

**UN-HABITAT SELF-ASSESSMENT
FOR THE FORTHCOMING OIOS
IN-DEPTH PROGRAMMATIC EVALUATION**

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SELF-ASSESSMENT REPORT

Introduction

1. The present self-assessment report is a contribution from UN-HABITAT to the planned in-depth evaluation by OIOS of the Human Settlements Programme for the period 2000-2003. It has been drafted in order to provide background information which will allow OIOS to draft the Terms of Reference for its in-depth evaluation.
2. The self-assessment report contains two chapters. The first chapter is organized along the lines of the Medium-Term Plan and Work-Programmes which were implemented during the period under review. It presents the major achievements of the sub-programmes (shelter and sustainable urban development respectively) under each expected accomplishment, as well as the constraints faced in the delivery of outputs.
3. The second chapter addresses issues which cut across the entire work-programme of UN-HABITAT. It is suggested that these cross-cutting issues may constitute entry points for the in-depth evaluation.

CHAPTER 1

Assessment of the Medium Term Plans of 1998-2001 and 2002-2005 elaborated in Work Programmes 2000-2001 and 2002-2003

Sub-Programme 1: Shelter

A. Improved Tenurial Rights

4. The ***Global Campaign for Secure Tenure*** (GCST) is the main focus of United Nations activities towards achieving the Habitat Agenda goal of “adequate shelter for all”. Activities related to housing and land have both been taking secure tenure as an entry point to their actions at the normative as well as operational level. At the basis of the activities, however, has been an increased realisation of the importance of a ***rights-based approach to housing***.
5. ***The Global Campaign for Secure Tenure*** was initiated in 2000 and 2001 in a limited number of countries (3). Lessons, however, have been learned and the Campaign has expanded later (2002 and 2003) to several more countries (about 12 at the end of 2003). In spite of the shortage of staff (which has been relatively compensated by an innovative decentralisation of the activities), the Campaign collaborated with a large number of partners and networks at global, regional and local levels.
6. Undoubtedly, the GCST has proven to be a strong advocacy tool that has decisively contributed to the necessary ***policy and systemic changes*** that have enabled countries to engage into sustainable and at country scale slum upgrading programmes. This has been achieved through a well-established process using the fight against forced evictions as an entry point. First, it ***empowers*** all partners including communities and

local authorities so that they can later engage in constructive *dialogues* to identify collective ways and means of improving the living conditions of the urban poor. Concrete, realistic and consensual *action plans* were established, that are now under implementation in several countries with visible impacts. In India, Philippines, South Africa and Brazil outputs concern the legal and policy levels (such as land policies favourable to the urban poor), institutional framework (integration of slum upgrading in the overall city management mechanisms), actual slum upgrading through access to land and appropriate financing mechanisms, etc.

7. In addition to these areas, efforts have also been initiated to address one of the most obvious violations of the right to adequate housing, namely the practice of forced evictions. Following recommendations of the World Urban Forum, and a request from the UN-HABITAT Governing Council, UN-HABITAT established an advisory group to monitor and identify, and if requested, promote alternatives to unlawful evictions.

8. It is also worth mentioning that an increasing number of countries, adopting the principles of secure tenure, *are engaging by themselves the campaigning process*.

9. Following nearly a decade of deliberations by the Commissions on Human Settlements and Human Rights, the *United Nations Housing Rights Programme* (UNHRP) was established jointly by UN-HABITAT and the Office of the United Nations High Commissioner for Human Rights in 2002. This Programme is one of the fundamental components of the GCST. The UNHRP has an ambitious work plan of advocacy, outreach and learning from partners; support for United Nations human rights mechanisms on housing rights; monitoring and evaluation of progress of realization of housing rights; research and analysis on housing rights; and capacity-building and technical co-operation. Despite the problems of lack of adequate resources, (Several resolutions of the Commission on Human Rights have called for Member States to provide support for the UNHRP and several among them have expressed verbal support. In practical terms, however, no funding has been forthcoming) significant progress has been made, primarily at the normative level, within two major areas:

- Firstly, significant work has been undertaken towards the objective of establishing guidelines for housing rights legislation.
- Secondly, significant progress has been made towards establishing a global mechanism to monitor the realization of housing rights globally. The lack of a monitoring system has been one of the biggest obstacles to assessing progress within the area of housing rights in the past. Based on the guidance provided by the Committee on Economic, Social and Cultural Rights, an expert group meeting on housing rights monitoring reached agreement on housing rights indicators in 2003.

Further activities are being initiated within both of these areas, as collaborative efforts between UN-HABITAT, regional commissions and civil society organizations.

10. Normative activities in relation to effective shelter delivery systems and alternative tenure options include a major research study on rental housing, highlighting the potential contributions of this sector to improve the housing conditions of the poor and activities undertaken with respect to the potential contributions of the co-operative housing sector.

11. The other major component of the implementation of the GCST, activities on **Land and Tenure** had a number of successes, which were however severely constrained during most of the evaluation period because of shortage of human resources and changes in staffing during the period 2000-January 2003 (only 1 staff member (P3) in charge of the activity during July 2001-January 2003). Human resources were augmented in 2003 with the addition of 2 staff members (P5 and JPO), allowing it to increase its activities.

12. The major success from 2003 included firstly, applied research and analysis. This covered research on law and land reform (including on land policies, land management and tenure systems), in Latin America, Southern Africa, Asia and in former Yugoslavia. It also covered research on land (use) management, administration and spatial information.

13. The second success comprised policy development and tool building. This included tools on elements of urban upgrading related to regularization, land use, flexible tenure types, affordable land management options, etc., **particularly for women**. It also included the coordination of development partners on Land Policy formulation in Kenya. Such research and tool development is key to the dissemination of Best Practices and identification of gaps for the Global Campaign for Secure Tenure.

14. As for **the way forward** within the areas of shelter development including components of land, housing and particularly the GCST, a number of questions are worth raising:

- The cross cutting nature of the shelter field and topics that need to be addressed are huge in number and magnitude, whereas the available staff and financial resources are very modest. How would it be possible to improve these resources?
- Given that the GCST is directly helping countries to achieve the MDGs target on slums, it is believed that its principles should be adopted by governments and put in practice before 2010, so that they can realistically meet the target by 2020. This entails that the Campaign launches should be completed around 2008 in most, if not all the relevant countries.
- How the role of the UN, for example on the issue of forced evictions can be made politically more effective?

15. In the course of 2002-2003, UN-HABITAT identified 200 examples of good and best practices in improving the living environment in the areas of shelter, basic infrastructure and services. A casebook focusing on lessons learned in Implementing the Habitat Agenda, initially prepared for Istanbul+5 in 2001, was reprinted in 2002 owing to demand with a total distribution of 5000 copies worldwide. Similarly, a casebook on African initiatives in implementing the Habitat Agenda was published during the reporting period. Based on the effective demand for and positive review of the first casebook on lessons learned from best practices in Implementing the Habitat Agenda, several Habitat Agenda partners agreed to fund the publication and dissemination of a second casebook for release at the WSSD. This second casebook was printed in 2002 and was sold out before the end of the biennium.

B. Larger volumes of finance and credit for the development of low-income human settlements especially for the housing sector and access to those funds by a larger number of low-income populations

16. Towards realizing this accomplishment, extensive review of mortgage finance systems, mechanisms and institutions in developed and developing countries were undertaken and knowledge creation and capacity-building seminars and workshops were implemented in different parts of the world (Sweden, USA, Mexico, China, Tanzania, Kenya) with the aim of sharing experiences on the issue. In-depth analysis of some successful housing finance systems/institutions were undertaken and monograph series initiated as a medium to disseminate such systems for possible replication by counterpart institutions in other countries. Some other not-so-successful or failed systems were also diagnosed, the bottlenecks identified and analyzed and proposals for re-activating and making them more sustainable put forward (Tanzania). In a number of countries, it was noted that the absence of some crucial legal and regulatory provisions in the laws inhibited financial institutions, particularly commercial banks, from making mortgages more widely available to a wider spectrum of the population. Proposals have been made to some national governments and their relevant institutions on required revisions in national legislations to leverage greater availability of credit. Sensitization workshops for national parliamentarians and other stakeholders on these issues were facilitated. Some countries have accepted to review their legal and regulatory regimes to address these issues.

17. A problem in the promotion and advocacy for wider credit availability and accessibility remains the very low-income level of the general population in developing countries and their general lack of collateral security. Systems based on group security as opposed to individual collateral is being gradually developed, tried and promoted to address some of these constraints.

18. In implementing this sub-programme element, emphasis has been put on promoting the exchange of information and sharing of experiences among national and regional housing finance institutions.

C. Higher quality and more reliable urban infrastructure, especially clean water and sanitation, community health systems, waste management and transport for larger numbers of people (Programme Manager has not yet submitted his text)

Sub Programme 2: Sustainable Urban Development

A. Improved urban governance through participatory city consultations, crime prevention strategies and local leadership capacity building

19. This accomplishment has been pursued through four programme clusters as detailed in biennial work programmes. [*Crime prevention strategies* are dealt with under Accomplishment 2 c)].

20. Increased acceptance of and use of norms of urban governance among national governments and local authorities, civil society organisations and non-governmental organisations.

21. Through advocacy and outreach activities, mainly by supporting the establishment of participatory structures and assisting policy and legislative reforms, as well as disseminating literature, organising campaign launches and developing national action

plans, norms of urban governance have received a wide acceptance. These activities have taken place in 34 countries across different regions of the world where the **Campaign on Urban Governance** has fostered inclusiveness and promoted a collaborative relationship among national governments, local authorities, private sector as well as civil associations.

22. Different countries and civil associations have adapted the norms to their own socio-political and cultural specificities. Action plans have guided the implementation of norms of urban governance, a situation that has provided space for representatives of the poor to participate in the policy process.

23. The linkage between the acceptance of norms and ensuring a concrete improvement in people's lives has proved difficult to sustain. Follow-up investment has not always been easy to mobilise. However, within UN-HABITAT efforts are being made to overcome this constraint by fostering a closer linkage between the Global Urban Governance Campaign and the agency's technical cooperation activities. The lessons learnt include the need to factor-in the investment requirements in the follow-up to accepting the norms of urban governance. Similarly, it is also realised that the national and local level activities that have been the focus of promoting the acceptance of urban governance norms need to be complemented with an increased thrust at regional and global levels.

24. Improved and strengthened management capacity of local authorities through effective training as well as the promotion of decentralisation policies, legislation and programmes

25. The **Training and Capacity Building Branch** offers technical support to local government training institutions to build their capacity to effectively implement innovative governance programmes with a focus on local leadership training. National training institutions have been supported by (1) organising regional workshops on developing capacity-building strategies and national training programmes; (2) developing generic manuals and handbooks on local governance; (3) conducting training of trainers (ToTs) workshops; and (4) supporting adaptation of tools to national languages and context (manuals have been successfully translated into over 20 languages).

26. Despite the large number of national adaptation of training manuals and the relative intensity of training of councillors, the result and impact of ToTs has not always been satisfactory or certain. Although ToTs and national adaptations of tools are accepted as a sound methodological approach to reach to scale, in this case many thousands of municipalities, the results hinge on a host of factors. Implementation is often hampered, especially in Sub-Saharan Africa, by lack of funds. The overall macro-environment and situation with local governance, and capacity and commitment of training institutions and local government associations also have a bearing on the effectiveness of training activities. This requires some modification and reorientation. There is a need to embed training activity within other long term capacity building programmes, to link it to citywide initiatives such as City Development Strategies or the governance campaign, or focus training interventions on countries with high absorption capacity. A start in this direction has been made.

27. Many national governments have undertaken decentralisation programmes as a means of improving governance structures and thus the quality of service. UN-HABITAT has supported this process through the preparation of a number of reports for GC 18 and 19, as well as through the establishment of the United Nations Advisory Committee of Local Authorities comprised of 20 Mayors, and a subsidiary body known as the Advisory Group of Experts on Decentralisation, comprised of 15 constitutional and local government specialists. Both these bodies are playing an instrumental role in identifying lessons learnt and best practices in decentralisation. However, deepening the dialogue on decentralisation has proven difficult due to the reluctance on the part of some member states to discuss the sometimes sensitive nature of the relationships between the local / regional and national government. This is particularly the case with governments that have a federal structure.

28. Implementing the Environmental Planning and Management (EPM) concept by the **Sustainable Cities Programme** and the **Localising Agenda 21 Programme** has helped improve environmental information and technical expertise and promoted broad-based decision-making, policy and strategy formulation from local to global levels. The main achievements realised through this process have been: 1) *operational backstopping* in more than 25 demonstration cities, and replications in five countries; 2) *development of EPM management tools*, including five process tools and four topic specific tools; 3) *Networking* among SCP partners, specifically the partnership implementation of the commitments of the "Coalition for Sustainable Urbanisation" made at WSSD; 4) *Information and Awareness Building* world-wide of the urban environmental agenda as a new programme approach; 5) *Anchoring EPM capacities* in ten national and regional institutions.

29. The increasing number of requests from municipal authorities and governments to join the SCP and LA 21 global programmes, is testimony to its achievements over the past decade and promises a surge of city initiatives and national replications. A major constraint in meeting the growing demand, and sustaining the institutionalisation of the EPM service has been the limited capacity of the small SCP/LA21 core team to provide direct local technical assistance. This constrains the Programme's potential to respond to new requests. The increased demand for support can only be met through systematic capacity development at all levels and especially by anchoring technical support at the national and sub-regional levels.

30. Major lessons learnt include the need to strengthen the implementation of priority basic local urban services projects at the local level and the importance of targeting environmental issues which primarily affect the urban poor.

31. Improved effectiveness of programmes and strategies based on norms of urban governance, especially those implemented by local authorities.

32. The **Urban Management Programme** undertakes city consultations as a core strategy in meeting the objective of improved urban governance. The city consultation process is designed to bring all stakeholders concerned with urban issues together and discuss and agree action to address them. The process is inclusive, transparent, accountable and socially integrated.

33. In terms of the indicator of achievement of "the institutionalisation of the city consultation process in at least 30 cities in Africa, Asia, Latin America and the Caribbean,

Central and Eastern Europe and the Arab States”, UN-HABITAT has achieved this goal in 2002-2003 in 45 cities.

34. While this shows success in achieving the expected accomplishments, there are varying degrees of success in institutionalisation. In some cities, changes were formalised and the experiences are being replicated and institutions have been established to ensure permanence. In others, lower levels of institutionalisation are seen through action plan implementation only. In other cases, through replication, a far higher number of municipalities will be reached.

35. City consultations are not held in a vacuum, and must work around changing local realities as well as local, national and regional capabilities. The Urban Management Programme has responded by employing a strategy of institutional anchoring; working to build the capacity of local, national and regional institutions in the participatory process of the city consultation. In 2003, the UMP regional offices started transferring responsibility to newly formed regional networks of anchor institutions. This new stage for the programme calls for innovative mechanisms to follow up on institutionalisation at the city level. UMP has learned that the institutionalisation of city consultations is a continuing process, and one that has varying degrees of success depending on local conditions and other factors. Support and follow-up to city consultations is needed to achieve greater institutionalisation.

B. Strengthened Knowledge and Understanding of urban economies and the interplay between economic social and legal/regulatory factors that influence and shape urban development and the synergies between urban and rural settlements

36. To effectively manage urbanization and urban development, a good knowledge and understanding of the economic and social dynamics that stimulate urbanization and its complexes is imperative. Towards this, a review and analysis was carried out on the impact of macroeconomic factors (interest rates, exchange rates, inflation, unemployment rates, public expenditure, tax rate etc.) on urban growth and development and the role public policy could play to steer these macroeconomic factors in the desired direction. Expert Group Meetings were convoked to critically examine these factors and suggest directions for public policy actions.

37. Activities have also been carried out in promotion of the urban informal sector as a source of employment and income generation in cities and urban areas of the developing world, including providing technical/advisory support to informal sector entrepreneurs. This includes the review of city by-laws and regulations that affect informal economy operators. Development of strategies and frameworks to improve the environment for urban self-employment and livelihood for the poor, particularly for urban women entrepreneurs were undertaken, including explorations to make credit available to small-scale entrepreneurs.

38. The drawback in advancing credit in this context is the uncertainty of recovery of such loans/advances.

39. Several activities have been undertaken to promote the urban-rural linkage approach to development as a potent approach to sustainable development of both urban and rural areas. These activities have been directed at sensitizing national and local

development planners to the necessity to integrate and institutionalize urban-rural linkages into their national and sub-national development planning processes.

40. A Ministerial Round Table discussion of this issue was organized at the ECOSOC High Level Segment in 2003 in Geneva and high level international workshops have been undertaken on the issue, while further activities are planned.

41. This approach is gradually gaining wider acceptance with projects on aspects of the strategy being or having been implemented in Indonesia, Nepal, Cambodia, Vietnam and South Africa (Spatial Development Initiative) among others.

42. In the course of 2002-2003 UN-HABITAT identified 230 examples of good and best practices in sustainable urban development. A casebook focusing on lessons learned in Implementing the Habitat Agenda, initially prepared for Istanbul +5 in 2001, was reprinted in 2002. Similarly a second casebook on "Greening the Brown Agenda" was published and disseminated on the occasion of the WSSD. The casebook was out of print by the end of the biennium. A thematic paper on "The role and contribution of Local Authorities in Implementing the Habitat Agenda" was prepared for the 1st session of the World Urban Forum. The paper was among the most appreciated papers of the Forum in an evaluation conducted in 2003.

C. Increased level of disaster preparedness and response in cities with special emphasis on community involvement.

43. This accomplishment has been pursued through two programme clusters **the Risk and Disaster Management Programme** and the **Safer Cities Programme** as detailed in biennial work programmes.

44. The Disaster, Post Conflict and Safety Section (DPCSS) assists Governments at national and local levels, as well as communities, in improving security within cities through effective disaster mitigation and crime prevention. DPCSS also assists in improving management and planning capacity developed by city authorities and civil society organizations in these areas.

45. Regional consultations have been held on networking for flood prevention and vulnerability reduction, resulting in regional agreements on collaboration. The development of user-friendly tools has continued successfully, both for disaster reduction and for reconstruction in urban post-conflict situations. Capacity building and technical co-operation has been provided to activities in Iraq and Kosovo. Advisory missions have been undertaken to India, Vietnam, Sudan, Mozambique, Eritrea and East Timor. New activities have been initiated in fifteen new disaster-affected countries, including a major initiative to strengthen capacities for risk reduction at the local level in the Caribbean region. The methodology and strategy developed for regional consultations on risk reduction is a proven success. It is being replicated in other regions with the objective of reducing the vulnerability of local communities to hazards through improving the skills of municipal authorities and local organizations for disaster management. The multi-sectoral and interdisciplinary nature of disaster reduction and response requires continuous interaction, co-operation and partnerships among related institutions to achieve global objectives of disaster mitigation and sustainable post-disaster urban rehabilitation. The Disaster Management Programme has continued to

facilitate partnerships on disaster management and supported the establishment of a dialogue between UN agencies, the donor community, NGOs and the private sector.

46. A total of 25 municipalities have adopted the Safer Cities approach to crime prevention and another 40 municipalities have formulated proposals and initiated activities. These municipalities are at different stages of implementation, with local teams established in most cities, diagnosis conducted and validated, and strategy formulated and adopted. The development and strengthening of institutionalisation mechanisms that include budgeting from local resources, creation of institutional structures, enacting of legislation, development of local capacities and coordination mechanisms, expanding of the approach to national level (governments and associations of cities), etc are ongoing. Municipal police organizations have also been created, thus acknowledging the role of city authorities in crime prevention. Neighborhood watch groups and the "justice of proximity" have been promoted at the request of stakeholders and local/traditional leaders as effective ways of resolving problems at the community level. Alternative forms of justice and restorative justice for youth-first offenders are also being developed. All these activities have used a participatory and inclusive approach, gathering all stakeholders in a coalition coordinated by the local authority. The leading role played by local authorities in crime prevention has proved to be effective in the development of innovative practices at all levels.

47. The demand for technical support and assistance in developing urban crime prevention strategies at city level has increased. A growing mobilization of local resources in support of crime prevention and improved local partnership can be noted. Community sensitization and involvement is a strong component of all Safer Cities Projects. Normative debate on urban safety as an element/component of good urban governance has steadily developed with urban safety being adopted as governance campaign theme in various countries (Philippines and Brazil) and recognised as a basic urban service whose delivery is a local level responsibility.

48. Due to the detailed administrative process of a number of disaster management projects, particularly in Iraq, a number of difficulties encountered in approving contracts have led to implementation problems in a fast moving environment that often requires prompt response. In addition, the multi-sectoral and interdisciplinary nature of disaster reduction and response requires continuous interaction, co-operation and partnerships among related institutions to achieve the objectives of disaster mitigation and sustainable post-disaster rehabilitation. In post-disaster situations, solutions to insure the restoration of normal lives of affected population are interwoven in such manner that activities cannot be implemented in isolation.

49. While overall implementation of activities and projects has been successful, balancing and linking operational and normative activities has emerged as one of the key challenges. Furthermore, with the promotion of safer cities, conflicts between local and national authorities may arise in the development of projects, as crime prevention has traditionally been a national government responsibility. Involvement of very different stakeholders in the process can take time due to the fact that these actors may be reluctant to work together (for instance, the police and the NGOs). The current funded lifetime of these projects (in general three years) appears to be too short to consolidate the institutionalisation of a crime prevention approach in the municipal structure.

50. Increasing numbers of cities and governments are adopting the Safer Cities approach without direct involvement of UN-HABITAT, for example, in Chile where a National Safer Cities Programme is supporting the development of urban crime prevention in 54 municipalities. UN-HABITAT has been involved in the evaluation and improvement of the programme, but not in its initial design or implementation. In South Africa, since the initial support to Johannesburg, Safer Cities' initiatives have developed in most metropolitan cities, although only in Durban (and to some extent Cape Town) with UN-HABITAT involvement.

51. Funding mobilization for local activities needs to be improved, probably through alliances with other major actors. It is important to continue to develop normative activities to support field activities. In particular, tools need to be further developed. Documentation/assessment of experiences needs to be improved. Field projects produce new knowledge that needs to be analyzed and converted into policies, tools, guidelines and training materials. In terms of improved implementation, the most important element that needs to be developed is 'adequate national frameworks'. In Africa, but also in other countries, institutional mandates and resources do not match the perceived need to address urban safety at the local level. The Urban Governance Campaign could assist in lobbying for change at that level.

CHAPTER 2

Cross Cutting Issues

A. UN-HABITAT as a Programme

51. On 21 December 2001, the General Assembly passed resolution 56/206 that elevated the United Nations Centre for Human Settlements (Habitat) from a "Centre" to a fully-fledged "Programme" now known as the United Nations Human Settlements Programme (UN-HABITAT). By the same resolution, the General Assembly transformed the Commission on Human Settlements, with effect from 1 January 2002, into the Governing Council of UN-HABITAT, a subsidiary organ of the General Assembly. The Committee of Permanent Representatives to UN-HABITAT was also confirmed as the inter-sessional subsidiary body of the Governing Council.

52. The General Assembly decided that the secretariat of UN-HABITAT should service the Governing Council and serve as the focal point for human settlements and the coordination of human settlements activities within the United Nations system. It was also decided that UN-HABITAT would be headed by the Executive Director at the level of Under-Secretary-General. Mrs. Anna Kajumulo Tibaijuka was elected by the General Assembly to this post on 24 July 2002.

53. The elevation of UNCHS (Habitat) and its governing body was staunchly supported by the Secretary-General of the United Nations in his report: Options for reviewing and strengthening the mandate and status of the Commission on Human Settlements and the status, role and functions of the United Nations Centre for Human Settlements (Habitat). The adoption of General Assembly resolution 56/206 was a strong vote of confidence by Member States in the revitalized UN-HABITAT. It also showed the commitment of the General Assembly to the implementation of the millennium development goals target of achieving a significant improvement in the lives of at least 100 million slum dwellers by 2020 and to the continuing necessity for implementation of the Habitat Agenda.

54. The Commission on Human Settlements adopted a new strategic vision for UNCHS (Habitat) in 1999. This vision was updated and submitted to the Governing Council of UN-HABITAT in 2003 (see HSP/GC/19/INF/10). With a sharper focus on urban poverty and, in particular, slums as the most visible manifestation of urban poverty within the overall urbanization process, the refined strategic vision gives more attention to knowledge management, the financing of housing and human settlements and, particularly, to strategic partnerships. The expanded strategic vision is both forward looking and pragmatic, being consistent with social norms and political principles as well as with UN-HABITAT mandate, capabilities and partners' objectives. The Strategic Vision constitutes an important element of the identity of UN-HABITAT as the UN agency for cities, promoting shelter for all and sustainable urbanization and focusing on the reduction of urban poverty.

55. In its resolution 18/1 of 16 February 2001, the Governing Council welcomed the role performed by the Committee of Permanent Representatives during the inter-sessional periods and recommended to the Economic and Social Council the establishment of the Committee of Permanent Representatives as an inter-sessional subsidiary body of the Governing Council and, in operative paragraph 7 of the same resolution, authorized the

Bureau of the Governing Council, upon receipt of this approval by the Economic and Social Council, to establish the inter-sessional subsidiary body.

56. The approval which was being requested by the Governing Council was given by the Economic and Social Council in its resolution 2001/48 of 24 October 2001. Thereafter, the Bureau of the Governing Council, at its meeting of 31 October 2001, and pursuant to operative paragraph 7 of the above-mentioned resolution of the Governing Council established, with immediate effect, the Committee of Permanent Representatives as an inter-sessional subsidiary body of the Governing Council.

57. Critical to the reform and revitalization of the organization, was the regularization of some 50 professional posts, the first such exercise of this magnitude within the United Nations system. This process was completed during 2002. Regularization of General Service support staff was also carried out.

58. Commensurate with its status and substantive focus, UN-HABITAT's Work-Programme 2004-2005 has been structured around four functional sub-programmes corresponding to the main recommendations of the Habitat Agenda, the United Nations Millennium Declaration and the Declaration on Cities and Other Human Settlements in the New Millennium. The four sub-programmes, approved by the General Assembly, are: Shelter and sustainable human settlements development; Monitoring the Habitat Agenda; Regional and technical cooperation; and Human settlements financing.

59. In connection with the fourth sub-programme, UN-HABITAT has initiated an extensive review of the Habitat and Human Settlements Foundation. The review is expected to improve its capacity to perform as a fully fledged United Nations programme and assist in achieving the Millennium Development goal of a significant improvement in the lives of at least 100 million slum-dwellers by 2020. The General Assembly agreed in its resolution 56/206, that the United Nations Human Settlements Foundation would be granted divisional status on the condition that it is redesigned to carry out its primary function as a global municipal development and slum upgrading facility (see also resolution 19/11 of the Governing Council). This work is on-going with support from DFID and SIDA.

60. UN-HABITAT is now a full member of the Chief Executives Board (CEB) for Coordination and has participated in all CEB meetings since April 2002. It participates also in the High-Level Committee on Programmes (HLCP) and other coordination mechanisms of the United Nations system. By participating in CEB, UN-HABITAT is becoming more effective in discharging its mandate of coordinating the implementation of the Habitat Agenda and for forging inter-agency partnerships on shelter and sustainable human settlements development. Its participation also promotes the visibility, attention and support that human settlements require as a cross-sectoral dimension of development.

61. UN-HABITAT has increased its participation in the United Nations Development Group (UNDG), which should lead to a more productive and effective collaboration with United Nations agencies, programmes and funds, and country teams in the implementation of the Habitat Agenda. UN-HABITAT, as the focal point for the Millennium Development goal of significantly improving the lives of at least 100 million slum dwellers by the year 2020, including through improved urban water supply and

sanitation, participates actively in the various meetings held in connection with the implementation of the Millennium Declaration.

62. In 2002, UN-HABITAT organised the first World Urban Forum in Nairobi. Defined as an open-ended gathering of governments and all Habitat Agenda partners which advises UN-HABITAT on substantive issues, this Forum holds biennial sessions (in the years when the GC does not meet) which are essential to position UN-HABITAT as the major think-tank and network on urbanization policies. The Forum was endorsed by the General Assembly in its resolution 56/206.

63. One of the main outcomes of the elevation of UN-HABITAT to programme status has been to better position the Programme in the overall UN inter-agency machinery. Increased funding from Member States was also expected. Indeed the total voluntary contributions to UN-HABITAT increased from USD 20 million in 2001 to USD 36 million in 2002 and USD 40 million in 2003. However these contributions are predominantly earmarked and the challenge is now to increase general purpose and predictable contributions (non-earmarked). See section J below.

B. Programme Structure: Transition from 2 to 4 Subprogrammes

64. During the period under review (2000 to 2003), the Human Settlements Programme was implemented under two subprogrammes, namely Subprogramme 1: Adequate Shelter for all; and Subprogramme 2: Sustainable Human Settlements Development. From 2004, the Human Settlements Programme for 2004-2005 is being implemented under 4 subprogrammes. The decision was taken by the Human Settlements Commission at its Eighteenth Session in 2001 and subsequently endorsed by the General Assembly through the Revised Medium-Term Plan 2002-2005 (A/57/6/rev.1).

65. The new structure reflects new and important legislative mandates that necessitated the revision of the medium-term plan 2002-2005 in 2002. These mandates include the following General Assembly resolutions: the United Nations Millennium Declaration (55/2); the Declaration on Cities and Other Human Settlements in the New Millennium (S-25/2); Special session of the General Assembly for an Overall Review and Appraisal of the Implementation of the Outcome of the United Nations Conference on Human Settlements, Habitat II (56/205) as well as Strengthening the mandate and status of the Commission on Human Settlements and the status and role and functions of the United Nations Centre for the Human Settlements (56/206). The programmatic restructuring under the four subprogrammes rectified a long standing anomaly and brought congruence between the programmatic and organizational structures. This new structure is also intended to improve accountability.

66. The changes reflected in the first three subprogrammes were meant to rationalize and improve the organization of the Human Settlements Programme, but the substance remained essentially the same. Subprogramme 4, Human Settlements Financing, on the other hand, represents a significant change in terms of substance. The new subprogramme 1, Shelter and Sustainable Human Settlements Development merges some elements of the former subprogramme 1 (Adequate shelter for all) and Subprogramme 2 (Sustainable human settlements development) under the Global Division. Experience during implementation of the two subprogrammes had highlighted the close relationship between them and that shelter policies and programmes could only be implemented within the context of coherent and broader human settlements policy frameworks, while shelter development is an

indispensable part of sustainable human settlements development. The creation of Subprogramme 2, Monitoring the Habitat Agenda under the newly elevated Urban Secretariat Division was largely a response to the designation of the United Nations Human Settlements Centre as the focal point for monitoring the implementation of the Habitat Agenda in cooperation with other funds, programmes and agencies (GA resolution A/56/206). The new division is responsible for reviewing as well as monitoring and assessing progress made in implementing the Habitat Agenda.

67. One of UN-HABITAT's core functions is to provide advisory services and implement human settlements projects and programmes at the request of member states. A new subprogramme, Subprogramme 3, Regional and Technical Cooperation, was established in response to many calls by both the Commission on Human Settlements and the General Assembly for strengthening of technical cooperation (the latest being resolution 56/205 and S-25/2).

68. The establishment of Subprogramme 4, Human Settlements Financing, was a response to General Assembly resolution 56/206 that called on UN-HABITAT to strengthen the main objective of the United Nations Habitat and Human Settlements Foundation of supporting the implementation of the Habitat Agenda. This includes supporting shelter and related infrastructure development programmes, as well as strengthening housing finance institutions and mechanisms, as clearly outlined in General Assembly Resolution 3327 that established the United Nations Habitat and Human Settlements Foundation. The ability of UN-HABITAT to mobilize resources from donor countries and from other parts of the United Nations system, multilateral financial institutions and the private sector for the provision of seed capital and the financing of operational human settlements projects and programmes is pivotal to the successful implementation of the Habitat Agenda.

C. UN-HABITAT and the Millennium Development Goals

69. UN-HABITAT has been officially mandated by its Governing Council to implement and monitor the goal on achieving significant improvement in the lives of at least 100 million slum dwellers by the year 2020 and also the goal on sustainable access to safe drinking water, as agreed in the United Nations Millennium Declaration.

70. UN-HABITAT is in a unique position to respond to this request, given its on-going activities and its capacity to include the MDGs in its activities that totally cover the four components of the UN MDGs Core Strategy: analysis, campaigning, operational activities and monitoring.

71. The activities of UN-HABITAT match indeed adequately with this Core Strategy and have enabled the organization to engage in a permanent effort to streamline further the MDGs in its programmes.

72. The *analysis* and normative activities of the organization are consolidated through the production of two flagship reports: the Global Report on Human Settlements and the State of the World Cities Report. Produced every other year on an alternating basis, the twin reports are supported by intensive global monitoring activities, applied research, the development and testing of indicators, and the dissemination of best practices. See also paragraph 94.

73. The Global Campaigns within UN-HABITAT (Global Campaign for Secure Tenure and Global Campaign on Urban Governance) have helped to give focus to the normative functions of the organization and to engage into intense **campaigning** activities, in line with the MDGs, both at global and country levels. The two global campaigns aim at increasing the capacity of local governments and other stakeholders to practice improved urban governance through awareness raising and advocacy, as well as improving the conditions of people living in slum areas by promoting security of their residential tenure.

74. Regional offices are the **operational** arms of UN-HABITAT and an essential element in mainstreaming human settlements issues in national development agendas particularly for implementation of the Millennium Development Goals. At country level, regional offices are promoting policy reforms, building adequate institutional and human capacities, engaging in large scale demonstration projects.

75. Implementing and **monitoring** the goal of the United Nations Millennium Declaration on improving the lives of slum dwellers requires detailed knowledge of the extent of such poverty. The monitoring activities within the Urban Indicators Programme are expanding to cover 350 cities selected from a global sample of cities.

76. Achieving significant improvements in the lives of at least 100 million slum dwellers requires large financial resources. UN-HABITAT's strategy focuses on leveraging financial resources from both international and domestic sources by, stimulating innovative approaches to pre-investment and project preparation. UN-Habitat is looking at specific instruments and programmes that could be financed by the international community to play a catalytic role in mobilising domestic resources from both public and private sectors for programs serving the urban poor.

77. Coordination within the UN system and partnership with all relevant stakeholders is a major feature of this strategy. It not only answers the request of the UN Millennium Strategy, it is a sine qua non condition to ensure that the efforts of UN-HABITAT, state members and other partners are sustainable and fruitful.

D. Gender Mainstreaming

78. The Gender Policy, which was first developed in 1996, and then revised in 2001, has two main objectives, (i) gender mainstreaming into all programmes and activities of UN-HABITAT and (ii) women's empowerment. It provides the gender equality policy framework for UN-HABITAT and its partners and has contributed towards strengthening gender mainstreaming and women's empowerment programme of UN-HABITAT. During this evaluation period, two branches in collaboration with the Gender Unit, prepared policy papers to facilitate understanding of gender and women's issues in urban governance and secure tenure. The new strategic vision for UN-HABITAT (2003) emphasizes that women's empowerment will be used as measure/indicator for success. The Work Programmes had a specific focus on gender and women's empowerment, and strengthening of women's networks. Research was undertaken in selected countries to study issues related to land and property rights. The findings of these studies are useful for policy and advocacy purposes and for development of projects and programmes aimed at improving secure tenure, land rights and housing development for women. The programme on awards and competitions for women friendly cities and gender responsive local governments in Latin America continued with success, and has been

replicated in Asia. Some women's organizations were also supported, particularly, the Huairou Commission, and Groots International to undertake local-to-local dialogues.

79. Although a number of staff does not have the necessary skills to mainstream gender, there is an attempt across the organisation to implement the gender policy. Some Branches adopted gender-mainstreaming strategies such as water and sanitation, Disaster Management and Safer Cities. A gender task force comprising volunteers functioned as a useful mechanism for strengthening gender mainstreaming in various programmes. It could be more effective, if all Units were represented, it was regularized, and all members were assessed and rewarded for their work. An organisational gender action plan is yet to be finalized. UN-HABITAT regional offices, which have gender focal points, have spearheaded action at country level and through NGOs who are Habitat agenda partners. Since 2003 Habitat Programme Managers have been recruited in selected countries, and with proper orientation and capacity building these Habitat Programme Managers might work to promote gender mainstreaming at the country level. Linkages between UN-HABITAT and national women's machineries were weak, and this should be changed.

80. On the whole there are gaps in implementation of the gender policy and this is partly attributed to the lack of gender analysis, planning and programme budgeting skills for most staff. The question most frequently asked by staff is "how to mainstream gender into activities and programmes". According to the Gender Evaluation Report, April 2003 only three UN-HABITAT programmes had gone through specific gender training, while the rest were left without training in the different thematic areas.

81. To address this, a capacity building programme is planned to take place during the current biennium. The main challenge is how to sustain gender mainstreaming so that it becomes a given during planning and implementation of operational activities. Gender mainstreaming guidelines provided within the Project and Programme Cycle Management Manual should be effectively utilized, and the Gender Mainstreaming Unit could backstop some operational activities. A number of project proposals that are submitted to the Project Review Committee for approval carry a sentence or phrase that 'gender or women and other vulnerable groups will participate - or special consideration will be given to women and children; but when it comes to monitoring implementation a number of programmes are not able to explain and illustrate how gender issues are mainstreamed into programmes and projects. The gender indicators are inadequate. Although, the Monitoring Branch is trying to incorporate gender indicators as part of the urban indicators program and the household surveys, much more remains to be done.

82. In 2003, the Gender Mainstreaming Unit initiated a pilot project on empowering urban women entrepreneurs through housing development and land rights in Uganda and Tanzania, within the context of secure tenure and slum upgrading. Working in collaboration with relevant UN-HABITAT branches, government departments and municipalities at the national level, the purpose is to illustrate promotion of women's empowerment in practice. After the pilot phase, it is expected that operational branches will take on this activity and may consider replicating it in other areas. Others are wondering whether the Gender Unit, which is essentially a normative Unit, should get involved in operational activities. Experience has shown that this is well within the normal range of activities, which Gender Units can undertake in the short term.

83. Overall monitoring and evaluation of gender mainstreaming need strengthening - perhaps coordinated efforts involving the Office of Internal Oversight, UN Division for the advancement of women, gender focal points in UN entities can help. A policy decision needs to be taken, and if possible, monitoring mechanisms - including gender impact assessments are introduced into the IMDIS to which all UN entities subscribe.

84. The resources for the Gender mainstreaming Unit are mainly donors driven, as not much is obtained from the Foundation fund for core programs. Consequently, when DANIDA pulled out of UN-HABITAT in 1999 the Gender Programme suffered because of reduced funding. Therefore support for regional activities and women's networks has significantly dropped.

85. After the revitalisation process within UN-HABITAT in 2001, the distribution of UN-HABITAT women professionals and senior staff is as follows: out of 159 Professional staff, 50 are women (31,45%), and 109 are men (68.55%), and out of 20 senior Staff, 4 are women (20%), and 16 are men (80%). The increase in the number of women to higher posts within the organisation has facilitated the implementation of the gender mainstreaming strategy in all programmes and activities.

E. Monitoring and Evaluation

86. UN-HABITAT monitoring and evaluation functions are coordinated by the Monitoring and Evaluation Unit. To ensure much autonomy, the Unit is placed in the Office of the Executive Director. It is presently staffed with one professional staff at P-4 level, one support staff at G-6 and a secretary at G-5. Efforts have been on going to strengthen UN-HABITAT Monitoring and evaluation (M&E) systems. The efforts aim to ensure (a) improvement of the organizational accountability and to help programme managers monitor continuously their progress towards planned objective and realizing the expected accomplishments (b) promotion of evaluative knowledge and improvement of development interventions through lessons learnt (c) establishment of a system for centrally managed evaluations within UN-HABITAT (d) monitoring and evaluation functions are aligned with results-based management.

87. Strengthening the role of internal self-evaluation would enable the organization and member states to engage in systematic reflections, to increase effectiveness of the programmes and projects of the organization. UN-HABITAT evaluation plans are formulated by Programme Managers and approved by the Executive Director.

88. Apart from the use of on-line Integrated Monitoring and Documentation Information System (IMDIS) that monitors the implementation of the UN biennium programme of work for all UN agencies, UN-HABITAT has taken the initiatives to lay a foundation for assessing results of its interventions and to strengthen its internal self monitoring and self evaluation activities. Recent initiatives include:

- Effective April 2003, Executive Director of UN-HABITAT approved a minimum budget provision of 2% to be incorporated within all project budgets of the Habitat and Human Settlements Foundation and Technical Cooperation Trust to strengthen monitoring and Evaluation activities and information activities.
- *Monitoring and Evaluation Guide (2003)*, as a tool to strengthen the results-oriented monitoring and evaluation functions within UN-HABITAT was developed. The Guide

assists staff and consultants involved in the design and implementation of the monitoring and evaluation of UN-HABITAT programmes and projects to monitor, determine the implementation, effectiveness and relevance of UN-HABITAT interventions.

- Monitoring and evaluation functions have been clearly integrated into project and programme management, *"The Project and Programme Cycle Management Manual (2003)"* details how monitoring and evaluation are streamlined in overall project cycle.
- Database system is being developed in the Office of the Executive Director to support the role of monitoring and evaluation, tracking progress and providing data for reporting purposes.
- To ensure that monitoring and evaluation functions are aligned with results-based management, training workshops were provided to UN-HABITAT project managers and RBB Focal Points in November 2003.
- For accountability and transparency, at least four broad-based independent evaluations are to be undertaken per year by external consultants but managed by the monitoring and evaluation unit. Reports will be published on UN-HABITAT website and hard copies distributed widely.
- A number of self-evaluation activities were conducted and implemented by Programme Managers including forward-looking evaluation of gender mainstreaming in UN-HABITAT (2003), evaluation of Global Urban Observatory statistics and Urban Indicators Programme (2001), UN-HABITAT Programmatic Self-evaluation (2002), evaluation of the Safer Cities Programme in Durban, South Africa (2003).

89. Although a central charge of 2 % to all projects was introduced by March 2003 to help cover the costs of the Unit, it still remains under-resourced. The budget for monitoring and evaluation activities for 2004-2005 biennium gets to US \$850,000, but the 2 % percent budget can only cover 10% of the required funding. There is a need of obtaining more financial resources. It is suggested that in future, allocation of resources for evaluation activities should be included in programme budgets.

90. There is a challenge of developing appropriate indicators to monitor the achievements in the areas of secure tenure and urban governance. Also, there is a need of updated training to cover all aspects of programming, results-based budgeting and practice of self-evaluation.

F. Monitoring urban conditions

91. The Urban Secretariat is responsible for monitoring the implementation of the Habitat Agenda and more generally the evolution of urban conditions around the world. The sections responsible of different types of monitoring were merged in 2001, as the Statistics and Tools Section went under the umbrella of the Global Urban Observatory. Furthermore, the overall hierarchy of the monitoring and research function in the Agency was elevated and the Urban Secretariat transformed into the Monitoring and Research Division.

92. Within this framework of organizational change and learning, the GUO's capacity increased, with staff regularization and the addition of new staff. Based on the recommendations of the evaluation (August 2001) the GUO's strategy to monitor the Habitat Agenda underwent a major reform. Originally, the compilation of indicators and statistics were mostly outsourced. This approach changed to the more direct involvement of the GUO, in determining methods, capacity building and the harvesting of indicators and statistics.

93. The emerging need to monitor the MDG Target on slum dwellers led to the creation of another programme entitled the Monitoring of Urban Inequities (MUIP), along with the revised strategy of the Urban Indicators Programme, at its Phase 3. GUO started implementing a global system to monitor the MDGs, by facilitating a consensus on the definition and classification issues, regarding the measurement of slums, among the international urban development community. Two master samples were selected, 350 and 35 cities, respectively for Urban Indicators, and the MUIP. A phased plan to implement the Urban Indicators Phase 3 were made. Abridged versions of Urban Inequities Surveys were implemented in six of the 35 cities of the MUIP. GUO became a visible partner at the inter-agency bodies on monitoring, due to the MDG link and to a more proactive monitoring strategy.

94. Another significant achievement of GUO is the role it played on the flagship reports of the UN-HABITAT, and on other reports of the UN system, in general. It produced the *State of the World Cities Report 2001 (SWCR)*, provided the key messages on the magnitude and regional distribution of slums, for the *Global Report on Human Settlements, 2003*, the box on Target 11, for the *Human Development Report 2003*, the two main chapters of the *SWCR2004*.

95. The main constraint faced by the Urban Secretariat is the lack of resources. A substantial part of the GUO staff salaries are still paid by the project funds, which in turn does not leave sufficient earmarked funding for activities.

G. Partnership with Local authorities and Civil Society

96. During 2000 - 2003, UN-HABITAT worked closely with local authorities and their international associations. Thus, the United Nations Advisory Committee of Local Authorities, was launched by the Executive Director in January 2000 and meets bi-annually. In June 2001, during the special session of the General Assembly in 2001 for an overall review and appraisal of the implementation of the Habitat Agenda, the Secretary-General declared UN-HABITAT the United Nations focal point for local authorities. In August 2002, in their political declaration to the World Summit on Sustainable Development held in Johannesburg, South Africa, the local authorities associations designated UN-HABITAT as their link to the United Nations.

97. At the same time, technical collaboration with local authorities and their associations was facilitated through a number of UN-HABITAT projects, global programmes and global campaigns. Prominent and successful examples of these new joint activities include the work on city-to-city cooperation and the joint preparation of the World Summit on Sustainable Development, involving close collaboration between UN-HABITAT, the United Nations Advisory Committee of Local Authorities and the World

Associations of Cities and Local Authorities Coordination. Many capacity-building projects of UN-HABITAT are targeting local authorities, in all regions of the world.

98. The funding of city-to-city cooperation and more generally of the cooperation between UN-HABITAT and international associations of local authorities has however been problematic in spite of supportive resolutions 17/18, 18/11 and 19/12 of the Governing Council. Central Governments have been reluctant to support financially the international activities of their local governments.

99. A number of local authorities are directly supporting UN-HABITAT activities, both technically and financially. The most prominent are Dubai municipality, co-organizer and sponsor of the Best Practice International Award; Fukuoka municipality, which supports the Regional Office for Asia and the Pacific; Rio Municipality, which supports the Regional Office for Latin America and the Caribbean; and Barcelona municipality, co-organizer of the second session of the World Urban Forum, scheduled to be held in September 2004.

100. The adoption in December 2003 by the General Assembly of the new rules of procedure of UN-HABITAT's Governing Council constitutes a breakthrough in the participation of local authorities in the UN inter-governmental machinery. Rule 64 stipulates that accredited representatives of local authorities may participate in the deliberations of the Governing Council (without the right to vote). This rule confirms that UN-HABITAT is the entry point to the UN system for local authorities. UN-HABITAT is preparing new initiatives (such as the Global Observatory of Local Democracy) to fulfil this mandate, in cooperation with the new world organization of "United Cities and Local Governments".

101. A more detailed presentation of the broad cooperation of UN-HABITAT with local authorities is provided in the Spring 2004 issue of Habitat Debate.

102. Over the period 2000-2003, the main focus of cooperation and collaboration with non-governmental organizations and other Habitat Agenda partners was on the implementation of the UN-HABITAT global campaigns for security of tenure and good urban governance and on the global monitoring of urbanization trends. The partnerships established with parliamentarians, the private sector and the youth, in addition to the traditional non-governmental organization (NGO) partners of UN-HABITAT, have been strengthened. The establishment in 2002 of the Partners and Youth Section will enhance UN-HABITAT engagement with its partners. The existing civil society organization database of UN-HABITAT contains detailed information on 3,100 NGOs.

103. Habitat Agenda Partners were engaged in the intergovernmental processes and global events of relevance to UN-HABITAT in addition to the system-wide engagement of partners in UN-HABITAT. Over the last two years, UN-HABITAT has also focused its cooperation with non-governmental organizations on major umbrella groups and networks. While the engagement with the private sector needs further strengthening, the local authorities are already extensively integrated in UN-HABITAT's work. (See above).

104. The implementation of the Governing Council resolutions related to the youth adopted at the 17 and 18 Sessions of The Commission of Human Settlements have further mainstreamed the focus on youth in UN-HABITAT'S programmes.

105. At its special session for the review and appraisal of the implementation of the Habitat Agenda, held from 4 to 6 June 2001, the General Assembly facilitated the accreditation of a further 450 non-governmental organizations, in addition to the 2,140 organizations already affiliated to UN-HABITAT during the Habitat II Conference, held in Istanbul in 1996.

106. The first session of the World Urban Forum, held from 29 April to 3 May 2002, was attended by over 500 non-governmental organizations, constituting half of all the participants at the event.

107. The regional offices have also been actively establishing partnerships with community based organisations, local authorities including the elected representatives at the local level.

108. While major gains have been registered during 2000-3 in implementing the programme by engaging Habitat Agenda partners, human and financial resource constraints have been the factors that have limited the achievement of better results in partnership activities. It is being realised that promoting active participation in international fora such as the World Urban Forum and the Governing Council is as important as the system-wide and continuous engagement of the Habitat Agenda Partners. This two pronged approach needs to be continued.

G. Relationship between Normative and Operational Activities

109. The revitalisation of UN-HABITAT envisaged that it would become a normative agency. At the 18th Session of the Commission on Human Settlements, the term norm was defined as "generally accepted standards, guidelines or principles... ." Furthermore, the Commission called upon "Governments, in collaboration with civil society partners, within the framework of their legislation, to initiate and encourage dialogue and consideration of norms of secure tenure and urban governance at all levels and to share their experiences with the Centre for further appropriate action". The norms to be propounded were those associated with the urban governance and secure tenure campaigns, which were regarded by the Commission as "strategic entry points for the implementation of the Habitat Agenda".

110. One of the issues posed by the agency's adoption of a normative approach is the role of operational activities. Many normative agencies within the UN system interpret their mission as being that of setting standards and guidelines, and advocating for their adoption, without taking on any operational responsibilities for their implementation. In contrast, UN-HABITAT has historically undertaken field operations with the objective of improving the lives of urban dwellers living in poverty. These activities typically entail capacity building to improve the capabilities of local instrumentalities to deliver public services. These services are provided either by UN-HABITAT's regional offices and/or headquarters based programmes. The question to be addressed is, are these operational activities compatible with the agency's normative remit.

111. On 9 May 2003 the Governing Council of UN-HABITAT adopted resolution 19/7 on Regional and Technical Co-operation. This resolution acknowledges that UN-HABITAT is the lead agency in all areas of shelter and human settlements and has responsibility to promote, facilitate and provide technical co-operation to developing countries and countries with economies in transition. It also emphasizes that the complementarity and synergy between operational and normative functions constitute a

major asset and comparative advantage of UN-HABITAT. Resolution 19/7 requests the Executive Director to strengthen the regional presence and co-operation of UN-HABITAT, in the framework of a continuous updating of the regionalization strategy outlined in document HSP/GC/19/INF/9. In its paragraphs 5 and 6, it provides substantive guidance to UN-HABITAT's future operational activities which should be:

- closely associated with the global campaigns;
- focused on the MDGs (slums, water and sanitation) and on capacity-building in support of sustainable urbanization policies;
- specifically devoted to human settlements needs in the reconstruction of countries affected by disasters.

112. Most operational programmes, with or without modification, can be linked to the normative messages of both campaigns. There is little difficulty in revising their objectives to conform to campaign norms, and field activities can be seen as demonstration projects illustrating the practical relevance of the norms. The principal challenge in reconfiguring programme architecture relates to the gleaning of normative products from field experience – good policies, tools, guidelines etc. Some programmes have found it more difficult than others to shoulder the new burden, in particular where this entails collaboration across programme boundaries, but by and large they have managed to do so, although issues remain to be addressed.

113. The other task to be addressed by programmes is to scale-up experiences. As a normative agency there has to be a global impact, and field projects that have circumscribed geographical coverage have less relevance. A stand-alone field activity can rarely be justified. Thus programme field activities have to be ordered so as to have a multiplier effect spreading well beyond initial activity boundaries.

114. These challenges also apply to regional office operational activities, but with additional complications. Programmes can rely to a large extent on earmarked donor funding to meet salary and associated fixed costs. Regional offices have to generate income from field activities to meet these costs, agency core resources being insufficient to do this. This makes it much more difficult to remain within the domains of the normative focus areas of secure tenure and urban governance as funders of field projects may have priorities other than those of UN-HABITAT. This may inhibit promotion of the Programme's normative agenda. Furthermore, funders of field projects, especially if they have a country-specific remit, may have limited interest in financing the lessons learned from operations as inputs into the further development of norms, policies, tools etc. Of course, tools and policy guidelines developed in other parts of the agency are selling points for operational activities and often lead to opportunities in our normative focus areas that may not have otherwise been contemplated by donors.

115. Thus, the agency's funding structure may have the effect of reducing the regional offices' involvement in its normative agenda, regardless of the commitment of the individual staff members. Means have to be found address this by diversifying funding sources away from dependence on traditional financiers of field projects, so that regional offices can fulfil their natural role as advocates for UN-HABITAT's normative agenda in the regions, a duty headquarters cannot fulfil.

H. Inter-Agency Collaboration

The World Bank

116. The Cities Alliance was launched in 1999, with initial support from the World Bank and UN-HABITAT, the political heads of the four leading global associations of local authorities and 10 Governments—Canada, France, Germany, Italy, Japan, the Netherlands, Norway, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States of America. The Asian Development Bank joined the Cities Alliance in 2002 and UNEP joined in 2003. UN-HABITAT is active in the Cities Alliance at both the policy level, as a member of the Consultative Group, and in the field, where its regional offices are instrumental. The Executive Director of UN-HABITAT is co-chair of the Cities Alliance, with the Vice President for Infrastructure of the World Bank.

117. The Cities Alliance is "a global alliance of cities and their development partners" committed to improve the living conditions of the urban poor through action in two key areas:

- City development strategies through which local stakeholders define their vision for their city, analyze its economic and social prospects and establish clear priorities for actions and investments; and
- City wide and nation-wide slum upgrading to improve the living conditions of at least 100 million slum dwellers by 2020 in accordance with the Cities Without Slums action plan.

118. UN-HABITAT, as a founding member of the Cities Alliance, has influenced the work of the Cities Alliance on preparation of guidelines and strategies. UN-HABITAT was involved in preparing the initial action plan for CDS and has prepared guidelines on City development strategies. City Development Strategies are seen by UN-HABITAT as an urban component of national poverty reduction efforts. Slum upgrading plans should be developed within the overall framework of pro-poor City Development Strategies. As a result of UN-HABITAT's efforts, the Cities Alliance has now defined City Development Strategies as "an action-plan for equitable growth in cities, developed and sustained through participation, to improve the quality of life for all citizens."

119. The Executive Director of UN-HABITAT has taken a leadership role in the Cities Alliance initiative, playing a coordinating role vis-à-vis multilateral and bilateral members of the Alliance. The consultative group met annually during the period under consideration, in Montreal (June 2000), Kolkata (December 2001), Brussels (October 2002) and Sao Paulo (October 2003) under the co-chairmanship of UN-HABITAT and the World Bank. The Chairman of the Commission on Human Settlements was invited to attend these meetings to provide the general views of the Governing Council, particularly those of developing countries. In addition the Policy Advisory Board of the Cities Alliance gathers eminent experts able to present the experience and needs of developing countries.

120. In financial terms, the Cities Alliance has mobilised over \$60 million in grant funding since its inception. These funds are used to support preparation of pro-poor city development strategies and large-scale slum upgrading programmes, as operational extensions of the global campaigns on urban governance and secure tenure respectively.

121. An independent evaluation of the Cities Alliance took place during 2002 which praised the Alliance's achievements, particularly placing the issue of urban poverty and slums on the international agenda and improving collaboration among Alliance members, including between UN-HABITAT and the World Bank. The shared activities of the two organisations in the Cities Alliance have significantly contributed to improved collaboration between the two organisations more generally. As an example of this improved collaboration the World Bank participated actively in the first session of the World Urban Forum while UN-HABITAT was also well represented at the Urban Research Symposium hosted by the World Bank in December 2002 and again in December 2003. The two agencies are collaborating closely in the Millennium Task Force on Slums and on an increasing number of operational activities. Notable areas of collaboration have included activities in different parts of the world such as Brazil, Nigeria, the Philippines and Viet Nam.

122. At the global level, the two organizations have been instrumental in raising the profile of the urban agenda. Through this partnership, the plight of slum dwellers was highlighted by the inclusion, in the Millennium Declaration, of the target to improve significantly the lives of at least 100 million slum dwellers by the year 2020. This target was instrumental in contributing to the decision of the United Nations General Assembly to upgrade UN-HABITAT and has also been used by countries like Norway to articulate a cooperation policy aimed at reducing urban poverty.

123. This closer working relationship has been cemented through the secondment from UN-HABITAT of a senior manager to the World Bank, to strengthen the capacity of the Cities Alliance secretariat and to manage and expand its urban upgrading portfolio.

124. Collaboration has also increased in reconstruction activities, particularly in countries such as Afghanistan (National Solidarity Programme) which are in need of renewed development assistance, combining UN-HABITAT technical and social expertise with World Bank investments.

United Nations Development Programme

127. In 2002, UN-HABITAT signed a memorandum of understanding with the UNDP to place national Habitat Programme Managers in selected countries where there are or may be UN-HABITAT activities at national and local levels. The increased presence at country level will enhance UN-HABITAT's influence in the policy process, particularly for ensuring incorporation of shelter and urban issues in the UN assistance frameworks and in poverty reduction strategy papers and for monitoring UN-HABITAT programmes and projects. The clear advantage to the United Nations system of having a UN-HABITAT country presence is in its focus on issues of urbanization, shelter and local governance, which are largely overlooked by United Nations organizations, including UNDP. This gap is usually noted by the absence of a national urban policy or of an urban component in internationally assisted country development strategies. With a UN-HABITAT in-country presence, facilitated by UNDP, urban poverty reduction should receive greater consideration both in the planning and in the allocation of resources.

128. A total of 33 HPM's are expected to be in place in 2004 at an estimated yearly cost of USD 2.2 million to cover the salary costs and some logistic and operation expenditures. Eleven (11) HPM's have been recruited up to March 2004, 22 others are in process of being recruited. It has to be mentioned that HPMs report to regional offices but work for all Divisions of UN-HABITAT. Funding for HPMs is therefore being

mobilized from Global Programmes such as Water for African and Asian Cities, UMP, the Cities Alliance, as well as the Habitat Foundation (USD 780,000), the Technical Cooperation Overhead Account (USD 300,000) and possibly bilateral or multilateral resources. The yearly expenditures are expected to decrease progressively through increased project funding at country level which could cover part of HPM costs.

Other agencies

129. As a fully fledged United Nations Programme, UN-HABITAT plays a more forward-looking role in addressing new challenges, promoting new partnerships and facilitating contacts and cooperation, including information exchange and policy support to Habitat Agenda partners at the international, national and local levels. UN-HABITAT has also expanded its work with key partners in the United Nations system including, the United Nations Environment Programme (UNEP), the Office of the United Nations High Commissioner for Human Rights (UNHCHR), the International Labour Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Department of Peacekeeping Operations of the United Nations Secretariat, the Office of the UN High Commissioner for Refugees (UNHCR), the UN Institute for Training and Research (UNITAR) and UN Regional Commissions.

130. Recognizing the need to support sustainable development initiatives in cities, in a decision¹ taken during its twenty-first session, in February 2001, the UNEP Governing Council called upon the Executive Director of UNEP to strengthen collaboration with UN-HABITAT, including through joint projects and complementary programmes of action. In that connection, UNEP and UN-HABITAT have been working closely together, through the Sustainable Cities Programme, to implement both Agenda 21 and the Habitat Agenda and to support cities in developing innovative and integrated approaches to sustainable urban development and through the Water for African Cities Programme to support better water management in a number of African countries.

131. In pursuit of new partnerships and as an innovative resource mobilization strategy, UN-HABITAT has signed a memorandum of understanding with the Asian Development Bank to secure support for water and sanitation in Asian cities. The Water for Asian Cities Programme envisages a flow of US\$10 million in grants from ADB and UN-HABITAT for the first two phases, and US\$500 million in ADB loans for water and sanitation projects in cities across Asia over the next five years. Additional funding for Water for Asian Cities has also been made available to UN-HABITAT by the Netherlands.

I. UN - Regional Commissions

132. The roles of the UN-Regional Commissions in the human Settlements Programme include those of formulating, supervising and implementing regional and sub-regional human settlements policies, programmes and projects, especially regional training programmes and assisting governments of countries in the region in the formulation of their requests for assistance from appropriate bilateral and multilateral bodies.

133. Regional Commissions were originally to establish regional intergovernmental committees on human settlements comprising all member countries of the region. The regional committee was expected to be served by a unit of the secretariat of the regional commission established for this purpose. UN-HABITAT supported these regional commission units with some staff resources up to the 1990s.

134. These intergovernmental committees were expected to co-ordinate their activities with those of the Governing Council of Human Settlements and report to it through the respective regional commissions.

135. Indeed, to ensure appropriate co-ordination, the biennial human settlements work programmes of the Regional Commissions were required to be submitted to the sessions of the Governing Council of UN Human Settlements for integration into UN system work on human settlements. This practice seems to have petered out with years. (Regional Commissions still submit their approved work programmes on human settlements to the Governing Council, see HSP/GC/19/BD/1).

136. The subsequent **Habitat Agenda** (paragraph 221) had however revived the role of the Regional Commissions by underlining that,

"... The regional commissions within their mandates and in cooperation with regional intergovernmental organisations and banks could consider convening high level meetings to review progress made in implementing the outcome of Habitat II, to exchange views on their respective experiences, particularly on best practices, and to adopt appropriate measures ..."

137. 103. The General Assembly of the United Nations in its consideration of the implementation and follow-up to the outcome of Habitat II (A/51/384) underlined that the regional commissions are well placed to monitor and support sustainable human settlements development activities that are relevant to the specific context of each region and to exercise a coordinating and integrating role in furthering implementation of the Habitat Agenda at the regional level. It defined the primary responsibility of the regional commissions as those of providing advisory services and strengthening regional networks by which member states may exchange experiences and information and harmonize national economic, social, environmental and settlement policies and strategies - in particular those that have critical cross-border impacts.

138. It is however to be noted that in recent years, most of the five UN-Regional Commissions have not had any distinct programmes on human settlements or have reduced it to very low priority, or subsumed it under broader sustainable development programme issues. This has meant less resources being invested in human settlements development and management in the regions, resulting in exacerbation of human settlements problems.

139. The Human Settlements programme ought to be revised and strengthened within the UN-Regional Commissions.

J. Programming Resources, Earmarked and non-earmarked contributions

140. UN-HABITAT has three primary sources of funding namely, (a) **United Nations Regular Budget**, (b) **Technical Cooperation** (c) **United Nations Habitat and Human Settlements Foundation**.

141. **The Regular Budget** appropriation is approved by the General Assembly and falls under Section 13 and Section 21 of the overall UN Regular budget. The Regular

Budget appropriation constitutes approximately 6% of the overall UN-HABITAT budget and the average amount over the previous three biennium has been US\$ 14.7 million.

142. **The Technical Cooperation** resources have been primarily from funding agencies such as UNDP, Office of Iraq Programme (OIP) and voluntary contributions from Governments. The average expenditure budget during the last three biennium was US\$ 200 million and constituted 82% of the total UN-HABITAT budget and was mainly funded from OIP. Voluntary contributions from governments and funding agencies such as UNDP accounted for less than 20% of the Technical Cooperation resources. This funding is predominantly towards reconstruction activities at the country level. The governments and agencies funding these activities are limited in number.

143. **The United Nations Habitat and Human Settlements Foundation** contributions are voluntary in nature and fall under two major categories; (a) **General Purpose** and (b) **Special Purpose**. General purpose funds are voluntary contributions from governments to support the general implementation of the UN-HABITAT approved work programme. Special purpose funds are earmarked contributions from Governments and other donors for the implementation of specific activities consistent with UN-HABITAT's mandate.

144. The **General Purpose** contributions have increased by approximately 100% over the past three biennium from US\$ 7.2 million (1998-1999) to US\$ 14.3 million during the 2002-2003 biennium. The **Special Purpose** contributions on the other hand have also increased by over 100% from US\$ 18 million to US\$ 37.8 million during the same period. However, the General Purpose contributions have remained significantly lower than the Special Purpose contributions. In addition, over 60% of the General Purpose contributions are received from only four governments. .

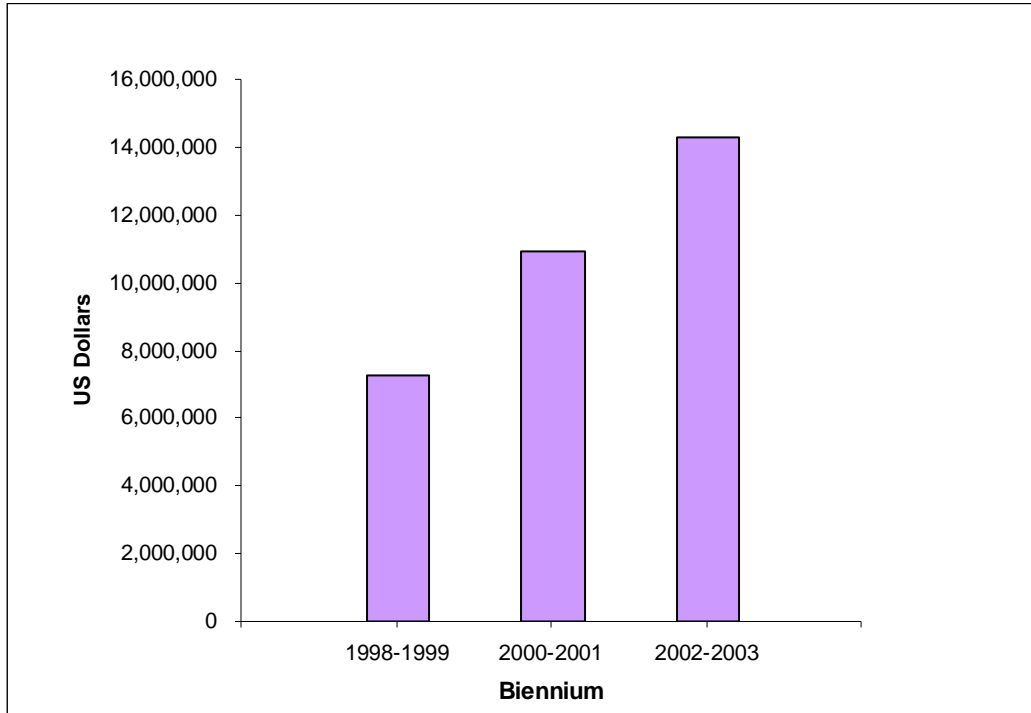
145. In principle, the Regular Budget appropriation together with the General Purpose contributions are more compatible with the implementation of a focussed UN-HABITAT work programme. While the Regular Budget appropriation has increased slightly and remains reliable, the General Purpose contributions although on the increase, remain fairly unpredictable.

146. It is worth noting that the general purpose contributions received towards the implementation of the work programme have fallen short of the proposed budgets during the respective biennium.

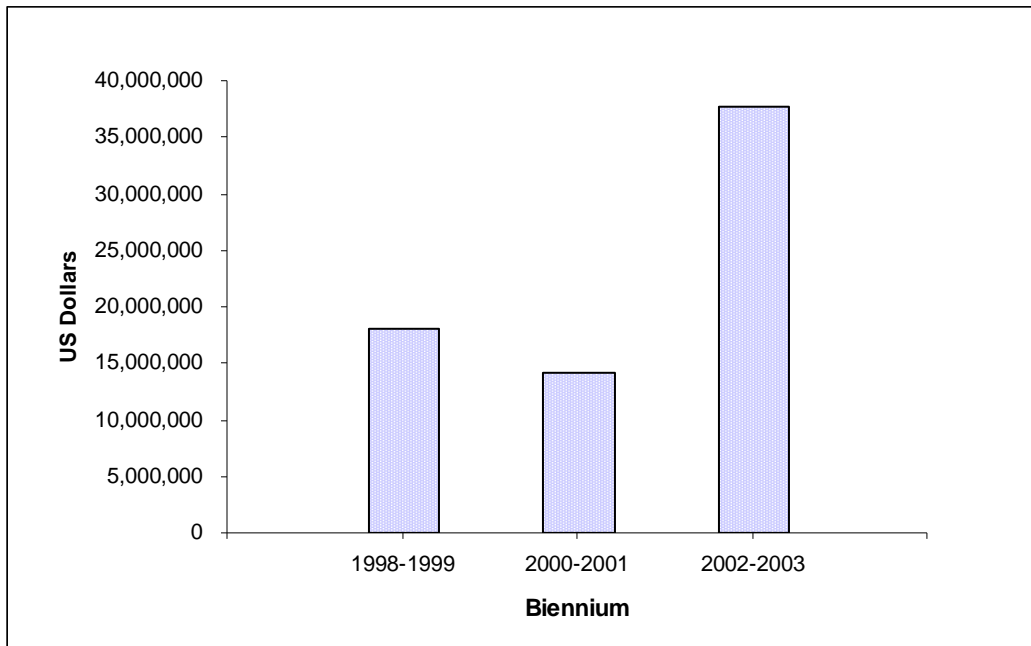
147. UN-HABITAT has therefore launched an aggressive campaign to solidify the financial base of the United Nations Habitat and Human Settlements Foundation in order to enable UN-HABITAT to improve on the delivery of its existing programmes and services as outlined both in the MTPs and work programme documents. The aim has been to widen the donor base, to increase the proportion of general purpose contributions and to promote confirmed multi-year pledges.

148. During the past year UN-HABITAT has also embarked on more innovative approaches to strengthen the Foundation resources. This has led to the signing of the Dutch Partnership Programme, the Water and Sanitation Trust Fund and the Palestinian Trust Fund. The contributions received towards these programmes are soft-earmarked, have a multi-year dimension and their activities complement the delivery of our work programme.

**CHARTS SHOWING THE UN-HABITAT AND UNHHSF
GENERAL PURPOSE CONTRIBUTIONS**



**UN- HABITAT AND UNHHSF
SPECIAL PURPOSE CONTRIBUTIONS**



K. Information Dissemination

149. The Information Services Section (ISS) is responsible for coordinating the UN-HABITAT information and communication activities. In 2003, in line with the Executive Director's objective to strengthen UN-HABITAT's public information, a new information strategy was drawn up which resulted in the consolidation of information activities. This consolidation aimed at improving the efficiency and effectiveness of UN-HABITAT's in raising awareness of human settlements issues, enhancing the image of the organization and its standing as the focal point for the UN's strategy on human settlements policy, and facilitating the global exchange of information between the organisation's key stakeholders.

150. As part of the strengthening of UN-HABITAT's information function, two new staff were recruited, the Editor and Chief of Section; the Press and Media Unit became part of ISS, and a new charging system was introduced to ensure funds for information and evaluation activities, whereby UN-HABITAT units are charged a 2 per cent tax to cover information and evaluation activities – of which information activities receive 70 per cent. After realigning the functions of the Section, ISS now consists of the following units:

Press and Media Unit – responsible for maximising press coverage of UN-HABITAT and human settlements issues through press releases, medial toolkits, press conferences and expanding its network of media contacts;

Editorial Unit – responsible for editing all print and electronic material aimed at external audiences including the Habitat Debate quarterly magazine;

Event Coordination, Design and Publications Unit – responsible for coordinating and promoting major events, particularly World Habitat Day and the World Urban Forum; for the design and layout of external publications ensuring that they are consistent UN-HABITAT's unique corporate identity; and for the coordinating the production, marketing, sales and distribution of the Agency's publications;

Electronic Publishing and IT Unit – responsible for maintain UN-HABITAT's public website, managing the development of UN-HABITAT specific IT systems and ensuring that the organization has the appropriate IT infrastructure to support its work; and

Records and Archives Unit – responsible for providing reference/library facilities to staff and visitors to the UN Library in Gigiri and for establishing an archives system for the preservation of institutional memory.

151. In 2003, ISS focused on the long-term strategy of building a sound information infrastructure to support information and communication activities but also achieved significant improvements in awareness raising activities and information exchange with partners. Major achievements include:

152. Development of a UN-HABITAT Intranet accessible to all staff at and away from Headquarters. This provides a central knowledge base, which is searchable, and allows staff to add to and/or easily access documents that are relevant to their work. It also significantly improves efficiency by drastically reducing the amount of staff time in finding information;

- Development of a new Publications Policy, currently being finalised and supporting systems, to improve the planning, monitoring and production of UN-HABITAT's publications, and establishing an effective mechanism for marketing, selling, distributing and improving availability and accessibility to the organization's publications;
- Re-establishment of the UN-HABITAT library in collaboration with UNEP. The UN-HABITAT book collection is now consolidated in one place and is being indexed and catalogued so that it is easily accessible to staff and visitors to the UN Library. The collection is also being added to with new books;
- Provision of a virtual library on the Intranet which gives staff access to electronic journals, databases, and other reference materials relating to human settlements, development and urban issues;
- Start development of a Records and Archives policy which will ensure preservation of institutional memory and enhance organizational learning;
- Increase in number of visitors to UN-HABITAT's public website by about 40,000 visitors per month;
- Wide press coverage of UN-HABITAT issues and in particular of the 2003 Global Report on Human Settlements and World Habitat Day;
- Wide participation of World Habitat Day celebrations – which took place in over 50 countries
- New design of the Habitat Debate quarterly magazine

153. Often, information and communication activities are still very much considered as subsidiary activities and in the first year, it proved difficult to mobilise the necessary funds to fund information activities, in spite of the introduction of a 2 per cent tax for information and evaluation activities. Ideas and best practices on how best to ensure sustainable funding of information activities because they are vital for raising awareness of key human settlement issues and for publicising UN-HABITAT's work thus ensuring sustainable funding and support for the organization.

Conclusion

154. During 2000-2003, the Human Settlements Programme went through a major revitalization process which strengthened UN-HABITAT considerably as the lead UN agency on shelter and sustainable urban development. A new vision was elaborated and endorsed by Governments and their partners. A new organizational structure was put in place. Staff were regularized. The financial situation of UN-HABITAT was radically improved. The confidence of Member States was re-gained as demonstrated by the elevation of UN-HABITAT to Programme status in December 2001. The role of the Programme in the inter-agency machinery increased and was acknowledged. The Governing Council and the Committee of Permanent Representatives worked more closely with the Secretariat, particularly in the organization of Istanbul +5, the sessions of the Governing Council itself and the preparation of the World Urban Forum. In brief, UN-HABITAT entered a new and stimulating phase in its historical development.

155. However the size and resources of the organization are far from being commensurate with the enormous challenges of the urban millennium. A lot remains to be done to help countries implement the Millennium Development Goals on slum upgrading, urban water and sanitation and local governance. Under the leadership of its Executive Director, UN-HABITAT should continue to fight for more political support and

resources in order to meet the expectations of all Habitat Agenda partners and to contribute more directly to the reduction of urban poverty.
