

# Implementing the Habitat Agenda

The 1996-2001 Experience



Report on the  
Istanbul+5 Thematic Committee  
25th Special Session of the United Nations General Assembly  
New York, 6-8 June 2001



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## Foreword

The Habitat II Conference held in Istanbul, Turkey, in June 1996 was the first global conference in which representatives of local authorities and civil society participated actively in the formulation of the major outcome, the Habitat Agenda. Habitat II also included a specific Partner Committee through which the voice and concerns of Habitat partners were brought to the attention of Heads of State, Ministers and other representatives of central governments.

In the same vein, the Special Session of the General Assembly for an Overall Review and Appraisal of the implementation of the Habitat Agenda, known as Istanbul +5, held on 6-8 June 2001 in New York introduced in the General Assembly a new forum for debate. The Thematic Committee broadened participation beyond national government delegates and focused on concrete experience gained since 1996. The innovative character of the Thematic Committee was emphasised at the opening of the Special Session by the President of the General Assembly, Mr. Harri Holkeri, who indicated that the Committee will allow members "to share experiences from different corners of the world and to learn from each other ... on many important issues pertaining to shelter, social development and eradication of poverty, environmental management, governance, effective city development strategies and financing for urban development".

At the end of the Special Session, the media reported very favourably on the contribution and spirit of the Thematic Committee, remarking that this forum generated a true dialogue involving frank discussions related to sensitive issues such as corruption, political will, housing rights and democratic urban governance. Participants suggested that such a Committee should be replicated in the future, for instance, at the upcoming World Summit on Sustainable Development. The Chairman of the Committee, Minister Slaheddine Belaïd from Tunisia, noted in his closing summary that the United Nations had proven to be the best forum for this exchange of experiences and good practices. He also expressed the hope that the outcome of the Committee would be synthesised and published to help countries in the formulation and implementation of their national policies.

As focal point for human settlements in the United Nations system and organiser of the Thematic Committee, it was the responsibility of UNCHS (Habitat) to respond to that request and prepare the present report which comes in addition to the abundant information already available on our website. I hope that this publication will not only contribute to tell the story of human settlements development since 1996, but also guide our partners in further implementing the Habitat Agenda.



Anna Kajumulo Tibaijuka  
Executive Director, UNCHS (Habitat)

# 1 Introduction

In its Resolution 55/195 of 20 December 2000, the United Nations General Assembly decided that the Special Session of the General Assembly for an Overall Review and Appraisal of the implementation of the Habitat Agenda should have a Thematic Committee, the details of which were to be worked out at the second session of the Preparatory Committee for the Special Session. In its Resolution 55/246 of 21 March 2001, the General Assembly adopted the organisational arrangements for the Thematic Committee and entrusted UNCHS (Habitat) with the selection of thematic experiences from the full range of Governments and accredited Habitat Agenda partners.

The Preparatory Committee of the Special Session drafted this second resolution in February 2001. The Preparatory Committee also adopted a decision on the preparatory process for the Thematic Committee (decision 2/4) which guided UNCHS (Habitat) in the selection and preparation of the presentations to the Thematic Committee. Among the selection criteria were thematic and regional balance to reflect a broad variety of experiences in the implementation of the Habitat Agenda, as well as partnership involving several actors, innovation, sustainability and cross-cutting elements such as gender equality, inclusion of disadvantaged groups and scaling up local practices. The Preparatory Committee decided that the Chairperson of the Thematic Committee would be assisted by facilitators who will be members of official delegations. Nine high-level facilitators were therefore selected by UNCHS (Habitat), based on governmental proposals. They reflected a balance of viewpoints from Argentina, France, Iran, Jamaica, Japan, Kenya, Mexico, Turkey and the United Kingdom.

Both case studies and facilitators were selected by the secretariat in consultation with the Committee of Permanent Representatives to UNCHS (Habitat), between March and May 2001. Presentations in electronic format together with the provisional agenda of the Thematic Committee were available on the Istanbul +5 and Habitat websites on 23 May 2001 to allow participants to prepare for the dialogues.

As a result of this well-structured preparatory process, 16 presentations were selected emanating from all parts of the world. Four cases reflected the experience of Sub-Saharan Africa (Nigeria, Senegal, South Africa, Tanzania), two cases of the Arab States (Egypt, Morocco), three cases of Asia (China, India, Thailand), three cases of Latin America (Brazil, Colombia, Peru), three cases of Western Europe (France, Spain, Sweden) and one case of Central and Eastern Europe (Poland).

While the selected experiences were based on partnership between various levels of government and participation of the civil society,

leading partners varied according to national and local situations. In seven cases, the presenters were Ministers or central government representatives (Nigeria, Senegal, South Africa, Tanzania, Egypt, Morocco, and Colombia). In seven cases they were Mayors or local authority representatives (China, Brazil, Peru, France, Spain, Sweden, Poland). In two cases they were NGO leaders (India, Thailand).

In thematic terms, the Committee was sub-divided into four sessions dealing with the main issues addressed in the Habitat Agenda:

- shelter and services;
- environmental management;
- urban governance;
- eradication of poverty.

While most presentations addressed several inter-related topics, for example, urban services and the environment, urban governance and eradication of urban poverty, they were distributed among the sessions according to their main focus. The structure adopted aimed essentially at facilitating a meaningful debate through the reduction of overlaps and repetitions. It allowed the Thematic Committee to undertake a multi-faceted review of a variety of national and city experiences and to draw general lessons from the concrete implementation of the Habitat Agenda in very different contexts. The case studies described not only best practices but also good policies applied at country or city levels. Taken collectively, they testified that the improvement of shelter and urban conditions is possible, even on a large-scale, in any country of the world, provided some basic policy principles are adopted. These principles are presented in the form of "conclusions and recommendations" in the next chapter.

The Thematic Committee of Istanbul +5 has once again demonstrated that "good policies can make a difference". This was also the conclusion of the report of the Executive Director of UNCHS to the Special Session (A/S-25/3) and the message of the flagship reports prepared by the Centre in 2001, the State of the World's Cities Report and the Global Report on Human Settlements. It is hoped that the present publication will be used, together with these former Habitat reports, to further improve cities and other human settlements all over the world.



Daniel Biau  
Secretary of the Thematic Committee  
Ag. Deputy Executive Director, UNCHS (Habitat)



# 2 Conclusions & recommendations

As stated by the Chairman of the Committee, Mr. Slaheddine Belaid, Minister of Equipment and Housing of the Republic of Tunisia, in his summary to the Plenary on 8 June 2001, the Thematic Committee fully reached its goal which was to tell the important story of the development of human settlements since 1996 and to guide the quest for solutions and progress that will benefit the world's citizens.



The lessons drawn by the Thematic Committee from the 16 case studies under consideration are quite consistent with the "Declaration on Cities and other Human Settlements in the New Millennium" negotiated in parallel by the Committee of the Whole of the Special Session. Among these lessons, the following deserve the full attention of decision-makers and experts involved in reviewing, designing and implementing shelter and urban development policies:

- Cities and towns are engines of growth and are significant contributors to the development of both the local and national economy. Policies aimed at forging public-private partnerships and strengthening small and micro-enterprises should be encouraged to make cities more productive.
- Multi-stakeholder consultations and participatory planning and decision-making are effective instruments for urban planning and management and should be further developed and expanded.
- Decentralisation and the strengthening of local authorities are effective means to mobilise local actors and stakeholders in improving human settlements conditions and should therefore be generalised.
- Specific policies and support for reducing urban poverty and empowering the poor are necessary to bring about social development and inclusiveness;
- The management of urbanisation processes requires strong and accountable public institutions, and institution-building for improved governance remains a fundamental goal.
- Legislative and administrative reforms need to be pursued to give women full and equal access to economic resources, to ensure their right to security of tenure and their effective participation in urban governance.
- The upgrading of slums and the regularisation of squatter settlements are effective means to reducing poverty and improving urban sustainability and should be incorporated into national policies.
- Forced evictions that are contrary to the law should be prevented and secure tenure should be promoted as a major component of any shelter strategy.
- Efforts for ensuring transparent, responsible, accountable, just, effective and efficient governance of cities are essential to addressing the challenges of urban poverty and environmental degradation and therefore need to be intensified.
- More determined action against urban crime and violence and to address the challenges of human-made disasters is required.
- Access to housing finance and to micro-credit by the poor is a key contributing factor to their self-development and to removing one of the key structural causes of poverty.
- Monitoring and evaluation, through shelter and urban indicators and the documentation of best practices and action plans, should be part of human settlements policies at all levels.
- International cooperation in human settlements, based on local and national initiatives, has demonstrated its potential but is still very insufficient and should be enhanced.



## 2.1 Shelter & Services

The enormous concentration of extreme poverty in the cities, particularly the cities of developing countries, raises difficult policy issues that will need to be addressed within a rights-based approach to development. This approach integrates human rights into the overall development framework. For the marginalised urban poor, access to land and services cannot be improved merely within market mechanisms. Appropriately targeted policy measures will have to be put in place. Although several countries have included provisions for the realisation of housing rights in their constitutions and have relevant legislative frameworks (for example, South Africa), lack of progress in promotion of security of tenure still continues to be one of the most pressing problems for the urban poor.

The experiences presented in the Thematic Committee are consistent with the policies promoted and advocated by the United Nations Centre for Human Settlements (Habitat), especially through the global Campaign for Secure Tenure. They demonstrate that secure tenure will improve the access of the urban poor to credit, adequate shelter, infrastructure and services. The following specific recommendations should guide shelter policies:

- a. Security of tenure can be promoted through a variety of means that have proven effective:
  - City and national governments will have to recognise unambiguously the rights of the poor, and to extend to them full urban citizenship.
  - City governments and local communities have an essential role to play in promoting security of tenure and reducing housing rights abuses, such as forced evictions. To fulfil this role they must be supported by appropriate legislation and capacity building.
  - Networking and the exchange of information, expertise and experience on successful informal settlements upgrading initiatives can be an effective means of assisting city governments and their partners create an enabling framework for promoting security of tenure, formulating/revising legislation, and to institutionalise effective administrative arrangements.
  - Land policies need to be developed and agreed so as to protect people from forced evictions.
  - National land legislation should clarify the rights and obligations of landowners and other stakeholders and provide protection for vulnerable groups, especially the urban poor and women.
  - Promoting the systematic extension of tenure security with special considerations for the role of women is an important component of any meaningful shelter strategy for the urban poor.
  - Complementary to regulatory mechanisms, information campaigns should aim at changing social and cultural attitudes.
  - Shelter policies and strategies for the poor are most effective when they involve innovative partnership arrangements among different stakeholders, and the active involvement of the urban poor in the urban management and housing development processes.
- b. Access to housing credit is often denied to large segments of the population, especially low-income households. Access to credit can be facilitated through a variety of approaches, including:
  - Special support programmes that leverage the resources of government with those of civil society organisations and the private sector can be effective means to make mortgage credit available to low-income households.
  - Targeted subsidies, especially those provided to community-based savings and loans schemes, are often instrumental in helping the urban poor in gaining access to housing credit.
  - Private rental housing should be promoted both as a means of providing more housing options for the poor and as an element to reduce pressure on the lower end of the housing markets.
- c. Ensuring the availability of basic services is an important part of any shelter development policy and should include the provision of safe water, sanitation and waste management.
  - The absence of legal tenure in settlements is a major obstacle to the improvement and maintenance of basic services such as water supply and sanitation.
  - Public-private partnerships can be an effective means of introducing greater cost effectiveness in the water and sanitation sector. The challenge for countries suffering from lack of adequate urban infrastructure and services is to put in place effective regulatory bodies and measures to oversee the provision of services in an efficient and equitable manner. A new tool for local authorities to better manage infrastructure and services is to develop strategies for conservation and demand management. Strong political commitment, transparency in management and coherent strategies reduce investor's risk and are essential to attracting private sector investment in water and sanitation services.
  - Urban poor are reliable and accountable partners in providing and maintaining basic urban services through community self-determination and community co-management. Community participation in the provision and management of water and sanitation services can significantly improve cost recovery, maintenance and, consequently, long-term sustainability.
  - There is an urgent necessity to enhance both institutional and human resource capacity of local authorities to effectively manage basic services.



**Secure tenure will improve the access of the urban poor to credit, adequate shelter, infrastructure and services**

## 2.2 Environmental Management



The management of environmental resources and hazards improves economic efficiency, social equity and long term sustainability in urban development

Some fundamental principles arise from the operational experience reported in the sessions on environmental management. These principles are consistent with lessons learned in the broader context of national reports on the implementation of the Habitat Agenda, as well as with the general experience gained by international programmes supporting cities in their efforts to improve environmental management. In summary, these principles can be grouped into three sets of recommendations as follows:

a. The management of environmental resources and hazards improves economic efficiency, social equity, and long-term sustainability in urban development.

- Environmental improvements enhance the development potential of cities. Aside from the obvious benefits to human health and well being, environmental improvements promote investments from within and outside the city.
- Controlling environmental hazards, such as flooding, has the same positive effect on socio-economic development in cities.
- Because the lives and health of the urban poor suffer most directly and disproportionately from environmental degradation, environmental improvements provide excellent opportunity for supporting the urban poor.
- Although many cities seem to be struggling with the requirements of sustainability and are suffering severe environmental degradation and economic loss, there are many encouraging signs that environmental deterioration is not a necessary or inevitable consequence of urbanisation and economic change. To the contrary, proper urban environmental planning and management are major contributing factors to urban productivity and efficiency.
- Improving urban governance is a fundamental requirement for effective urban environmental management and sustainability: learning how to better understand, mobilise and manage local resources in close collaboration among all those whose interests and quality of life are affected.

b. Broad-based participatory approaches are indispensable for managing environmental resources and controlling hazards. Environmental issues, by their very nature, cut across all levels of government and economic sectors, are area-

wide in their impact, and have long-term implications for economic growth and social development.

- Successful urban environmental planning and management requires a mutual understanding of issues, broad agreement on strategies, and co-ordinated actions by the full range of public, private and community groups and organisations - now widely referred to as the stakeholders.
  - The process of identifying and involving stakeholders often reveals major groups, which have been excluded by traditional planning and management systems. These groups typically include women, private sector groups and interests, marginalised and disadvantaged citizens, especially the urban poor, at both city and neighbourhood levels.
  - Relevant stakeholders for specific issues can be determined as follows: (a) those whose interests are affected by the environment-development issue at hand; (b) those who possess information and expertise needed for effective strategy formulation; and (c) those who control means to influence environment-development interactions and have the capacity to implement environmental management strategies.
  - It is important to be selective and to set priorities on environmental management, so that action can be focused on a limited array of problems and tasks in a strategic sequence. Priority setting should result from a participatory process and be based on both the development implications of environmental concerns and the local capacities to respond.
- c. International cooperation and mutual learning are effective tools for improving urban management and to make it more responsive to the specific challenges of local environmental concerns.
- As more and more cities engage in environmental planning and management the need for sharing information, expertise and experience has led to emerging networks joining cities, communities and international programmes designed to promote peer-to-peer learning.
  - Decentralised cooperation and peer learning has become a primary means through which collective know-how in environmental planning and management is shared and developed and through which successes are replicated in an ever widening network of cities and communities within a country and worldwide.





## 2.3 Urban Governance

The lessons learnt from the four cases on Urban Governance confirm three key principles as follows:

a. Decentralisation and Strengthening of Local Authorities are important ingredients to improved urban governance. Decision-making should be taken at the level that is closest to the community and the issues being addressed. The application of this principle of subsidiarity, as well as improved accountability and transparency through civic engagement and participation, often requires the revision of legislation affecting the roles and responsibilities between various levels of government.

- Local authorities have an important leadership role in mobilising and working with citizens and the private sector; this leadership role is key to successful and responsive urban governance.
- Inter-departmental collaboration and effective channels of communication between various actors and stakeholders are critical to ensuring a concerted approach to slum improvement, the reduction of poverty and promoting social inclusion.
- City-to-city cooperation can be a powerful mechanism for the exchange of lessons learned from experience, to deepen the understanding of issues involved and to provide a greater choice of strategic options.

b. Participation and civic engagement are a key principle of good urban governance and should be encouraged and supported through practical measures:

- The participatory formulation of City Development Strategies is an important vehicle for long-term visioning, conflict resolution, inclusion of marginalised groups, and bridging the divided city.
- Effective reduction of urban poverty and social exclusion can be achieved through the participation of the urban poor in decision-making, formulation of policies,

and implementation of local action plans. Experience has shown that the urban poor can be effective local development agents.

- The tension between participatory and representative democracy can be creative as opposing views and interests are aired and provide the basis for increased understanding, communications and tolerance.
  - Public-private partnerships and civic engagement are key contributing factors to successful urban renewal. They can provide, for example, for a balanced approach to the competing needs of fostering economic development, of stimulating the capital investments required for urban rehabilitation, and of preserving a city's cultural heritage. They are also effective means to improving inner city housing, infrastructure and social services.
- c. Transparency and Accountability are indispensable for efficient governance of towns, cities and metropolitan areas:
- Local level responsibility and accountability for local resource management is necessary to fight corruption. The participatory budgeting process, an innovative approach to urban governance and decision-making, provides a voice for the urban poor in both the allocation and use of municipal and other resources. This method can greatly enhance transparency and accountability and improve service delivery at the local level.
  - The city-region is becoming an increasingly recognised and important entity and level of governance to address the multiple facets and issues of social and economic development and environmental management.
  - The renovation and rehabilitation of inner cities in decline, can be an effective factor contributing to overall urban economic development and social inclusion. Due attention must be paid, however, to avoid over-gentrification.



**“Participation and civic engagement are key principles of good urban governance that should be encouraged and supported through practical measures”**



## 2.4 Economic and Social Development and Eradication of Poverty



**“urban poverty reduction initiatives should be broad-based and integrate mutually enforcing components such as shelter and infrastructure, assistance to disadvantaged groups, involvement of women, and targeted support for small and micro enterprises”**

To be truly effective, urban poverty reduction initiatives should be broad-based and integrate mutually reinforcing components such as a) Shelter and infrastructure upgrading to provide for a healthy and safe living environment; (b) Assistance to disadvantaged groups, including the disabled so as to promote the integration of less fortunate citizens within the community; (c) Involvement of women in decision-making, so as to respond to their specific needs and improve their access to development assets, including land and finance; (d) Targeted support for small and micro enterprises in implementing public works and the delivery of basic services, including those developed by women, are effective means of promoting sustainable sources of employment and income within the community.

a. Meaningful participation, partnership and inclusive decision making are crucial for sustainable socio-economic programmes and projects to reduce poverty.

- Poverty reduction requires that the poor are seen as “actors” rather than “beneficiaries”, and as agents for their own betterment capable of contributing in a significant way to structural change. Poverty is fundamentally a structural problem and its solution requires structural changes.
- Reducing poverty requires equitable sharing of development benefits and costs by all in society, including the poor.
- Community ownership of local development resources, such as community funds and credit schemes, ensures that local initiatives do not grind to a halt because of the inability to sustain motivation and therefore participation. Their management should be based on the needs and effective demand of the poor and not on preconceived ideas of what the poor require.
- Appropriate legal and institutional frameworks that enable the cooperation of a wide range of local partners are required to institutionalise poverty reduction initiatives and to ensure their sustainability.

b. Vision, leadership, commitment and long-term strategic planning are essential for effective and sustainable poverty reduction programmes and projects.

- At the municipal level, clear commitment from the authorities is necessary if participatory programmes are to be sustained.
- In many countries, central government support is necessary in the fight against urban poverty, as city budgets are often inadequate.
- For poverty reduction initiatives to be effective in terms of scale and impact, appropriate institutional frameworks are required to provide an effective voice to local actors and the urban poor.

c. International support in urban poverty reduction programmes continues to play an important catalytic role.

- Globally, the challenge is to find ways of investing a small proportion of these Official Development Assistance (ODA) resources towards urban poverty reduction.
- While international assistance is important, it should be aimed at leveraging local financial and human resources, and should always endeavour to strengthen national policies and initiatives.

d. South-south cooperation is a powerful mechanism for sharing information, transferring technology and for the replication of successful approaches.

- Countries can and should effectively utilise south-south exchange of knowledge, expertise and experience in the design and implementation of community development funds and related poverty reduction activities.
- Successful participatory planning and budgeting systems were first initiated in cities of the South and have proven effective in reducing corruption and poverty.
- The lessons learned should be scaled up to the national level and be widely replicated.



# 3 Case Illustrations



The Committee was divided into four sessions dealing with the main components of the Habitat Agenda:

- Shelter and services;
- Environmental management;
- Urban governance;
- Eradication of poverty.

During the first session, the Committee was briefed on the national housing policy of the Republic of South Africa, which is based on the right to adequate housing. The committee was informed of large-scale housing schemes and upgrading projects recently implemented in Egypt. In both Egypt and South Africa, the national housing strategy is attempting to promote home-ownership for low-income groups with central government support and the use of targeted subsidies. During the same session, upgrading programmes in Colombia, Senegal and India were presented focussing on security of tenure and the provision of basic services involving community participation. These programmes provide concrete evidence that large-scale slum upgrading initiatives are both feasible and sustainable.

The second session was devoted to the improvement of the urban environment, a key concern of both the Habitat Agenda and Agenda 21. Environmental strategies, plans and activities initiated since 1996 in Dar es Salaam, Stockholm, Chengdu and Katowice were presented and discussed. In spite of the variety of problems and goals, from urban poverty reduction in Dar es Salaam to control of urban densities in Stockholm, and reducing water and air pollution in Chengdu and Katowice, the methods and tools adopted by these four cities share much in common: involvement of stakeholders, awareness-raising, inter-agency and inter-municipality cooperation, combination of long-term vision with short-term action plans. The lessons learnt are clearly of a universal nature and could be used for promoting sustainable cities all over the world.

The third session was devoted to participatory urban governance, with examples from Brazil, France, Nigeria and Spain which highlighted how decentralisation of responsibilities and resources to local authorities, combined with citizen's participation, can play a critical role in promoting economic development, social inclusion and the improvement of the living environment. Cross-cutting goals such as gender equality were also advocated in the lively debate which followed each intervention.

The last session addressed the broad issue of poverty reduction through integrated approaches mobilising the full potential of the poor and using human settlements as a strategic entry point. Case studies were presented from three continents: Asia (Thailand), Latin America (Peru) and Africa (Morocco). They exemplified the role and benefits of partnerships between governments, local authorities and community groups representing the urban poor.



## 3.1 Shelter & Services



**Issues of Concern** - By 2020, three-quarters of the world's urban dwellers will live in cities and towns of the developing world. The majority of these cities and towns are already witnessing large percentages of their population living in slum and squatter settlements, with inadequate infrastructure and services. Many of the urban poor have no security of tenure, a situation which acts as a major disincentive for government, local authorities, the private sector and the communities involved to invest in the improvement of their living environment.

This rapid urbanisation process coupled with inadequate institutional and legal frameworks and poor management capacities at all levels results in the "urbanisation of poverty". Many local authorities in developing countries are trying to deal with these formidable challenges by encouraging open, accountable and effective local leadership that brings people into the shelter development and improvement process. However, these local authorities and communities themselves need to be continually empowered and supported to establish and maintain enabling structures that facilitate independent shelter initiatives and creativity and to encourage a wide range of partnerships between the public, private and civil society sectors.

**Agreed Commitments** - To ensure the access of the urban poor and vulnerable groups to adequate shelter, governments renewed their commitments – made at Istanbul in 1996 (Habitat Agenda paragraph 40) in the Declaration on Cities and other Human Settlements. Governments resolved to promote the upgrading of

slums and squatter settlements within their countries. They reiterated their commitments to meeting the goals of the Millennium Summit that calls for a significant improvement in the lives of 100 million slum dwellers by 2020.

Governments clearly indicated that what they are looking for is to attack urban poverty and not the urban poor; to get rid of slum conditions and not slum dwellers; to remove squatting but not squatters. Governments renewed their commitment to the following principles:

- Promote legal security of tenure and access to land to all people, including women and those living in poverty.
- Undertake legislative and administrative reforms to give women full and equal access to economic resources, including the rights to inheritance and to ownership of land and other property, and ensuring their right to security of tenure.
- Promote access for vulnerable and disadvantaged groups to safe drinking water, sanitation and other basic services.
- Promote the upgrading of slums through rehabilitation and maintenance and the regularisation of squatter settlements.
- Undertake legislative and administrative reforms to support the efforts of people individually and collectively, to produce affordable shelter and basic services.
- Increase the supply of affordable housing.
- Ensure legal protection from discrimination in access to shelter and basic services.
- Promote shelter and supporting basic services and facilities for the homeless.
- Protect all people from and providing legal protection and redress for forced evictions that are contrary to the law.
- Promote the upgrading of informal settlements and urban slums.

**Operational Experience** – The experiences from Senegal, South Africa and India demonstrate that the empowerment and capacity building of local communities, including women and men, in special skills – such as participatory informal housing provision and slum upgrading, poverty alleviation and income generation programmes – are important elements in the provision of secure tenure to the urban poor and to reducing housing right abuses such as forced evictions.

While Colombia and Senegal have made progress in adopting legalisation in favour of tenure for urban dwellers, Egypt and South Africa have promoted innovative partnership arrangements among different stakeholders resulting in social solidarity and integration among the disadvantaged groups. In addition, South Africa has encouraged reforms of urban land registration and slum upgrading initiatives for disadvantaged groups. Further more, Egypt and South Africa have developed special support programmes for the creation of self-sustaining credit systems. This support includes targeted subsidies to enable the urban poor to access housing credits. These subsidies are leveraged with contributions by civil society organisations to organise mortgage credit for low-income households.

The experience of several cities in India, such as Mumbai, Pune and Bangalore shows that the rehabilitation and proper maintenance of water supply and sanitation systems promotes private sector investment in a city. Their experiences have been built on partnerships between provincial governments, local authorities, NGOs and community organisations. Many cities emphasised the fact that effective urban water management depends to a large degree on strong political will, awareness raising and capacity building of local authorities and policy makers. This includes a better definition of their roles and responsibilities towards disadvantaged groups, especially women and children.







## Housing Policy of South Africa: Operationalising the Right to Adequate Housing

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### A right to adequate housing

South Africa is among some 30 countries that have included the right to housing in their Constitution. Section 26 of the South African Constitution, adopted in 1996, states that all South Africans have the right of "access to adequate housing." A recent court ruling in South Africa, however, stressed that it is not an unqualified obligation on the State to provide free housing on demand, as the constitution states that "The State must take reasonable legislative and other measures, within its available resources, to achieve a progressive realisation of..." (Section 26), the right of access to adequate housing. Moreover, the court ruled that there "is an express recognition by the framers of the Constitution that the right to housing cannot be effected

Since the introduction of a democratic government, a wide range of legislation has been adopted to improve the housing conditions of the average citizen in general, and of the most vulnerable and disadvantaged groups in particular. Moreover, and in line with paragraph 61 of the Habitat Agenda, the Housing Act calls for monitoring and evaluation of the situation with regard to homelessness and inadequate housing. The South African Human Rights Commission, established by Chapter 9 of the Constitution, is a major instrument in this context. It carries out and publishes an annual report on the realisation of the rights enshrined in the Constitution, including the right to adequate housing.

One of the main mechanisms to implement the new housing policy of South Africa is the use of a wide range of targeted subsidies. All households with incomes below certain minimum levels qualify for such subsidies. Since the first democratic elections in 1994, the Government, working in collaboration with a wide range of civil society actors, has provided subsidies to more than 1,334,200 houses for the poorest among the poor in rural as well as urban areas. A total of 1,155,300 houses have been constructed, housing some 5,776,300 people, or close to one-eighth of the total population of 40 million people.



immediately." It is, however, the Government's duty to take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of the right to adequate housing. The Government must thus show that it has worked as effectively as possible to achieve this right.

The People's Housing Process is a major initiative addressing the shelter needs of the poorest and most vulnerable and disadvantaged groups. It makes a particular effort in involving women in decision-making and in drawing on their special skills and roles in the communities. The scheme contributes to the empowerment of communities and to a transfer of skills. As with most of the current initiatives in South Africa, this housing delivery approach relies on targeted subsidies from the government and technical, financial, logistical and administrative assistance from NGOs and support organisations. Several initiatives implemented under the umbrella of South Africa's housing policy were recognised as good and best practices in 2000 (see [www.bestpractices.org](http://www.bestpractices.org)).



## Debate

The discussion revealed that the plight of evictees was a major concern in South Africa's housing policy. In cases where evictions were unavoidable the provision of alternative shelter for evictees is essential. The issue of quality control versus the quantity of units produced was being addressed in South Africa through the establishment of a National Home Builders Registration Council. It was clearly recognised that a gradual approach to implementing housing standards was necessary.

Public support for housing the poor and the need for formal lending institutions to adjust their practices are often required in dealing with the needs and circumstances of the poor. It was pointed out that the housing policy is aimed at financial sustainability. Besides the use of targeted subsidies, the housing finance system also relies on household savings, sweat equity, and self-construction of housing. Considerable efforts have been made to involve women in community savings groups.

Other major issues raised were employment and partnerships. A particularly important role is played by and given to small-scale contractors in the implementation of housing projects. To this end, the policy includes major efforts in capacity building, and separate budgets are set aside for this purpose. The experience also shows the need to pursue settlement upgrading in tandem with the construction of new housing units.



## Lessons learned

A number of lessons can be drawn from the South African experience with regard to implementing the right to adequate housing. Among these are the need for forging a national consensus on the definition of adequacy; the need to identify additional financial resources, and to improve the capacity of all stakeholders to play an active role in the housing delivery process. Moreover, there is a clear need to identify new and additional options in the housing markets, both in terms of quality of dwellings and in terms of innovative tenure options that meet the requirements of the poorest groups.

The main lesson, however, is that a revision of national legislation alone is not sufficient to achieve the full realisation of the right to housing. Considerable financial commitment from government is necessary to improve the housing conditions of the most vulnerable and disadvantaged groups.

The principle of enablement — which is mentioned throughout the Habitat Agenda — is not inconsistent with the use of targeted subsidies. In fact, enablement and subsidies are complementary. It is only by enabling the not so poor to help themselves that resource can be made available to help the poorest among the poor. Or as it is stated in paragraph 97 (a) of the Habitat Agenda — "To provide for the shelter needs of those belonging to vulnerable groups, Governments ... should provide ... targeted and transparent subsidies, social services and various types of safety nets to the most vulnerable groups".





## Shelter Programmes and City Development Strategies in Egypt

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### Providing shelter on a sustainable basis

The Government's commitment to the implementation of the Habitat Agenda regarding Shelter for all was illustrated by two cases: the Mubarak Housing Project and the Future Housing Project. Both of these projects were implemented using the principle of "Eltakaful El-Egtemaie", an indigenous cultural value in which resources are mobilised from capable groups to support disadvantaged groups:

- The Mubarak Youth Housing Project was started in 1996 and completed in December 2000. It comprises 70,000 units distributed in 15 Egyptians cities. Built at a cost of L.E. 2.75 billion with a maximum density of 120 persons/acre and a height of 5 floors, the designs allow for ample green areas, parking spaces and social

services. The state offered soft loans of L.E. 15,000 per unit payable over 40 years at 5% interest rate. In the next 5 years the Government is planning to replicate the project on a larger scale. As the name implies, the beneficiaries of this project are the youth.

- At the initiative of H.E. Mrs. Susan Mubarak, in February 1998, an NGO "Gamayet el Mostqbal" (Society of the Future) was formed in March 1998, which saw the launch of "The Future Housing Project". 70,000 units will be built in 3 phases over a period of 6 years. The first phase of 15,000 units is already complete. The wealthy business community has offered to raise L.E. 1 billion in this period, covering 50% of the total cost while the state covers the remaining cost. Soft loans of L.E. 14,000 per unit, payable over 40 years, at an interest rate of 5% are available. The Council of Arab Ministers awarded the project for Housing and Reconstruction Award in 2000.



The Government's commitment to "City Development Strategies" was illustrated by three examples of upgrading programmes:

- The Manshiet Nasser Upgrading Project, with a density of more than 400 persons/acre, squatting on government land, is the largest informal settlement in Cairo. It covers an area of 850 acres. It lacks infrastructure, adequate services and has poor living conditions. Putting into practice the concept of "renewal and replacement", desert land near the informal settlement is developed to accommodate a portion of the squatters. Enabling those who stay behind to benefit from improved infrastructure and services. Existing buildings that are in good condition are preserved. Infrastructure is provided for the whole area. The Government and its partners have further contributed 4 schools and a hospital. The private sector contributes by creating jobs in the form of micro enterprises, thus helping in poverty reduction. This pilot project will be replicated in other informal areas.
- Luxor City is one of the 560 special natural and cultural sites in the world recognised by UNESCO. It has many historical sites and agricultural lands constitute the two main sources of employment. Both are threatened by the rapid expansion and influx of traffic without the necessary and adequate infrastructure in place. The Government and its partners have established a programme, which deals with the restoration of historical monuments to provide a source of tourism revenue while, at the same time, upgrading the surrounding settlements.
- The Ismailia Governorate Project comprising, five cities has a total population of 700,000. Ismailia City is the capital of the Governorate, with a population of 221,000. The Governorate has a diverse economic base but lacks sufficient water resources. Land reclamation projects are putting demands on water resources and producing large volumes of wastewater, which is left untreated. There is conflict between urban expansion and agricultural activities. The purpose of preparing strategic development plans is to help coordinate land use, improve environmental management and mobilise resources to create new and more diversified employment opportunities.

Both the Manshiet Nasser Upgrading Project and the Ismailia Governorate Project were recognised as good practices in 2000 (see [www.bestpractices.org](http://www.bestpractices.org)).

## Lessons learned

- The use of carefully targeted and transparent subsidies can be an effective means to enable the poor to gain access to housing. In the particular case of Egypt, the subsidies are provided through soft loans that are earmarked for the individual and not for the cost of the house the ownership of which can be sold or otherwise transferred. Nonetheless, these schemes can only be sustainable in the long run if they are accompanied by income generating initiatives and employment opportunities to avoid the problem of defaults and the vicious circle of slum formation.
- Young people suffer disproportionately from lack of adequate housing, particularly when they represent up to two-thirds of the urban population as they do in Egypt. Targeted interventions for providing housing solutions for the youth can help integrate them in society, provide a basis for productive lives and help avoid problems of inter-generational friction and crime.

## Debate

The discussion focused in the inherent risks of providing credit schemes for housing to the poor, given their lack of regular income and steady employment. This is more so with housing projects than with traditional micro-credit for enterprise development as the sums involved for housing are relatively large and the period of repayment very long. The longer the repayment period, the higher the risk of default and thus of evictions. For this reason it is imperative that shelter and urban development initiatives for the urban poor include a major focus on income-generating activities that strengthen the economic independence to the poor.





## Holistic Upgrading Programme in Medellin, Colombia

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### Inter-sectoral collaboration for sites and services

The city of Medellin has a population of approximately 2 million inhabitants within 293 neighbourhoods. 350 thousand people inhabit 104 settlements that have been registered by the Municipal Planning Secretary as incomplete or inadequate. The inhabitants of these neighbourhoods face problems such as unemployment or low income, poor living conditions, insecurity and crime, as well as low levels of formal education.

The Municipality developed a holistic programme focusing on six different components:

- **Neighbourhood Upgrading or Habitat Betterment:** This component comprises infrastructure development including roads, water and sewerage, educational, health, cultural, recreational and community facilities, and the stabilisation and protection of the soil.
- **Reduction of Geological Risk:** This component is aimed at recovering land situated in high risk areas for use as public spaces, reforestation and passive recreation as well as implementing public awareness projects on environmental issues.
- **Legalisation of Tenure:** This component provides for formal tenure through the regularisation of landholders and the promotion of ownership as the basis of the development process.
- **Housing Betterment and Resettlement:** This component addresses the issue of housing quality. It includes the resettlement of those inhabitants situated in high-risk areas and strengthens stability and habitability of sites in order to improve the physical security for the dwellers.

- **Community Participation and Promotion:** Training and basic capacity building is provided to the community to enable them to play an active role in the design, implementation and follow-up of the projects.
- **Planning and Management:** Programme impact is monitored and evaluated.







The programme has made significant physical and social improvements. Physical improvements include construction or upgrading of minor and major public works. However, the social improvements are of equal if not more importance in terms of sustainability. The programme has fostered social inclusion, empowered the community to play an active role in their development and has resulted in, inter alia, significant reduction of crime and violence as well as new sources of income and employment.

An initiative on the improvement of low-income settlements in Medellín was awarded the Dubai International Award for Best Practices in 1998.

## Debate

The discussion focused on, inter alia, the following areas: the underlying causes of social disintegration, the contribution of secure tenure and income generation to improved governance; measures to deal with land speculation; the scaling up of upgrading programmes on a city wide basis; the roles of different actors and stakeholders such as the community, civil society, local authorities, national government and the private sector. The discussion further highlighted that the provision of secure tenure is also a powerful means for creating a sense of belonging to a community, promoting civic engagement and social inclusion and guaranteeing local ownership of a project or programme.

## Lessons learned

The case of Medellín provides important and compelling reasons for using an integrated and holistic approach to shelter improvement and community development. Besides the granting of secure tenure, which provides the basis for subsequent improvements to infrastructure and services, the programme seeks to reduce the physical and social risks and vulnerabilities, to strengthen the capacity of the community to play an active role in project design and implementation and crime reduction. An integrated approach will strengthen social inclusion and enhance the social capital that can be brought to bear.



## Improvement and Restructuring of Spontaneous Settlements in Dakar, Senegal

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### A multifaceted approach to shelter improvement

Cities in Senegal and particularly the capital city of Dakar have been witnessing exponential population growth and a corresponding decline in the quality of life and growth in haphazard urban sprawl and development. In an attempt to better guide the overall development of its towns and cities the Government of Senegal decided to promote more flexible planning processes involving a wide variety of stakeholders. The Government initiated a comprehensive restructuring and land regularisation project for informal settlements located largely within the Dakar metropolitan area.

This comprehensive land regularisation and slum-upgrading initiative consists of the following components:

- The establishment of new institutional frameworks that recognise and enable the formation of neighbourhood associations that can better voice the needs and demands of the urban poor.

- The creation of innovative financing schemes to leverage the financial contributions of the poor for local development initiatives and to ensure better financial management and sustainability.
- The provision of secure tenure to slum dwellers which has enabled them to access formal credit systems.
- The promotion of the role of women in poverty alleviation and income generation programmes.
- The reduction in the cases of land speculation and making land more affordable to the poor using targeted subsidies.

The benefits of the programme include administrative as well as physical improvements in the areas of:

- Urban Governance - improved decision-making and resource allocation processes based on collective decision-making on improving the urban environment; the creation of a network of partners between neighbourhood associations, banking institutions and relevant units of government.
- Physical restructuring including the construction of access roads to respond to the needs of the urban poor, extension of water supply and sanitation systems to the low-income neighbourhoods, electrification schemes, and construction of elementary schools and health clinics.

Several components of this initiative including housing finance, the role of women in micro-enterprise development, waste management and sanitation, and slum upgrading were recognised as good and best practices in 1998 (see: [www.bestpractices.org](http://www.bestpractices.org)).







## Debate

The discussion focused primarily on the causes and effects of increased urbanisation and the degree to which forced evictions and relocation are necessary to improve infrastructure, provide services and reduce congestion. Strong reservations were expressed regarding the relocation of slum dwellers far from their original settlements. Relocated vulnerable group may become more vulnerable as their daily activities are disrupted and they lose access to sources of income.

The discussion also focused on the need to go beyond settlement upgrading to address prevention of slum formation and to improve overall urban planning and management so as to avoid or at least limit the amount of forced evictions, relocations and resettlement.

## Lessons learned

Collaborative, cross-sectoral and participatory housing restructuring and improvement programmes are capable of providing real and lasting impact on reducing urban poverty. The case of Dakar shows how this impact can be achieved through combined efforts in involving the urban poor in decision-making, providing security of tenure, improving basic infrastructure and services, removing the barriers to access of credit, and job-related training.

Enhanced security of tenure, however, represents the key for vastly improved opportunities for access by the urban poor to credit. Such credit not only allows the urban poor to improve their housing but is also essential for income generating activities. The use of targeted subsidies should be perceived not only as a positive contribution to poverty reduction but also an enabling contribution to the creation of new economic opportunities for the urban poor.





## Community-Driven Provision of Universal Sanitation in **Indian** Cities

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### Improving infrastructure and security of tenure

The lack of toilet facilities in low-income neighbourhoods of Indian cities is an acute problem, posing considerable health and environmental hazards. The project is intended to provide slum dwellers in three cities in India (Mumbai, Pune and Bangalore) with improved toilet facilities through a partnership arrangement between their respective provincial governments, NGOs, community organisations and the slum dwellers themselves. The thrust of the project is to provide each slum resident with access to a toilet facility within a 10 to 15-minute walking distance.

The implicit objectives of the project were threefold:

- To gain de facto recognition and security of tenure - By participating in the provision of toilet facilities for slum residents in the selected communities, governmental authorities not only had to recognise their existence but also their right of abode and thus their entitlement to security of tenure. The granting of secure tenure was further justified by the fact that the communities were investing in the projects.
- To promote capacity for community-driven development initiatives - The project used a collaborative and inclusive process involving all stakeholders, but in particular those that are usually marginalised in decision-making and planning, namely the poorest of the poor and women. This enabled the project to draw on the strengths of the local community, the slum dwellers themselves and their representatives.
- To involve the poor in the management of their own sanitation infrastructure - The project succeeded in putting into place a "user pays" system, thus vesting the ownership of the facilities within the community. A person hired from the community manages each facility. This person (woman) is responsible for the collection of user fees and is further provided with accommodation that sits atop the facility. This accommodation is considerably larger than the norm.





## Debate

The discussion centered on the positive aspects of innovative and broad-based partnerships and the unique approach that was used to gain security of tenure for slum dwellers. Approaching security of tenure through indirect means, such as infrastructure or service provision, is a unique method of obtaining this crucial and important right.

The solidarity built among the various actors to find a workable solution to a common problem did more than just solve the problem – it raised awareness and capacity within the minds of slum dwellers that they can effectively be in control of their own destinies. This individual awareness and building of self-esteem has proven to have immeasurable positive impacts on the lives and livelihoods of the poorest of the poor – in particular women.

It was also noted that the users themselves undertook the design and construction of the physical infrastructure. This not only ensured that the infrastructure was designed to meet actual local needs but also provided on-the-job training for the slum dwellers in infrastructure design, construction and supervision. Many of those that benefited were women who otherwise would not have had an opportunity to learn such skills.

## Lessons learned

From the above presentation, the lessons learned include the following:

- Sustained mass movements of the poor have to educate and organise themselves internally while exploring partnerships with other actors and stakeholders. However, it is vitally important that partnerships, which involve external donors, do not end up becoming a simple exercise of agreeing to pre-conceived projects and ideas. It is important that organisations of the poor and the poor themselves redefine the meaning of the word “participation” to be more than just consumers of development.
- In order to become active members in urban development, communities of informal settlements have to create a large number of groups and forge their collective priorities. Once this critical mass of participation has been reached, there is a need to create institutional capacity within and between these organisations to effectively foster and implement solutions acceptable to all. Once this threshold is reached, the community leadership can engage government authorities to design programmes, projects and management structures that are sustainable.
- Sanitation has become a demonstrable governance issue, and one which captures the involvement and participation of all cities and their inhabitants in a very compelling manner. Sustainable solutions must involve a multitude of actors and the poor themselves, particularly in defining their own needs and priorities, and in ownership to ensure proper management and maintenance. Further benefits are derived when the poor take part directly in construction, management and maintenance. They acquire skills that provide employment opportunities that were closed to them in the past. They also prove to themselves and to others that they are capable of providing accountable services to their constituency.



## 3.2 Environmental Management



**Issues and Concerns** - Efficient and productive cities and towns are essential for local and national economic growth and welfare. At the local level, strong urban economies generate the resources needed for public and private investments in infrastructure, education, health and improved living conditions. A sustainable urban environment is an essential contributing factor to productive cities as it affects the quality of life of all people and groups and organisations at home and at the workplace.

Urban environmental problems are complex, multi-dimensional, interactive and very often poorly understood. Traditional urban institutions are not very well suited to deal with complicated environmental issues, which cut across institutional responsibilities and administrative boundaries. New models of operation and decision-making are often required, not least in determining the extent to which environmental resources can sustain ongoing development activities.

New environmental planning and management approaches in many countries and cities show the critical importance of reviewing institutional arrangements, the importance of using better information for better planning, the crucial role of public environmental education and awareness, the appropriate role of technology and, not least, the need for political will.

**Agreed Commitments** - Key Habitat Agenda Commitments relevant to Environmental Management include the following:

- Encourage and support participation and civic engagement;
- Promote partnerships in the implementation of local environmental plans and Local Agenda 21 initiatives;
- Promote decentralisation and strengthen local authorities;
- Facilitate access to basic infrastructure and urban services including sound transportation systems;
- Intensify efforts for improved sustainable environmental planning and management practices;
- Reduce urban pollution;
- Prevent disasters, rebuild improved settlements.

The “Declaration on Cities and other Human Settlements in the New Millennium” includes the following specific commitments:

- Paragraph 10 takes note of the “development of integrated and participatory approaches to urban environmental planning and management, and welcomes the support provided by many governments to mechanisms for consultations and partnerships among interested parties to prepare and implement local environmental plans and Local Agenda 21 initiatives”.
- Paragraph 41 states that “the management of urbanization processes requires strong and accountable public institutions able to provide an effective framework in which everybody has access to basic services; and that capacity-building needs to be directed towards supporting decentralization and participatory urban management processes”.
- Paragraph 59 commits governments “to promote access to safe drinking water for all and to facilitate the provision of basic infrastructure and urban services, including adequate sanitation, waste management and sustainable transport”.
- In paragraph 61 governments resolved “to intensifying efforts for improving sustainable environmental planning and management practices, and for promoting sustainable production and consumption patterns in human settlements in all countries, in particular in industrialized countries; and that integrated approaches addressing social, economic and environmental issues should be taken more systematically at all levels; and that Agenda 21 and the local Agenda 21 initiatives provide important inputs to this process”.

**Operational Experience** – The Katowice and Chengdu cases emphasise the importance of thorough identification, assessment and prioritisation of environmental issues, with the active involvement of the various actors who possess vital information and expertise. They also stress the need for mobilising strong political support. Stockholm and Chengdu demonstrate that the most important resource is to be found in the participation of the affected people. The case of Dar es Salaam demonstrates that consultations with the community is not only a prerequisite for consensus-building and ownership, it also can help mobilise additional resources.



Stockholm experienced the fact that broad-based participation helped to introduce innovative approaches and strategies such as “the better use of land already in use”, and how best to reduce environmental pressure in transportation systems through “modal split” strategies. Dar es Salaam shows that labour-intensive community contracting can be an effective means of poverty reduction as well as a means of promoting civic engagement. Implementation strategies engaged the full range of institutions, capabilities and actors. Katowice stressed the importance of inter-municipal cooperation to address area-wide environmental issues affecting a large agglomeration. Dar es Salaam uses a credit financing mechanism to encourage local community contributions; and Chengdu used a combination of public sector sponsored initiatives and awareness building to garner political support.

All the cases highlighted the importance of reviewing existing institutional arrangements. Stockholm introduced new legislation on how to manage consultative processes. In Dar es Salaam financial resources were decentralised to improve maintenance, and new mechanisms were put in place to ensure quality control, accountability and affordability in operations involving partnerships with the private sector. Some cities made use of special opportunities and leveraging strategies. Stockholm introduced mixed-use development areas to promote a harmonised approach to development. Chengdu noted that the adoption of a city-wide “sustainable development approach” led to increased international recognition and helped to mobilise additional resources.



## Environmental Planning and Management in Dar es Salaam, Tanzania

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### Community-based upgrading and privatisation of environmental services

About 70 percent of the population in Tanzanian cities live in informal housing areas. The main characteristic of both formal and informal settlements in Dar es Salaam is the lack of basic infrastructure and services including water supply, sewerage, access roads, drainage and

solid waste management. Presently between 40 and 70 percent of the urban inhabitants live in the informal settlements. Some of the underlying causes of this situation and the resulting environmental degradation are inappropriate urban planning practice and policies, including institutional inefficiencies and lack of co-ordination among the key actors in urban development.

The Environmental Planning and Management (EPM) ap-

proach was introduced in Dar es Salaam in 1992. Since 1998 the concept is being replicated in all the Municipalities in the country. Overall, the programme is benefiting more than 50 percent of the urban population in the country. The two cases presented in New York illustrate some of the achievements and impacts realised and lessons learnt. Tanzania's adoption of the EPM approach is fully consistent with the Habitat Agenda. In paragraph 137, the Agenda calls on Governments at all levels to support mechanisms for consultations and partnerships among interested parties to prepare and implement local environmental plans.

The first case focuses on the upgrading of Hanna Nassif, a neighbourhood of about 23,000 inhabitants. Following a request from the local community, the Government of Tanzania in collaboration with donor agencies and with participation of the residents, initiated the Hanna Nassif Community-Based Upgrading. The project adopted an innovative approach in both its institutional set-up and the use of labour-intensive community contracting and community management. The other case addresses improved solid waste management involving private and community-based collection methods.

Both initiatives build capacity within the community for the improvement of infrastructure as a means of reducing poverty. The implementation of the initiatives also took into account the revised National Urban Development Policy (1995) which recognises and provides a framework for regularising informal settlements. They also followed the recent government policy on Employment Generation and Poverty Reduction by supporting small-scale enterprises and labour-intensive approaches to public works.

The University College of Lands and Architectural Studies (UCLAS) provided Technical Support while Dar es Salaam City Council played the role as facilitator and promoter to involve key actors such as residents and private sector companies. UNCHS (Habitat) was the technical co-operation agency with International Labour Organization (ILO) as associate agency. The overall management of funds was ensured by the National Income Generating Programme (NIGP) and funding was provided by the United Nations Development Programme (UNDP), with additional support from the Ford Foundation, various bilateral donors and a substantial contribution by the local community.

In both cases, inappropriate planning practices and policies including institutional overlaps and inefficient delivery mechanisms had led to a lack of basic services, especially





in waste collection for the urban poor. This situation was redressed through the local application of “Localising Agenda 21” and Habitat Agenda principles of creating environmental awareness, engaging in broad-based consultations, and forming partnerships between the public, private and community sectors. A key strategy was a settlement regularisation process, providing security of tenure and agreeing on future land use. It also focused on improving local level understanding and acceptance of environmental issues through the use of better information and public awareness campaigns. The Sustainable Dar es Salaam and related projects received the Dubai International Award for Best Practices in 1998 (see: [www.bestpractices.org](http://www.bestpractices.org)).

## Debate

The results of the upgrading include a drastic reduction of water borne diseases from 4137 cases in 1996 to below 2000 in 2000; women and children no longer have to queue for water; over 60,000 worker days of employment were generated over the 4 year implementation period of which at least half benefited women; new skills have been acquired by the communities in project management, accounting, arts and crafts and micro-enterprise development. Last but not least, about 70 percent of the owners were paying property tax in year 2000.

The privatisation of solid waste collection in Dar es Salaam started in 1994 following a successful completion of an “emergency clean up” campaign. In 1992 the amount of waste collected publicly was virtually zero. By 1994 it was still only 3 to 5 percent of the total amount generated per day, and the overall haulage in 1996 remained low at about 12 to 15 percent of the estimated total of 1800 tons per day. By 1998, however, experiences gained in private and community sector involvement in waste management had given rise to 68 companies with more than 3000 jobs, many of which were engaging women and youth. Additionally, there are 17 recycling and composting enterprises. Currently about 45 percent of all waste generated is being collected and disposed of safely.

In conclusion, both initiatives have:

- (a) successfully employed the principles of partnership, broad-based participation and local ownership of development initiatives;
- (b) used the initiatives to promote gender equity and social inclusion, including youth;
- (c) reduced poverty through capacity building and the use of labour intensive community contracting for both waste management and infrastructure upgrading; and
- (d) built awareness and promoted the use of technical information in decision-making to reach consensus on critical issues of standards, secure tenure and relocation.

## Lessons learned

Four specific factors contributing to the success of both these initiatives can be identified. These are (a) broad-based participation at all levels in decision-making and implementation; (b) the integrated approach to infrastructure development, service delivery and poverty reduction through the use of labour intensive community contracting; (c) the simultaneous negotiation for secure tenure and future land use; (d) an institutional reform that included decentralisation and a clearer definition of roles, responsibilities and actors to ensure accountability, transparency and affordability.

The deliberate strategy of ensuring that these initiatives be replicable has led to similar projects in nine other municipalities, reaching about 50 percent of the total urban population in Tanzania.





## Developing a Sustainable Compact City in Stockholm, Sweden

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### Planning a compact and environmentally sound city

The case concerns Stockholm's past, recent and future planning strategies towards developing an environmentally sound leading edge city in the "IT and wireless communication industry". The overall goal is continued city growth and development whilst preserving and enhancing the city's unique characteristics.

In the past, one of the objectives of planning has been the provision of affordable housing. Using the principles of zoning resulted in a physical segregation between dwelling, work and business areas. New suburbs developed together with an efficient public transport system as well as large-scale systems for heating, sewage and waste treatment. However, many of the quickly built large-scale urban areas have, over time, developed social and ethnic tensions in the sense of appearing as "class-segregated".

Consequently, the City Council developed a new planning strategy based on a multi-stakeholder approach (Stockholm

City Plan 99). Citizens, civil society organisations, local authorities, companies and government authorities took in the planning process. The aim of City Plan 99 is to "build the city inwards" and to review reuse of already used land. The plan concentrates on four environmental priority areas:

- Redevelopment of areas for mixed-use urban activities (between living, working and recreation areas) with urban nuclei serving as nodes for public transport;
- Environmentally sound transport and traffic systems to further increase the modal split;
- Urban greening, with emphasis on bio-diversity and socio-cultural elements following a "Green Map" concept;
- Housing areas with job-matching programmes, particularly in the context of the IT and communication industry.

The City Council realised that the key to sustainable urban development is a broad-based participatory management approach. During a number of round-table discussions, city residents and certain strategic groupings identified how Stockholm could strive for more sustainable development while opening up new opportunities for development. The priority areas identified for intervention include: resources must be handled more efficiently; travel and transportation must be adapted to environmental needs; healthy and wholesome food initiatives should be promoted; green areas within the city must be protected; and the local infrastructure must be suited to all forms of traffic. The City of Stockholm's initiatives in environmental management and urban planning were recognised as a good practice in 1998 and 2000 (see: [www.bestpractices.org](http://www.bestpractices.org)).







## Debate

The case draws conclusions from practical demonstration projects within the city and the successful linking and coordination of other sectoral initiatives such as the “Green Map” strategy, which is used to define the best places for human recreational activities. Discussions centered on how long the city can “expand inwards” which the City Council estimates at about 30 years. The issue of city-compacting initiatives resulting in significant rise in land and property values was also raised. However, in the case of Stockholm, 70 percent of the land is owned by the government allowing the City Council to help prevent excessive increases in land value. However, gentrification will still continue and public control of land may not fully prevent very low-income groups from migrating to the periphery of the city.

## Lessons learned

Broad-based participation of civil society in the planning process is crucial for successful environmental planning and management. The issues are by their very nature cross-cutting and cross-sectoral, affecting whole areas and the way people work and play. The existence of national planning legislation can be very effective for improving urban management and planning by providing clear guidelines on, for example, how best to manage broad-based consultations and participatory planning processes. Improving the modal split by providing alternative means of transport has proven effective in reducing the environmental pressure caused by individual motorised traffic. Co-operative programmes with job matching between industrial and housing areas not only reduce transport demand but can also help to overcome social and ethnic segregation. Linking regional and international train systems with local transport networks can enhance the integration of the city centre with its suburbs as well as with secondary cities in the region.



## Comprehensive Urban Environmental Renovation in Chengdu, China

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### Attracting investment through environmental improvement

Chengdu, a city of more than 10 million inhabitants, addressed serious environmental degradation of the Fu and Nan rivers. This was designed to attract new investment and give a competitive edge for Chengdu's future as a "city embraced by two rivers". Decades of rapid industrial urbanisation with little regard for environmental impacts and the long-term opportunity costs, left the rivers of Chengdu as "open sewers" – the main recipient for the city's industrial and domestic wastes. Furthermore, lack of continuity in flood control arrangements left the city increasingly vulnerable.

The initiative responded to popular pressure, most notably when school children presented a petition to the Mayor in 1995 calling for action to improve the city's rivers. This raised awareness and renewed a sense of civic pride, which stimulated a public sector vision for clean water with open spaces and parks, free from flooding. To effectively address the problem, it was necessary to relocate 30,000 families involving some 100,000 living in slums on the banks of both rivers. This involved a consultative process involving multiple actors and stakeholders resulting in a multi-million dollar project which was implemented over a 5-year period.

Key actors involved included a multi-departmental team from planning, construction, land, parks and gardens, environmental protection bureaux and commissions; technical universities and research institutes; deputies from the People's Congress, members from the Political Consultative Conference, and the neighbourhood committees of Liuyinjie, Shangheba, and Linjiangdonglu. Industries were also required to respect new environmental standards, and to actively participate in their enforcement.

This large-scale re-housing project prompted the city to undertake a comprehensive rehabilitation of the entire city. Major results include: flood prevention and the restoration of the ecological flow of the two rivers through dredging, desilting and freshwater management; major industrial relocation and redevelopment including emissions control to reduce water and air pollution; the re-housing of 100,000 inhabitants of informal settlements along the river bank using a combination of one-time grants, targeted subsidies and affordable housing finance with preferential treatment accorded to the disabled and the elderly in-house and neighbourhood selection and employment opportunities; major infrastructure improvements including state of the art sewage treatment, roads and bridges, canals and telecommunications; and the creation of a continuous band of parks and gardens along the rivers' banks.

### Debate

The Chengdu experience demonstrates the effectiveness in combining several parallel approaches to urban redevelopment including broad-based consultations and discussions for determining priorities for development and environmental protection as well as the use of a "carrot and stick" approach combining the use of financial incentives and the enforcement of new standards and norms. For example, industries were challenged with new emissions standards that had to be achieved through cleaner production technologies within a fixed period of times, failing which they were to move or close. Neighbourhood committees discussed the







housing relocation proposals with the communities, designing and negotiating relocation of communities in “blocks” so as to maintain social cohesion. Both initiatives involved the leveraging of targeted subsidies and one-time grants with the resources of industry and of the inhabitants concerned.

Increased civic awareness played a critical role and led to voluntary clean-up organisations, environmental protection societies and river protection teams. Indeed social bodies, community associations, schools and universities donated funds equivalent to US\$5 million.

The bulk of financing for redevelopment was, however, mobilised from the private sector whereby real estate companies bid for land lease and development rights for new housing estates and commercial areas based on agreed to land-use plans and zoning. This represents a judicious combination of government planning and market operations. It was noted that the city adopted new policies and procedures based on internationally accepted norms to guarantee transparency in the bidding process. The discussions focused on the advantages of “up-stream” management and coordination between the local authority and central and provincial government to mobilise support for multi-sectoral and multi-agency investments and development; the use of indicators to review progressive implementation and especially pollution reduction; and the opportunities presented by using planning as an instrument for involving private sector investment. The city was commended for its fund mobilisation strategy and focus on pollution control and a long-term vision for sustainability. Chengdu was awarded the Habitat Scroll of Honour for its Fu-Nan river revitalisation project in 1998 and received the Dubai International Award for Best Practices in 2000.

## Lessons learned

Community visioning has emerged in recent years as a powerful tool for forging a shared enthusiasm and commitment for a new future. It has also proven to be effective in fostering more holistic approaches to sustainable development, as recommended by the Habitat Agenda. A key to their success lies in the ability of the local authority to engage cross-sectoral coordination and public participation resulting, in strong political support for the pooling of sectoral budgets to implement a wide range of projects, be they in housing, infrastructure, urban greening or cleaner production. The establishment in Chengdu of a multi-departmental team to collect information and review strategic options was a key contributing factor to the success of the project. The involvement of universities and civil society organisations ensured a high degree of public awareness and political support.

Equally important was the involvement of different levels of city government and neighbourhood associations in plan preparation and implementation. Although the relocation component of the project proved to be a massive undertaking affecting over 100,000 people and representing investments equivalent to the annual municipal budget, the most important resource was “the participation of the people concerned” and the most important result was “the increase in people’s environmental awareness for achieving sustainable development”.

China, without a doubt, has forged its own policies and strategies for development. But the Chengdu experience shows how a local home-grown initiative has successfully adopted and adapted international trends in participation and principles of good governance to forge a new vision and implement more sustainable human settlements development.





## Environmental Management and City Development in the Katowice Agglomeration, Poland

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### Reversing environmental degradation in an industrial region

The Katowice experience focuses on the issue of brownfield remediation and how a local authority addressed issues related to the rehabilitation and re-use of industrial sites, and solid waste and sewage management in revitalising the urban environment. The Katowice agglomeration is considered an exceptional area in Poland owing to its environmental and spatial conditions. The agglomeration is the most urbanised, industrialised and densely populated region in the country with a population of 2.1 million inhabitants. It has been an industrial region since the 19th century with a high concentration of heavy industries based on coal, zinc and lead. This industrial heritage is clearly noticeable in the contemporary urban structure and in terms of environmental degradation. The latter is evidenced by the agglomeration's many degraded areas, flood lands, areas of subsidence and abandoned heaps of industrial waste.



In order to address these issues the municipalities of the Katowice agglomeration joined forces under the "Union for Sustainable Development of the Cities of Katowice Agglomeration". The union set up mechanisms to involve a large number of concerned actors who could contribute to solve environmental issues including representatives of municipal and regional governments, private sector, research institutions, universities, and municipal enterprises. The union was created to respond to the need for a specific institutional framework required on common environmental issues, which could not be addressed by individual municipalities.

Problems were addressed through initial demonstration projects, serving as a basis for documenting lessons learned for replication in other areas of the agglomeration facing similar problems. Demonstration activities were carefully selected according to strict criteria such as the communality of the problems to be dealt with, the feasibility of the project intervention and its replicability. These activities served as a basis for establishing municipal and agglomeration-wide environmental strategies. UNCHS (Habitat), UNDP and UNEP supported the capacity and institution-building activities as well as the planning process which led to the mobilisation of additional funding for implementation from local, national and international partners such as the World Bank and the European Union.

To facilitate the continuous learning process through the sharing of knowledge and the exchange of experience, Cupertino with local and international partners was promoted. The useful role of the United Nations was recognised in facilitating exchange of experience with other cities and advancing collective know-how on environmental management. The Sustainable Katowice Agglomeration Project was recognised as a best practice in 1996 (see: [www.bestpractices.org](http://www.bestpractices.org)).



## Debate

One of the remarkable achievements of this initiative was the decision of local authorities to jointly establish institutional arrangements allowing them to address common issues that they could not address individually. The experience showed clearly that to effectively address environmental issues, the involvement of partners in the public, private and community sectors is required. Issue-specific cross-sectoral working groups were created for this purpose and a large number of training, consultations, workshops and study tours were organised for capacity building purposes.

Taking into consideration the scale of the environmental problems and the limited availability of resources, the only feasible response was to engage in a demonstration - replication strategy. This strategy allowed planners to experiment with approaches and technical solutions and learn from the best lessons. Documenting these lessons, making the information available to decision makers and organising capacity building activities were indispensable tasks in order to widen the impact of the limited international support.

Among key questions and issues discussed were the following:

- How to establish urban environmental indicators and how to apply them in monitoring changes in order to efficiently provide relevant information to decision makers. The Katowice experience confirmed that through small-scale demonstration activities, indicators can be established based on lessons of real life experience, which can be adapted and applied on a larger scale at municipal and agglomeration levels.
- How to establish mechanisms for inter-municipal Cupertino in large agglomeration, how to divide responsibilities among the various levels, what works, what the difficulties are and how to resolve them. The presenters from Katowice explained that their type of Cupertino set-up required incremental adjustments. They highlighted the fact that the major ingredient for a successful Cupertino was based on political will and support, coupled with the search for solutions to common problems.
- How to address gender issues including women's employment. It was explained that this issue was particularly difficult in a situation and in an area where the most important jobs were traditionally reserved for men. However, deliberate efforts were made to involve women in decision-making and that the changing nature of the economy was offering more job opportunities for women.

## Lessons learned

Inter-municipal cooperation is indispensable for effectively addressing environmental issues affecting a large agglomeration. Such inter-city cooperation must be complemented by the involvement, within each participating city, of all the actors concerned. Exchange of information, know-how and experience among cities is a key mechanism for learning to address complex urban environmental issues. Such an exchange can be effectively supported by a variety of actors in the international community.

## 3.3 Urban Governance



**Issues and Concerns** - Most of humanity will soon live in cities, and the trend of urbanisation is irreversible. Cities hold tremendous potential as engines of economic and social development, creating jobs and generating ideas through economies of scale and creative and innovative civic cultures. Cities today, however, can also generate and intensify social exclusion, denying the benefits of urban life to the poor, to women, to youth, and to religious or ethnic minorities and other marginalised groups. Hard-won international experience over the past two decades indicates that the key ingredient to realising more inclusive cities is neither money nor technology, nor even expertise (although these are important), but good urban governance. There is an emerging consensus that good governance is the sine qua non for sustainable human and settlements development.

To achieve this, there is an urgent need to enhance the capacity of local government and other stakeholders to practice good urban governance and to raise awareness on the importance of urban governance around the world, focusing attention on the needs of the excluded urban poor. In this regard, the involvement of women in decision-making at all levels is critical, recognising that women are one of the biggest levers for positive change in society. The theme of "inclusion" has a central position in the debate on urban governance processes. Inclusive cities promote growth with equity. These are places where everyone, regardless of their economic means, gender, race, ethnicity or religion, are enabled and empowered to fully participate in the social, economic and political opportunities that cities have to offer. Participatory planning and decision-making are the strategic means for realising this vision.



**Agreed Commitments** - Having examined both the opportunities and the challenges of urbanisation, the Habitat Agenda concluded that cities “properly planned and managed, hold the promise for human development and the protection of the world’s natural resources through their ability to support large numbers of people while limiting their impact on the natural environment.”

In adopting the Habitat Agenda, member states recognised the importance of good governance and committed themselves to fostering “transparent, responsible, accountable, just, effective and efficient governance of towns, cities and metropolitan areas”. They also called on UNCHS (Habitat) to promote human settlements management, “aiming at achieving transparent, representative and accountable governance through institutional development, capacity-building and partnership”.

Three key commitments of the Habitat Agenda have a direct bearing on urban governance:

- Promote Decentralisation and Strengthen Local Authorities.
- Encourage and Support Participation and Civic Engagement.
- Ensure Transparent, Accountable and Efficient Governance of Towns, Cities and Metropolitan Areas.

The Declaration on Cities and other Human Settlements in the New Millennium strengthened the call for good urban governance through its recognition in paragraph 14 that good governance at all levels is essential to addressing the challenges of urban poverty and environmental degradation. This is further strengthened by paragraph 51, which commits member states to “intensify efforts for ensuring transparent, responsible, accountable, just, effective and efficient governance of cities and other settlements. Several other paragraphs of the declaration also support the mandate of the campaign.

In his address to the Special Session, the Secretary-General of the United Nations stressed that urban governance is a precondition for economic efficiency and effective administration. He further stated that a healthy society is one that gives all its members a chance to participate in decisions that affect their lives. He also said that improved urban governance, therefore, implies greater democracy and strengthened local authorities.

**Operational Experience** - All the cases presented in this session of the thematic committee show that the strategic approaches of the Habitat Agenda can help to significantly reduce urban poverty and social exclusion. Especially relevant here are the principles of decentralisation, empowerment of communities, partnerships between various spheres of government and civil society including the private sector, as well as participation and capacity-building. The cases further show that the following principles of good urban governance are key to the success of the initiatives presented:

- Sustainability including city visioning and local environmental action plans;
- Subsidiarity including decentralisation and fiscal devolution;

- Equity by bringing the poor and marginalised into the decision-making realm of the city and ensuring equitable provision of infrastructure and services to all urban;
- Efficiency through the involvement of and better definition of roles and responsibilities of different actors in service delivery;
- Transparency and accountability including measures to reduce local level corruption and the use of participatory budgeting;
- Civic engagement to promote the active involvement of people in decisions affecting their livelihoods and to promote social capital; and
- Security in the form of protection of vulnerable groups and the environment.

The cases of Santo Andre, Lyon, Nigeria and Barcelona each emphasise the validity of several of these principles and demonstrate how they can be applied through context-specific practical measures. The cases show that it is possible to strike a balance between equity and efficiency concerns, leading to more inclusive as well as more productive cities. An enabling political context is in all cases a crucial factor for success.





## Urban transformations in Brazil

### Santo André:

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### Social inclusion in Santo André

Santo André, with a current population of 650,000, is part of the São Paulo Metropolitan Area. Santo André has been undergoing a period of transformation, from its industrial past to an expanding tertiary sector. The economic gap between the rich and poor has grown, exacerbated by the slowdown of the Brazilian economy during the 1990s. As a result, living conditions have deteriorated and a number of favelas – areas of extreme poverty – have emerged.

The municipality is promoting an Integrated Programme of Social Inclusion as a strategy to alleviate poverty. The objective of the Programme is to establish new ways of formulating and implementing local public policies on social inclusion. Fourteen principal partners, local, national and international, are actively involved in the programme. Four areas were chosen for the pilot phase, selected through a participatory budgeting process, resulting in a total amount

of US\$5.3 million, which has been invested in the provision of urban infrastructure and services.

The project has seen the improvement of basic services in some of the worst neighbourhoods. Micro-credit facilities have been made available to small-scale entrepreneurs while health care has been made more accessible through community health agents. Other social programmes have been implemented including literacy campaigns for adults and programmes aimed at street children. Recreational facilities have been made available, serviced plots have been transferred to families and low income families re-housed in apartment buildings. An index has been developed to measure social inclusion and data collection is carried out on a regular basis. One of the most important results has been the engagement of a wide range of actors and the creation of effective communication channels. All activities have taken into account gender participation and mainstreaming.

The administration will extend the pilot programme to all slum areas in the city, through differentiated slum upgrading projects while strengthening the approach towards regularisation of land tenure. In addition, the Programme will attend to all families facing situations of extreme economic exclusion through a revised minimum income policy and through the up scaling of existing programmes. Three initiatives from Santo Andre on Good Governance, Traffic Management and Administrative Reform are featured on the Best Practices database (see: [www.bestpractices.org](http://www.bestpractices.org)).

### Participatory relocation in Samambaia

At a distance of 25 km from Brasília, the Samambaia Administrative Region occupies the southwestern region of the Federal District, covering a total of 104 square kilometers. The urban area of 26 square kilometers had only 5,549 inhabitants in 1989 but grew to a population of approximately 163,000 inhabitants in 2000.







The residents of Samambaia are resettled squatters from Brasília. Confronted with squatting on the extensive public open spaces and gardens that characterise the planned capital, Central Brasília, the city authorities entered into a dialogue with the squatters. The authorities offered to resettle them in the Samambaia suburb, provided the squatting families agreed that land titles would be given in the name of wives rather than husbands. This was to safeguard against the sale of plots by men. Reported, ten years later, few, if any families had sold their plots. The relocated squatters were assisted to move, sites and services were provided, but they had to build their houses themselves. In order to guarantee easy access to the City and employment, a subway has been constructed.

The consolidation of the city through government assisted settlement programmes spurred the transformation of the wooden shanties of the early phases into brick and mortar houses, now constituting 85% of the housing stock. The community structures and networks were kept as much as possible intact during the resettlement process. The city of Samambaia has now a high quality life, a vibrant local economy, a well established network of schools and a centre for professional skills training. It has ample public open spaces and sports facilities, is well endowed with health facilities and has a good public transportation network.

With the approval of the Samambaia Local Structure Plan in 2001, a range of new initiatives are being executed by the Regional Administration of Samambaia. One of these innovative projects is the “Linhão de Samambaia”, which makes efficient use of a strip of land previously reserved for a power transmission line to accommodate approximately 68,000 additional urban residents. Another example is the “Arrendar” project, consisting of 1,350 units with rental housing contracts offering future purchase options, implemented in partnership between the Federal Government and the Government of the Federal District.

These projects are part of a new multi-faceted housing policy of the Federal District, designed to promote better use of existing urban land, to decentralize government action in the field of housing, to optimize employment generation and to ensure synergy with other sectoral policies. This is backed up with a new housing information system to effectively monitor the interventions programmed under the policy.

## Debate

The discussion of the Brazilian case illustrations highlighted the following issues:

- The importance of a supportive and enabling political context and political goodwill, which has provided a very positive environment for the programmes.
- The importance of secure tenure for the financing of projects and sustainability of project achievements, as people are more confident to invest their own savings if they have secure tenure.
- The importance of including the poor in the planning process. This improves the

self-esteem of poor communities and guarantees their continued involvement.

- The potential of participatory budgeting which entailed the setting of priorities by the poor either directly or through their elected representatives.
- The importance of addressing urban politics and power in programmes aimed at promoting social inclusion.

## Lessons learned

The effective reduction of urban poverty and social exclusion in Santo Andre and the successful transformation of Samambaia from a shanty town into a vibrant city are based on a number of key principles:

- Well targeted Government interventions in the urban sector can foster citizenship and enable people to create more productive urban livelihoods.
- The active participation of the urban poor in the decision-making promotes effective formulation and implementation of local action plans.
- The participatory budgeting process, an innovative approach to urban governance and decision-making, provides a real voice for the urban poor in both the allocation and use of municipal and other resources.
- The Municipality of Santo Andre has shown that while effective leadership needs to be ensured by the local administration it, in turn, needs to devolve decision-making and implementation powers to the community.
- A well articulated, multi-faceted housing policy integrated in a broader strategic planning framework is critical to expanding the range of housing options for all urban dwellers and can generate employment in the process.
- Inter-agency collaboration and effective channels of communication between various actors and stakeholders is critical to successful slum improvement and reduction of poverty and social exclusion.
- Principles of equity, civic engagement and security are key to success.





## City Development Strategy in Response to Globalization in Lyon, France

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### A shared vision for sustainable development

Lyon, capital of the Rhône-Alpes Region with a population of 1.2 million, is situated in south-eastern France. Since the early 1980s Lyon has been undergoing a transition from a mainly industrial centre to a city region dominated by the service sector with a major emphasis on education, transport and information technology. A lot of investment has gone into research on health. The Lyon area enjoys an elaborate transport system based in part on a network of high-speed and regional trains serving the city centre. The neighbourhoods of Lyon are clearly divided with the wealthy residing on the hills to the west and the eastern neighbourhoods dominated by traditional industries – textiles, chemicals, metallurgy, mechanical engineering – housing mainly the working-class and immigrant populations. The disparity in the urban fabric between the two areas could not be clearer. Other challenges facing the city include providing access to information and communication technology, encouraging the participation of other stakeholders in the governance of the city and striking a balance between business activities and environmental management.

In its attempts to address the social issues and problems facing the area, the Urban Community has drawn extensively on establishing a city policy in partnership with the central government. In 1997, the Millennium 3 approach, designed to provide the conurbation with a comprehensive, integrated development project, was launched with a focus on sustainable development. Regular forward planning sessions were organised and provided a forum for public debate. Working groups were set up to find solutions to the challenges currently facing Lyon and to draw up proposals for concrete action. These groups are made up of civil servants, elected members of the Urban Community Council and representatives of other bodies and civil society whose reactions and degree of commitment vary widely. Part of the planning process was devoted to the sharing and exchange of lessons from experience with fifteen cities in eight other countries. This enabled the pooling of expertise, the in-depth discussion of strategic approaches and options, and a better understanding of issues, working methods and strategies. The joint approach via a network enabled the city to leverage local, national and regional knowledge and expertise in drawing up a blueprint and developing a methodology for more sustainable urban development. The approach adopted by Millennium 3 outlined the following priority areas, each designed to create:

- A city receptive to other cultures and to the world,
- An attractive, liveable city,
- A city that fosters the spirit of enterprise,
- A city conducive to lifetime learning,
- A city putting emphasis on consultative democracy.

The Millennium 3 approach is leading to the emergence of new projects as well as the increased visibility and viability of existing ones. Civic engagement is facilitated and accomplished through the formation of working groups that have broad membership representing most stakeholders. Improved efficiency has been noted in the transport, health and education sectors.



## Debate

The discussion addressed the interesting question of how to stimulate and sustain productive debate between different levels of government. The nature of public-private partnership was another topic, including mechanisms for ensuring that both risks and benefits were shared among the partners involved. In this connection, the strategic role of local authorities in stimulating private sector involvement was highlighted.

Discussions were also devoted to the issue of the urban renewal of high-rise residential areas developed in the 1960s in Lyon and also in many other cities in Europe. These dilapidated residential areas, which had become a vehicle for social segregation, had been rehabilitated, but this should be seen as dealing with the consequences of a solution once appropriate at a given historical period.

The relationship between participatory and representative democracy within urban governance was raised. In Lyon, while openness was accepted as a fundamental principle, the participatory process had yet to include large numbers of people and there was ongoing debate about this issue and about participatory budgeting in urban renewal.

It was emphasised that in urban renewal projects such as the one in Lyon, there was a need for striking a balance between zones of development and conserved natural zones. It was further recognised that mechanisms for handling conflict within communities participating in urban renewal needed to be put in place. Finally, the need to recognise the constant dynamic of renovation and renewal was stressed. Socio-economic change is a continual process and urban planning needs to develop mechanisms for addressing change within the context of the built environment.

## Lessons learned

The key lessons learned include the following:

- The participatory formulation of City Development Strategies is an important vehicle for long-term visioning, conflict resolution, and inclusion of marginalised groups, bridging the divided city and addressing the issues of social, economic and environmental sustainability.
- The tension between participatory and representative democracy can be a creative one whereby opposing views and interests are aired and provide the basis for increased understanding, communications and tolerance.
- City-to-city cooperation can be a highly effective means of sharing knowledge and lessons learned from experience and to deepen and widen a city's understanding of both the issues and the strategic options for addressing them.
- The city-region is becoming an increasingly recognised and important entity and form of governance to address the multiple facets and issues of social and economic development and environmental management.
- Principles and processes of sustainability including city visioning, participatory planning, subsidiarity, equity, efficiency and civic engagement are key to success.







# Sustainable Urban Development and Good Governance in Nigeria

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## Towards effective decentralisation

By the year 2000, the proportion of the population living in the urban centres of Nigeria had risen to more than 43.5 percent and the projection is that more than 50 percent of the entire population will be living in urban centres by 2010. The history of Nigeria has given rise to a very dense network of urban centres unequalled in Africa. The growth in population and the complexity of urban networks present a daunting challenge to governments at all levels. Despite the recent re-structuring of the political system, through the strengthening of state and local governments, the widening disparities between the urban and rural areas in terms of the quality of life remain a major concern in Nigeria. Notable steps taken to redress the problems include the National Urban Development Policy, whose goal is to develop a dynamic system of urban settlements that will foster

sustainable economic growth, promote efficient urban and regional development and ensure improved standards of living and well-being for all Nigerians. Health and educational programmes at the national level are being carried out in line with the policy of balanced development in all the zones of the country.

A major constraint in the implementation of the policy of balanced development across the country is the issue of resource control, which has recently become very contentious. The agitation for more responsive governance structures to which people could relate and participate in brought about the need to create more States and Local Government councils. Thus the structures that would promote decentralisation and strengthen local authorities were established. Since the return to civilian rule through democratic representation, the Constitution, which gives legitimacy to the existing arrangement, has been the bone of contention necessitating the setting up of a Constitutional Review Committee. The expected results are greater devolution of power and resources to the Local Governments, the establishment of a more conducive environment for civic engagement and popular participation in decision-making, as well as the empowerment of women's groups.

In its bid to improve urban governance, the administration of Nigeria has been pursuing the following policies:

- The promotion of environmental sustainability through the Urban and Regional Planning Law of Nigeria (Decree 88 of 1992) which provides the legal framework for the implementation of the policy. The law specifies the urban limit for any settlement as well as the planning and development parameters guiding such development. It holds a good promise for the protection of rural agricultural lands in peri-urban areas.
- The principle of subsidiarity: Nigeria is presently structured into 36 States based on the existing dialects, contiguity and cultural affiliation and 774 Local Government Councils. Each of the Councils is further sub-divided into Wards with a minimum of 10 and maximum of 15 per council.







- Civic Engagement and Citizenship: the existing structures provide the opportunity for mass participation in governance from the ward up to the national level.
- Gender mainstreaming and social equity: ensuring that women have access to decision-making processes and a more balanced distribution of resources country-wide.

## Debate

One issue raised in the discussion was the possibility of taking advantage of major political changes to introduce social and economic improvements in human settlements. This was the case in this programme, which had taken advantage of the new democratic environment brought by the transition from military dictatorship to multi-party democracy to strengthen the role of local government.

The potentials and dangers of devolution were also discussed. Some felt that too much devolution ran the risk of “balkanizing” the nation state. After all, the nation state is still very fragile in many parts of the developing world. Another issue highlighted in the discussion was the development of strategies for combating corruption in the process of improving transparency in urban governance, an important goal in this case. Finally, the importance of taking bold risks in governance reforms was highlighted, as was the need for mechanisms for ensuring spatially even development.

## Lessons learned

The issue of balanced spatial and economic development remains a contentious one with inevitable frictions between national level prerogatives and principles for equitable development and local autonomy. The present policies of Nigeria are clearly based on the principles of subsidiarity, improved accountability and transparency through civic engagement and participation. These principles require, nonetheless, the revision of constitutional law and legislation affecting all levels of government and administration.



## Sustainable Economic Transformation and Decentralization in Barcelona, **Spain**

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### Urban revitalisation without social exclusion

**B**arcelona, a city with more than 1.5 million inhabitants, is the centre of an extensive metropolitan region (RMB), which occupies a surface area of 3,236 km<sup>2</sup>, inhabited by 4.3 million people (69 percent of the total population of Catalonia). Ciutat Vella is the city's principle historic, culture and leisure centre, containing most of Barcelona's historic, cultural and artistic heritage. It represents 4.3 percent of the surface area of the city and 5.6 percent of its population. Despite its unique assets, this district was experiencing major deficiencies in education and healthcare delivery, housing and urban infrastructure, loss of economic activity, marginalisation and unemployment. In response to this emerging trend, the city council, in partnership with citizens and the private sector, formulated an integrated plan to rehabilitate housing, improve public infrastructure, promote local economic development and implement social welfare programmes.

The process of developing this integrated plan – mooted in the principle of decentralisation and Public-Private collaboration – required a public investment totalling US\$ 806 million between 1988-1999. Facilities that were targeted include the construction and renovation of the museums, a public university, civic centres and a public hospital. More than 2000 public residential dwellings have been constructed and a further 22,400 residential dwellings rehabilitated. The houses have served to resettle residents affected by a new urban development plan opening up new spaces and providing for new roads. Urban redevelopment and social policies have improved the life expectancy of the district, its educational levels, household income and economic activity, reducing the economic and social gaps that existed both within Ciutat Vella and between this district and the rest of the City. The key contributing factors to the success of this initiative include the following:

- Efficiency - The principle of decentralisation has resulted in regional decentralisation into city districts and





improved cooperation at a metropolitan level for a growing number of critical issues including: transport, the environment, regional planning, the design of large-scale interconnecting infrastructure (trains, airport, etc.) and telecommunications.

- **Subsidiarity** - The division of the city into districts has brought the administration closer to its citizens, making it possible to decentralise many of the activities undertaken by the latter, whilst enabling integrated activities on a city district level.
- **Civic Engagement** - Undoubtedly, the participation of a civil society has been one of the keys to the success of the transformation of the city, providing it with greater social use as well as social capital. One of the most noteworthy outcomes includes the collaboration between networks of associations in which over 4,600 bodies came together including educational, economic (public and private sectors), social and administrative institutions.
- **Equity** - Gender equality and social inclusion, the fruits of social integration policies and accompanying investment in related infrastructure, have complemented the development of economic potential of the city. Between 1988-1996, the economic capacity of households grew significantly, the most important aspect of this growth being directed towards the less prosperous areas of the city, as a result of harmonisation of various local policies. Consequently, specific social policies have been – and continue to be – implemented, offering assistance to pensioners, immigrants, abused women and the disabled.
- **Sustainability** - Of equal importance is the urban regeneration policy implemented in the city over the last few years, focusing on high quality town planning in all districts. The regeneration of historic centres of the city involved the creation of exclusive areas for pedestrians, the renovation and rehabilitation of one of the principle axes and vistas of the city and of basic urban facilities.



## Debate

An important issue raised in the discussion was the need to address the negative impacts of gentrification on low-income communities. The importance of conserving the historical heritage of old city centres was emphasised. Urban renewal projects should not aim at destroying and rebuilding, but at rehabilitating and conserving. The importance of inclusiveness, of redeveloping and up-grading with the residents was identified as the most effective guarantee of cooperation by the public.

The Barcelona project demonstrated the social role of the private sector in renewal programmes, beyond profit making, and this model could be used elsewhere. The case also demonstrated the effectiveness of strategic planning, based on the long-term needs of the city residents. Facilities built for the Olympic games were designed with the future needs of the city in mind, not just for that particular event. It was also emphasised that the problem of urban sprawl needs to be addressed through the use of appropriate development densities.

The discussion further emphasised the importance of institutionalising public participation, the need for public policies to protect the young and the poor from being expelled from redeveloped areas by real estate interests and the need for cultural sensitivity to protect common heritage.

## Lessons learned

The renovation and rehabilitation of inner cities, which have been experiencing considerable decline in Europe as well as the rest of the world, can be an effective and key contributing factor to overall urban economic development and social inclusion. In the case of Barcelona, the revival of the inner city core has restored much of the splendour of the city as well as providing an attractive area for tourists and residents alike. One the key issues is to avoid over-gentrification, which destroys the initial social fabric and character of the inner city.

Public-private partnerships and civic engagement are key contributing factors to successful urban re-development, providing for a balanced approach between the need to foster economic development, the onerous task of renovating historic heritage and to improve inner city housing, infrastructure and social services to promote social equity.



## 3.4 Eradication of Poverty



**Issues and Concerns** - Rapid urbanisation and concentration of poverty within urban areas are common phenomena in developing countries, especially in Africa and Asia. While less than 30 percent of the world's total population was living in urban areas in 1950, in 1995 the level of urbanisation reached 45.27 percent, and is expected to rise to 54.38 percent in the year 2015. In 1980, only one-third of the world's poor were living in urban areas (40 million out of 120 million households). It is estimated that by the year 2000, 55 percent of the poor were living in urban areas (72 million out of 128 million households). About one-third of the developing world's population lives in extreme poverty, and urban poverty is now increasing at a faster rate than rural poverty.

In response to these trends, which can be accurately described as the "urbanisation of poverty", it is important to develop strategies for improving economic growth and reducing poverty within towns and cities, especially in developing countries. Such strategies must encompass urban economic investment, employment creation and income-generating activities (including micro- and small-scale industries), in addition to shelter improvement.

A major challenge is how the above-mentioned strategies should be implemented. Experience has shown how the enabling approach, through the creation of partnerships

(among the public sector, the private sector and civil society) can significantly improve the flow of resources into poverty reduction programmes and projects.

Another challenge with respect to the implementation of poverty-reduction strategies is the level of focus of such strategies. From a human settlements perspective, the local level is very important for implementing most of the concrete action necessary to reduce poverty. The enabling approach should be seen as being about central government enabling local actors to solve their problems, through decentralisation and supportive legal and fiscal frameworks. It is these fundamental issues that are addressed in the case studies summarised below.

**Agreed Commitments** - The case studies below illustrate how the socio-economic development and poverty reduction dimensions of the Habitat Agenda, including the key commitments, have been implemented at three different levels: national (Morocco case), local (Villa El Salvador case) and community (Thailand's Urban Community Development Fund).

The key commitments in the Habitat Agenda relevant to the eradication of urban poverty are as follows:

- Provide equal opportunities for a healthy and safe life;
- Promote social integration and support disadvantaged groups;
- Promote gender equality in human settlements development;
- Strengthen small and micro-enterprises, particularly those developed by women; and
- Encourage public-private sector partnerships and stimulate productive employment opportunities.

Paragraphs 115 to 124 of the Habitat Agenda (titled "Social development: eradication of poverty, creation of productive employment and social integration") state that the whole rationale for sustainable development is to raise the standard of living, especially that of the poor, while at the same time avoiding uncompensated future costs. Paragraphs 155 to 162 (titled "Improving urban economies") further spell out the action required to stimulate urban economic growth and reduce poverty, some of which are illustrated in the cases below. Paragraphs 29 and 31 of the Declaration on Cities and Other Human Settlements in the New Millennium further re-emphasise these issues.

One of the main thrusts of the Habitat Agenda is the emphasis placed on the local level (especially in paragraphs 180, 237 and 238). So, clearly, the cases reported below are relevant to the implementation of the Habitat Agenda in this respect. An enabling approach to the implementation of sustainable human settlements development and to the reduction of urban poverty are among the main principles advocated by the Habitat Agenda (paragraphs 44 and 45), and is further reinforced in the Declaration on Cities and Other Human Settlements in the New Millennium (paragraphs 39, 41 and 42).

**Operational Experience** - The first common thread running through the experiences described in the cases on economic and social development and eradication of poverty is the broad view adopted towards urban socio-economic development. It is a view that recognises the diversity of initiatives and actions necessary to improve the quality of urban life and to address urban poverty. The Thailand case illustrates how poverty reduction efforts at the community level have to be wide in scope. The Peru case illustrates how participatory planning and budgeting at the local authority level can be used to address a wide range of needs that matter to the urban citizens. The Morocco case is a good example of the need for comprehensiveness in national poverty reduction frameworks.

The second common experience is the emphasis placed on the poor. The Thailand case in particular focuses on how the poor were empowered through ownership of local development resources, on the basis of which support was provided by government. The other two cases had specific provisions for the participation of the poor and for the improvement of their living conditions through income-earning opportunities, including for women (as in the Morocco case).

The third characteristic running through the cases is the enabling approach, with its essential ingredients of community participation, inclusiveness and partnerships. The Thailand case is an outstanding experience of community participation and empowerment of the poor through mobilisation of their own resources. In the other two cases, inclusive, participatory frameworks at the local authority level are reported as having been very effective. In all cases, inclusiveness is illustrated by the involvement of disadvantaged groups and of women in both decision-making and income generating projects.

The fourth common experience running through the cases is the focus on local level action, either through community organisations (as in Thailand's Urban Community Development case) or within the framework of the local authority (as in Lima's Villa El Salvador case). One of the primary objectives of Morocco's national poverty reduction pilot programme was to provide a comprehensive national framework that would enable local poverty reduction action to take place.





## Urban Community Development Fund, Thailand

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### Harnessing community resources for urban poverty reduction

The project focuses on how the Urban Community Development Fund (UCDF) of Thailand was created as a tool for poverty eradication, empowering both the urban and rural poor. The project covers 53 provinces out of 75 throughout the country, and has resulted in about 950 community saving groups out of a total of 2,000 urban communities, as well as more than 100 community networks.



The Urban Community Development Office (UCDO) was set up in 1992 in an effort of the Thai Government to take a new approach and develop new processes for addressing urban poverty. The Government established a revolving fund of 1,250 million Baht (about US\$28 million) through the National Housing Authority to set up a special programme and a new autonomous unit, the Urban Community Development

Office (UCDO), to address urban poverty nationally. The programme sought to improve living conditions and increase the organisational capacity of urban poor communities through the promotion of community savings and credit groups and the provision of integrated loans at favourable interest rates as wholesale loans to community organisations. This new Community Development Fund was to be accessible to all urban poor groups who organised themselves.

The idea, however, was not simply to provide low-interest loans to the poor. Community savings and credit activities were seen as a means for engendering a community's own holistic development, capable of dealing with the root causes of poverty. Of importance was the development of community managerial capacity and stronger community organisations to exercise leadership in various community development processes and to leverage external development resources. Thus the development process included community action planning and the creation of partnerships with other local development actors – especially municipalities.

Various kinds of low-interest, wholesale loans were offered to community savings and credit groups and networks throughout the country. They were allowed to add a margin to cover their expenses or the cost of other community development activities or welfare programmes. The organisations added certain margins so the members would receive the loans at a rate near to or slightly higher than the prevailing market rates, which, in any case, were still much lower than those in the informal money lending systems.

Between 1997 and 1999, the problems of the economic crisis affected the urban poor's savings and credit groups immensely and several community savings and credit groups came to the verge of collapse. This led UCDO to the new direction of bringing groups to work together and share risks and responsibilities through networking, thus widening communal responsibility for loan repayments. These new network processes were mobilised to deal with several other urban community issues such as infrastructure, housing, community planning, education, health and welfare.





## Debate

The main achievements of UCDF are listed below.

- Increased community organisations and networks: UCDO has been able to expand its activities into 53 provinces throughout the country. About 950 community saving groups and more than 100 community networks have been set up. Much of this expansion took place after the creation of CODI in October 2000.
- Increased community assets and direct financial resources: More than 1,000 million baht (about US \$22 million) have been disbursed as various kinds of loans and more than half of the loans have been repaid. At the same time, community based savings groups have, to date, mobilised more than 500 million baht (about US\$11 million).
- Increased community management and enterprising capacity: Having established their resource base, communities, with the help of UCDO, have been able to create linkages and partnerships with other groups, and to develop the confidence necessary to initiate and implement activities to improve their living conditions and to form effective partnerships with local authorities.
- More diverse housing solutions developed - from individual projects to city processes: Several kinds of housing projects have been developed through loans to community initiatives, including buying existing slum land, resettlement schemes that are in close proximity to former communities, slum improvement and post- disaster housing repairs and reconstruction. As a result, the urban poor have a much wider range of options and the lessons learned have formed the basis for several city-wide housing development activities.
- Development of large-scale community welfare activities: Most of the community networks have developed their own community welfare programmes to take care of the more vulnerable groups in their midst. These welfare programmes have been completely designed and carried out by the networks, and include funds for school fees, funds for people who are sick, funds for the elderly, and funds for emergencies within communities.
- The experiences of CDF have spread to other countries: Several countries such as Cambodia, Laos, Vietnam, India, South Africa, Namibia and Zimbabwe have developed similar approaches in their countries and there are now many similar community funds in operation.



## Lessons learned

- The Thai experience provides compelling evidence that access to credit is one of the main barriers preventing the urban poor from developing and extricating themselves from poverty. It also demonstrates that community-based savings and credit for housing is one of the most effective means to do so, as it allows people to lead more productive lives.
- The management of Community Funds or poverty reduction programmes should be designed on the basis of the conditions of the poor, not on the basis of market or bureaucratic exigencies. The wholesale lending system uses market rates and the resulting interest rates are much lower than those offered by informal credit systems.
- As poverty results from causes that are structural, it is necessary to develop ways in which the poor themselves can become stronger and have more confidence to initiate change, implement their own development activities and engage in partnerships and dialogue with public authorities. This process requires a long-term effort in capacity building.

The discussion highlighted a number of issues including the following:

- The CDF used existing knowledge and expertise within the community through a system of information sharing and networking. Project implementation is a continual learning process. The standards of the housing projects implemented may not be very high, but they are adequate, appropriate and ones which the communities can work with and afford.
- The initial capital need not be as high as in the CDF. Similar organisations have started with much smaller amounts of capital.
- Many community initiatives grind to a halt because of the inability to sustain motivation and therefore participation. However, in the case of the Thai CDF, the fact that the fund is completely owned by the people ensures continued interest and participation.
- All of the housing developed through the CDF utilised the cooperative approach; though this approach is not imposed on members. The financing of housing starts with community savings which is then leveraged with loans from the fund at low interest rates.



## Participatory Planning and Budgeting in Villa El Salvador, Lima, Peru

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The Municipality faced a big challenge: in order to elaborate the new plan the entire population would have to participate, however, the traditional means of participation - the neighbourhood assemblies - as those were not adequately including women, young people and the full social diversity of the city. The answer lay in the process of city consultation. At the end of the consultation process, a large-scale citizens' referendum (Consulta Urbana) took place in November of 1999 in which 48,000 citizens, men and women over 16 years of age, participated.

Once Villa El Salvador's 2010 Integrated Development Plan (Plan Integral de Desarrollo de Villa El Salvador al 2010) was approved, the next step was the formulation and approval of the Municipal Investment budget for the Year 2000. The municipal government decided to use the participatory budgeting approach whereby a portion of its capital investment budget was decided upon in group meetings that took place in each of the 10 sectors of Villa El Salvador. The municipal budget allocation process for 2001 followed the same logic, now with the additional goal of institutionalising an appropriate legal framework that fully recognises the rights of citizens in decision-making.

### Addressing the needs of the urban poor through participatory budgeting

This case deals with the process by which a system of participatory planning and budgeting was introduced in Villa El Salvador, a part of the capital city of Lima, Peru, consisting of more than 320,000 people.

In 1996, the newly elected municipal government of Villa El Salvador proposed a new vision of development to its citizens. This vision: "Villa El Salvador es una comunidad solidaria, un distrito productivo, y una ciudad saludable" (Villa El Salvador is a community that works in solidarity, is a productive district, and a healthy city). The municipality proposed the idea of formulating a new integrated development plan for Villa El Salvador and work began in 1999 on a long-term plan to the year 2010.

To coordinate the process, a Technical Planning Committee, headed by a special commissioner from the Municipality, was formed. Two NGOs, DESCO and Calandria, were part of this committee and another NGO, FOVIDA, joined the team in the formulation and approval process of the participatory budget for the Year 2000. Besides mobilising resources in order to support the consultation process, the NGOs' principal function was to support, at all levels, the process of development of working methodologies. The United Nations' Urban Management Programme for Latin America and the Caribbean (PGU-LAC/UMP-LAC), participated in this process by means of the "City Consultation Project". Later, the Programme supported the first international meeting on participatory budgeting that was held in Villa El Salvador in September 2000. More than fifty Peruvian mayors were able to share their experiences with the Municipality of Villa El Salvador and with other representatives of four other Latin American cities.





Given the results, the costs incurred were minor: a plan was adopted by a large number of citizens and approximately US\$560,000 of municipal investment was decided upon in a participatory way, representing US\$1.75 per capita and 30 percent of the Municipality's annual investment budget. Villa El Salvador was recognised as a Best Practice in 2000 for this initiative on "Participatory Urban Action" (see: [www.bestpractices.org](http://www.bestpractices.org)).

## Debate

The main results and impacts of Villa El Salvador's experience are summarised below:

- Participatory budgeting is a recently developed tool that has made considerable inroads in Latin America. By sharing decision-making for public investment, cities and urban communities such as Villa El Salvador have been able to reduce corruption, improve transparency and accountability, provide an effective voice for the urban poor and, not least, improve living conditions and the environment. Without doubt, this and other similar experiences demonstrate that sharing of power does not imply giving it away. Establishing a direct link between people and their local government is not only a means for communities to voice their complaints, but it is also a highly effective way to make difficult decisions and to ensure broad support for what has been decided. It represents a continuing learning process in democracy with implications that go beyond the immediate context of programming and budgeting. It is a process in which people realise the commitment of public authorities to be responsive to the people's needs and to be transparent and accountable.
- The contribution of NGOs and community-based organisations in the process has also provided civil society organisations with a renewed impetus to engage in development work and to leverage their resources in investment projects. This has an added benefit of mobilising additional human, technical and financial resources.
- Other local authorities in Peru have become interested in and are learning from Villa El Salvador's methodology.

An important issue emerging from the discussion was how to institutionalise the participatory process, including the need for a legal framework, which is critical for its sustainability. The importance of political will and commitment at both the national and local levels was emphasised. The participation of communities in strategic planning and in assessing the costs of urban services was highlighted as an innovative approach. It was noted, however, that the long-term relationship between representative and participatory democracy requires further analysis and discussion.

## Lessons learned

The main lessons learned included the following:

- A participatory planning and budgeting process can have large-scale impact both in terms of improvements to living conditions and in terms of administrative efficiency and effectiveness.
- A clear commitment from public authorities is necessary and if the municipality's commitment is perceived as fleeting or insincere, the process is most likely to fail.
- A high degree of social and political consensus can be built through participatory planning and budgeting resulting in the leveraging of additional resources.
- Better communication between stakeholders, as it is promoted by participatory budgeting, prevents misinformation, promotes establishment of a long-term vision and fosters coherence of policy across issues and over time.
- The development of the city and the fight against poverty cannot be financed by the municipal budget alone. Resources from local stakeholders must be mobilised and central government support is important.
- Sharing the experiences with similar participatory budgeting processes from other countries is very useful. Villa El Salvador benefited a great deal from lessons learned from sister cities in Brazil, Uruguay and Venezuela some of which had longer experience in participatory planning and budgeting.





## Reduction of Urban Poverty in Morocco

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### Developing a national framework for local poverty reduction

The case describes a national pilot programme on urban poverty reduction launched in 1998. The programme is being implemented in three cities, namely Casablanca, Marrakech and Tangier.

The Pilot Programme on Poverty Alleviation in Urban and Semi-Urban areas (1998-2001) was implemented at the local level in the context of furthering sustainable human settlements development. The programme was an initiative of the Ministry of Employment, Vocational Training, Social Development and Solidarity, with financial support from UNDP and technical assistance from UNCHS (Habitat). The Programme tested new approaches to social development based on partnerships between local communities, government departments, civil society and the private sector. The objective of the Programme was to strengthen the capacities of local actors in the formulation and implementation of integrated action plans for the alleviation of poverty in urban and semi-urban areas.

In addition to raising funds for disadvantaged populations, which was one of the Programme objectives, this collective experience provided an opportunity to test new approaches in the following areas:

- The development of diverse partnerships involving all local actors;
- The establishment of consultation forums and support of a continuing dialogue among the different actors in each municipality;
- The strengthening of local capacities for planning and managing local initiatives;
- The participatory formulation and implementation of operational projects which, based on their visibility and impact, would serve as replicable models.

The local actions focused on three priority concerns: (i) increasing income; (ii) improving access to housing and basic services; and (iii) protecting vulnerable groups and promoting

their social integration. The Programme's main strategy was to provide seed funding and project development support through the mobilisation of sponsors for local projects. Over 50 percent of the Programme's financial resources were allocated to operational activities with direct and immediate benefit to the targeted populations.

To ensure ownership by local partners, the Programme contributed funding of up to 25 percent of the total project cost. The Programme brought all partners together in a framework of contractual agreements on project development and implementation. This approach ensured that the projects responded fully to the needs and priorities of local stakeholders. At the same time this approach created a sense of common ownership amongst the local actors and target populations. In addition to being fully consistent with modern forms of local management, the approach quickly gained credibility with the local community.

## Debate

The main results and impacts of the programme were as follows.

- Creation of a framework for national interventions and support that will enable local actors to take concerted decisions and actions.
- Local capacities were strengthened at two levels: (i) creation of dialogue and consultation forums through the Municipal Steering Committees in charge of project formulation and follow-up and training of elected representatives according to thematic modules developed by UNCHS; and (ii) strengthening of local associations' capacities through the provision of training in project development and management in order to improve professionalism in their interventions.
- The mobilisation of different partners around poverty alleviation projects has made it possible to launch an approach of economic, social and spatial integration aimed at improving the living conditions of disadvantaged populations. Women were involved in sustainable income-generating activities (micro-enterprises, cooperatives, etc.) and in functional literacy, professional training, and mother-child integration activities.
- The Programme succeeded in involving all strata of disadvantaged populations, reflecting a gender balance in project participation, in addition to implementing integrated projects for the benefit of children (literacy, training, delinquency prevention), the handicapped (job-qualifying training) and the elderly.
- In follow-up to the Programme, the Social Development Agency was created by the Ministry of Employment, Vocational Training, Social Development and Solidarity as a financial window that provides assistance to projects and local partnerships. This entity is expected to build on the Pilot Programme's achievements and assets in order to initiate and support nationwide actions and projects aimed at enhancing the living conditions of the most vulnerable populations.
- Also in follow-up to the programme, a local development programme entitled "Clean Cities in Morocco: Local Agendas 21 for the Promotion of Environment and Sustainable Development in Urban Areas", was launched, on the basis of operational instruments tested by the Pilot Programme.

In the discussion that followed the presentation highlighted the issues of devolution of power and of financial resources as well as questions related to community participation. There was general agreement on the importance of a clear and compelling set of social policies based on the principles of participation, partnerships, and the strengthening of local capacities. The demonstration/replication approach, conceived from the beginning as a learning process, was seen as an essential ingredient for cost-effectiveness and sustainability. It was acknowledged that the pilot projects themselves may not necessarily contribute directly to a significant reduction in poverty, but are useful for testing, refining and demonstrating effective local poverty reduction methods and approaches for subsequent replication and up-scaling.



## Lessons learned

The initiative demonstrates both the need for and the benefits of adopting a multi-sectoral approach and of involving various government departments. Such an approach brings to bear a range of resources for simultaneously addressing the inter-related issues of education, health, youth, women, employment and housing. Furthermore, the initiative confirms the critical role of local authorities as the level of government most capable of identifying and addressing local issues and the importance of training and capacity building at the local level. More specifically, the following lessons were derived from the Morocco experience:

- Centralised decision-making can be complemented by local partnership approaches that mobilise local resources, create synergies among ongoing activities, and promote broad-based participation for the benefit, especially, of disadvantaged groups.
- Good local development practice can be replicated and scaled up with the support of national government programmes.
- Replication and up-scaling of successful local experiences at the regional and national levels is an effective strategy for leveraging national and international support for local poverty alleviation initiatives.



# Annex

## A. Agenda of the Thematic Committee

### Wednesday, 6 June 2001

11h - 12h Introduction and Method of Work

#### Shelter and Services

12h - 13h The South African Housing Policy: Operationalising the Right to Adequate Housing

15h - 16h Shelter Programmes and City Development Strategies in Egypt

16h - 17h Holistic Upgrading Programme in Medellin, Colombia

17h - 18h Improvement and Restructuring of Spontaneous Settlements in Dakar, Senegal

18h - 19h Community-driven provision of universal sanitation in Indian Cities

### Thursday, 7 June 2001

#### Environmental Management

9h - 10h Environmental Planning and Management in Dar es Salaam, Tanzania

10h - 11h Developing a Sustainable Compact City in Stockholm, Sweden

11h - 12h Comprehensive Urban Environmental Renovation in Chengdu, China

12h - 13h Environmental Management and City Development Strategy for the Katowice Agglomeration, Poland

#### Urban Governance

15h - 16h Urban Transformations in Brazil

16h - 17h City Development Strategy in Response to Globalisation in Lyon, France

17h - 18h Sustainable Urban Development and Good Governance in Nigeria

18h - 19h Sustainable Economic Transformation and Decentralisation in Barcelona, Spain

### Friday, 8 June 2001

#### Eradication of Poverty

9h - 10h Urban Community Development Fund, Thailand

10h - 11h Participatory Planning and Budgeting in Villa El Salvador, Peru

11h - 12h Reduction of Urban Poverty in Morocco

Concluding Remarks

## B. Thematic Committee Officers (Bureau):

Chairperson:	Mr. Slaheddine Belaid, Minister of Public Works and Housing, Tunisia.
Vice-Chairperson:	Mrs. Erna Witoelar, Minister for Settlements and Regional Infrastructure, Indonesia.
Vice-Chairperson:	Mr. Jose Maria Matamoros, President of the National Housing Council, Venezuela.
Vice-Chairperson:	Mr. Luis Garcia Cerezo, Permanent Representative of Spain to UNCHS (Habitat).
Rapporteur:	Mrs. Elena Szolgayova, Ministry of Construction and Regional Development, Slovak Republic.
Secretary:	Mr. Daniel Biau, Ag. Deputy Executive Director, UNCHS (Habitat)

## C. Thematic Committee Facilitators:

- Mr. Michel Delabarre, former Minister and Mayor of Dunkerque, France.
- Ms. Josefina Vasquez Mota, Secretary of Social Development, Mexico.
- Ms. Lydia Mabel Martinez de Jimenez, Director of Housing Policies, Argentina
- Mr. Reuben Mutiso, Architect-Planner, Kenya.
- Mr. Toshiyasu Noda, Counselor for Disaster Preparedness, Cabinet Office, Japan.
- Ms. Aydan Erim, Consultant, Housing Development Administration, Turkey.
- Mr. Patrick Wakely, Director, Development Planning Unit, London University.
- Mr. Esfandiar Kharat Zebardast, Senior Advisor, National Habitat Committee, Iran.
- Ms. Jacqueline da Costa, Director-General, Ministry of Lands and Environment, Jamaica.

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- Editing - Nicholas You, Joseph Igbiniedion and Jochen Eigen
- Compilation of visual materials and liaison with case study presenters and facilitators - Wandia Seaforth
- Sections on shelter and services - Brian Williams, Inge Jensen, Andre Dzikus, Selman Erguden, Kalyan Ray and Farouk Tebbal
- Sections on urban governance - Raf Tuts and Nicholas You
- Sections on environmental management - Ole Lyse, Jean-Christophe Adrian, Bernd Decker, and Chris Radford
- Sections on eradication of poverty - Naison Mutizwa-Mangiza.

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