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**FOLLOW-UP TO THE UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS
(HABITAT): INTERNATIONAL COOPERATION AND THE REVIEW OF
MECHANISMS FOR MONITORING THE IMPLEMENTATION OF
THE HABITAT AGENDA**

Report of the Executive Director

Summary

The present report is submitted in pursuance of decision 17/14 of 14 May 1999 of the Commission on Human Settlements by which the Commission decided to include a report on international cooperation and the review of mechanisms for monitoring the implementation of the Habitat Agenda, as one of the three components under item 5 of the provisional agenda of its eighteen session: follow-up to the United Nations Conference on Human Settlements (Habitat II).

In its introduction, the report recalls the commitments made by the international community at the Habitat II Conference in Istanbul to enhance international cooperation and reaffirm the need to expand international cooperation in human settlements. It also refers to the conclusions of the Economic and Social Council's coordination segment of July 2000. The first chapter of the report focuses on international cooperation for implementing the Habitat Agenda at national and local levels, the potential of the United Nations system and the necessity for a coordinated implementation of the Habitat Agenda at the international level, including the review of Council decisions relating to improved coordination and international cooperation. The second chapter focuses on the review of mechanisms for monitoring the implementation of the Habitat Agenda, an analysis of the present situation and an outline of the proposed Habitat Agenda task manager system. The final chapter of the present report sets out some issues for consideration.

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Introduction

1. The present report on international cooperation and the review of mechanisms for monitoring the implementation of the Habitat Agenda, has been prepared in response to Commission on Human Settlements decision 17/14 of 14 May 1999 to include this issue under item 5 of the provisional agenda of its eighteen session: follow-up on international cooperation for the implementation of the Habitat Agenda. The report also informs the Commission on the response to paragraph 14 of resolution 17/17, requesting the Executive Director to prepare a comprehensive theme paper on international cooperation for the implementation of the Habitat Agenda, to be presented at the special session of the General Assembly for an overall review and appraisal of the implementation of the Habitat Agenda, with a particular emphasis on the progress made in international assistance to the urban sector.

2. The fulfillment of the goals of the Habitat Agenda is primarily the responsibility of each country at all levels, but the overall decline in development assistance is a serious cause of concern in developing countries. All multilateral and bilateral development agencies were invited in Istanbul to establish and/or strengthen mechanisms to integrate commitments and actions concerning adequate shelter for all and sustainable human settlements development into their policies.

3. At the global level, the commitments made by the international community in Istanbul to enhance international cooperation need to be revisited. They are considered essential in providing the overall conditions and needed support for the implementation of national plans of action. Further attention is required to strengthen the modalities of partnership, particularly between the United Nations system and its partners in civil society, with regard to :

(a) Mobilizing resources: multilateral, regional and bilateral technical and financial cooperation programmes;

(b) Promoting the exchange of appropriate technology and access to information;

(c) Raising the priority of adequate shelter and sustainable urban development in international cooperation;

(d) Strengthening the strategic and operational partnerships with local authorities, non-governmental and community-based organizations, and the private sector.

4. At its coordination segment of July 2000, the Economic and Social Council discussed human settlements issues and reviewed the coordinated implementation of the Habitat Agenda by the United Nations system. The Council reaffirmed the critical role of capacity-building and international cooperation in the implementation of the Habitat Agenda. The present report includes the views and recommendations of the coordination segment of the Economic and Social Council on the strengthening of the coordinated implementation of the Habitat Agenda and related monitoring mechanisms.

I. INTERNATIONAL COOPERATION

A. International cooperation to implement the Habitat Agenda at national and local levels

5. In his report to the General Assembly (paragraph 185 of document A/54/2000), the Secretary-General of the United Nations recalls that “development assistance has been in steady decline for several decades ..., despite recent increases by five countries”. Mr. Koffi Annan also notes that “while it is true that private investment flows have increased significantly, many poor countries are not yet fully equipped to attract such investment.”

6. In the last few years, many countries have experienced unprecedented economic growth, driven by the cities

and the new employment opportunities which they offer. As a result, most demographic growth occurs in urban areas. Largely for political reasons, however, public infrastructure investment continues to bypass cities in many countries, and public expenditure barely covers the cost of maintaining existing infrastructure. In this era of urban neglect, many cities suffer disproportionately from reduced fiscal and financial resources despite their major contribution to national development. The combination of accelerating urbanization, long-neglected infrastructure and weak urban funding over many years has resulted in increasing urban poverty with the urban poor now representing 49 per cent of the urban population in developing countries^{1/}. Including industrial countries, the total number of urban poor currently stands at about 1.1 billion^{2/}. Drastic social conditions also affect the ability of a city to attract domestic and international investments. In this regard, the mobilization of international capital investments has not succeeded in significantly improving access to basic services for the poor, in particular in least developed countries, due to inadequate capacities to supervise privatization processes and the generally poor competitiveness of many cities when it comes to attracting investors. One of the most important factors in attracting private investment is for a city to function. To that end in order to achieve sound and inclusive planning and management of cities, it is essential to ensure appropriate investment in urban infrastructure and services, as well as in capacity-building. In most least developed countries, however, in contrast to the acknowledgement of the need for an integrated approach to rural development, the urban issues were not considered as a priority and specific sector when strategic frameworks for poverty reduction were recently established.

7. The lack of willingness to address the urban challenge both at national and international levels results in a continuous reduction of international development assistance to this sector, in terms of amount and percentage of total official development assistance. For example, Sweden, one of the most supportive countries with official development assistance representing 0.72 per cent of its gross domestic product, reports that only 7.5 per cent of its total funds allocated for bilateral cooperation goes to the urban sector. To fulfil the provisions of paragraph 19 of General Assembly resolution 55/2 of 8 September 2000, on the United Nations Millennium Declaration, calling for a significant improvement, by 2002, in the lives of at least 100 million slum dwellers as proposed in the "Cities without slums" initiative, it is imperative that advocacy initiatives be urgently reinforced in order to develop a willingness at national and international levels to develop human settlements.

8. Many countries report increased and new improved forms of cooperation, in particular decentralized cooperation. For example, in its report to the special session for an overall review and appraisal of the implementation of the outcome of the Habitat Conference, France states that more than 5,200 projects amounting to about \$ 220 million were funded by French local authorities in 114 countries. This region-to-region and city-to-city cooperation should be encouraged and supported by Member States.

9. The need to set up strong advocacy initiatives is at the core of the development of the Global Campaign for Secure Tenure and the Global Campaign for Good Urban Governance adopted by the Commission on Human Settlements at its seventeenth session. The strategic principle to strengthen coordination with all partners, including parliamentarians, national associations of local authorities and their global networks, non-governmental organizations and community-based organization networks, also forms part of the Habitat Agenda's advocacy strategy.

10. An increasing number of practices in all categories tend to show that donors and external support agencies are becoming more involved in playing the role of mediator and facilitator of policy dialogue and change. Interventions include ex ante involvement in brokering partnerships and participation and assistance to ex post monitoring and evaluation. The provision of seed capital is also a growing trend whereby the major responsibility for implementation lies with local agencies including civil society organizations. This advocacy role, with a strong emphasis on capacity building and access to information reveals an increasing preoccupation with process and participatory decision-making. One new development that has been observed since 1996 has been the transfer of best practice experience. Transfers initiated by city associations and umbrella non-

^{1/} Basic facts on urbanization, UNCHS, May 1999

^{2/} Ibid.

governmental organizations have shown that decentralized city-to-city and community-to-community transfers can benefit enormously from best practices.

B. The potential of the United Nations system

11. Running parallel to the recent trends in international development cooperation which focus attention increasingly on support to local-level action in the context of urban governance, the liberalization of international trade and processes of globalization pose enormous challenges to the commonly agreed goals of poverty reduction in an urbanizing world. Urbanization, and corresponding shifts of more focus at the local level, generally have positive impacts by fostering democracy, participation and the involvement of civil society. Policies need to be formulated, however, which would ensure that the gains of a globalizing world can demonstrate their impact on reducing inequities, social exclusion and poverty within cities and between regions in a more visible and convincing way. There is an urgent need for these challenges to be taken up by the policy-making organs of the United Nations system and international development cooperation.

12. Due to scarce financial resources, major bilateral and multilateral development agencies are progressively retreating from capital investment projects to concentrate on upstream capacity-building activities and knowledge management services. There is a strong rationale to reinforce all forms of coordination between international partners to ensure that upstream support effectively generates additional capital investment projects with a better social impact. The capacity-building of all partners for developing coordinated and enabling strategic frameworks at national and all local government levels is a key factor in the mobilization of domestic and international investments for improving the living conditions of the poor and fostering social integration, gender awareness, local democracy and the observance and protection of human rights.

13. In this regard, the Cities Alliance initiative launched in 1999 by United Nations Centre for Human Settlements (Habitat) and the World Bank is a good example of support to the upstream City Development Strategies, an operational vehicle established to enhance local coordination capacities, integrate multisectoral approaches, mobilize capital investments in urban services, and address more effectively the needs of the urban poor. The Cities Alliance also fully illustrates the recent trends in international development cooperation to focus attention increasingly on support to local-level action in the context of urban participative governance. As part of this approach, the former South African President Nelson Mandela joined national and local government leaders in launching in Berlin, in December 1999, an operational component of the Cities Alliance initiative: the Cities Without Slums action plan. The plan calls for increasing investments aimed at the provision of basic services to the urban poor through a worldwide effort to move from pilot projects to city-wide and nation-wide upgrading policies. At the global level, the Alliance attracts a broad-based constituency of development partners and associations of local authorities, by adopting a comprehensive urban strategy in line with the Habitat Agenda. The Cities Alliance is one of the international development cooperation initiatives which has recently demonstrated the potential of the United Nations system for coordinated action in improving international support to the goals of the Habitat Agenda.

14. International opportunities of mobilizing additional significant international resources for the worldwide implementation of the Habitat Agenda on a sectoral basis, i.e., for housing programmes, remain extremely limited. Prospects are closely linked to overall progress in the implementation of poverty reduction strategies, including initiatives to reduce or cancel the debt of heavily indebted poor countries. Increased attention should be paid to improving the coordination of international aid programmes for the sake of ensuring a global impact on urban poverty reduction. There is still no mechanism to ensure the integration of Habitat Agenda action plans for international cooperation into coordinated international initiatives, such as the World Bank's comprehensive development framework and the United Nations Development Assistance Framework, or into country strategy papers and national poverty strategy papers prepared by Governments in collaboration with the International Monetary Fund and the World Bank. Almost five years after the Habitat II Conference, the efforts of UNCHS (Habitat) to disseminate guidelines and introduce human settlement issues into these initiatives seem to have had limited success.

C. Coordinated implementation of the Habitat Agenda at the international level

15. Under item 4(b) of the agenda of its coordination segment meeting held in July 2000, the Economic and Social Council acknowledged that limited achievements in the promotion of better cooperation in the implementation of the Habitat Agenda at the international level, mainly resulted from the restricted participation of UNCHS (Habitat) in existing coordinating mechanisms of the United Nations system. In that regard, the Council took two strategic decisions. It requested the relevant United Nations bodies and agencies, in particular the Executive Committee of the United Nations Development Group, to undertake a review of the follow-up of their commitments to implement the goals of the Habitat Agenda, as part of the process leading to the special session on the implementation of the Habitat Agenda in 2001. The Council also requested the Secretary-General to review the matter of the participation of UNCHS (Habitat) in all aspects of the work of the Administrative Committee on Coordination and its subsidiary machinery, in light of its role as the focal point in the United Nations system in the implementation of the Habitat Agenda.

16. On the substantive side, the Economic and Social Council noted the proposal to merge existing initiatives into a streamlined urban forum of international partners. The Council also took note of the creation of the Advisory Committee of Local Authorities to advise the Executive Director of UNCHS (Habitat) on the role of local authorities in the implementation of the Habitat Agenda. In addition, the Council requested the Secretary-General to call on Member States to make voluntary financial contributions to the secretariat in order to assist developing countries, particularly the least developed countries, to participate fully in the special session and its preparatory process, and to support the preparation of their national reports on the implementation of the Habitat Agenda.

17. Finally, the Council requested the Secretary-General to consider adopting a Habitat task-manager system to facilitate the coordinated implementation of the Habitat Agenda by the United Nations system.

II. REVIEW OF MECHANISMS FOR MONITORING THE IMPLEMENTATION OF THE HABITAT AGENDA

A. The present situation

18. The efforts of the Commission on Human Settlements in promoting, reviewing, monitoring and assessing progress made in implementing the Habitat Agenda were acknowledged by the Economic and Social Council at its coordination segment meeting in July 2000. Under the general mandate of the Commission, UNCHS (Habitat) effectively established appropriate mechanisms for the review of the implementation of the Habitat Agenda by Governments, local authorities and their partners, using various guidelines and reporting formats for best practices and indicators, for the compilation and dissemination of best practices, as well as for the definition of globally and regionally applicable sets of indicators.

19. A set of internationally comparable policy-sensitive shelter sector indicators is now widely implemented throughout the world as recommended by resolution 15/6 of 1 May 1995 of the Commission. To improve monitoring mechanisms at national and local levels, further to resolution 17/8 of 14 May 1999 of the Commission calling for, *inter alia*, the expansion of best practices to include urban policies, action plans and legislation, Habitat has prepared a draft template for documenting urban policies and legislation. In the same vein, as requested at the first session of the Preparatory Committee for the Special Session of the General Assembly on an Overall Review and Appraisal of the Implementation of the Habitat Agenda, the Centre also intends to combine best practices, enabling policies and legislation and action plans as a basis for identifying "Illustrative Cities" for the two global campaigns directed at secure tenure and good urban governance.

20. At the Habitat II Conference in Istanbul in 1996, few specific mechanisms were foreseen by the international community for systematically reviewing the role and contribution of relevant United Nations organizations and agencies, including the Bretton Woods institutions, to the implementation of the Habitat Agenda. Hence the paucity of information on what work is being done, by whom and where in the United Nations system.

B. The Habitat Agenda task manager system

21. In its agreed conclusions 2000/2 of resolution 55/3 of 27 July 2000, the coordination segment of the Economic and Social Council recommends that the Administrative Committee on Coordination and its subsidiary bodies should continue their work aimed at broadening the task manager approach in promoting an integrated and coordinated follow-up to major United Nations conferences and summits, including through better use of the task managers for reporting on cross-cutting conference themes to the Council's functional commissions during their review processes. The coordination segment recalls that the model of task manager used for Agenda 21 entails the delegation of coordination responsibilities to a specific United Nations organization or organizations for formulating policy proposals and for reviewing progress, in areas relevant to the mandate or specific area of expertise of the said organization or organizations.

22. In line with this direction and supporting recommendation made by the Preparatory Committee on the General Assembly's special sessions at its first session in May 2000, the Economic and Social Council requested the Secretary-General to consider adopting a Habitat task manager system to facilitate the coordinated implementation of the Habitat Agenda by the United Nations system, and to streamline reporting to the Commission on Human Settlements and the Council, in accordance with the framework presented in the agreed conclusions of resolution 55/3.

23. As a first step to filling this gap, the Urban Environment Forum and the International Forum on Urban Poverty, which respectively meet for the last time in September 2000 and October 2001, should be merged into a new urban forum to be launched in 2002 with multilateral and bilateral agencies, interregional associations of local authorities and umbrella non-governmental organizations. The urban forum, as a platform of ideas and sharing of experience, will complement existing mechanisms to monitor progress in the implementation of the goals of the Habitat Agenda. It is envisaged that it meets on a biennial basis.

24. The Habitat task manager system will address the gap in the information and reporting framework, devising an information-sharing system for documenting and analysing international support and cooperation, lessons learned and opportunities of collaboration. It will also establish information and communication protocols and working modalities to strengthen mechanisms and means of cooperation and collaboration. A first step would be to address information and reporting within the United Nations system and once the system is developed and fine-tuned, expand it to include other international partners, in line with the partnership principle of the Habitat Agenda.

25. The ultimate objectives of a Habitat Agenda task manager system are:

(a) To foster collaboration and cooperation among United Nations organizations and agencies and other international partners through the systematic sharing of information and the mobilization of resources, particularly as concerns the coordinated and complementary implementation of cross-cutting themes at national and local levels;

(b) To strengthen the coordination role of UNCHS (Habitat) as the focal point for the coordination of the Habitat Agenda in the United Nations system;

(c) To establish an urban knowledge base in support of the implementation of national and local plans of action, including inputs to the United Nations Development Assistance Framework and support to the common country assessment process;

(d) To identify new and emerging issues in shelter and sustainable urban development that need to be taken into consideration in policy development;

(e) To assess the capacity-building implications of turning policies into practice;

(f) To formulate guidelines and provide support for transforming good practices and lessons learned from experience into policies at the national and global levels.

26. The substantive focus of the task manager system would be the twin goals of the Habitat Agenda, namely, adequate shelter for all and sustainable urban development. Reporting and information-sharing would focus initially on the twenty key items adopted in 1999 for country reporting and summarized below:

- (a) Shelter: tenure, right to housing, land, credit and basic services;
- (b) Social development and poverty reduction: health, safety and social integration;
- (c) Environmental management: balanced settlements, water, urban pollution, transportation and local Agenda 21 initiatives;
- (d) Economic development: micro-enterprise and women, public-private partnerships and employment;
- (e) Governance: decentralization, civic engagement and urban governance;
- (f) International cooperation.

27. The close parallels between the proposed system and the country reporting process would enable the international community to easily identify major gaps, overlaps and priorities for the effective and efficient allocation and mobilization of resources in support of the implementation of national and local plans of action.

28. International support and cooperation, in each of the above areas and clusters, would be documented, analysed and mapped. The resulting output would be a comprehensive source of information on geographic and topical coverage, as well as modalities of support and their contribution to one or more of the strategic objectives of the Habitat Agenda, i.e., participation, partnership, decentralization, capacity-building, networking and the use of information in support of decision-making.

III. POINTS FOR CONSIDERATION

29. In order to ensure that the commitments made by the international community at the Habitat II Conference on international cooperation are widely documented and reviewed, it is necessary to repeat the appeal to Member States to make voluntary financial contributions to the secretariat in order to assist developing countries, particularly the least developed countries, including representatives of parliamentarians, national associations of local authorities, non-governmental organizations and community-based organization networks, to participate fully in the special session and its preparatory process, and to support the preparation of their national reports on the implementation of the Habitat Agenda.

30. While acknowledging the interest of the Cities Alliance initiative established by UNCHS (Habitat) and the World Bank, as a multi-donor operational vehicle aimed at promoting inclusive and participative urban governance and linking upstream capacity-building with capital investment, the Commission on Human Settlements should call for increased international support to develop operational activities in cities of developing countries.

31. The United Nations system of organizations and agencies should be called upon to demonstrate its capacity and complementary action in a visible manner at regional, national and local levels, with regard to the coordinated implementation of the goals of the Habitat Agenda, and the mobilization of additional international financial and technical support.

32. In order to strengthen both international cooperation for implementing the Habitat Agenda, and mechanisms for monitoring its implementation, the Commission on Human Settlements should undertake appropriate actions to

translate into action the agreed conclusions of the Economic and Social Council coordination segment. This relates, in particular, to the review by the Executive Committee of the United Nations Development Group of the follow-up of the commitments made by members of the said Group regarding the implementation of the goals of the Habitat Agenda, and the review by the Secretary-General of the matter of the participation of UNCHS (Habitat) in all aspects of the work of the Administrative Committee on Coordination and its subsidiary machinery, in light of the Centre's role as the focal point in the United Nations system for the implementation of the Habitat Agenda.

33. The Commission should also undertake appropriate action to effectively initiate the Habitat Agenda task manager system in order to facilitate coordinated implementation of the Habitat Agenda by the United Nations system of organizations and agencies, as well as international partners.
