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ACTIVITIES OF THE UNITED NATIONS CENTRE FOR HUMAN SETTLEMENTS
(HABITAT): PROGRESS REPORT OF THE EXECUTIVE DIRECTOR

Addendum

Strategic vision for the UNCHS (Habitat): discussion and recommendations

Note by the secretariat

1. In paragraphs 6 to 24 of his progress report on the Activities of the United Nations Centre for Human Settlements UNCHS (Habitat), (HS/C/17/2) the Executive Director has reported to the Commission on the actions of the Revitalization Team which was appointed in September 1998 to assist the new Acting Executive Director with the reform of the Centre. One of the direct outcomes of the work of this team was a new strategic vision for UNCHS (Habitat) which proposed a radically new approach to the implementation of the Habitat Agenda.
2. The annex to the present note contains, for the Commission's information and ease of reference, the paper which was prepared by the Team on this subject entitled "A Strategic Vision for Habitat: Discussion and Recommendation".

* HS/C/17/1.

Annex

REVITALIZATION TEAM:

WORKING GROUP ONE

A STRATEGIC VISION FOR HABITAT:

DISCUSSION AND RECOMMENDATIONS

1.0 Introduction

The identification and elaboration of a strategic vision and focus for the work of Habitat is central to the revitalisation of the organisation. In the recent period the organisation has suffered from a lack of organisation coherence, and the resulting diffusion of the work programme has led to a decrease in the impact of its work. Both the Four Nations Study (Recommendation 13.2.1) and the OIOS Investigation (Recommendation 51) made clear reference to the need for 'a set of clear and well-defined corporate policies', and a 'more focused' post-Habitat II programme.

This discussion and the recommendations contained in this document constitute the start of a process through which Habitat should be able to identify and establish its role with far greater clarity. It must be stressed that the detail and methods of implementation of the proposals in this document are expected to be amended and refined during an iterative process of engagement with Habitat's partners, donors, CPR and the Human Settlements Commission.

1.1 Points of Departure

- ◆ Habitat needs to have a unique identity and separate organisational structure;
- ◆ Habitat should be identified with a single issue to focus its work and raise its profile;
- ◆ The context of Habitat's work is the massive socio-economic transformation associated with a rapidly urbanising world;
- ◆ Habitat will have most impact by focusing on the local level, where cities are managed and communities interact;
- ◆ Habitat will undertake its work at the city level with the support of national governments;
- ◆ Habitat's impact will be maximised through the establishment of strategic partnerships, and the leveraging of external resources.

2.0 Discussion

The world is facing demographic shifts unprecedented in history. Over the next thirty years, the global urbanised population will double. Africa, currently the least urbanised continent, will have 67% of its population in cities by the year 2020. It is apparent that many governments throughout the world are underprepared and underresourced in anticipating, planning and preparing for the scale of this phenomenon, which is likely to exacerbate the urbanisation crisis already in evidence.

The City Summit held in Istanbul in 1996 grappled with these realities, and produced a Global Plan of Action within the framework of the Habitat Agenda. Habitat is the specialised UN agency that was mandated by the Conference to help national governments and local authorities in responding to the massive social and economic transformations associated with these significant global urbanisation trends.

It is not merely the scale of the urbanisation process that is unprecedented, but the nature of the phenomenon. The unsustainable nature of these urban human settlements is manifested by huge increases in poor living conditions, a grave deterioration in the urban environment, the inability of cities to manage the processes, and enormous strains on cities with extremely limited resources and negligible economic growth rates. The result is most evident by the massive growth of urban poverty.

The challenge lies in focusing on the social dimensions of this urban poverty, in designing new strategies and approaches in the management of urban areas, as well as proposing innovative methods to address the physical environment and infrastructure, including strategies that can be measured by the reduction of urban poverty. These policies and strategies should be captured in the programmes and projects implemented by the organisation.

For Habitat, a sharpened focus in its work programme is required if the Organisation is to achieve a measurable impact on the global nature of the problem that it is charged with addressing. In order to be able to most effectively achieve its goals, the Centre will have to become a global focal point of information and analysis that can inform both the policies and the strategies that are offered to national and local governments, and their partners, in addressing these problems. Habitat is an organisation of limited resources, and needs to ensure that its impact is maximised through the leveraging of other resources, particularly through implementation with partners at the local level, and thus not spreading itself too thin.

This will require a significant break in the work profile and style of Habitat. By sometimes accepting any project merely because it is funded, the Centre is denying itself the ability to target

its limited resources in a manner best designed to achieve the goals and maximise the impact of the Centre. It is argued that, given the strength of the Habitat mandate, its current approach to work means that the Centre is significantly underplaying its potential role, and failing to grasp huge opportunities in its field of competence. Indeed, Habitat needs to come out of its shell, and assert itself and its vision, rather than continue to remain at the margins of the UN system.

In over two decades, Habitat has been able to significantly raise the profile of shelter and human settlements, and has many examples of innovation and success in its field. It has pioneered a partnership approach to the resolution of urban problems, and has pointed out the benefits of an inclusive and participatory approach to development. However, in late 1998, after an unsatisfactory post-Habitat II period which has frustrated Habitat and many of the organisation's global partners, it is necessary for Habitat to reinvent itself.

The aim of the Centre should not be reduced to mere survival, but to **identify the global priorities and lead the campaigns** that will improve the quality of life and give meaning to the notion of sustainable cities. Habitat needs to identify and utilise its comparative advantages, and start putting its own vital issues on the global agenda in a visible, forceful but strategic manner.

This will require Habitat to incrementally reorient its work programme to ensure that all of its activities are aligned with a strategic vision. Most importantly, a far more pro-active approach to Habitat's work programme will be necessary. It would also indicate a greater need for the active monitoring and evaluation of Habitat's work, plus the rigorous and systematic analysis of information available to the Centre from its operational activities. A main finding of the Four Nations Report was the need for 'coherent processes to promote institutional learning (and) to translate learning into policy on a systematic basis'. Systematically implementing this recommendation will be fundamental to the success of Habitat reinventing itself.

Habitat should avoid replicating skills that can be obtained through partnerships, which will demand that the Organisation deepen its relationships with the global, national and local partners and networks. Habitat would also benefit from a very targeted approach to strategic partnerships dealing with issues such as research. This would allow the Centre to access state-of-the-art research elsewhere and further strengthen its normative¹ functions. This is, again, an area of missed opportunities, trapping Habitat on the margins. While there are some positive examples of engagement, an *ad hoc* approach will not support an organisation of global status, even less an organisation striving for global excellence.

In summary, after the pioneering and innovative City Summit, Habitat has a reinforced mandate.

¹. The use of the term 'normative' is sometimes loose; it is taken here to refer to those issues that have a universal or generic policy application, and can therefore be used as a norm or standard. The application of a normative approach might find expression in an international convention, or in legislative guidelines.

It has been charged with assist national governments and local authorities in tackling some of the world's most visible and telling problems. Habitat has staff, it has infrastructure, both of which require support. To fulfill the trust and the mandate, the Organisation needs to reinvent itself, and take the lead globally. While this will not happen overnight, a significant impact can be made in the short term. It hardly needs stating, however, that achieving this status cannot happen without a completely new approach to work based on collaboration, rigorous information collection, analysis and co-operation. This is as true for the Organisation internally as it is externally.

3.0 Suggested approach

It has been stated that Habitat needs to be identified with a single issue that denotes its mission and focus. Just as WHO is identified with health, UNICEF with children and so on, so Habitat would benefit from a clear identity. It is **recommended** that Habitat confirm its status as the **UN Agency for Cities**².

If accepted, this recommendation will require Habitat to clearly identify its role and location in respect of the other agencies within the UN system. Indeed, Habitat should identify this as an opportunity to motivate for a new, collaborative ethos within the UN system³, based on synergy and complementarity and not on the defence of existing influence and terrain. The outcome of this process should confirm Habitat as the UN reference point for dealing with city issues that relate to an urbanising world, issues of governance, poverty, shelter and the urban environment.

As the authoritative global agency on sustainable urban development, Habitat should first take the lead in ensuring that the definition of city is not limited by formalistic legal or geographical approaches, but captures the dynamic functional reality of the urbanisation process, and places the city in its regional context. This will allow the focus and work of Habitat to capture the impact that cities have in drawing in the resources of the surrounding hinterland, and the social, economic and environmental impact that a city has as it consumes, damages and discards a range of resources. Identifying and understanding such phenomena is vital to the formulation of policies and strategies that deal with the living reality - including the ecological footprint - of urbanising cities, and not merely to narrow administrative or political definitions

In its goal of improving the life of people living in inadequate housing in poorly managed cities in bad physical environments, it is suggested that Habitat will have to more accurately identify those variables or issues that would make the most significant impact on sustainability. This will

². This need not entail a name change, but could be marketed as **UN Habitat: The City Agency**

³. While not within the scope of this exercise, it is necessary to observe as a reality the contribution to Habitat's problems that arise from the rigidities of the UN system itself.

require a rigorous analytical approach not adequately in evidence at the moment. Having identified the priority areas, Habitat should lead a global campaign to popularise the issue, and to provide the necessary support that would lead to the establishment of normative standards.

In so doing, Habitat should ensure that it avoid the temptations of short-term responses to structural problems. The current global financial crisis, and many of the short-term principles and activities associated with it, has pointed to a crisis of corporate governance. Recent economic policies and financial practices previously cited as successful are now belatedly being revisited and noted for their superficiality and lack of sound underpinnings.

These lessons and warnings are not as far removed from Habitat's competence as may be imagined. Habitat's work should be based on a determination to identify and address those core issues and values that will underpin sustainable development, and avoid the temptation for short-term results that do not satisfy certain basic criteria for sustainability. This will require Habitat and its partners to take positions, and to make choices.

To give effect to this imperative, Habitat can no longer continue to remain the passive recipient of funded projects that, combined, fall far short of a global strategy. Such an approach will not result in the successful implementation of the Habitat Agenda. On the contrary, linked to the identification of Habitat as the City Agency is the **recommendation** that Habitat adopt the style and profile of **the global advocacy agency** in its field of operations. In order to make this a success, and to target the priorities of the Habitat Agenda, it is **recommended** that Habitat should make it clear that its efforts (and that of clients and partners) will be measured by the positive impact on the poor, their integration into city-wide policies and strategies and have an explicit focus on the reduction of *urban poverty*.

A further **recommendation**, therefore, is that equity and social justice are used as basic principles underpinning the values and work of Habitat. This approach will align itself with one of the comparative advantages of Habitat, which include its experience in dealing with issues of marginalisation and social exclusion and would further strengthen the partnership-based approach in terms of which Habitat is a leading exponent within the UN system.

A linked **recommendation** is that women are used as a primary indicator of the success of Habitat's interventions, and as an explicit focus for its policy work. The choice of women should not arise from a belated attempt at political correctness, but rather from the quantifiable assertion that, in the fields of shelter, development and the urban environment, women are critical roleplayers in the application of good policy, and one of the best monitors of changing socio-economic relations. Habitat's existing work has already demonstrated that, in the reduction of urban poverty, a focus on women has the most beneficial effect, and that more people are assisted out of poverty through such a focus.

By focusing on the positive role of women - not just in the household, but also in respect of relationships to the law, finance etc, Habitat will also be giving effect to the commitment of gender equality in human settlements development.⁴

In like mind, and to repeat the point, Habitat should focus on those critical 'triggers' that will have the most impact in its field of operation, and which are most successful in the leveraging of other resources. The most important resource that Habitat should be leveraging is the energy of the very inhabitants of the human settlements wherein Habitat works, in partnership with the local authority.

In its work, Habitat will also be suggesting to local authorities themselves that a partnership approach does not necessarily mean a diminution of the city's power or authority, but is more likely to provide the basis for the most supported and sustainable resolution to the issue being addressed. The programmatic empowerment of ordinary people was a very significant theme of Habitat II, and needs to be made more explicit in the work of the Centre. A case in point relates to the issue of shelter, and the fact that most housing in the world is produced by ordinary people. In such an example, Habitat should be tailoring its research and operational activities to support and strengthen this approach, and to disseminate examples of the most successful policies.

4.0 Summary.

To summarise, it is proposed that Habitat identify itself very openly with an approach of policies and practices aimed at the challenges of an urbanising world. To achieve this, it will increase its profile as the global agency dealing with cities, measuring its impact with a focus on addressing the quality of life, improvements in the manner and style of urban governance and the reduction of urban poverty.

Working with national governments and local authorities, Habitat's activities will combine monitoring, policy advice and project execution. It will have a systematic approach to capacity building, and will explicitly utilise principles of equity and social justice in the design and application of its policies. However, it is important that Habitat locate its work within a city-wide framework, and assist local partners in dealing with issues of urban poverty and quality of life on an integrated basis.

Where it identifies those issues that will have the most fundamental impact on achieving these aims, Habitat will lead global campaigns, around which a series of strategic partnerships can be mobilised.

⁴. Global Plan of Action: Chapter D (Paragraph 46)

5.0 Recommendations: Global Priorities

It is argued here that two issues should form the basis for two global campaigns lead by Habitat, and around which a whole series of strategic partnerships can be formed. These medium-term global campaigns should be seen as supporting (and not replacing) the work programme, which is why they are focused on those fundamental issues that underpin successful and sustainable city-wide strategies. These campaigns should be seen as the strategic entry points for Habitat's work programme in the effective implementation of the Global Plan of Action of the Habitat Agenda, and its two main themes of shelter ⁵ and sustainable human settlements.⁶

5.1 The first is a **Global Campaign for Secure Tenure** which, if successful, would have the most profound and far-reaching impact on the long-term sustainability of human settlements (urban and rural). There is a mountain of evidence that has demonstrated that the granting of secure tenure⁷ is the single most important catalyst in the mobilising of individual investment in the locality. The insecurity of tenure is, likewise, often associated with the marginalisation of individuals and communities, to a concomitant lack of investment, and as a contributory factor to petty criminality and challenges to urban governance generally. A secure tenure campaign⁸ must be based on equality, and ensure that tenure be allocated to women on an equal basis with men.

This campaign should be aimed at securing a strategic partnership with the global association of local authorities, WACLAC, parliamentarians, NGOs etc. Habitat could then focus on the normative aspects of this campaign, such as providing the **legal framework** for the capturing of secure tenure. Simultaneously, Habitat should secure the agreement of multilateral bodies such as UNDP and the World Bank that they would integrate linkages to the issue of secure tenure into their work programmes, funding and investment priorities.

5.2 The second is a **Global Campaign on Urban Governance**, with an emphasis on approaches based on the notion of participatory citizenship⁹. Good governance can be defined by how well a population, its representatives and agents identify and deal with major social, economic and

⁵ Chapter IV: Global Plan of Action: Strategies for Implementation. Part B: Adequate Shelter for All

⁶ Chapter IV: Global Plan of Action: Strategies for Implementation. Part C: Sustainable Human Settlements in an Urbanising World.

⁷ In this approach, the nature of the tenure is a secondary consideration to the security thereof.

⁸ Refer to Paragraph 61 of the Habitat Agenda, which entreats Governments to "...take appropriate action in order to promote, protect and ensure the full and progressive realisation of the right to adequate housing", and to subsection (b) on secure tenure.

⁹ This is another area where Habitat has been pioneering new approaches which should be drawn into the mainstream of the Organisation's activities.

environmental issues that stand in the way of an improved quality of life for all its citizens over time. In this regard, Habitat should actively promote the concept and benefits of an active urban citizenry, based on the realisation that a responsible participatory citizenship is one of the key elements to successful city management and the elaboration of inclusive developmental strategies.

With its existing global programmes, an unparalleled experience in urban management, and with the expertise to identify the elements necessary for sustainable city strategies, Habitat is uniquely positioned to authoritatively lead such a campaign on behalf of the United Nations.

Governance is a wide-ranging concept which can be made more comprehensible and popular through a series of supportive actions. Within such a focus, for example, Habitat would be able to highlight endemic impediments to development such as corruption, and to provide support to partners in identifying, exposing and eliminating this disease. Habitat should take the lead in promoting the rights of citizens' access to information, more open styles of government and the need for strategies that prioritise and address issues of marginalisation and social exclusion. The World Charter of Local Self-Government would provide an excellent vehicle for the raising of issues of urban governance.

Likewise, with its experience in building partnerships, Habitat is uniquely positioned to demonstrate the beneficial impact of an inclusive approach to the development and implementation of city-wide strategies. Improved methods of urban governance should result in the identification of agreed priorities leading to, for example, the better provision of basic urban services to the poor.

Both campaigns have the following in common.

- If successful, they would make a real change to the lives of ordinary people;
- Both would ensure a greater role for women, liberating them to make a greater contribution in social, economic and political spheres;
- Both campaigns have a rural resonance as strong as the urban;
- Both campaigns would provide the basis for very targeted strategic partnerships - globally, nationally and, most importantly, locally;
- They both raise the profile of Habitat; and
- They would work

These campaigns should not be seen as the definition of the Habitat work programme, but rather as flagship campaigns that have been explicitly identified to provide a strategic entry point to the Global Plan of Action. As flagship campaigns, however, there would need to be an obvious

reorientation of existing programmes to provide the appropriate support, exposure and linkages. In summary, however, it is worth observing that Habitat's work priorities will arise by two different methods. High priority issues may be suggested by universal norms highlighted by Habitat, such as secure tenure, whereas others will arise by their identification through participatory processes, city by city.

5.3 Supportive work.

In the case of the secure tenure campaign, this could be seen and launched as a logical continuation of the Global Strategy for Shelter. At the same time, the organisation should be preparing itself to come in behind the secure tenure issue with a range of measures designed to lead to consolidation, physical and social. This would include, for example, the development of a host of legal rights including access to information and the need for transparent land markets.

In the important area of shelter, Habitat's emphasis on sustainable development will require the Organisation to assist urbanising cities and their communities in the difficult task of ameliorating the imperatives of immediacy, and introduce a longer-term balance that would make possible more environmentally-friendly human settlements, such as the introduction of energy-efficient construction materials and methods. This is an area where Habitat has an established reputation, and a comparative advantage in its work.

An additional substantive component of a consolidation approach would be a substantial focus on the urban economy, its relationship with the national economy, and the need to focus on strategies aimed at employment-generation and the creation of possibilities of social mobility. This area currently constitutes a worrying gap in the skills base of Habitat, and it is an area which requires urgent attention. Habitat will need to establish a competence in this field to enable it to operate as a credible interlocutor with multi-lateral and national economic and financial institutions. Such a capacity will be vital in ensuring the complementarity of city strategies within national and international financial and economic frameworks.

In this regard, for example, the provision of micro-credit for a variety of applications including shelter and enterprise should become a central part of an integrated urban strategy. It is asserted that the rationale for this linkage is clear, in that the granting of secure tenure is the single most important stimulus to personal investment in 'place'. This personal investment, as has been amply demonstrated, has the potential to provide the underpinning of sustainable communities and cities, and assist in the reduction of urban poverty.

However, the poverty and marginal status of human settlements results, *inter alia*, in the exclusion of individuals and entire communities from economic activity and the associated access to credit except on an exploitative basis. Designing strategies to address this problem will

go to the core of the potential inherent in such human settlements, and to redressing shortfalls in the provision of shelter and of basic services.

However, this can be tackled in an intelligent manner, both by improving the human capacity in Habitat, as well as by the negotiating of some strategic partnerships.

By way of an example, it is suggested that Habitat should explore two areas for a strategic partnership in this area. In the field of traditional housing finance, for example, the long-term mortgage is an inappropriate financial instrument when the needs of the world's poor are considered. Mainstream financial agencies continue to be very unresponsive to calls to review their criteria, lending principles and instruments. Habitat should take the lead in providing the framework for positively engaging such institutions to examine more flexible approaches to the provision of more appropriate forms of credit.

In recent years the international NGO movement that has made enormous breakthroughs in savings-based approaches to the provision of micro-credit in developing countries, and in precisely the kinds of human settlements that are the focus of Habitat's work. With linkages in Latin America, Southern Africa and South-East Asia, there is an existing network and body of experience that Habitat would be well advised to engage. Again, the experience strengthens the recommendation of a policy focus on women. In similar vein, the savings-based experience of the German *Bausparkassen*, which operate both in the private and public spheres of the market, could be creatively engaged to assist Habitat devise strategies for an inclusive approach to housing finance and micro-credit.

This would require Habitat to take the lead in identifying the importance of the issue, formulating a proposed policy approach, identifying the partners and, generally, acting as the catalyst in the formulation of a strategic partnership that would address a fundamental problem that goes to the very core of ordinary citizens needs, their quality of life and the sustainability of human settlements.

That, in short, is the kind of global lead that Habitat must take, and which is expected of the Organisation.

6.0 Conclusion

This discussion document is based on the primary assumption that Habitat has the essential conditions to assist national and local governments in making a major impact on some of the most challenging issues facing the cities of the world. It suggests an approach which will raise the profile of Habitat, and provide the conditions for its work to have a more visible impact. Whatever approach is finally recommended, Habitat will have to operate as a team to maximise its finite resources, and to provide an environment in which staff prosper and excel.