UNITED
NATIONS

HS

Commission on
Human Settlements

Eighteenth session
Nairobi, 12-16 February 2001
Item 5 (a) on the provisional agenda∗

**FOLLOW-UP TO THE UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS
(HABITAT II): LOCAL IMPLEMENTATION OF THE HABITAT AGENDA,
INCLUDING THE ROLE OF LOCAL AUTHORITIES**

Report of the Executive Director

Summary

The Commission on Human Settlements, in its decision 16/31 of 7 May 1997, decided to include in the agenda of its seventeenth session the special theme, "Local implementation of the Habitat Agenda, with particular attention to local Agenda 21s." In its decision 17/16 of 14 May 1999, the Commission on Human Settlements took note of the report of the Executive Director (HS/C/17/5) and requested the Executive Director to report on progress made at the local level in implementing the Habitat Agenda at the Commission's eighteenth session.

The present report reviews information available from national reports for the special session of the General Assembly for an overall review and appraisal of the implementation of the Habitat Agenda, progress reports prepared for regional preparatory meetings for the special session and local-level best practices from the UNCHS (Habitat) best practices database (http://www.bestpractices.org). Using the reporting format adopted for national reports, the present report is structured as follows: the introduction provides the rationale for local leadership in implementing the Habitat Agenda; chapter II reviews progress made by local authorities in implementing the 20 key commitments of the Habitat Agenda, according to the five broad themes of shelter, social development and poverty eradication, environmental management, economic development and governance; chapter III identifies lessons learned and makes recommendations for future action. The evidence presented indicates that globalization is increasing vulnerability to global shocks, particularly for the poor, and that strengthening the decentralization process is an effective means of responding to global challenges. The overwhelming conclusion of the report, therefore, is that strong local authorities are vital for the effective implementation of the Habitat Agenda. As a complement to the present report, a specific report (HS/C/18/3/Add.1) describes the efforts made to date to define an international framework which could guide national governments in their legislative reforms aimed at promoting decentralization and strengthening local authorities.

∗   HS/C/18/1.

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I. INTRODUCTION: THE NEED FOR EFFECTIVE LOCAL LEADERSHIP

1.   In implementing the Habitat Agenda, effective action at the local level is important for three main reasons. First, the world is becoming irreversibly urban. Although the pace of urbanization seems to be slowing, it is expected that by 2005, approximately 50 per cent of the world's population will live in cities. The local level, therefore, requires urgent attention.

2.   Second, and in relation to the above, is that action at the city level offers tremendous potential to address some of the most pressing developmental challenges, including poverty reduction, social equity and environmental sustainability. This argument also recognizes that the resources required to meet such challenges are becoming increasingly scarce. The effective mobilization and coordinated use of local resources has therefore never been more important.

3.   Third, the development and management of human settlements is, for the most part, the responsibility of local authorities and local stakeholders. A clear understanding of the roles, opportunities and constraints at each level of government and among all stakeholders, including the private sector and civil society, is vital for sound human settlements development.

II. LOCAL IMPLEMENTATION OF THE HABITAT AGENDA

A. Shelter

1. Issues and trends

4.   Several common issues and trends emerge regarding the role of local authorities in implementing the Habitat Agenda commitments related to access to shelter, land, finance and basic services. For instance, with the exception of most member countries of the Organisation for Economic Development and Cooperation (OECD), the demand for housing, land, finance and basic services in cities vastly outstrips the supply. The reasons for this vary, but include such factors as rural to urban migration, natural population growth, natural and man-made disasters that destroy housing stock and create refugees, increases in household formation, and, in several regions, the economic crises of the late 1990s. The negative impacts of these shortages are most acutely felt by the urban poor who are forced to live in informal settlements on marginal land and without access to such basic services as water supply and sanitation.

5.   A more positive trend is the accelerated decentralization of shelter and service provision to the local level. According to their national reports, Governments in most regions have accepted their "enabling" role and have prepared shelter strategies designed to be implemented by local authorities. These strategies are seen as key elements of national poverty reduction policies, particularly in Asia and Latin America, where they are designed to catalyse economic and social development.

2. Local implementation of shelter commitments

6.   Shelter commitments are being implemented through a number of strategies including: local authority partnerships with the private and civil society sectors; "self-help" strategies of the poor; granting security of tenure and reducing forced evictions; increasing access to microcredit; implementing land registration systems; and improving women's inheritance rights.

7.   While the private sector has readily stepped in to provide housing and related services for the middle- and upper-class in cities, the poor are often excluded. Local authorities in Poland, however, have established partnerships with a national network of 32 non-governmental organizations to develop new housing delivery

strategies, broker partnerships with the private sector, facilitate financing and provide technical support to small cooperatives.

8.   Organizations of the urban poor in cities such as Mumbai, Cape Town and Manila, operating under the umbrella of Slumdwellers' International, are adopting a "self-help" approach that relies on the strength of networks of women's savings groups to provide their own shelter and basic services. A key element of their strategy is to reduce the number of forced evictions through negotiations with city and state governments and provide security of tenure for the urban poor. Experiences in Latin America and the Caribbean and in African towns such as Voi, Kenya, indicate that the catalytic role of secure tenure is most effective when linked to community empowerment and a broader participatory community development process.1/

9.   Provision of local urban infrastructure and basic services is being gradually decentralized to local authorities. Since the 1997-1998 budget year, urban infrastructure grants in Indonesia have been channeled directly to local governments, with central government providing overall guidance and technical assistance. In Dhaka, Bangladesh, a participatory approach has been used to provide an integrated package of social and infrastructure services to the urban poor.

B. Social development and poverty eradication

1. Issues and trends

10.   The UNDP Human Development Report 1999 demonstrates that despite the significant advances in human development in previous decades, extreme poverty persists. Nearly 1.3 billion people do not have access to clean water. In developing countries there are still 60 per cent more illiterate women than men and an estimated 1.3 billion people live on incomes of less than $1 per day (purchasing power parity adjusted). Consistent with the process of urbanization, the world is witnessing the urbanization of poverty. Estimates of the number of urban poor range from 800 million to 1 billion, the majority of whom are women.

11.   The reduction and alleviation of poverty has emerged as one of the most pressing challenges of our time. In his Millennium Report: We, the peoples: the role of the United Nations in the twenty-first century [A/54/2000], the United Nations Secretary-General Kofi Annan declares that "extreme poverty is an affront to our common humanity." The Millennium Summit subsequently adopted the goal of halving the proportion of people living in extreme poverty by 2015. 2/

2. Local implementation of social development commitments

12.   At the local level, action taken to reduce and alleviate poverty includes: enabling the participation of women in decision-making and development processes; promoting the use of information and communications technology and training; and promoting social integration to realize more inclusive cities.

13.   Among a number of known good practices, the following are of particular interest. 3/ In Sevilla, Spain, partnerships between the city and the business community are used to provide training and employment to marginalized communities. Community information resource centres such as found in Alexandra, South Africa, provide information to the urban poor on jobs and their rights to national social welfare benefits. In Brisbane,

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1/   See HS/C/18/6: Security of tenure: report of the Executive Director.

2/   United Nations Millennium Declaration, A/55/2 of 18 September 2000, para. 19.

3/   See also HS/C/18/5: Lessons learned from best practices and partnerships in the achievement of adequate shelter for all and sustainable human settlements in an urbanizing world.

community development is promoted to reduce poverty and poverty-related crime while improving health and housing conditions. The Women's Empowerment Programme in Nepal combines literacy, microfinance and micro-enterprise training and the understanding of legal rights with a firm policy to foster self-reliance among poor women.

C. Environmental management

1. Issues and trends

14.   The environmental challenges faced at the local level are common to all cities around the world: waste management, air and water pollution, unsustainable production and consumption patterns and natural disasters. In the Arab States and parts of Africa, water management is the key issue. In Europe, as well as in Latin America and the Caribbean, air and water quality features prominently. In North America polluted industrial sites and urban sprawl are the major issues, with improved production and consumption patterns as emerging trends.

15.   While most cities in Europe have developed and are implementing some form of local Agenda 21 and have integrated environmental management in urban planning, many cities in developing countries are overwhelmed by population growth and are finding it difficult to meet the growing needs for adequate water supply, waste management and air quality.

2. Local implementation of environmental management commitments

16.   Environmental commitments are being met at the local level through a variety of strategies including: adoption of new legislation; partnerships with civil society and the private sector for waste management; water conservation and demand management plans; and local disaster preparedness plans.

17.   In Asia, many cities have mainstreamed the use of environmental impact assessments, developing local guidelines for their use.

18.   Partnerships with the private sector and civil society have also become common. In developing countries, the central role of women has influenced both water supply and waste management strategies. In Thies, Senegal, urban women receive training to ensure waste management begins at the household level and is developed by the community to create economic opportunities. In Malawi, a national programme to supply piped water to peri-urban communities was greatly improved when women were made responsible for managing water pipes - cost recovery is in place and the revenue is being used for maintenance.

19.   Water conservation plans and demand reduction strategies are being applied in several African cities under the joint United Nations Centre for Human Settlements (Habitat) – United Nations Environment Programme (UNEP) Managing Water for African Cities programme. In Fukuoka, Japan, public awareness campaigns, water-flow reducing devices in faucets, and the use of reclaimed waste water for flushing toilets have contributed to the lowest national water leakage rate of 5 per cent.

20.   Alternative methods of reducing pollution from motor vehicle traffic are being used in a number of cities. In Groningen, the Netherlands, almost 50 per cent of all trips are made by bicycle, thanks in large part to a policy that restricts car traffic in the city centre and to traffic-reducing land-use planning. In 1998, Singapore became the first country to attempt to use road pricing to limit the growth of urban traffic by replacing its current system of central area-access charges based on paper licenses, with electronic tolls that vary according to the time of day. In Chattanooga, United States of America, an alternative-fuel bus service is provided free of charge in the city centre as part of a free park-and-ride system to reduce motor vehicle traffic in the city. Dakar,

Senegal, uses obsolete railroad cars from France for its "Petit Train Bleu", which provides quicker, more reliable and safer transportation to 22,000 commuters daily.

D. Economic development

1. Issues and trends

21.   Two factors have significantly impacted on local economic development and the implementation of related commitments in the Habitat Agenda. The first is the speed of economic globalization. Cities are competing, both within countries and around the world, to attract investment. At the same time, cities, as the engines of national economic development, are increasingly vulnerable to external shocks such as the Asian economic crisis of the late 1990s. Some cities have been more successful than others in capitalizing on the new global economy.

22.   A second factor affecting local economies is the decreasing role of the public sector in local economic development. Cities are administrative and financial centres and therefore traditionally large employers. In developing countries, the pressure of structural adjustment and economic reforms is being felt. In more industrialized countries, "small government" is the desired model and privatization of public services is the norm. In all cases, the number of public sector jobs is shrinking. A commonly reported result is the widening income gap between the rich and the poor and attendant increases in poverty, social exclusion, spatial segregation and urban crime.

2. Local implementation of economic development commitments

23.   At the local level, a wide variety of policy options are being implemented to respond to globalization and the reduced role of the public sector, including: developing comparative advantages in a specific economic sector; improving municipal financial management; establishing public-private partnerships for service delivery; and placing new emphasis on the potential of the informal sector.

24.   Cities are establishing industrial parks, information technology hubs and service centres to take advantage of the global economy. Bangalore, India, is a rising star in software development; New York, is focusing on bio-technology; Singapore, Hong Kong, London and Paris are world-renowned for financial services; San Jose, Costa Rica, on the other hand, is taking advantage of its geography and its educated, skilled and relatively inexpensive labour force to provide financial services to the United States.

25.   Improving municipal financial management is seen as important not only for increasing local revenue generation, but also for attracting foreign investment. Cities such as Bangkok, and Mirzapur, India, are using geographic information systems to improve tax collection. Indian cities such as Ahmedabad have improved their accounting and financial management systems in order to be able to float municipal bonds on the international market.

26.   In Cairo, Manila and Bogota, the working conditions of informal sector garbage collectors have been enhanced through improved transport and quality control systems and have led to the production of recycled goods for the market.

27.   In cities such as Fortaleza, Brazil, a community bank provides credit to families at low interest rates and encourages them to use credit on goods and services produced in the area.

E. Governance

1. Issues and trends

28.   Since 1996, the debate on urban governance has intensified at all levels. A consensus is emerging that good urban governance makes the difference between well-managed, sustainable and inclusive cities and poorly-managed, exclusive cities. The need to improve the participation of the urban poor and other citizens in decision-making and urban programmes is an urgent issue in all regions. Finally, all regions have emphasized the need to devolve not only responsibilities, but also the necessary resources to local authorities.

2. Local implementation of governance commitments

29.   The information reviewed suggests the emergence of a set of global norms of good urban governance, namely: decentralization, equity, efficiency, transparency and accountability, civic engagement and security.[4]

30.   As many of the examples in the current paper demonstrate, decentralization is taking place not only from the national to the local level, but within the local level and from the local to the community level. Constitutional reviews have taken place in many countries with economies in transition in Eastern Europe and Latin America as well as in South Africa and Uganda. In Europe, consensus on the importance of decentralization is reflected in the 1998 ratification of the European Charter of Local Self-Government. At the global level, considerable progress has been made since 1998 to promote a world charter of local self-government.[5]

31.   There is also consensus on the importance of equal access to decision-making and services. The National Association of Mother Centres in Germany, for example, supports the effective participation of neighbourhood women's groups in local decision-making and engages local authorities to eliminate physical barriers and gaps in social services that alienate women and children. Specific legislative measures to involve women in municipal decision-making have been implemented in India and Uganda.

32.   Another emerging norm is the efficient delivery of urban services. Capacity-building and training are proving essential for strengthening local authorities. The Local Self-Government Assistance Centre in Slovakia and capacity-building programmes in the Philippines have been successfully developed.

33.   In a number of countries, declines in real wages have resulted in the growth of corruption. Greater transparency and accountability at the local level have been achieved through a variety of methods, including: use of the Internet for total transparency of procurement in Mexico, the Republic of Korea and Austria; integrity pacts in Buenos Aires, Argentina, and Bhaktapur, Nepal; citizen report cards in Bangalore, India; and participatory budgeting in over 70 Brazilian cities, including Bara Mansa**,** where youth aged nine to sixteen also participate.

34.   Civic engagement has been improved through neighbourhood forums and community development councils in Amsterdam; Dondo, Mozambique; in Cianorte, Brazil; and Newark, New Jersey, United States. It has also been enhanced through the collection of community-based indicators in Penang, Malaysia; and Bologna, Italy, by providing email and Internet access.

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[4]   See HS/C/18/7: Urban governance: report of the Executive Director.

[5]   See HS/C/18/3/Add.1: Consultations on the effective decentralization and strengthening of local authorities and their associations and networks: report of the Executive Director.

35.   With urban population growth and the attendant urbanization of poverty, security is emerging as an important prerequisite for good urban governance. Local disaster management plans have been prepared by Wellington, New Zealand; Santiago, Chile; and, Kathmandu, Nepal. To ensure the specific security needs of women are being addressed, cities like Montreal are implementing women's safety audits. In Dar es Salaam, neighbourhoods are adapting indigenous practices for community policing.

III. ROLE OF LOCAL AUTHORITIES

36.   It is evident that action at the city-level is most important for effective progress in implementing the Habitat Agenda. Therefore, strong local authorities capable of mobilizing their local partners in the private and community sectors are vital, and efforts to strengthen local authorities should be increased. From the experience acquired since 1996, it can be said that the decentralization and diversification of power and responsibilities result in innovation that can counter the potential negative effects of globalization.

37.   Despite a trend towards a de facto decentralization in developing countries, however, most local authorities have yet to be given clear incentives from central government to ensure that they are empowered and enabled to leverage their resources with those of the private and community sectors to invest in urban environmental improvement. Most local authorities in developing countries still lack the capacity and expertise to engage in the participatory planning and multi-stakeholder negotiation and consultation processes that are required to design and implement effective environmental action plans. They are yet to be enabled legally and administratively to undertake multi-year planning and budgeting - a fundamental prerequisite to leveraging public resources with those of other stakeholders.

38.   The analysis confirms that good urban governance should be founded upon the principles of sustainability, decentralization, equity, efficiency, civic engagement, transparency and accountability, as well as security, which are all mutually supportive.

39.   The analysis further confirms that improving security of tenure is a key entry point to urban poverty reduction and settlements upgrading, and particularly effective when integrated into an overall community development strategy.

40.   Recognizing that global issues are most effectively addressed at the local level, and based on their commitment to implement the Habitat Agenda, Governments should:

        (a)   Establish national standards and regulatory frameworks to ensure effective implementation of human settlements programmes at the local level;

        (b)   Further promote decentralization of authority and resources to the local level, ensuring that any new responsibilities are matched by the requisite resources through transparent and predictable intergovernmental fiscal transfers and any necessary capacity-building and training;

        (c)   Promote the building of capacity among local authorities and their institutions to provide effective, equitable and sustainable human settlements management, in cooperation with their private and civil-society-sector partners;

        (d)   Support the increased participation of local authorities in the work of the Commission on Human Settlements, in that of UNCHS (Habitat) and in the implementation of the Global Campaign for Good Urban Governance and the Global Campaign for Secure Tenure.

41.   Recognizing that strong local authorities capable of mobilizing their private and community-sector partners are central to the effective implementation of the Habitat Agenda, local authorities should:

(a)   Strengthen their partnership with civil society organizations, particularly organizations of the urban poor, by institutionalizing their involvement in decision-making and local budgeting processes;

(b)   Strengthen their partnership with the private sector, particularly for the delivery of basic services, while establishing a strong regulatory environment to ensure equitable access;

(c)   Ensure that women and men have equal access to decision-making processes, resources and basic services and that this access is measured through gender disaggregated data;

(d)   Improve the effectiveness and efficiency of local revenue collection with the aim of reducing dependency on intergovernmental transfers;

(e)   Increase their accountability to local communities through transparent tendering processes and by creating public feedback mechanisms such as local urban observatories, ombudsman offices, "citizen report cards," and procedures for public petitioning.

42.   To support Governments and their local authority partners in the implementation of the Habitat Agenda, the international community should:

(a)   Support the capacity-building and training of local authorities so they can be full partners in the implementation of the Habitat Agenda;

(b)   Support decentralized cooperation between cities through the documentation and dissemination of best practices, good policies and action plans;

(c)   Support international, regional and national associations and networks of local authorities and the United Nations Advisory Committee for Local Authorities and promote their contribution to the work of the Commission on Human Settlements and UNCHS (Habitat);

(d)   Support the implementation of the UNCHS (Habitat) global campaigns for good urban governance and secure tenure.