



UNITED
NATIONS

HSP

HSP/GC/24/2/Add.3

UN HABITAT

**Governing Council
of the United Nations Human
Settlements Programme**

Distr. General
12 March 2013

Original: English

Twenty-fourth session

Nairobi, 15–19 April 2013

Item 5 of the provisional agenda*

**Activities of the United Nations Human Settlements
Programme, including coordination matters**

Activities of the United Nations Human Settlements Programme

Addendum

**Third United Nations Conference on Housing and Sustainable
Urban Development**

Report of the Executive Director

Summary

The present report is submitted pursuant to General Assembly resolution 67/216 of 21 December 2012, by which it requested the Secretary-General of the third United Nations conference on housing and sustainable urban development to prepare, using the expertise of the United Nations system, a proposal for consideration by the Governing Council of the United Nations Human Settlements Programme (UN-Habitat) at its twenty-fourth session, on how best to provide inputs for and support to the preparatory process of the conference in the most inclusive, efficient, effective and improved manner and to proceed accordingly.

Part I of the report outlines the resolutions on the conference that have previously been adopted by both the General Assembly and the Governing Council of UN-Habitat. Part II provides a brief background to the conference by highlighting current urbanization challenges and opportunities. Part III highlights the objectives and key issues that the conference is intended to address. Part IV, which is the core of the report, presents a proposal on the documentation required for the first meeting of the Preparatory Committee for the conference and how this documentation is to be prepared, including the contributions of partners. Part V presents some preliminary ideas on what needs to be done to set up the trust fund for the conference and outlines the resource requirements of UN-Habitat for the preparation of the documentation required for the first meeting of the Preparatory Committee. In conclusion, Part VI summarizes the issues on which the Governing Council needs to make decisions: firstly, the documentation that UN-Habitat should prepare for the first session of the Preparatory Committee; secondly, the resources required for the preparation of that documentation; and thirdly, the granting of authority to the Secretary-General of the conference to start, as soon as possible, the preparation of the required documentation.

* HSP/GC/24/1.

I. Introduction

1. By its resolution 64/207 of 21 December 2009, the General Assembly requested the Secretary-General, in collaboration with the Governing Council of UN-Habitat, to prepare a report on the question of convening in 2016 a third United Nations conference on housing and sustainable urban development (Habitat III).
2. The Executive Director prepared a draft of the report requested by the Assembly and presented it to the Governing Council of UN-Habitat for discussion at its twenty-third session in April 2011 (HSP/GC/23/2/Add.4). The report made a case for holding the conference by examining key developments since the second United Nations Conference on Human Settlements (Habitat II), held in Istanbul, Turkey, from 3 to 14 June 1996. The Governing Council endorsed the report and transmitted it to the Secretary-General and, through its resolution 23/8 of April 2011, invited the General Assembly to deliberate further at its sixty-sixth session on the question of convening Habitat III in 2016.
3. The Secretary-General in turn prepared a report providing the rationale for Habitat III on the basis of the report of the Governing Council. He submitted his report (A/66/282) to the General Assembly for consideration at its sixty-sixth session. On the basis of this report, the General Assembly at its sixty-sixth session decided, by its resolution 66/207, to hold, in 2016, a third United Nations conference on housing and sustainable urban development. However, the Assembly deferred to its sixty-seventh session the consideration of the scope, modalities, format and organization of the conference.
4. On 8 December 2011, the Government of the Republic of Turkey wrote to the Secretary-General to express its political commitment to host, in Istanbul, the Habitat III conference. On 27 August 2012, the Secretary-General appointed the Executive Director of UN-Habitat, Under-Secretary-General Joan Clos, as the Secretary-General of Habitat III.
5. The Secretary-General, in his report to the General Assembly on the implementation of the outcome of Habitat II and strengthening of the United Nations Human Settlements Programme (A/67/263), made proposals on the scope, modalities, format and organization of Habitat III. Following consideration of this report, the Assembly adopted resolution 67/216, by which it requested, in paragraph 14, the Secretary-General of Habitat III to prepare, using the expertise of the United Nations system, a proposal for consideration by the Governing Council of UN-Habitat at its twenty-fourth session, as to how best to provide inputs for and support to the preparatory process of the conference in the most inclusive, efficient, effective and improved manner and to proceed accordingly.
6. General Assembly resolution 67/216 is the basis on which the present report has been prepared, for the consideration of, and possible decision by, the Governing Council.

II. Challenges and opportunities of urbanization: background

7. A historic milestone was achieved in 2007 when the global population living in cities and towns reached the 50 per cent mark, thus making urban centres the dominant habitat for humankind. This shift has tremendous implications for the current and future dynamics of human development. Most outstanding in this process is the rate at which urbanization is occurring in developing countries.
8. Only slightly more than 60 years ago (in 1950), the number of people living in urban centres was somewhat higher in the developed nations (58.5 per cent, or 426.9 million) than in developing countries. Today, of every 10 urban residents in the world, more than 7 are found in developing countries, which also accommodate an overwhelming proportion of humankind (82 per cent of the world's population). Moreover, of the 187,066 new city dwellers who will be added to the world's urban population every day between 2012 and 2015, 91.5 per cent, or 171,213, will be born in a developing country.
9. In the developing world, Africa and Asia are the least urbanized continents, still below 50 per cent, while in Latin America and the Caribbean the level of urbanization has already passed 76 per cent. The fastest rates of urbanization are in Africa and Asia, the two continents where the majority of the least developed countries are also concentrated.
10. In addition to rapid urbanization, cities and towns, especially in developed countries, are facing other demographic challenges, including declining urban populations in some parts of the world, ageing and increasing multicultural composition.

11. Non-demographic challenges and factors shaping twenty-first century cities and towns include: first, the environmental challenges of climate change, the excessive dependence of cities on fossil fuel and the increasing vulnerability of cities to natural disasters; second, the economic challenges of uncertain future growth that the current global financial crisis has engendered, as well as increasing informality in urban activities; third, increasing spatial challenges, such as socio-spatial fragmentation, urban sprawl, unplanned peri-urbanization and the increasing geographical size of cities; fourth, social factors, such as increasing urban poverty, inequality and exclusion; and finally, institutional factors related to governance and the changing role of local government.

12. In spite of these challenges, cities and towns have played, and continue to play, a significant role as drivers of national economic and social development and therefore the challenges that they face have to be addressed in one way or another.

13. It is clear that the rapidly increasing dominance of cities as the habitat of humankind places the process of urbanization among the most significant global trends of the twenty-first century. Cities and urban places in general now occupy the centre stage in global development. Significantly, cities and towns are a major factor in environmental trends and sustainability processes. They now profoundly shape and influence social and political relations at every level, determining modes of production and providing new content to social norms, culture and aesthetics. Cities have become a major locus of power and politics, consequently influencing national development and policy outcomes. Urbanization is thus providing both the setting and the momentum for global change.

14. Studies on the economic history of urbanization have long established that there is a positive correlation between urbanization and development. It is also clear that throughout history, urbanization has been, and continues to be, a source rather than only an outcome of development. Because of this, urbanization can be used as a powerful tool for creating employment and livelihoods. It is now generally accepted that decision makers need to shift their urban policy orientation away from viewing urbanization mainly as a problem, towards viewing it as a tool for development.

15. The shift towards a predominantly urban world is a transformative process permeating many aspects of global development. It is also a force which, if effectively steered and deployed, can potentially help the world to overcome some of the current major global challenges, including climate change. Heads of State and Government and high-level representatives recognized this in paragraph 134 of the outcome document of the United Nations Conference on Sustainable Development, entitled "The future we want":

We recognize that, if they are well planned and developed, including through integrated planning and management approaches, cities can promote economically, socially and environmentally sustainable societies. In this regard, we recognize the need for a holistic approach to urban development and human settlements that provides for affordable housing and infrastructure and prioritizes slum upgrading and urban regeneration.

16. The focus on sustainable urban development in the preparatory process for Habitat III and also as a factor in determining the United Nations post-2015 development agenda and sustainable development goals is therefore fundamental if evolving positive processes, salient contextual factors and the powerful momentum prevailing at the beginning of the new millennium are to be harnessed. A new urban agenda should address the main challenges and opportunities that are shaping twenty-first century cities, towns and other human settlements, including how these affect and contribute to sustainable development in general.

III. Objectives and key issues of the conference

17. In his report to the sixty-sixth session of the General Assembly entitled "Third United Nations conference on housing and sustainable urban development" (A/66/282), on the basis of which the Assembly decided to convene Habitat III in 2016, the Secretary-General argued that there had been a number of key developments since Habitat II that necessitated the holding of a third United Nations conference on housing and sustainable urban development. These developments included:

(a) The increasing demographic dominance of cities, which now accommodate more than half of the world's population, and their much more dominant role as engines of national economic growth and development;

(b) The rapid spatial expansion of urban settlements in both developing and developed countries, leading to the emergence of mega cities, mega-urban regions and increasing spatial and social fragmentation, poverty and inequality within cities;

(c) The emergence of new global issues and forces, including high levels of internal and transnational migration, globalization, sustainable urban development, climate change, rising urban insecurity and crime, increasing destruction of human settlements by natural and human-caused disasters and conflicts and rising informality within cities;

(d) The changing roles of the public, private and non-governmental sectors from enabling policies, including deregulation, towards a resurgence of the role of the public sector in urban planning and development;

(e) The increasing volume of operational work by UN-Habitat in post-disaster and post-conflict reconstruction and rehabilitation, in response to the significantly increasing frequency, intensity and impacts on cities and other human settlements of human-caused and natural disasters.

18. In paragraph 6 (a) of resolution 67/216, the General Assembly therefore decided that the objective of Habitat III would be to secure renewed political commitment for sustainable urban development, assessing accomplishments to date, addressing poverty and identifying and addressing new and emerging challenges, and that the focus of the conference would include, but would not be limited to, the theme of “Sustainable urban development: the future of urbanization”, to be discussed and refined during the preparatory process.

19. The Assembly further decided that the conference would result in a concise, focused, forward-looking and action-oriented outcome document, which would reinvigorate the global commitment to and support for housing and sustainable urban development and the implementation of a new urban agenda (paragraph 6 (b)).

IV. Documentation for the preparatory process of the conference

20. It is clear that the expectation of the General Assembly is that the outcome document of Habitat III will be evidence-based, that is to say that it will be based on an empirical assessment of the progress made by Governments in implementing the 1996 Habitat Agenda and all other internationally agreed goals and targets relevant to housing and sustainable urban development. In resolution 67/216, paragraph 6(a), the Assembly included in the objectives of the conference the following actions: assessing accomplishments to date and addressing new and emerging challenges. In paragraph 6(c), it further decided that the conference and its preparatory process should take into account and build upon the principles and gains achieved through the implementation of the Rio Declaration on Environment and Development, Agenda 21, the Programme for the Further Implementation of Agenda 21, the 1996 Habitat Agenda, the Declaration on Cities and Other Human Settlements in the New Millennium and the relevant internationally agreed development goals, including those contained in the Millennium Declaration, the Johannesburg Declaration on Sustainable Development and Johannesburg Plan of Implementation, as well as the outcome of the United Nations Conference on Sustainable Development.

21. The first major task will therefore be to assess, at the national, regional and international levels, achievements attained and challenges encountered in the implementation of the 1996 Habitat Agenda and relevant internationally agreed goals and targets. This assessment will also need to review the effectiveness of international measures, including institutional frameworks, adopted in support of the implementation of the Habitat Agenda and other relevant goals and targets. In addition, it will need to identify new human settlements challenges that have emerged since 1996 and how these challenges are being addressed.

22. The second task will be to develop a new urban agenda on the basis of an empirical assessment of the implementation of the 1996 Habitat Agenda and other relevant goals and targets and of the identification of new challenges and opportunities.

23. In line with resolution 67/216, both the assessment of progress and the development of a new urban agenda will have to be widely inclusive. In paragraph 11 of resolution 67/216 the General Assembly encouraged effective contributions from, and the active participation of, all relevant stakeholders, including local governments, major groups as identified in Agenda 21, the relevant United Nations funds and programmes, the regional economic and social commissions and specialized agencies, the international financial institutions and other Habitat Agenda partners, at all stages of the preparatory process and at the conference itself. It further requested the Secretary-General of the conference to make proposals to the Preparatory Committee on improved participation of local authorities and other stakeholders in the preparatory process and the conference itself, building on the positive experience of the rules and procedures of the Governing Council of UN-Habitat and the inclusive engagement modalities of Habitat II.

24. The first meeting of the Preparatory Committee will be held in New York during the sixty-ninth session of the General Assembly, as decided by the Assembly in resolution 67/216, paragraph 9(b). Assuming that Habitat III will be held towards the middle of 2016, this means that the Preparatory Committee will have one year and ten months to prepare for the conference. In the light of the limited time available, it would be useful for the Preparatory Committee to undertake, during its first meeting, a comprehensive review and assessment of progress achieved in the implementation of the 1996 Habitat Agenda and other relevant internationally agreed development goals and targets, and identify key elements for inclusion in the draft outcome document of the conference.

25. At the second meeting of the Preparatory Committee, to be held in Nairobi in 2015, taking full advantage of the twenty-fifth session of the Governing Council of UN-Habitat, as stated in paragraph 9(c) of resolution 67/216, the Committee would then hold negotiations on the first draft of a document containing, inter alia, a draft new urban agenda. Those negotiations would be concluded at the third and final meeting of the Preparatory Committee, whose date and venue will be considered no later than the sixty-ninth session of the General Assembly before the end of 2014, as specified in paragraph 9 (d) of resolution 67/216.

26. As the focal point for housing and sustainable urban development within the United Nations system, UN-Habitat will coordinate the process of providing inputs for and support to the preparatory process of the conference. These inputs and support will largely be in the form of documentation required for the preparatory process.

27. Given the roadmap sketched above, preparation of the documentation required for the first meeting of the Preparatory Committee, to be held around September 2014, has to start as soon as possible after the twenty-fourth session of the Governing Council. On that basis, the Secretary-General of Habitat III proposes the preparation of documentation at the national, regional and international levels as discussed below.

A. National-level documentation

28. Every Member State of the United Nations is requested to prepare, by the end of 2013, a national progress report on the implementation of the 1996 Habitat Agenda and other internationally agreed goals and targets relevant to housing and sustainable urban development.

29. The report, which must be evidence-based, will:

(a) Contain, as background information, an assessment of development progress made by the country since 1996, addressing the three dimensions of sustainable development - economic, social and environmental;

(b) Contain an assessment of the progress made towards attainment of the commitments and goals contained in the 1996 Habitat Agenda and of other internationally agreed goals and targets relevant to housing and sustainable urban development;

(c) Contain an assessment of the effectiveness of existing national arrangements for the implementation and monitoring of the 1996 Habitat Agenda and other relevant internationally agreed goals and targets, including the involvement of Habitat Agenda partners and the nature and effectiveness of partnerships with non-governmental organizations and the private sector;

(d) Identify the gaps, constraints and obstacles encountered in the implementation of the Habitat Agenda and other relevant internationally agreed goals and targets, as well as other country-specific goals and targets;

(e) Review the level and effectiveness of the international support received by the country towards the implementation of the 1996 Habitat Agenda and other relevant international goals and targets;

(f) Identify emerging challenges and opportunities in the area of housing and sustainable urban development that should be addressed by a new urban agenda.

30. In order to ensure the full participation of all relevant national stakeholders, it is recommended that Member States use their national habitat committees or national urban forums to prepare their national reports. The national ministries responsible for housing and sustainable urban development have already been invited by the Secretary-General of Habitat III to set up or strengthen their national urban forums or national habitat committees.

31. Guidelines for the establishment or strengthening of national habitat committees and national urban forums have also been distributed. The guidelines stress the importance of the involvement of all stakeholders, i.e., central government, parliamentarians, local authorities, civil society, including

women and youth groups, the private sector and business leaders, philanthropic and non-profit organizations, academia and the media.

32. UN-Habitat will further provide guidelines and a format for the preparation of national reports, so as to ensure comparability of national assessments. The guidelines will also specify the types of data and indicators needed for measuring progress. They will be prepared in consultation with other United Nations agencies, Bretton Woods institutions and Habitat Agenda partners. Coordination mechanisms of the Secretariat of the United Nations will be fully utilized for this purpose.

B. Regional-level documentation

33. UN-Habitat will prepare, in consultation with other United Nations programmes, departments, funds and agencies, especially the regional economic and social commissions, and the Bretton Woods institutions, an assessment report for each of the following regions:

- (a) Africa
- (b) Asia
- (c) Europe
- (d) Latin America and the Caribbean
- (e) North America
- (f) Oceania.

34. As the above regions are the ones used by the Population Division of the United Nations Department of Economic and Social Affairs in its *World Population Prospects* series, it will be easy to compare housing and urban data with data on other dimensions of development.

35. Regional reports will be based on the national reports of countries constituting those regions. Each regional report will present regional trends with respect to the same issues covered in the national reports, highlighting characteristics, issues, concerns and opportunities specific to that region.

C. International-level documentation

36. Finally, UN-Habitat will prepare, principally on the basis of both national and regional assessment reports, a global report assessing progress in the implementation of the 1996 Habitat Agenda and other internationally agreed goals and targets relevant to housing and sustainable urban development. The global assessment report will also build, to the extent possible, on the reviews of other recent United Nations global conferences and stocktaking exercises and their relevant outcomes.

37. UN-Habitat will also coordinate a series of inter-agency consultative meetings with a view to building consensus on progress made by the United Nations system in the coordinated implementation of the Habitat Agenda and other relevant goals and targets. Particular attention will be paid to the adequacy of the current global institutional architecture for the future advancement of the new urban agenda. The outcome of these consultations will constitute an input to the global assessment report.

38. Since 1986, UN-Habitat has been preparing and publishing the *Global Report on Human Settlements* (biennially since 2001). It has also been preparing and publishing *The State of the World's Cities* biennial report since 2001. The secretariat intends to merge these two flagship reports into a single flagship report.

39. For the purposes of cost-saving and avoidance of duplication of effort, it is proposed that the first issue of the new flagship report be the vehicle for transmitting to the Preparatory Committee for Habitat III the results of the global assessment of progress in the implementation of the 1996 Habitat Agenda and of other relevant international goals and targets. A draft of this report should be available at the first meeting of the Preparatory Committee during the second half of 2014. The final section of the draft global report will identify emerging challenges, issues and opportunities that should be addressed by a new urban agenda.

D. The contribution of Habitat Agenda partners

40. UN-Habitat will encourage and support Habitat Agenda partners to organize a series of consultations at the national, regional and international levels. These consultations will provide inputs to the national, regional and global assessment reports. To ensure ease of integration of the inputs into the assessment reports, UN-Habitat will again provide guidelines and a format for the submission of inputs. In addition to these reports, Habitat Agenda partners may also choose to prepare their own independent inputs for the first meeting of the Preparatory Committee, either jointly or by category.

41. Habitat Agenda partners will be encouraged to make use of their own prescheduled meetings to hold consultations and prepare inputs into the national, regional and global assessment reports. In resolution 67/216, paragraph 12, the General Assembly encouraged stakeholders gathered at the seventh session of the World Urban Forum, as well as at the regular ministerial conferences on housing and urban development and other relevant group meetings, to provide inputs and to contribute, as appropriate, to the process leading to the conference.

42. At the global level, the seventh session of the World Urban Forum, to be held in 2014 in Medellin, Colombia, will be particularly useful for finalizing documents for the first meeting of the Preparatory Committee, as all major stakeholders will be represented.

E. Delivering, sharing and discussion of documentation

43. Anticipating the proposals above, the secretariat of UN-Habitat has included the documents mentioned above as outputs in the proposed biennial work programme and budget for 2014-2015. Integration of the contributions of UN-Habitat to the Habitat III preparatory process in its regular work programme and budget will ensure the ability of the secretariat to make those contributions, in the light of prevailing financial constraints.

44. Preparation of the required inputs will be a collective effort of the whole organization, involving all substantive branches and regional offices, given the comprehensive, regional and global coverage of the documents.

45. In line with the requirement of paragraph 14 of resolution 67/216 that the inputs for, and support to, the preparatory process of the Conference be provided in the most efficient, effective and improved manner, UN-Habitat will make use of new information and communications technology, especially the Internet, and other innovative approaches.

46. In order to reduce costs, increase efficiency and be more inclusive and participatory, a key component will be the creation of an online Internet platform that can be used to disseminate tools, methodologies and approaches for assessing progress made since Habitat II.

47. The platform will also serve as a means for supporting national and regional collaboration and exchange of information among members of national habitat committees or national urban forums. Users will be able to make use of a number of collaborative tools to enable peer-to-peer sharing of information, best practices and lessons learnt. Data gathered at national levels will be uploaded to the platform, thus significantly reducing the time required for data verification, compilation and analysis. National assessment reports will also be uploaded to the platform.

48. The platform will also support the use of videoconferencing and web-based meetings and seminars, or “webinars”. E-dialogues utilizing this platform will be the main means for commenting on and making contributions to drafts of national and regional assessment reports, as well as the global assessment report. This will minimize the number of days of physical meetings by ensuring that a lot of the necessary discussion on documents will have taken place before the meetings start.

49. The Preparatory Committee meetings and the conference itself will be PaperSmart, in line with the more recent United Nations summits, in an effort to reduce costs and environmental impacts. To the fullest extent possible, communications relating to Habitat III documentation between the secretariat of UN-Habitat, national Governments and national habitat committees or national urban forums will be through email in order to minimize costs and maximize speed of interaction.

50. Finally, the preparatory process will also make extensive use of social media and other advocacy-related tools as a means of engagement and supporting dialogue during the Habitat III preparatory process.

V. Habitat III trust fund and other financial aspects

51. By resolution 67/215, paragraph 13, the General Assembly decided to establish a trust fund for Habitat III. It urged international and bilateral donors as well as the private sector, financial institutions, foundations and other donors to support the preparations for the conference through voluntary contributions to the trust fund and to support the participation of representatives of developing countries in meetings of the Preparatory Committee and at the conference itself.

52. In the same resolution, the Assembly also invited voluntary contributions to support the participation of Habitat Agenda partners in meetings of the Preparatory Committee and requested the Secretary-General of the conference, when using the resources of the trust fund, to prioritize the coverage of economy-class air tickets, daily subsistence allowance and terminal expenses and to report

on the use of the resources of the trust fund to the Governing Council of UN-Habitat at its twenty-fifth session.

53. UN-Habitat is in the process of setting up the Habitat III trust fund and has designated a financial manager to take charge of the trust fund and all the financial aspects of the preparatory process for the Conference.

54. To enable it to prepare the documentation required for the first meeting of the Preparatory Committee, UN-Habitat has requested an amount of \$899,000 from the United Nations regular budget. Of this amount, \$564,000, or 63 per cent, will be for staff and consultancy costs, including six consultants at the P-5 level for up to four months each to prepare six regional assessment reports; one consultant at the D-1 level for up to twelve months to prepare a global assessment report; one consultant at the P-4/P-5 level for up to eight months to work on data and indicators required for the national, regional and global assessments; and one consultant at the P-4/P-5 level for up to 12 months to manage the assessment project and design relevant assessment tools, methodologies and related products.

55. An amount of \$335,000, or 37 per cent of the total requested, will be for organizing two global meetings and a number of regional workshops and for mission costs to support the national, regional and global assessments. The first global meeting will be an expert group meeting to discuss the design and implementation of the assessment project before it is launched. The other global meeting will be in the form of a virtual conference using the Internet platform mentioned earlier and its purpose will be to discuss the results of the regional and global assessment reports.

VI. Conclusion

56. Given the short timeframe and ambitious scope of the preparatory process for Habitat III, it is critical that key documentation containing national, regional and global assessments, as well as suggested issues for inclusion in a new urban agenda, be prepared and reviewed at the first session of the Preparatory Committee in 2014. This will ensure that the second and third sessions of the Preparatory Committee (and the intervening one-year period) are focused on drafting and negotiating the outcome document of the conference.

57. Finally, it is important that, at its twenty-fourth session, the Governing Council makes a decision on the documentation that UN-Habitat should prepare for the first session of the Preparatory Committee; makes a decision on the resources required for the preparation of that documentation; and authorizes the Secretary-General of Habitat III to initiate, as soon as possible, the preparation of the required documentation.
