming international events such as the International African Water and Sanitation Congress and Exhibition, the World Urban Forum, the Singapore International Water Week, the Shanghai World Expo 2010 and the World Water Week in Stockholm.

With sustainable Water Operators' Partnership (WOP) platforms now in place to facilitate twinning and training in most of the world's regions, the Global Water Operators Partnership Alliance is now looking to devise the required knowledge and financial tools. Drawing on members' expertise and resources, the Alliance will develop and disseminate some essential tools and resources to

facilitate operators' adoption of water operators' partnerships, which will require significant communications and advocacy efforts.

The year 2010 will also see the completion of Phase 1 of the Google-supported *h2.0 Initiative*, as well as fresh proposals for continued collaboration on innovative monitoring. Implementation of various constituent schemes is going on throughout Kenya, Tanzania and Uganda. By June 2010, all data will be compiled and uploaded into the public domain using Google's Fusion tables, a new programme that facilitates data sharing, analysis and viewing. The results of the pilot scheme will be disseminated at various conferences during the last quarter of 2010.

The World Urban Forum will give the agency a good opportunity to

promote sustainable urban mobility, which will also feature on the agenda of the forthcoming 18th session of the UN Commission on Sustainable Development, where UN-HABITAT will participate and organize a side event with international partners.

The outcome of the UN Copenhagen Climate Summit also posed a significant challenge for ongoing work in sustainable mobility, as it introduced some uncertainty as to the extent of initiatives and capital investment necessary for upscaled sustainable urban transport systems around the world.

## LESSONS LEARNED

Water and sanitation infrastructure is a time- and capital-intensive business which requires long-term financial sustainability. This in turn calls for increased

multi-year funding from donors, improved compliance with counterpart-funding from recipient governments and other development partners, and ensuring that core funds for cross-cutting activities are used as effectively as possible. The global economic crisis continued in 2009 to have an impact on programme activities once donors came to the end of current funding cycles.

Discussions with donors have broadened beyond the traditional bi-lateral and multi-lateral groups to foundations and the private sector. As far as multilateral institutions are concerned, the possibility of UN-HABITAT tendering (on a sole-source basis) for contracts is under consideration and could expand partnerships, particularly with development banks.

The 2009 rapid assessment of the UN-HABITAT Trust Fund identified the inclusion of projects and programmes in national government strategies as another issue requiring attention. The modalities of such inclusion vary across regions. However, in some cases, more could be done to improve awareness and stewardship of activities, not only amongst government departments in charge of water but also those in charge of finance, local government, and urban development. Enhanced donor coordination would improve aid-effectiveness and avoid duplication and overlap. Involving finance ministries would also put UN-HABITAT in a strong position with regards to development banks.

Clearly, UN-HABITAT's relationships with the development banks have reached a mature stage. The banks now perceive the agency as a valuable partner that can lay proper foundations for projects. In addition to the conceptual design of projects, UN-HABITAT's role now extends to the financial and economic analysis of prospective projects, and with valuable import. For instance, a thorough

understanding of utilities and their respective "levels of robustness" will largely determine the types of financial mechanisms needed for a given project. This is of special relevance to small- and medium-sized utilities, which can offer good opportunities for investment. The types of collaboration under development also have UN-HABITAT building capacities in support of capital investment in physical infrastructure.

As far as other development bodies are concerned, two further types of partnership warrant further attention. One involves the UN system, whether in individual countries under the "One UN" banner or with central policy and planning divisions. The second type of partnership includes a variety of bodies such as multinational non-government organizations, and the private sector. With these two types of partners, the focus should be of a complimentary rather than competitive nature. It would seem that regular consultations with these groups would be in order for the sake of synergies in programme planning.

Internally, the water, sanitation and infrastructure branch has ensured greater synergy with the regional technical and cooperation division activities, and joint programming has resulted. On several occasions, the network of UN-HABITAT programme managers, has worked effectively to incorporate UN-HABITAT activities into UN country programmes, at times with co-funding for certain items.

## REGIONAL HIGHLIGHTS: ASIA AND PACIFIC

In the Asia-Pacific region in 2009, UN-HABITAT implemented a total of 83 operational projects in 16 of the 39 countries in the region; 39 projects were completed and 29 new ones started. In September, a new UN-HABITAT Office opened in Bangkok to improve sub-regional coordination with other UN agencies.

The new projects are located in China (reconstruction of earthquake-affected primary schools), Indonesia (training for improved municipal waste management), Laos (emergency shelter for flood affected populations), the Maldives (land and housing policy support), Mongolia (Ger area upgrading), Myanmar (post-disaster community-based water and sanitation and disaster risk reduction), Nepal (shelter recovery for displaced people), Pakistan (emergency shelter for displaced people), Philippines (adapting cities in the face of climate change), Sri Lanka (rebuilding sustainable communities in tsunami-affected areas), and Vietnam (support to national housing policy and provincial development strategy).

Over the course of 2009, UN-HABITAT held meetings to enhance the efficiency of its regional (human resources and procurement management; results planning, monitoring, reporting and evaluation; mainstreaming gender in human settlement programmes). On World Habitat Day, an international symposium on "Planning Our Urban Future: Bridging the Urban Divide in Asia" was held in Fukuoka, Japan. Further events included an expert group meeting on "Technical Cooperation for Sustainable Environmental Development in the Asia-Pacific Region", a children's drawing contest and the 4th Asian City Journalist Conference.

The agency held its annual consultation meeting on water and sanitation with the Asian Development Bank in Manila and participated in two major international events in the region: the Large Cities Climate Summit in Seoul, Korea; and the World Sustainable Development City Forum in Inch'on, Korea.

## STRENGTHENED HUMAN SETTLEMENT FINANCE SYSTEMS

*“We commit ourselves to the goal of sustainable human settlements in an urbanizing world through efficient use of resources and by providing all people with equal opportunities, thereby contributing to the achievement of national sustainable development goals.”*

--- The Habitat Agenda



The Beddington Fossil Energy development in the UK is a pioneering attempt to create a sustainable community, 2009.  
Photo © BIOREGIONAL

Some 1.15 billion human beings, or one sixth of the world population, live in slums because formal economic and financial systems fail to provide decent housing for all. The number of those without adequate shelter, water and sanitation grows by 70 million people per year. The UN estimates that the resources required to achieve the Millennium Development Goals slum target amount to an annual USD 20 billion per year for 15 years. This is far above the current capital expenditures on slum upgrading and prevention. According to the Rockefeller Foundation, it would take between one and two trillion US dollars to address slum-dwellers' needs. Still, over the past 10 years or so, a number of countries have proven that slums can be reduced and even prevented.

At its biennial 2009 session and against the background of the global financial crisis, the UN-HABITAT Governing Council emphasized the urgent need for pro-poor housing finance systems. The agency has demonstrated that this is another area where it can play the role of a catalyst, mobilizing local and international partners and resources for the sake of affordable housing, urban regeneration and community development. Integrating market solutions and business approaches with community-based efforts is an effective way to address the daunting scale of inadequate housing, water and sanitation for human settlements across the globe.

In 2009 UN-HABITAT contributions included capital investment in financial institutions, credit enhancement, developing prototype lending structures, setting eligibility standards for loans, support to rental housing and progressive homebuilding for enhanced affordability, and encouraging job creation in the urban housing and infrastructure sectors. These combine the need for long-term loans and low interest rates for the creation of

#### BOX 4.1: URBAN FINANCE: MAJOR PARTNERS

In the area of urban finance, UN-HABITAT's main partners include the International Finance Corporation, the US Overseas Private Investment Corporation, the Inter-American Development Bank, Bank of America, *Agence Française pour le Développement*, the

Central American Bank for Economic Integration, the Cooperative Housing Foundation, the Aspen Institute's Middle East Investment Initiative, Millennium Cities, Swedbank/SIDA, the Global Housing Foundation and Habitat for Humanity International.

sustainable social housing sectors with the development of viable, efficient, well-managed local housing finance institutions. The two available lines of funding – for slum prevention through construction of affordable housing, and for slum upgrading – are supported by technical assistance (for local institutions, including microfinance, community groups and individuals) as well as governance and institutional capacity-building for proper management and methods.

In its partnerships with major international financial institutions, UN-HABITAT is typically involved at an early stage. This puts the agency in a position to mainstream its specific concerns – affordable and sustainable shelter – into housing and related projects in order to serve the large numbers of underserved urban dwellers that have no access to the formal housing or housing finance markets ('the bottom of the pyramid', for example, the 30<sup>th</sup> to 80<sup>th</sup> income deciles).

#### SEED-FUNDING GOES A LONG WAY

The year 2009 was a landmark for UN-HABITAT's housing finance activities as two of its major instruments – the Slum Upgrading Facility and a scheme known as the "Experimental Reimbursable Seeding Operation" (ERSO) - finally

came on stream after initial piloting and field-testing.

UN-HABITAT is providing loans to affordable, social housing and infrastructure projects through a Revolving Housing Finance Loan Fund Programme, known as the Experimental Reimbursable Seeding Operation (ERSO). The agency currently works with local banks, micro-finance institutions and non-governmental organizations in Palestine, Tanzania, Uganda, Nicaragua, Belize, Nepal and Laos. Cooperation with international financial institutions and public-private partnerships improves the leverage effect. Loans help domestic banks and micro-finance institutions to access lower cost, longer term funding. They can also bring local banks and community groups together to create "bankable" social lending and community development programmes.

This experimental programme was designed to become a self-sustaining revolving loan fund which will balance three types of lending to expand housing finance markets around the world:

Construction of new affordable housing units (reaching low-income salaried workers such as teachers, nurses, lower level police and government staff, industrial sector workers), particularly in regions where there is a severe shortage of affordable housing;

Lead investments in micro-finance/infrastructure/micro-finance housing loan institution initiatives, to create secondary finance programmes and access capital markets, and;

Very low-cost loans to allow early stage micro-finance housing programmes to grow to sustainable size.

The revolving loan fund is a highly effective way of reaching underserved populations. It combines well with, and is highly complementary to, UN-HABITAT's Local Finance Facility (a component of the Slum Upgrading Facility), which reaches the poorest of the poor.

Two ERSO loan transactions, in Tanzania (see Box 4.3) and Bangladesh, were signed in October 2009. Additional revolving loans in Palestine, Nepal, Uganda and Nicaragua are in preparation and scheduled for disbursement in the first and second quarters of 2010. Two additional transactions in Laos and Belize have been recently added to the 2010 "pipeline".

UN-HABITAT expects the initial USD 3.6 million in ERSO revolving loan funds to be fully used in 2010. This initial round will support the creation and upgrading of over 33,000 affordable and social housing units in six countries, with a leverage ratio of over 175:1 (total capital expenditure on housing and infrastructure vs. UN-HABITAT seed-funding).

### SLUM UPGRADING: LOCAL FINANCE FACILITIES

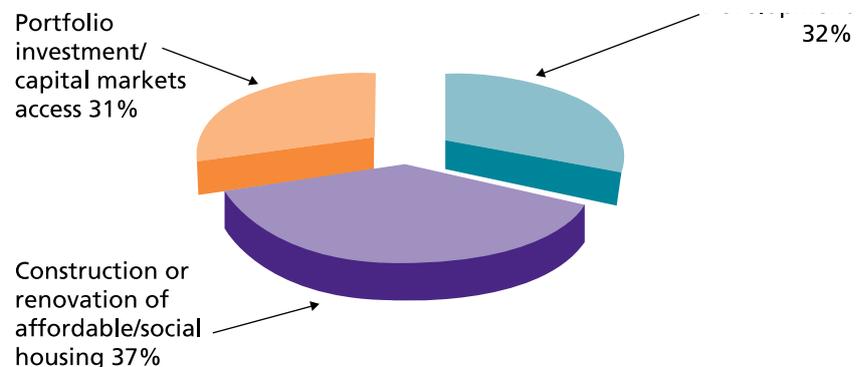
UN-HABITAT in 2009 helped establish Local Finance Facilities in Ghana, Indonesia, Sri Lanka and Tanzania. These sustainable, financially viable non-bank financial institutions are well positioned to reach over 10,000 households by 2014. The facilities offer credit enhancement, most commonly in the form of guarantees, to support housing

#### BOX 4.2: FINANCING AFFORDABLE HOUSING

UN-HABITAT's Urban Finance Branch has five main objectives:

- Improving access to market-driven finance through long-term investment in affordable and social housing programmes as well as investments in local banks and micro-finance institutions;
  - Increasing the supply of formal, affordable housing, through construction and support to dedicated microfinance schemes;
  - Supporting investment in affordable housing by international financial institutions, including through credit enhancement;
  - Encouraging donors to subsidize technical assistance for banks and consumer groups and share normative tools for lenders to underwrite and value microfinance housing and community construction loans, and
  - Strengthening governance, strategy and institutional capacity within UN-HABITAT.
- ... and four approaches:
- The experimental revolving seed operations facility;
  - The Slum Upgrading Facility;
  - Technical assistance for local urban finance;
  - Governance and institutional capacity-building.

FIGURE 5.1: Loan funding breakdown



and infrastructure improvement for low-income end-users. They attract domestic banks into the social and affordable segment of the housing market, often for the first time, with loans to projects that reach those informally employed. The facilities also support slum upgrading, with benefits that range from toilet and water network connections to progressive self-building to construction of high-rise buildings.

Every Local Finance Facility uses

one-time grant funding to set up operations and capitalize a revolving credit enhancement programme that supports slum-upgrading projects. After the initial capitalization, each facility operates as a sustainable business under the direction of a board of directors drawn from community groups, domestic banks, local municipalities and relevant national ministries. Typically, every facility will seek to finance projects with a combination of community savings, municipal or national subsidies,



A new housing upgrading project in Uganda. Photo ©: UN-HABITAT

and local domestic commercial bank lending. In some countries, the facility will itself act as sponsor and developer of a project for the community.

Bridging the finance gap requires technical support as well as blended funds. Working with low-income communities on social housing, local finance facilities on average have been able to leverage total investment to credit enhancement funds at a ratio of 3.5 to 1.

areas: supporting borrower financial literacy/consumer education, steering banks into the affordable and social lending sectors, and help micro-finance institutions already serving the small and medium-sized enterprise sector to provide housing and mortgage loans as well as community group assistance and training. UN-HABITAT staff are strengthening their ability to address both developmental and banking objectives and to establish strong internal procedures to manage loan and credit enhancement portfolios.

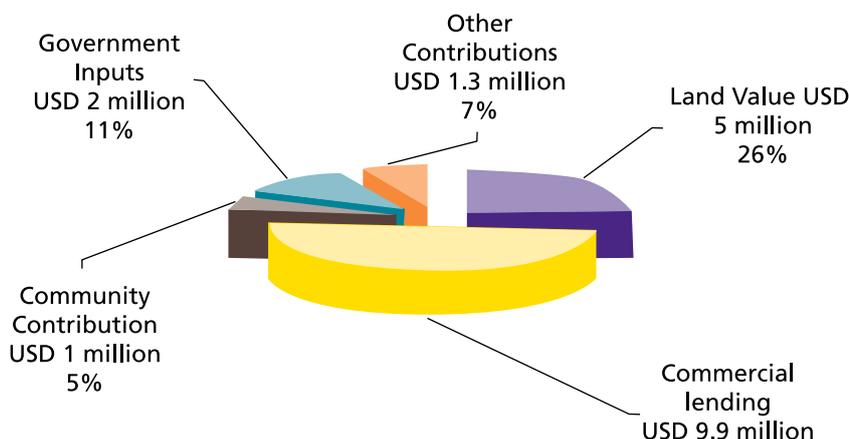
**SUPPORT FOR URBAN FINANCE**

UN-HABITAT is working on a worldwide partnership with CHF International to assist in various

**REGIONAL HIGHLIGHTS**

In Latin America, UN-HABITAT identified priority areas where the Revolving Seed Operations facility

**FIGURE 5.2: Capital leverage by Local Finance Facilities for Slum and Settlement Upgrading Projects, 2009-2014**



**BOX 4.4: PALESTINE: 30,000 NEW HOUSING UNITS**

An operation in Palestine demonstrates the flexibility of revolving seed funding and its ability to adjust to various financial systems, including Islamic banking and finance, to fulfil its mandate of promoting access to decent housing for low-income earners. The Palestine Investment Fund and UN-HABITAT signed a letter of intent in September 2009 with a view to providing affordable mortgage financing to low- and middle-income earners through the Affordable Mortgage and Loan Corporation (AMAL) scheme. UN-HABITAT will provide a USD 500,000 loan to the Palestinian Affordable Housing Foundation (SAKAN). This newly established non-governmental organization will use the proceeds to provide equity capital to AMAL, an authorized supplier of secondary financing for affordable mortgage and sharia-compliant housing finance. AMAL is funded through a USD 500 million placement of senior debt with a number of institutions, including the US Overseas Private Investment Corporation, the International Finance Corporation, the Palestine Investment Fund, the Bank of Palestine and the Cairo Amman Bank, with the British Department for International Development (DfID) providing a USD 20 million first-loss guarantee facility. AMAL on-lends the USD 500 million proceeds in secondary financing to the purchasers of 30,000 affordable housing units built by the Palestinian Investment Fund (Palestine’s sovereign fund) with local property developers. The Bank of Palestine and the Cairo Amman Bank (Palestine branch) will provide the primary funding (mortgages) to new home buyers.



**Homes in the low-lying area of Bariga are under threat from rising sea levels, Nigeria, 2009.**  
Photo © DAVID SIMON

could be launched in 2010.

In Costa Rica, a “Community Subsidy” was devised to finance collective territorial improvements in infrastructure and equipment.

In the Arab countries, UN-HABITAT looked in 2009 to improve access to finance for housing and infrastructure, particularly for the urban poor. In Egypt, Chad and Libya, self-financed activities have been launched with UN-HABITAT support to strengthen respective housing sectors and devising new financing mechanisms.

In Europe, UN-HABITAT and the Global Land Tool Network organized an international conference on property and land taxation for financing infrastructural and housing

development in urban areas in Warsaw (October 2009). As many as 17 papers exploring policies and instruments for equitable, affordable and sustainable land and property taxation were discussed. The meeting demonstrated the need for further dialogue and experience sharing in the area of land and property taxation at global and regional levels.

UN-HABITAT identified up to 20 further prospective public-private projects for affordable and social housing. If an additional three to five million US dollars could be raised, the agency would be in a position to pursue investment opportunities in up to five additional public-private housing finance projects over the next

20 months; this would leverage up to USD 750 million in total final capital investment, helping over one million people improve housing and access to water and sanitation.

UN-HABITAT now has the opportunity to extend the Local Finance Facility prototype to the African cities involved in the Millennium Cities Programme, starting with Kisumu, Kenya. Efforts in Ghana could be taken further, and more launched in Uganda with Cities Alliance. More regional municipal finance programmes could be launched in cooperation with the World Bank and the Cities Alliance.

## GHANA

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Initially conceived as two distinct municipal schemes, the approach in Ghana is moving towards a strengthened national finance facility with over USD 1.4 million in capitalization. As many as 20 projects are under preparation, and construction has been completed on the first two. The national facility is set to improve the living conditions of 2,000 households by 2014. One community-led project is a ground-plus-two, walk-up building with 31 residential units in the heart of the Amui Djor slum, with 13 shops and a block of public toilets on the ground floor for commercial cross-subsidization and affordability for the low-income community. The finance facility provided construction financing and is now working with local banks to secure takeout financing. Against a background of high local interest rates and limited liquidity in the local market, the UN-HABITAT-sponsored facility plays a crucial role in slum and settlement upgrading and provision of affordable housing.

## INDONESIA

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Two municipal Finance Facilities are being established in Solo and Yogyakarta, Indonesia. They are both quasi-government bodies housed within the municipalities and with a direct mandate to meet local and national government slum upgrading objectives. Expected government contributions are significant, both through staff and office support and in terms of direct cash contributions to a range of upgrading projects. The 15 projects under development range from progressive upgrading to infrastructure hook-ups that are expected to reach over 3,500 people in the next four years. Innovative financing mechanisms such as community Real Estate Investment Trusts will be piloted through the Indonesia local finance facilities.

## SRI LANKA

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The “Lanka Financial Services for Under-served Settlements (LFSUS)” facility is a national non-bank financial institution that provides credit enhancement to a growing pipeline of projects across Sri Lanka. Loans and guarantees have been negotiated for four projects thus far. One project in Kirulapone, Colombo, has completed upgrading construction for 31 households. A loan was provided by HSBC Bank in February 2009 and the project is managed by a strong project partner, SAPSRI, who is actively involved in the community. All loans have been performing thus far. Three other projects are set to begin construction soon. LFSUS has attracted commitments from national government in further capitalization, and has helped confirm secure land tenure for over 100 households in three projects so far. With high land values in Colombo, secure tenure is a significant realized asset for low-income communities. LFSUS will reach over 1,000 households by 2014, with expected leverage of over 6:1 of project value to credit enhancement funds.

## TANZANIA

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In October 2009 UN-HABITAT agreed to lend Tanzania's Azania Bank an equivalent USD 500,000 in connection with a USD 5.3 million loan to the city council of Mwanza, Tanzania for a resettlement and redevelopment scheme. The UN-HABITAT seed loan will fund site development. The domestic syndicated loan will enable the municipal authority to implement two related projects: development of 2,400 planned, serviced and titled plots for the phased resettlement of low-income households away from a lakeside area; and the development and sale of lakefront property for the benefit of low-, middle- and high-income households, together with public facilities. UN-HABITAT's local-currency loan, to be disbursed in the first quarter of 2010, is for a three-year maturity with a six-month grace period and carries a concessional interest rate of 1.5 percent per year.

## EXCELLENCE IN MANAGEMENT, RESOURCES AND EXPENDITURE

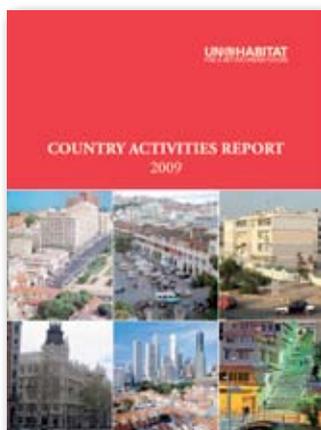
*“We recognize the need for an integrated approach and concerted action to achieve the objective of adequate shelter for all and sustainable human settlements development, and will strive for coordinated implementation of international commitments and action programmes.”*

--- The Habitat Agenda



The year 2009 was a landmark for management as UN-HABITAT rationalized its organizational structure and became better aligned to deliver the results prescribed under its Medium-Term Strategic and Institutional Plan. In particular, resource mobilization was improved, including adopting a more systematic approach.

The results framework of the six focus areas was completed, enhancing convergence on strategic goals and improving programme planning. The associated performance measurement plans now provide a clear basis for accountability.



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Through a combination of the operational capacity of the regional offices and normative expertise at headquarters, several priority countries have received technical support. A total of 33 integrated Habitat Country Programme Documents (HCPD) were produced as part of a double effort (i) to strengthen engagement with governments, UN country teams and UN development assistance frameworks, and (ii) to mobilize partners and resources. Information about UN-HABITAT "expected accomplishments" in individual countries, together with implementation arrangements in relation to Medium-Term Strategy results, is now, for the very first time, available in a single document. The Country Activities Report 2009 presents UN-HABITAT's corporate programmes in 50 countries.

## UN-HABITAT'S "ENHANCED FRAMEWORK"

The rationale behind the Medium-Term Strategic and Institutional Plan for 2008-13 is *"to help create, by 2013, the necessary conditions for international and national efforts to stabilize the growth of slums and to set the stage for the reduction of urban poverty and the reversal of the number of slum dwellers."* For these purposes, UN-HABITAT has developed an "Enhanced Normative and Operational Framework" providing an integrated approach to support governments and development partners to achieve more sustainable urbanization. The strategic plan recognizes that the scale of the challenge is beyond the capacity of any single organization to address by itself. This is why the normative and operational framework proposes a twin-track approach: (i) *externally*, the framework calls for *"a strengthened partnership and networking strategy"* that mobilizes partners behind a common set of principles and development targets as part of a new, shared Global Campaign for Sustainable Urbanization; (ii) *internally*, within UN-HABITAT, the framework calls for better alignment of resources for more effective results in selected countries, based on *"an integrated programme of activities at the global, regional, national and country levels."*

## RESOURCE MOBILIZATION: ACTION PLAN

Over the course of 2009, UN-HABITAT took a series of major steps in line with the resource mobilization strategy outlined by the Governing Council.

UN-HABITAT issued a *Strategic Brief* on resource mobilization and devised a *Resource Mobilization Implementation Action Plan (2010-2013): An Institution in Transformation in an ever Evolving Changing Aid Environment*. The holistic rationale behind the action

plan is to enable the agency to achieve a full corporate approach by 2013. The plan consists of a set of outputs for each of the five strategic objectives: (i) consolidate the existing donor base; (ii) broaden the donor base; (iii) tap non-conventional sources of funding; (iv) partner and leverage resources; and (v) establish a resource mobilization policy and team. This plan is to be adopted in early 2010 after wide consultations with major stakeholders.

In 2009, UN-HABITAT reinforced its communication channels with development partners to make the most of the more important partnerships. The adoption of multi-year framework agreements by Norway and Sweden is a clear example of this, and several other countries now consider doing the same. Resource mobilization efforts and policy dialogue took place both at headquarters and in individual capitals. Country and project offices also received support to improve relations with their respective development partners.

## TRANSPARENCY

As part of continuing efforts to develop a "corporate" approach to resource mobilization, UN-HABITAT has improved the relevant information systems. In 2009 current best practice was inventoried during consultations with other UN agencies. The main plank of the new system is a donor information database, a prototype of which was developed, presented to staff and further enhanced based on feedback. The system is to become fully operational in 2010, serving as an internal "one-stop shop" on donor information and available funding. The new database will also strengthen coordination of fundraising efforts across the agency, both at headquarters and in the field.

Complementing this database, UN-HABITAT in 2009 also developed a donor profiling system, which provides details of major development partners including trends in respective aid policies, priority countries and main interests, among many other data. The agency is also planning to analyze donors' new tendencies as far as funding of the urban agenda is concerned.

On top of enhancing the sharing and transparency of donor information within the organization, UN-HABITAT in 2009 also moved to enhance its own visibility with donors and other potential partners.

A catalogue entitled UN-HABITAT Products and Services became available, detailing all of the agency's ongoing programmes and services. The document provides a more streamlined, integrated view of UN-HABITAT's mandate and operations, projecting a stronger corporate image across all partners.

A dedicated website ([www.unhabitat.org/pipelineprojects](http://www.unhabitat.org/pipelineprojects)) now provides information on all those projects that have not been funded yet, or only partially. The consolidated data makes it easy for current or potential donors to identify those projects and to select which they may want to fund in view of their own priorities and interests.

### LOOKING AHEAD

If they are to be fully effective, new schemes and tools call for some structural changes in organization, which the 2010-2013 action plan is designed to bring about. Implementation of the enhanced framework has made some significant progress, but more improvements are required with regard to alignment of normative support and operations across divisions, branches and sections at headquarters, as well as between headquarters, regional and country levels. A significant challenge is the lack of funding for implementation of the 33 integrated Habitat Country Programme Documents, which was expected to reinforce cohesion and alignment of UN-HABITAT support in individual countries.

## RESOURCES AND EXPENDITURE

UN-HABITAT receives most of its income from voluntary contributions, primarily from governments and inter-governmental donors. Other partners such as local authorities, the private sector, multi-lateral organizations and other UN system organizations also make contributions, mainly to specific programmes.

### UN-HABITAT's main sources of funding are as follows:

Regular budget allocations approved by the UN General Assembly against assessed contributions of Member States (core funding).

General Purpose contributions towards the UN Habitat and Human Settlements Foundation. These are the non-earmarked, voluntary contributions from governments. This core funding is allocated according to priorities agreed by the UN-HABITAT Governing Council.

Special Purpose contributions, which are earmarked voluntary contributions from governments and other donors for the implementation of specific activities included in the approved work programme.

### HOW THE MONEY IS USED

The contributions are either used for direct project execution in individual countries – technical cooperation – or go towards the Foundation for normative work.

In 2009, UN-HABITAT received general-purpose contributions amounting to USD 20 million, and USD 128.9

million in special-purpose funding. Of the special-purpose funds received, USD 39.7 million were for Foundation activities and USD 89.2 million for technical cooperation.

Part of the agency's earmarked funding goes to the following trust funds:

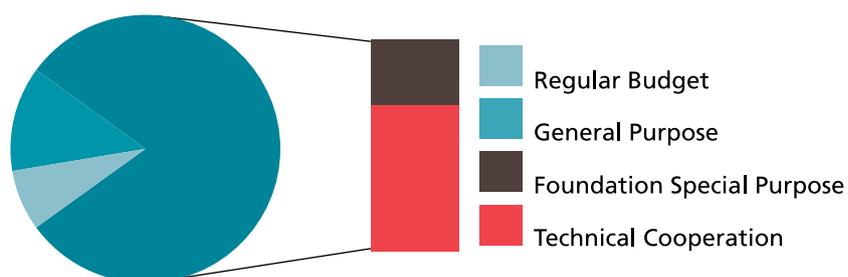
### THE WATER AND SANITATION TRUST FUND

In connection with the water target of the Millennium Development Goals, UN-HABITAT set up a Water and Sanitation Trust Fund in 2002 to help municipalities reach out to the poorest and offering contributors an opportunity to target a high-priority sector with maximum impact and a clear set of objectives. To date, the fund has received contributions from various governments and entities, as follows: USD 39,080,500 (The Netherlands), USD 36,170,271 (Spain), USD 23,758,980 (Norway), USD 12,455,556 (Canada), USD 5,573,586 (Sweden), USD 329,381 (Italy), USD 3,000 (Poland), USD 1,800,000 (Google), USD 208,000 (Oxiana/Lane Xang Minerals), USD 150,474 (Coca Cola India), USD 10,000 (Coca Cola Nepal), USD 10,836 (Bentley University) and USD 214,642 (United Nations General Trust Fund).

### SPECIAL HUMAN SETTLEMENTS PROGRAMME FOR THE PALESTINIAN PEOPLE

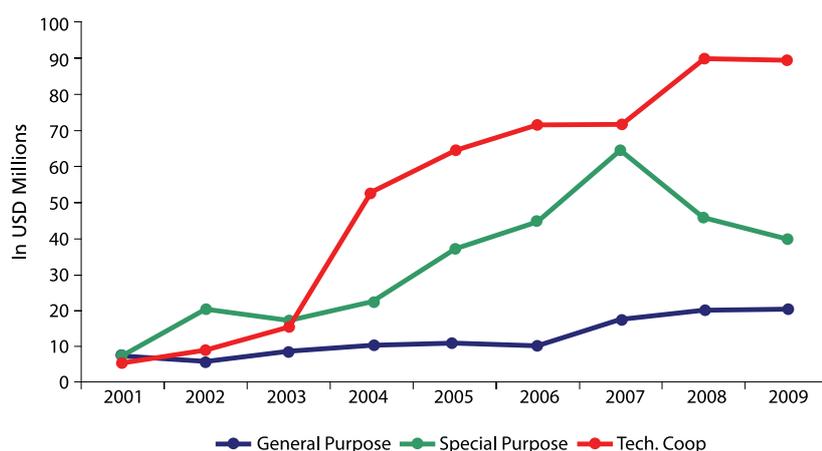
The Trust Fund for The Special Human Settlements Programme for the Palestinian People was established to address the housing situation and

FIGURE 6.1: Distribution of funds received by UN-HABITAT during the year 2009



\*Note: The core funding is comprised of General Purpose contributions and the UN Regular Budget

FIGURE 6.2: Trend in donor contributions (2001-2009)



related human settlements needs of people living in the occupied Palestinian territories. The objectives of the Programme are to build institutional capacity and coordination mechanisms in the field of human settlements, promote affordable mechanisms for housing finance, work with research institutions to collect socio-economic data through the creation of urban observatories, support the development of a Palestinian human settlements policy (with related strategies for housing and urban development), establish a planning framework, and implement housing and settlements upgrading. This Technical Cooperation Trust Fund has received contributions

from various governments and entities, as follows: USD 7,890,000 (Saudi Arabia), USD 750,000 (Bahrain), USD 500,000 (USA), US \$296,582 (Sweden), USD 100,000 (Oman), USD 67,380 (Sudan), USD 50,000 (Russian Federation), USD 49,980 (PR China), USD 1,520,000 (The Custodian of the Two Holy Mosques), USD 354,000 (Arab Authority for Agricultural Investment and Development) and USD 199,985 (Al-Maktoum). A total USD 11,777,922 was received between 2003 and 2009.

### THE ERSO TRUST FUND

The Experimental Reimbursable Seeding Operations Trust was created in 2007. The ERSO Trust Fund has received contributions from various governments and entities, as follows: USD 2,879,579 (Spain), USD 500,000 (Bahrain) and USD 250,000 (The Rockefeller Foundation).

### DONOR CONTRIBUTIONS

Increased contributions to UN-HABITAT testify to strong support for its mandate and achievements. In 2007, UN-HABITAT's Governing Council approved the agency's Medium Term Strategic and Institutional Plan for 2008-2013 and approved a budget of USD 15 million for 2008-2009 to kick-start the plan and support the pursuit of MTSIP objectives.

Ensuring more sustainable funding UN-HABITAT remains reliant on a small group of donors for most of its funding. In 2009, the agency continued the aggressive resource mobilization strategy launched in 2008 and with a number of well-defined objectives: better coordination of fund-raising efforts, a broader donor base, and more sustainable funding through annual meetings with donors and development partners to engage them more actively in the agency's activities.

Table 6.1: Total Contributions – Top 10 donors from 2007-2009

2007 USD 164,477,770			2008 USD 166,296,234			2009 USD 160,106,279		
Country	%		Country	%		Country	%	
1 Spain	11		1 Spain	11		1 Norway	10	
2 Norway	10		2 Norway	11		2 Spain	9	
3 Sweden	10		3 Japan	10		3 United States	8	
4 Netherlands	8		4 United Kingdom	7		4 Sweden	7	
5 Regular Budget	7		5 Regular Budget	7		5 Regular budget	7	
6 Canada	5		6 Sweden	7		6 Canada	7	
7 Italy	4		7 European Union	4		7 Japan	7	
8 United Kingdom	2		8 Canada	2		8 Netherlands	5	
9 European Union	2		9 Netherlands	2		9 United Kingdom	2	
10 Libyan Arab Jamahiri	2		10 United States	1		10 European Union	2	
Others	39		Others	38		Others	38	

Note: The 2009 figures were provided before the close of the 2009 financial year

## 2009 MILESTONES



UN-HABITAT is striving to integrate gender into climate change in Asia and the rest of the world, 2009.  
Photo © UN-HABITAT

UN-HABITAT and the **International Olympic Committee (IOC)** signed a Memorandum of Understanding in February to promoting youth empowerment through sport by targeting mainly vulnerable and disadvantaged communities world-wide. The landmark pact was signed by Mrs. Tibaijuka, and the IOC President, Mr. Jacques Rogge, at IOC Headquarters in Lausanne, Switzerland.

For the residents of **Baluchistan** in southwestern Pakistan, a bleak winter was a looming reality until an intervention by UN-HABITAT helped them to put roofs over their heads. A winter in the open with the attendant calamitous effects would have been a double disaster for the 800 families residing in the mountainous area who suffered a huge blow after a devastating earthquake hit the area in October 2008. UN-HABITAT received additional funding of USD 2 million from the Department for International Development of the **United Kingdom** to strengthen its training and technical assistance for the victims of the Pakistan earthquake who lost their homes.

UN-HABITAT sent a field mission to **Gaza** as part of the larger UN assessment team dispatched by the UN Secretary-General, Ban Ki-moon, after his visit to the region in January. Mrs. Tibaijuka said: "In line with UN-HABITAT's technical mandate, the focus of this mission will be on shelter and settlement recovery, basic infrastructure rehabilitation. We will also support local authorities in managing post-conflict reconstruction."

In February, Former US President **Bill Clinton** and Mrs. **Tibaijuka** met at a high profile event organized by the Clinton Global Initiative – University. Mr. Clinton and Mrs. Tibaijuka discussed the need to work with cities in the developing world to harness the potential of rapid urban growth, and the United Nations

Global Campaign for Sustainable Urbanization when they met at the second meeting of the Clinton Global Initiative – University held in Austin, Texas on February 14. They met again in May in Seoul to press home the message that action on climate change has to be implemented in cities. The third C40 Large Cities Climate Summit in May drew mayors and executives from 40 cities and 17 affiliate municipalities across the globe.



Photo © Clinton Global Initiative

UN-HABITAT started a project in the **Lake Victoria** region to help accelerate access to improved sanitation for poor women and vulnerable households through a micro credit/revolving fund scheme. The project under the Lake Victoria Water and Sanitation Initiative has received financial support from the **Government of the Netherlands**. It focuses on household latrines for poor women and in towns located around Africa's greatest lake.

UN-HABITAT and the **International Water Association** in March signed an agreement in Istanbul to strengthen their cooperation in a renewed effort to attain the Millennium Development Goals. UN-HABITAT is mandated to help meet the water goal which calls on governments to "reduce by half the proportion of people without sustainable access to safe drinking water" by 2015, a quest also shared by the International Water Association. "Our relationship with UN-HABITAT has always been close – it is a natural connector for our association to the United Nations system – and the launch of this strategic partnership takes our joint activities to a higher level," said Mr. **Paul Reiter**, Executive Director of the International Water Association.

A group of 31 people including youths from Kenya, Tanzania and Ghana recently climbed **Mount Kilimanjaro**, Africa's highest peak, as part of a UN-HABITAT backed drive to uplift youth. In its fourth year, the annual Mount Kilimanjaro climb is the brainchild of Mr. **Tim Challen**, a staff member with the UN Federal Credit Union (UNFCU) who was seriously injured in an attack in Nairobi.

Mrs. Tibaijuka joined more than 800 women leaders from around the world in Monrovia, Liberia to ensure that gender concerns remain high on the international agenda. Organized to coincide with the **International Women's Day** commemorated on March 8, the International Colloquium for Women's Empowerment, Leadership Development, International Peace and Security in Monrovia was spearheaded by Africa's first female **President, Ellen Johnson Sirleaf of Liberia**.

In June, the first tripartite **African Caribbean and Pacific (ACP), European Commission** and UN-HABITAT conference called on the international community to pay greater attention to the issues of sustainable urbanization. More than 200 delegates from 50 countries approved a 13-point Nairobi declaration on urbanization challenges and poverty reduction in African, Caribbean and Pacific States. It also called on ACP governments to place urbanization at the centre of negotiations with the European Union.

UN-HABITAT joined the government of Iraq to launch a USD 70 million urban governance, housing, infrastructure and basic services programme in July. Unveiled by the **Minister of Planning and Development Cooperation, Ali Baban**, the launch of the UN-HABITAT Iraq Country Programme was attended by senior representatives of Iraqi ministries, and the international community in Baghdad including UN agencies and donors.

Heads of State and Government of the **African Union** resolved at a meeting in Sirte, Libya to ensure that landless people, women, youth, displaced people and other vulnerable groups have equitable access to land. In a joint declaration adopted at their 13th Ordinary Session 1-3 July 2009, the African leaders said that they resolved to “ensure that land laws provide for equitable access to land and related resources among all land users including the youth and other landless and vulnerable groups such as displaced persons.” They also said they will “strengthen security of land tenure for women, which merits special attention”.

Experts from around the world met at UN-HABITAT's headquarters in Nairobi in July, for a three-day review of gender mainstreaming in local governance. The 21 experts represented universities, community based organizations, local governments, women's bureaus and other organizations working on gender and local governance in Austria, Ecuador, Egypt, Ghana, Indonesia, Malawi, New Zealand, the Philippines, Sudan, Uganda, the United Kingdom, Zimbabwe, the UN Economic Commission for Africa and the Federation of Canadian Municipalities.

Mrs. Tibajjuka attended a ceremony in **Northern Uganda** in July, to celebrate the completion and presentation to the district of **Lira** of 64 new homes for teachers built by UN-HABITAT for 16 schools accommodating some 10,000 pupils.

UN-HABITAT in September awarded the first grants from its **Urban Youth Fund** to 67 projects proposed by young people from 33 countries around the world. The beneficiaries were drawn from a pool of 1,116 applicants from 86 countries. Kenya, India, Pakistan and Cameroon generated the greatest number of successful applicants under the programme started with seed funding from Norway to the tune of USD 1 million annually.

The **Volkswagen Foundation** agreed in September to fund a new research programme on urban violence in sub-Saharan Africa. The three-year project is being conducted jointly by The University of Yaoundé I in Cameroon, the University of Nairobi in Kenya, the University of Witwatersrand in South Africa and the Technical University of Darmstadt in Germany.

In a major breakthrough on urban progress, 1,300 families were moved from shacks in a giant Nairobi slum to modern apartments built in partnership between the government of Kenya and UN-HABITAT. The scheme under the **Kenya Slum Upgrading Programme** saw residents of one part of Kibera slums move to new high rise flats. Moving from their one room shacks to modern houses was a huge leap in the lives of the slum dwellers. To make the deal even sweeter, the residents are only charged about USD 20 a month for their new homes, an unheard of bargain in Nairobi where rents are usually exorbitant. Kibera's shacks are home to some 800,000 people crammed in a space roughly the size of a golf course.

Mrs. Tibajjuka became the first woman awarded an honorary doctorate by the **Warsaw School of Economics** since it was founded more than 100 years ago. At a ceremony in November, the Assessors Professor **Adam Budnikowski**, Rector of the Warsaw School of Economics, Professor Kjell Havnevik, Professor **Andrzej Kowalski**, and Professor **Marek Belka**, the former Polish Prime Minister; the supervisor of the award procedure, Professor **Marek Bryx**; and Professor **Andrzej Herman** commended her for increasing global awareness of poverty and social injustice especially among the world's 1 billion slum dwellers and others living in sub-standard housing. They also cited her commitment to improve the lives of disadvantaged youth.

UN agencies said they were concerned at a lack of progress in Pacific countries in addressing planning, housing, sanitation, waste management and environmental pollution in urban areas. UN-HABITAT and UN ESCAP raised the alarm in December after six months of surveys in the region. They said governments and regional donors had to do more on pressing urban development and management problems.

## WORLD HABITAT DAY AT THE EUROPEAN PARLIAMENT

On World Habitat Day 2009, UN-HABITAT became the first UN agency to fly its flag at the European Parliament in Brussels with a lively debate on urban matters and a three-day exhibition carrying the message that governments have to pay ever closer attention to rapid urbanisation in Europe and around the world.

Ms. **Inga Björk-Klevby**, Assistant Secretary-General of the United Nations and Deputy Executive Director of UN-HABITAT said the occasion served to open the door to the newly elected European Parliament for UN-HABITAT and broaden knowledge about urban issues in Europe and the world at large.

The occasion also served to help bring the agency into a closer working relationship with the European Union's executive body, the European Commission.

She cited the strong commitment of Ms. **Eva Joly**, MEP, Chair of the Development Committee of the European Parliament, and MEP **Jan Olbrycht**, spoke at length about European urban policy.

The European Union, the world's biggest trading bloc, established at the European Parliament a body called the *URBAN Intergroup* (previously known as *URBAN-Housing*) to ensure that urban problems are incorporated in European Parliamentary decisions. With over 60 MEPs working in 22 Parliamentary Committees and representing all European political groups, the *URBAN Intergroup* was formally approved for the 2009-2014 Parliamentary term.

It is now working in close liaison with UN-HABITAT.

Ms. Björk-Klevby, and Mr. **Jean Bakole**, Director of UN-HABITAT's Brussels office also met with Mr. **Luis Riera Figueras**, Director of Policy Development and Thematic Issues in the EU's Development Directorate, Mr. **Luc Van den Brande**, President of the Committee of the Regions, Mr. **Jean-Michel Baer**, Director of Science, Economy and Society in the Research Directorate.

In the talks Mr. Figueras, they agreed to organize a joint meeting of the European Commission, and UN-HABITAT in 2010 with non-EU State Norway as an observer. They also agreed to set up a new strategic partnership.

With Mr. Van den Brande they signed a memorandum to set up pilot projects in developing countries. The cooperation will focus on a Mayor's Pact, a decentralised development "bourse", and UN-HABITAT tools to assist the Committee of the Regions. The Committee will circulate the agency's capacity building guidelines to local authorities in Europe.

In her talks with Mr. Baer, they agreed to improve research cooperation and to align the Habitat Agenda more closely with European policy. A further meeting was also held during the World Habitat Day celebrations with Mr. **M. Bontemps**, Deputy Director-General, Belgian Development Cooperation.



UN-HABITAT at the European Parliament in Brussels, on World Habitat Day 2009. Photo © UN-HABITAT

