



Commission on  
Human Settlements

Distr.  
GENERAL

HS/C/18/3/Add.1  
23 November 2000

ORIGINAL: ENGLISH

Eighteenth session  
Nairobi, 12–16 February 2001  
Item 5 (a) of 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**

Consultations on decentralization and the strengthening of local authorities and  
their networks for implementation of the Habitat Agenda

Report of the Executive Director

Background

1. At the second United Nations Conference on Human Settlements (Habitat II), held in Istanbul, from 3 to 14 June 1996, national Governments committed themselves to the objectives of decentralizing authority, functions, responsibilities and resources, enabling local leadership and promoting democratic rule (para. 45 of the Habitat Agenda). National Governments further underscored this commitment in the Istanbul Declaration on Human Settlements, by which they recognized local authorities as their closest partners, essential to the successful implementation of the Habitat Agenda and sustainable urban development. In order to achieve these ends, they reiterated in the Declaration the need to promote decentralization through democratic local authorities and to strengthen their institutional and financial capacities (Istanbul Declaration on Human Settlements, para. 2).

2. Local authorities have taken the lead in the implementation of the Habitat Agenda as reflected in several reports submitted to the eighteenth session of the Commission of Human Settlements, particularly HS/C/18/3 and HS/C/18/5, and in the overall review of the implementation of the Habitat Agenda currently being completed in the context of the special session to review the Habitat Agenda.

---

\* HS/C/18/1.

3. The formal commitments made by Governments at Istanbul reflected a consensus and agreement with the spirit of the call made, on the eve of the conference, by the World Assembly of Cities and Local Authorities Coordination for the international community to take steps to draw up, in partnership with the representative associations of local authorities, a worldwide charter of local self-government as an internationally-agreed, adaptable framework for the practice of local democracy and decentralization. The decisions and recommendations of Habitat II have opened the way for dialogue and cooperation between the United Nations and all the major associations of local authorities and cities with the World Associations of Cities and Local Authorities Coordination (WACLAC) acting as coordinating body for the latter. The focus of that partnership is the work on the proposed world charter of local self-government.

4. The World Charter of Local Self-Government initiative is a joint undertaking of WACLAC and the United Nations Centre for Human Settlements (Habitat) aimed at carrying out, through an international agreement, the commitments made in Istanbul concerning decentralization and local governance as key elements of the successful implementation of the Habitat Agenda. The World Charter of Local Self-Government aims to guide national legislation on decentralization and local authorities.

#### I. EVOLUTION OF THE CURRENT DRAFT THROUGH THE CONSULTATION PROCESS

5. In order to ensure that the text of the World Charter would be the object of a consensus and reflect regional diversity and experience, the initial draft that was prepared by a WACLAC/UNCHS (Habitat) working group in April 1998 and was influenced by the successful European Charter of the same name, underwent extensive regional consultation process. Prior to the consultations, work on the World Charter received the backing of the Commission on Human Settlements in May 1999.

6. The first of the regional consultations, for the Arab States, took place in Agadir, Morocco from 7 to 9 June 1999 and was hosted by the City of Agadir with support from the Ministry of Interior of the Government of Morocco. The meeting in Agadir was followed on 16 June 1999 by a consultative meeting for the European region on the World Charter organized by the Chamber of Local Authorities of the Council of Europe. The next consultation was in the Latin America and Caribbean region from 6 to 8 July in Santiago, Chile. It was hosted by the Ministry of Interior of the Government of Chile and the Municipality of Santiago with the support of the Chilean Ministry of Foreign Affairs and the Chilean Federation of Municipalities. During the consultative cycle, work on the World Charter was also strongly endorsed at the constituting meeting in Venice, Italy, on 24 January 2000 of a new advisory body to the United Nations, the Committee of Local Authorities.

7. The first consultation in the Asian region, for South Asia, was held in Mumbai, India, from 28 to 30 January 2000. It was hosted and organized by the All India Institute of Local Self-Government, supported by the Ministry of Urban Development of the Government of India and relevant authorities of the city of Mumbai and the state of Maharashtra. The consultation in Mumbai had been preceded by a meeting in November 1999 in Kathmandu, Nepal, organized by CityNet and the UNCHS (Habitat) Regional Office for Asia and the Pacific, in order to introduce affiliates and partners in Asia to the World Charter. Following the meeting in Mumbai, and on the initiative of the Ministry of Foreign Affairs and Trade of the Republic of Korea, a consultation for East and Southeast Asia and the Pacific was held in the city of Chonju, Republic of Korea from 6 to 8 March 2000, hosted by the Chollabuk-do Provincial Government, with the support of the Ministry of Government Administration and Home Affairs. The last of the regional consultations, for sub-Saharan Africa, took place in Accra, Ghana, from 30 to 31 March 2000, under the auspices of the Ministry of Local Government and Rural Development of Ghana and the National Association of Local Authorities of Ghana. It was also supported by the African Union of Local Authorities (AULA).

8. During the consultations, involving representatives of local authorities from more than 100 countries and 50 national Governments, recommendations were made for amendment of the draft text. All the consultations also adopted strong declarations of political support for the World Charter and appointed regional representatives to the working group to produce a second draft of the World Charter based on the

regional recommendations. All the consultations received extensive coverage in the local and national media. (More detailed information on the consultation process is available on the UNCHS (Habitat) Web site at [www.unchs.org](http://www.unchs.org).)

9. After the consultations, a second expert meeting was convened at UNCHS (Habitat) headquarters in Nairobi from 13 to 14 April 2000. Representatives from Chile, Germany, India, Indonesia, Kenya, Norway, Republic of Korea, Sri Lanka, United Arab Emirates and Zimbabwe reviewed the recommendations, producing a second draft of the World Charter as a consensus document reflecting views and opinions of all the regions that participated in the consultation process.

## II. CONTENT OF THE CURRENT TEXT OF THE CHARTER

10. The current text focuses on the constitutional and legal foundation and scope of local self-government; definition of appropriate administrative structures at the local level, the responsibilities of local authorities, and their supervision; financial resources for local government and legal protection, participation of citizens in local government, and national and international cooperation among local authorities. The draft also contains provisions for ratification or accession by Member States, application of the World Charter, information, monitoring and entry into force. The draft World Charter provides a flexible formula for ratification, allowing it to be adopted without being bound by all the articles.

### A. Review of the draft World Charter by the Preparatory Committee for the Follow-up to the United Nations Conference on Human Settlements (Habitat II)

11. The new draft of the World Charter was discussed by the Preparatory Committee at its first session held from 8 to 12 May 2000 in Nairobi. It was proposed that the Committee consider placing the draft World Charter on its agenda as a follow-up to the United Nations Conference on Human Settlements (Habitat) and to establish a mechanism, within the framework of the Committee for formal intergovernmental negotiations on the draft text. A revised draft of the World Charter would then be presented to the General Assembly for consideration and adoption at a special session for review of the implementation of the Habitat Agenda in June 2001.

12. The forum for introducing the draft World Charter to the Preparatory Committee was a discussion of the document by a panel of local authorities, other representatives and the Government delegations to the Preparatory Committee's session.

13. The dialogue was initiated by a presentation of the regional consultation process that led to preparation of the revised draft World Charter of Local Self-Government. This was followed by statements from representatives of local authorities and other panelists. These included the chairman of the WACLAC/UNCHS (Habitat) working group, the president of the International Union of Local Authorities, the vice-president of the European section of the Global Parliamentarians on Habitat, a representative of the Ministry of Urban Development of the Government of India and a representative of the Latin America Women and Shelter Network. All expressed their strong support for the World Charter, pointing out that its principal aim was to strengthen cooperation between national and local governments. It was emphasized that the text before the Preparatory Committee was a draft and not a final document and was, therefore, open to further negotiation.

14. There was agreement that an institutional and legal framework for decentralization at the national level that would give local authorities the required capacity was essential for the implementation of the Habitat Agenda. Most government delegates stressed the importance of the initiative and felt there was a need to improve the text in terms of content, terminology and definitions, especially with regard to the term "self-government". However some Governments, especially China and the United States of America, expressed reservations on the proposed World Charter, as it did not reflect and address their constitutional reality and political structure. In response, a number of participants expressed the hope that Governments,

primarily in countries with a federal structure, would be able to agree in principle to the establishment of a World Charter without having to adopt it and would continue to contribute to its preparation.

15. Several Governments welcomed the Charter as a means of strengthening local democracy, while a number of others also emphasized that any eventual charter should be flexible enough to accommodate global diversity. Others underscored the need to include the intermediate provincial and state level in the provisions of the Charter, as well as the need to address corruption and the quality of the civil service. Finally, several speakers requested clarification regarding the process of implementation of the World Charter after its ratification as an international agreement.

16. There was a consensus regarding the need to continue the discussion on the proposed World Charter at the second session of the Preparatory Committee in order to give more time and opportunity to Governments to contribute to the debate and express their views on the World Charter between sessions of the Preparatory Committee.

#### B. Action by the Preparatory Committee

17. In negotiations during the first session of the Preparatory Committee, it was decided, after consultations involving China and the United States of America, that discussion on decentralization and the strengthening of local authorities would be continued at the eighteenth session of the Commission on Human Settlements in February 2001 through consultations among Governments. A report and recommendations would then be made to the Preparatory Committee at its second session.

18. While a decision on placing the World Charter on the agenda of the preparatory process for the special session to review the Habitat Agenda was not reached at that session, because some Governments required further discussion or were unable to drop their reservations, it is expected that this can be resolved through discussion. Consultation between sessions on the draft World Charter, the outcome of which is described in the present report (see paragraphs 21 to 22 below), followed by further consultations at the eighteenth session of the Commission and the second session of the Preparatory Committee, should lead to formal negotiations of the World Charter and its adoption as an internationally binding agreement.

19. Strong interest and potential political support for the World Charter were reflected in the statements of most Group of 77 and China delegations at the first session of the Preparatory Committee. When speaking on behalf of the Group of 77 and China, Zimbabwe welcomed the principles of good urban governance, of which the World Charter is a part, pointing out that the principles were consistent with reforms in a number of countries. Another example of support was the statement of the European Union, recorded in the report of the Preparatory Committee, expressing disappointment that no reference to a World Charter of Local Self-Government had been included in the resolutions before the Preparatory Committee. Although the European Union accepted this in order not to delay the work of the Committee, they were very much in favour of the inclusion of a reference to the proposed World Charter of Local Self-Government and wanted to see it included in the agenda of the special session to review the Habitat Agenda. The European Union saw the World Charter as essential to the promotion of decentralization and local democracy and strengthening cooperation among spheres of national, local and intermediate government.

#### C. Developments during the inter-sessional period

20. In preparation for the consultations on decentralization at the eighteenth session of the Commission on Human Settlements, Member States were requested by UNCHS (Habitat) on 19 June 2000 to submit their views to the secretariat on the issues of decentralization and the strengthening of local authorities, their associations and networks in relation to the implementation of the Habitat Agenda. A progress report on preparation of the World Charter, including the reaction and decisions of the Preparatory Committee has been written. A sampling of opinions was felt necessary because several Governments had not had sufficient time to prepare fully their position on the issue prior to discussion of the World Charter at the first session of the Preparatory Committee.

#### D. Initial reaction of Member States

21. What has emerged from the sampling of opinion, both in response to the request of 19 June 2000 and at the regional preparatory meetings for the special session to review the Habitat Agenda, is that all Governments support in principle the concept of effective local government, but their views on formalizing international principles on decentralization and the strengthening of local authorities and local democracy, as contained in the proposed World Charter, fall into two categories. The first category is that of Governments that feel that an international agreement is desirable to facilitate implementation of the Habitat Agenda, but also feel that the draft of the World Charter, including its title, still requires substantial work to make it appropriate to all regions and types of constitutional structures. The second category, representing a minority view, is that of Governments that feel either that an international agreement on decentralization is inappropriate to the work of the Preparatory Committee and the special session or that at the very least the proposed World Charter should be transformed into a less-binding declaration of principles.

#### E. Proposed action by the Commission

22. Despite this divergence of views, all parties have continued to stress the importance of the specific issues addressed in the proposed World Charter for successful implementation of the Habitat Agenda and for sustainable development in a world economy marked by globalization and decentralization in productive activities and the delivery of services, all of which require effective local governance.

23. Given this situation and existing differences of opinion, it may be advisable that during the consultations on decentralization and the strengthening of local authorities to be held on 13 February 2001, proposals be considered by the Member States of the Commission to establish an open-ended intergovernmental committee to consider further the question of formalizing internationally binding principles on decentralization, the empowerment of local authorities and on local participatory democracy, as contained in the proposed World Charter, with a view to making recommendations to the special session or to the next session of the Commission.

-----