Summary

1. In response to the Secretary-General’s 1997 Programme for Reform and to calls for revitalization, the United Nations Human Settlements Programme (UN-HABITAT), formerly the United Nations Centre for Human Settlements (UNCHS (Habitat)), has, between 1997 and 2003, undertaken a comprehensive reform process that began with in-depth reviews by a consortium of four United Nations Member States and by the Office for Internal Oversight Services (OIOS) and continued with the creation of an independent revitalization team, whose work culminated in the appointment of a new Executive Director, Mrs. Anna Kajumulo Tibaijuka. She, in turn, has managed the structural reorganization of UN-HABITAT, the regularization of professional staff and the elevation of the Centre to Programme status within the United Nations system, with full support from Member States.

2. In undergoing this transformation, the United Nations Human Settlements Programme (UN-HABITAT), has purposefully internalized the relevant development goals and norms of the United Nations, responding directly to priority issues in its field of responsibility – urban development and shelter. UN-HABITAT has now made the transition from a relatively indeterminate entity, operating under a broad spectrum of mandates, to a United Nations Programme dedicated to the strategic “repackaging” of the Habitat Agenda in the form of priority objectives to achieve specific targets of the United Nations.

* In its resolution 56/206 of 21 December 2001, the General Assembly transformed the Commission on Human Settlements into the Governing Council of the United Nations Human Settlements Programme (UN-HABITAT), a subsidiary organ of the General Assembly. This session has been designated as the nineteenth instead of the first session of the Governing Council to signify the continuity and relationship between the Governing Council and the Commission on Human Settlements.

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Millennium Declaration. From within UN-HABITAT, there has been a guided transformation that has positioned the Programme squarely in the mainstream of the United Nations development agenda with a more streamlined and effective structure and staff.

3. The processes of restructuring (enhancing organizational relevance and effectiveness) and regularization (enhancing expertise for greater substantive relevance) have contributed greatly to this new position. UN-HABITAT is now poised, with strengthened expertise and clear comparative advantage in at least one area of the Millennium Declaration, that of improving the lives of 100 million slum dwellers, to play a central role in the United Nations mission to fight poverty around the world. The present report, by the Executive Director of UN-HABITAT, summarizes the Programme’s activities since this Governing Council last met at its eighteenth session, as the Commission on Human Settlements, in February 2001. This period of 26 months, which includes the review of progress in implementing the Habitat Agenda by the Special Session of the General Assembly for an Overall Review and Appraisal of the Implementation of the Habitat Agenda and the first biennial World Urban Forum, has been, arguably, the most significant in the history of UN-HABITAT.

I. OVERALL REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF THE HABITAT AGENDA

4. The United Nations General Assembly’s special session was held in New York from 6 to 8 June 2001. The main purpose of this session was to renew the commitments made at the United Nations Conference on Human Settlements (Habitat II), which had been held in Istanbul, Turkey, five years earlier. During the preparatory phase for Habitat II, UN-HABITAT served as secretariat, drafting key documents, including the State of the World’s Cities 2001 report and the Global Report on Human Settlements 2001, and facilitating Governments’ and partners’ consultative processes and regional meetings.

5. In assessing progress toward the commitments and strategies of the Habitat Agenda, which had been adopted in Istanbul, each Member State of the United Nations was invited to prepare a report on national and local implementation of the Habitat Agenda, reflecting the views of the Government and of its partners. UN-HABITAT placed these reports on the Internet for widespread dissemination.

6. While welcoming the progress made in implementing the Habitat Agenda, the Governments at the special session in New York adopted the Declaration on Cities and Other Human Settlements in the New Millennium in which they recognized the gaps in and obstacles to the way of developing human settlements and took note with great concern of the current conditions of human settlements worldwide. In the face of those challenges, they pledged to accelerate their efforts to ensure the Agenda’s full and effective implementation. The declaration reconfirmed the role of the Governing Council and UN-HABITAT in advocating, promoting, monitoring and assessing the progress made in achieving the goals of adequate shelter for all through the provision of legal security of tenure and sustainable human settlements development in all countries.

II. ORGANIZATIONAL CHANGES

7. On 21 December 2001, the General Assembly passed resolution 56/206 that elevated the United Nations Centre for Human Settlements (Habitat) from a "Centre" to a fully fledged "Programme" now known as the United Nations Human Settlements Programme (UN-HABITAT). By the same resolution, the General Assembly transformed the Commission on Human Settlements, with effect from 1 January 2002, into the Governing Council of UN-HABITAT, a subsidiary organ of the General Assembly. The Committee of Permanent Representatives to UN-HABITAT was also formalized as the inter-sessional subsidiary body of the Governing Council.
8. The General Assembly decided that the secretariat of UN-HABITAT should service the Governing Council and serve as the focal point for human settlements and the coordination of human settlements activities within the United Nations system. It was also decided that UN-HABITAT would be headed by an Executive Director at the level of Under-Secretary-General. Mrs. Anna Kajumulo Tibaijuka was elected by the General Assembly to this post on 24 July 2002.

9. Commensurate with its status and substantive focus, UN-HABITAT’s medium-term plan has been recently restructured around four subprogrammes corresponding to the main recommendations of the Habitat Agenda, the United Nations Millennium Declaration and the Declaration on Cities and Other Human Settlements in the New Millennium. The four subprogrammes, approved by the General Assembly, are: Shelter and sustainable human settlements development; Monitoring the Habitat Agenda; Regional and technical cooperation; and Financing human settlements.\(^5\)

10. Critical to the reform and revitalization was the regularization of some 50 professional posts, the first such exercise of this magnitude within the United Nations system. This process was completed during 2002. Regularization of General Service support staff was also being carried out.

11. The elevation of UNCHS (Habitat) and its governing body was staunchly supported by the Secretary-General of the United Nations in his report: Options for reviewing and strengthening the mandate and status of the Commission on Human Settlements and the status, role and functions of the United Nations Centre for Human Settlements (Habitat). The adoption of General Assembly resolution 56/206 was a strong vote of confidence by Member States in the revitalized UN-HABITAT.\(^6\) It also showed the commitment of the General Assembly to the implementation of the millennium development goals target of achieving a significant improvement in the lives of at least 100 million slum dwellers by 2020 and to the continuing necessity for implementation of the Habitat Agenda.\(^7\)

III. SUMMARY OF PROGRESS ACHIEVED DURING THE PERIOD 2001-2002

A. Priorities

12. The priorities of UN-HABITAT for this reporting period were derived from: the medium-term plans for 1997-2001 and 2002-2005; the work programmes for 2000-2001 and 2002-2003 and the resolutions adopted by the Commission on Human Settlements; the Declaration on Cities and Other Human Settlements in the New Millennium, adopted at the special session of the General Assembly; and targets 10 and 11 of the millennium development goals.

13. These priorities fall under three programme objectives:

   (a) To promote the adoption and implementation of appropriate residential tenure systems and shelter development and upgrading policies;

   (b) To promote the adoption and implementation of inclusive, transparent, participatory and accountable urban governance systems;

   (c) To enhance international cooperation in shelter and sustainable human settlements development.

14. For this period, the work programme has been implemented through two subprogrammes:

   (a) Adequate shelter for all;

   (b) Sustainable human settlements development. The global campaigns on secure tenure and urban governance constitute respective entry points and implementation frameworks for the activities of these two subprogrammes.
15. The third objective of UN-HABITAT (enhancing international cooperation) involves two categories of activities:

(a) The provision of technical cooperation services, upon request, to developing countries;

(b) The facilitation of substantive exchange of experiences and the advancement of global knowledge on urbanization issues.

16. In the present report, achievements and activities are related to the previous organizational structure of UN-HABITAT within which most of the activities were carried out. This structure is being aligned with the Secretary-General’s bulletin SGB/2002/14 during the year 2003.

B. Global Division

17. The main function of this Division is to promote sustainable shelter and urban development policies that contribute to the reduction of urban poverty.

1. Shelter Branch

18. The Shelter Branch combines the functions of advocacy, policy analysis, applied research, tool development and programme design. The Branch initiates urban slum upgrading programmes, paving the way for technical cooperation and investment.

(a) Global Campaign for Secure Tenure

19. The Global Campaign for Secure Tenure serves as an entry point for the promotion of adequate shelter and the improvement of the lives of slum dwellers. It enables the Shelter Branch to engage with organizations of civil society, local authorities, professionals and policy makers in order to promote policies and practices favourable to the urban poor. During the reporting period, there have been campaign launches in Brazil, Burkina Faso, Jamaica, Nicaragua, the Philippines and Senegal. An organizational agreement with the Economic and Social Commission for Western Asia (ESCWA) has been secured for prospective regional and national launches in Arab States.

20. Countries take different approaches to implementing the global campaign. In some, the focus is on stopping forced evictions and seeking policy alternatives to resettlement. Others have partnered with the urban poor in promoting alternative tenure systems and incremental approaches to slum upgrading.

21. Agreements have been signed with primary national campaign partner organizations of the urban poor, support non-governmental organizations, Governments at all levels, and with secondary partner organizations such as national associations of professionals, non-governmental organizations, local authorities, etc. National campaign committees have been established in Burkina Faso, Jamaica, the Philippines and Senegal, and a regional committee for Latin America and the Caribbean set up. Agreements to facilitate joint activities have been reached with global and regional associations, networks of the homeless, people's federations, professionals, non-governmental organizations, local authorities, researchers and women's coalitions, as well as with United Nations organizations and other intergovernmental bodies.

22. The launches in Mumbai, Durban, and Manila, are being expanded through a project, Slum Upgrading Frameworks, supported by a grant from members of the Cities Alliance. Implemented by the urban poor, non-governmental organizations and local governments in the three cities, the project seeks to extend upgrading efforts by documenting innovations and translating these into tools, models and frameworks. The Shelter Branch also carried out the inception phase of the collaborative Nairobi Slum Upgrading programme of the Government of Kenya, UN-HABITAT and five consultative working groups. With grant assistance from the members of the Cities Alliance, the programme is a 10-year undertaking to introduce policy reforms, strengthen institutional arrangements and carry out project activities in selected slum areas, in order
to create the conditions for citywide slum upgrading in Nairobi and other cities in Kenya. A third operational activity initiated by the Shelter Branch is the Cities Without Slums subregional programme for eastern and southern Africa. The programme will support efforts of member States in the subregion to implement urban upgrading as a tool to attain millennium development goal target 11. Kenya, South Africa, Tanzania and Uganda are participating in the initial phase.

23. Now in its design phase, the International Advisory Group on Forced Evictions will seek to promote the policies and institutional arrangements that can replace forced evictions with a consultative approach among stakeholders. The Advisory Group will build on the outcomes of the World Urban Forum, held in May 2002, to facilitate peer exchanges between countries.

(b) Housing policy and housing development

24. During the reporting period, the Shelter Branch organized conferences in Ghana and Turkey to exchange information and experience related to housing policy and housing development.

25. In 2002, UN-HABITAT and the Office of the High Commissioner for Human Rights (OHCHR) launched the United Nations Housing Rights Programme to promote the progressive realization of housing rights globally. The programme seeks to promote effective implementation of existing international instruments, national laws and instruments, and to identify ways to render them effective at the local level. UN-HABITAT and OHCHR also published a report entitled *Housing rights legislation: Review of international and national legal instruments*. The examples presented in this report provide a framework for model legislation with respect to specific components of the right to adequate housing. Three supportive compilations have also been published: *International instruments on housing rights, National housing rights legislation and Compilation of selected adjudication on housing rights*.

26. As part of the implementation of the United Nations Human Rights Programme, the Branch, in cooperation with OHCHR and other relevant organizations, also supports efforts to develop a global system to monitor the progressive realization of the right to adequate housing. The Branch will finalize by end of 2003 a framework and modalities for the monitoring system.

(c) Land and tenure

27. The Shelter Branch prepares policy guidelines and tools on elements of urban upgrading related to regularization, land use, flexible tenure types and affordable land management. It helps disseminate leading publications on tenure systems favourable to the urban poor. During the reporting period, the Branch produced a normative framework for security of tenure and contributed to policy papers on women and secure tenure, on the links between secure tenure and access to urban basic services and on security of tenure and investment. It also produced a report on women's rights to land and housing and implementation of these rights in East Africa. In addition, the Branch provides advice to technical cooperation projects in the Stability Pact countries, Angola, Mozambique and Rwanda. Work in post-conflict societies includes research, technical advice, capacity-building and networking activities regarding land, housing and property rights.

2. Water, Sanitation and Infrastructure Branch

28. The programme Water for African Cities, was launched in 1999 by UN-HABITAT in collaboration with UNEP. Through involvement in pilot projects in seven cities - Abidjan, Accra, Addis Ababa, Dakar, Johannesburg, Lusaka and Nairobi, - the programme has had a significant influence on national and citywide interventions to reduce the negative environmental impact of urbanization on freshwater resources. The programme has three components: water demand management to ensure effective use of available water resources; environmental waste management to mitigate or eliminate pollution of water resources and protect human health and the aquatic ecosystem and information exchange of best practices which can be used by other cities. Work has been adapted to the specific circumstances of each city. Pilot or demonstration projects, backed by public awareness campaigns, have been undertaken. City managers were
appointed as the key officials for the projects. In addition, six African countries are participating in a water education programme.

29. In Asia, five to seven countries are expected to participate in a similar programme, Water for Asian Cities. Consultations with individual countries are underway after a workshop held in New Delhi, in April 2002.

30. UN-HABITAT is currently implementing a programme on income generation through the provision of integrated sanitation systems for low-income urban communities. The project has been developing a community-based management system for a sanitation micro-enterprise, based on latrine exhaustion and excreta disposal. The project will improve the livelihoods of all those employed in the micro-enterprises; there will be a significant improvement in the living environment in each of the selected project locations; and there will be an increased awareness locally about the benefits of sanitation improvement.

31. The programme, Sustainable Solid Waste Management in African Countries, contributes to the development of a regional capacity for solid waste management across Africa through waste minimization, recycling, efficient privatization of services and regulation, and the development of informal sector micro-enterprises that link income generation for the urban poor to environmental protection.

32. During the reporting period, the Shelter Branch produced documents and training programmes for strengthening environmental health in slum upgrading. The Global Report on the State of Water and Sanitation in the World’s Cities was launched during the third World Water Forum in Osaka, Japan, in March 2003. Guidelines on introducing value based water education were produced in 2002 and are currently being used to train educators in six African countries. Training of trainers has been completed in Cote d’Ivoire, Ghana, Senegal, Ethiopia, Kenya and Zambia. Currently, a policy paper on impact of urban infrastructure policies and investments on security of tenure is under preparation. Guidelines for training and capacity-building for urban water managers are now ready. A toolkit and training package for sanitation-based micro-enterprise development has also been completed in 2003. The training of water sector professionals in seven African countries will be completed by June 2003.

3. Urban Development Branch

33. The main function of the Urban Development Branch is to promote urban development policies that contribute to the reduction of urban poverty within the goal of sustainable human settlements development.

(a) Global Campaign on Urban Governance

34. The reporting period saw successful joint campaign launches in Nigeria and India. In Nigeria, five project proposals have been developed on municipal finance, local leadership training, gender and governance, participatory budgeting and safer cities. In India, the 2002-2003 national budget specifies, for the first time, steps for introducing urban management reforms by setting up an Urban Reform Incentive Fund, a City Challenge Fund and an Infrastructure Equity Fund. As for the Latin America and the Caribbean region, campaign activities continued there following regional launches and the establishment of the Regional Committee in 2000.

35. In 2002, launches took place in the Philippines and Jamaica. In the Philippines, a two-step joint campaign launch took place in July and October 2002. These events engendered commitments to the national action agenda at the highest level. In Jamaica, a joint launch took place in July 2002 and a five-year follow-up programme is being developed. In southeast Europe, at a regional seminar held in February 2002, seven countries discussed approaches to building responsive institutions, management systems and services in both housing and local governance.
36. In Indonesia, support is being provided to the Good Governance Movement through inputs on tools and indicators, in preparation for a national action plan. In the Arab States, preparations are ongoing with the Economic and Social Commission for Western Asia for a regional campaign activity. Activities are underway for a joint campaign launch in Uganda in October 2003. Additional national campaigns are in various stages of preparation and follow-up of action plans in Brazil, Burkina Faso, Cuba, East Africa, Fiji, Indonesia, Jamaica, Nicaragua, Peru, Senegal, United Republic of Tanzania and West Asia.

**Norms of good urban governance**

37. Representatives of the United Nations Development Programme, UN-HABITAT, the United Nations High Commission on Human Rights, the United Nations Department of Economic and Social Affairs and the United Nations Childrens Fund met in New York in 2001 and agreed to integrate equity, effectiveness, accountability, participation and security as five core principles of good urban governance in their work. Policy papers produced in support of the debate on governance principles include a publication, *Principles and Realities of Urban Governance in Africa*, and a paper, *Existing International Legal Instruments Addressing Good Governance*.

**Good urban governance tools**

38. The *Good Governance Index* concept paper was discussed during the first session of the World Urban Forum in May 2002 and the first draft of the Sourcebook prepared and shared with key partners. An expert group meeting in November 2002 further developed the index and field-testing will take place in 2003. A second edition of the Sourcebook is under preparation. The Participatory Urban Decision-Making Toolkit was published in September 2001 and has been widely disseminated and adapted. Internet and CD-ROM versions as well as a Spanish version of the toolkit were prepared. Interactive and searchable Internet versions are in final draft form and will be available in 2003. A working group for the Participatory Budgeting Toolkit was established in 2002 and a casebook and toolkit are in progress. *Tools for Improving Transparency in Local Governance*, with drafts of the conceptual chapter and several tools and case studies ready. A toolkit on Local-to-Local Dialogues on Women and Good Urban Governance is currently being prepared by the Huairou Commission partners and is based on local-to-local dialogue activities undertaken in 2001 and 2002.

(b) **Safer cities and disaster management**

39. Safer Cities projects are ongoing in Cameroon, Kenya, Madagascar, Papua New Guinea, South Africa and United Republic of Tanzania and in preparation in Bangladesh, Brazil, Chile, Mali and the Philippines. The Durban project is embarking on its third and final year. In Nairobi an induction seminar for chief officers of the City Council was held in 2002. The Nairobi Youth Offender Profile, Nairobi Snapshot Survey on Violence Against Women and the victimization survey, Crime in Nairobi, have all been printed. A youth Crime Prevention Training Manual curriculum is being developed in East Africa.

40. The manuals, *Evaluation of Post-Disaster Programming, Operational Programme Formulation in Post Disaster Situations and Flood Mitigation in South Asia* have been developed. Two major international conferences were held in 2002 on Women’s Safety and Youth in Conflict with the Law.

41. In Kosovo, UN-HABITAT is supporting the United Nations Interim Administration in Kosovo (UNMIK) in re-establishing local governance structures, rebuilding property registration systems and protecting housing and property rights within the Province of Kosovo. The latter activity was transferred to UNMIK at the end of 2002 after the successful establishment of the Housing Property Directorate of Kosovo. In Serbia and Montenegro, a project has been formulated that will ensure the long-term settlement and integration of the refugee population through the provision of adequate housing solutions and the promotion of local development.
(c) **Environmental planning and management**

42. Customized toolkits on urban environmental planning and management are underway. In Sri Lanka, a locally fully adapted draft is being field-tested. In Senegal, tools and training manuals have been partly translated into French and adapted to the local context. In the United Republic of Tanzania, documentation is in progress at the national level, and in the Russian Federation, the toolkit has been translated and adapted. National Enterprise Performance Management replications and campaign launch follow-up are underway in the Philippines and Sri Lanka. In Morocco, the LA21 demonstration project in Essaouira is being replicated in three major cities. An LA21 project is being implemented in Cuba, and a GeoCities project is being executed in Peru in collaboration with UNEP. In the United Republic of Tanzania, replication is ongoing in 13 municipalities and in the Russian Federation, SCP demonstration projects in Kirishi and Vyborg being replicated in Pskov.

(d) **Urban management**

43. In June 2001, the Urban Management Programme launched Phase IV (2001 – 2005) and initiated activities for “handing over” the programme to Urban Management Programme anchor institutions by the end of 2003. HIV/AIDS was added as a new thematic area, and planning took place for eight new city consultations on HIV/AIDS in 2003. Twenty new city consultations have been undertaken by Urban Management Programme regional offices and anchor institutions in various regions. An urban governance and HIV/AIDS policy paper was prepared for the first World Urban Forum in May 2002 for a dialogue on the subject. A report of the dialogue is available.

44. Knowledge management activities continued with the publication of case studies, tools and reports by regional offices and the core team. Three global publications were produced in 2001: *Participation to Partnership: Lessons from UMP City Consultations; Implementing the Habitat Agenda: Urban Management Programme City Consultation Case Studies; and Guiding Cities*. Five issues of a Global Urban Management Programme e-Newsletter were completed and disseminated in 2001 and 2002. In 2002, a report on Urban Management Programme Phase III (1997-2002) activities and guidelines for pro-poor city developed strategies was prepared. City Development Strategies: Lessons from UMP/UN-HABITAT Experiences was printed, and in-depth information on each city development strategy is also available on the web site and on CD-ROM.

4. **Training and Capacity-building Branch**

45. The Dutch-funded projects, Strengthening National Training Institutes in the Field of Local Government Management and Finance in Africa and Asia, and Capacity-building of African and Asian Municipal Training and Development Institutes, were successfully concluded during the reporting period. The first project addresses the development and strengthening of training activities for municipal staff, elected officials and representatives of non-governmental and community-based organizations in human settlements management and local leadership. The second extends ongoing capacity-building activities through direct support to African and Asian trainers and their institutions helping them implement new and improved training methods and tools in their respective countries. Building on the successful results and lessons gained through these programmes, a new programme for strengthening national training capabilities for better governance and urban development has been developed and initiated with funding from the Netherlands Government.

46. A new series of seven training manuals on non-governmental organizations/community-based organizations capacity-building was completed and printed. This series of manuals aims to enhance the overall management, and operational effectiveness of non-governmental organizations/community-based organizations. Another series of four manuals on *building bridges between citizens and local governments* have also been completed and disseminated.
47. Organized by the Romanian Foundation for Local Development, with the support of the Urban Development Branch, two regional training-of-trainers workshops for Central and Eastern Europe were held in Romania. These were based on new UN-HABITAT training manuals: NGO/CBO Capacity Building for Organizational Outreach, Human and Financial Resources Management and Development and; Building Bridges Between Citizens and Local Governments Through Managing Differences and Conflicts.

48. The Global Campaign for Good Urban Governance has been supplemented by the inclusion of activities for training elected officials as an integral component of campaign launches and programmes, notably in India and Nigeria.

49. Collaboration with external partners, including capacity-building institutions and non-governmental organizations/community-based organizations, on the development of new and improved training tools has resulted in translations and adaptations of the UN-HABITAT training manuals into Albanian, Amharic, Arabic, Czech, French, Georgian, Hindi, Hungarian, Telugu, Italian, Latvian, Lithuanian, Russian, Romanian, Serbian, Slovakian, Spanish, Swahili, Ukrainian, and other languages. National training programmes, based on UN-HABITAT manuals, were implemented by partners in, among others, Cameroon, Croatia, Ethiopia, Italy, Mozambique, Nigeria, Senegal, Romania, Russia and the United Republic of Tanzania.

50. Technical and financial support has been provided to national training institutions in Egypt, Ethiopia and India for translation and printing of UN-HABITAT training manuals in Arabic, Amharic and Telugu, respectively.

51. The Urban Development Branch has brought together the various stakeholders in Kenya for a joint planning and collaborative implementation of a national training and capacity-building programme.

52. Two international expert group meetings were held to design a series of manuals on local government financial management and to provide guidelines for the preparation of the revised edition of manuals on leadership and management skills for local elected officials.

5. Urban Economy and Finance Branch

53. During the reporting period, the Urban Economy and Finance Branch carried out several activities, with partners, aimed at developing and strengthening housing finance systems in various countries. With financial support from the Government of Sweden, two interregional seminars on housing finance operations experiences were organized in Gavle, Sweden, and in New York, to share experiences among executives of housing finance institutions from various regions of the world. These experiences were published and disseminated under the title, Financing Adequate Shelter for All: Addressing the Housing Finance Problem in Developing Countries (ISBN:92:1-131640-5; HS/652/02E).

54. The Branch participated in the International Conference on financing for Development, held in Monterrey, Mexico, contributing language on shelter, housing and mortgage finance that is reflected in the Monterrey Consensus report. UN-HABITAT, in cooperation with the Canada Mortgage and Housing Corporation organized a parallel event on sustainable financing of the housing finance system. An outcome of this activity was the publication and dissemination of a monograph entitled Sustainable Development of the Housing Finance System: The Experience of the Canada Mortgage and Housing Corporation (ISBN: 92-1-1316723; HS/677/02E). With this, a new monograph series has been initiated to promote exchange of experiences in the development and sustainable operation of housing finance systems.

55. With financial support from China, the Branch organized an international conference on financing social housing in Baotou, in the Inner Mongolia Autonomous Region of China. This conference was attended by housing finance stakeholders from all regions of the world. UN-HABITAT is also providing technical assistance and support to the Government of the United Republic of Tanzania in reviving housing finance mechanisms in that country and in publishing a report on the subject.
56. The Branch has over the past two years undertaken a number of activities to promote the strengthening of positive and mutual development benefits between urban and rural areas. An international colloquium had been organized to further explore and develop mechanisms for enhancing this relationship. The outcome was published and disseminated under the title, *Perspectives on Urban-Rural Synergies*.

57. In order to assist in the development of technical tools for promoting urban-rural linkages, UN-HABITAT and the International Federation of Surveyors (FIG) organized an international conference on spatial information for sustainable development.

58. Closely related to this, the Branch has been promoting access to food (food security) in both urban and rural areas. In organizing a consultation on the Horn of Africa Initiative on Food Security, a workshop on urban policy implications of urban agriculture and rural-urban food flows and a workshop for African Parliamentarians, the Branch collaborated, inter alia, with the Food and Agriculture Organization of the United Nations, the International Research Development Centre and other international organizations. The report of these gatherings had been published and disseminated. A workshop on the same topic was organized for African journalists, highlighting the issues for both policy makers and the general public. The second Pan African Congress on Food Security, Trade and Sustainable Development (COASAD) was held in Nairobi in April 2003, to discuss globalization and food trade liberalization and agricultural support to an urbanizing continent, among other topics.

6. The urban secretariat

(a) Monitoring and reporting

59. The monitoring of, and reporting on, global trends and conditions and the assessment of progress in implementing the Habitat Agenda at the international, regional, national and local levels are key mandates of UN-HABITAT. During the reporting period, the monitoring function was carried out by the Urban Secretariat using two main instruments: the Global Urban Observatory (GUO) and Best Practices Programme. The GUO consists of programmes for gathering and analysing statistics and urban indicators through a growing network of national and local urban observatories around the world.

60. UN-HABITAT was requested in the Habitat Agenda and by the Commission on Human Settlements to develop an indicator system to monitor changes in conditions in housing and human settlements. The system now contains a minimal set of 23 key indicators. The second edition of the *Global Urban Indicators Database* (GUID2) prepared in 2001 for the special session for an overall view and appraisal of the implementation of the Habitat Agenda includes data collected in 1998 for 232 cities worldwide. An analysis of these data led to the refinement of the *City Development Index* (originally developed in 1997). A CD-ROM was produced which included the GUID2 as well as 120 city profiles and the global analysis.

61. During 2001, the Global Urban Observatory consolidated its local urban observatory training and capacity-building activities, particularly in cities in Africa, Latin America and Central Eastern Europe. The inclusion of cities where training has taken place and the incorporation of cities associated with UN-HABITAT global programmes has enlarged the network considerably.

62. The Statistical Commission meeting in 2001 endorsed UN-HABITAT’s human settlements statistics programme, including the five-year cycle for data collection and dissemination, and encouraged UN-HABITAT to convene, in consultation with the United Nations Statistics Division (UNSD), an expert group meeting to evaluate existing methodologies and data-collection and dissemination instruments, as well as concepts and sources of city statistics.

63. In 2001, UN-HABITAT was designated lead agency in monitoring millennium development goals target 11, “to improve the lives of at least 100 million slum dwellers by the year 2020.” The strategy for data collection, including a global sample of cities for the collection of city aggregate data, is currently in progress. The millennium development goals reporting time frame has been defined. The data collected will be used to establish the third *global urban indicators database* (GUID3) with a list of 270 cities, which will
provide information on the monitoring of the Habitat Agenda and monitoring of the millennium development goals target 11, including global and regional estimates of numbers of slum dwellers. An expert group meeting on urban indicators to define “secure tenure” and “slums” for global data collection was held in Nairobi in 2002, background papers and a final report were produced and contacts with research centres are being established. Guidelines for household surveys and a census on secure tenure and slums were also produced. A sub-sample of 35 cities for the collection of household and individual level data is in progress; contacts are being established with a number of international partner organizations. The Local Indicators Facility project to build the capacity of cities to monitor progress in slum upgrading, funded by DFID, commenced in August 2002.

64. In performing its reporting function, the Urban Secretariat published UN-HABITAT’s two flagship reports: Cities in a Globalizing World: Global Report on Human Settlements 2001; and The State of the World’s Cities 2001. An advisory core group on the Global Report on Human Settlements 2003 was set up, and two meetings were held to advise on the content and structure of the report. All research necessary for the preparation of the report, whose thematic focus is on slums, has been carried out. The research includes case studies of slums in 37 cities. A final draft of the report has been circulated to the Governing Council as an information document (HSP/GC/19/INF/3). The published report will be ready for launching on World Habitat Day in October 2003.

(b) Gender policy

65. In 2001, the Urban Secretariat devoted a significant proportion of staff energy and time to gender policy inputs to the special session, to the Global Report on Human Settlements 2001 and the State of the World's Cities Report, as well as to work on urban governance and secure tenure. Related activities concerned networking with, and supporting women's organizations working on women’s habitat issues. An expert group meeting on gender and women’s issues was recently concluded in Nairobi.

66. For the reporting process of the review and appraisal of the Habitat Agenda, the Urban Secretariat was responsible for flagging gender issues in the regional reports and facilitated the participation of the women's movement in the twenty-fifth United Nations General Assembly special session. In many instances, the Urban Secretariat provided supplementary information to address information gaps vis-à-vis gender issues.

67. The Urban Secretariat gave financial and substantive support to gender-focused parallel events at the special session. The most significant of which was the five-day Grassroots Women's International Academy (GWIA) with 200 participants. GWIA is an innovative peer learning process for grassroots women's organizations, first launched in 2000. The session that took place in New York the week before the special session brought together grassroots women from all the continents for an exchange of women's best practices. Subjects included women's role in local governance, women's fight for secure tenure and women's innovative and effective responses to natural and human-made disasters. The session also included dialogue with partners in the United Nations system on how the United Nations can support grassroots women's initiatives and use grassroots women's knowledge to inform development policy.

(c) Best practices

68. Through its Best Practices programme, the Urban Secretariat was involved in awareness building efforts that brought together Governments and Habitat Agenda partners through intergovernmental meetings and conferences. Resolution 18/10 of 16 February 2001, of the Commission on Human Settlements and the Declaration on Cities and Other Human Settlements in the New Millennium recommended that UN-HABITAT and its partners expand the documentation and dissemination of best practices to include examples of good urban policies and enabling legislation. In response to this, the Best Practices programme, in collaboration with partners, held an expert group meeting on urban policies and enabling legislation in Brazil in 2001. An outcome of this meeting was a framework and methodology for documentation policies and legislation. Work has since commenced on the documentation of HIV/AIDS, pro-poor and gender-sensitive urban policies and of legislation favouring decentralization and empowerment of local authorities.
(d) Habitat Agenda partners

69. During the reporting period, the Urban Secretariat promoted the consolidated collaboration among all non-governmental Habitat Agenda partners. These partners include all organizations of the civil society, local authorities and/or mayors, private sector/foundations, parliamentarians and national habitat committees. Deepening international cooperation among these partners calls for continuous policy dialogue and new instruments for that purpose. The overall review and appraisal process resulted in 450 non-governmental organizations being added to the existing 2140 organizations that had been affiliated with UN-HABITAT during the Habitat II Conference of 1996.

70. UN-HABITAT’s collaboration with relevant and competent civil society partners aims at ensuring the broadest possible participation of civil society organizations, taking into account a gender balance and equal representation of all regions as well as the interest of vulnerable groups. UN-HABITAT currently provides various types of support to the international, national and grassroots organizations of civil society that are engaged in the implementation of programmes and projects to improve living conditions in the urban environment as well as in its campaigns.

C. Regional and technical cooperation division

71. The Regional and Technical Cooperation Division, through its regional offices and Technical Advisory Branch, is committed to strengthening the linkages between operational support to countries and cities and the normative elements of the UN-HABITAT work programme.

72. In responding to requests for technical assistance from central and local authorities, the regional offices endeavour to bring in the long-term concerns for positive change in terms of land legislation, urban reform and improved governance. In doing so, drawing on technical resources from global programmes becomes increasingly important, as feedback on operational lessons learned from field experience. Stronger synergies than in the past are progressively being built, especially in the crucial area of post-disaster rehabilitation programmes.

1. Africa and Arab States

73. The main activities under the global campaigns have included the preparation of the launch in Burkina Faso, scheduled for November; the consolidation of the activities in Nigeria, where a launch of the governance campaign took place in 2001, and where a UN-HABITAT support office is to be opened in Abuja in October; and in Cameroon where a process of city consultations and local leadership training is underway. In the United Republic of Tanzania negotiations are ongoing to launch the campaigns with the city of Dar es Salaam and the local government reform programme.

74. An important subregional initiative in eastern and southern Africa, the programme for slum upgrading, comprising Ethiopia, Kenya, Lesotho, Malawi, Mozambique, South Africa, Uganda and the United Republic of Tanzania, was launched in May 2002 at the World Urban Forum. An initiative financed by the Global Environmental Facility has started in Mozambique, on sustainable land use planning, integrated land and water management for disaster preparedness and vulnerability reduction in the Limpopo River basin. Ongoing operational projects which received further funding for new activities include: in Burundi, rehabilitation of social infrastructure (UNCDF funding), in the Libyan Arab Jamahiriya, a five-year extension of the support to the Urban Planning Agency programme; and in South Africa, the Housing and the Capacity-building for Local Governance in Limpopo and North West Province programmes.

75. New initiatives and important proposals include: in Rwanda, a proposal to extend the major ongoing work of rehabilitation in urban areas; in Somalia, the urban sector profile study, commissioned by the European Union, will provide a framework for large-scale interventions in urban areas and for strengthening local authorities. In the Democratic Republic of Congo, a large-scale proposal for urban rehabilitation in Kinshasa has been finalized.
76. Initiatives under the Cities Alliance are ongoing in Ethiopia, Madagascar, Morocco, Mozambique and Nigeria.

77. The Settlements Rehabilitation Programme in northern Iraq is improving the living conditions of internally displaced people and the most vulnerable groups within the context of a sustainable human settlement framework. As of 31 December 2002, the Iraqi programme has served 191,000 direct beneficiaries, and has delivered: 19,051 houses, 685 schools; 127 health structures; 99 agriculture and veterinary centres, 48 other social and civic buildings, 2,800 kilometres of roads and bridges, and 853 kilometres of sewage and water systems, while also getting involved in town and regional planning, community participation, and local governance. The programme has further created 50,000 jobs in the private sector by engaging and capacitating local contractors.

2. Asia and the Pacific

78. The main activities of the global campaigns have included: the Pacific Regional Round Table held in Fiji in March, the Local Governance Forum held in Bali, Indonesia, in June, the launch of the Urban Governance Campaign in the Philippines in July and the workshop on tools to support participatory urban decision-making, held in Japan in August, the fourth Asian Mayors Forum, supported by the regional urban governance campaign partners, held in Thailand in July. A joint campaign launch was held in the Philippines coordinated by the Philippine Urban Forum in October 2002, which forged a covenant to advocate for good urban governance in support of security of tenure. A study on the land tenure system in urban areas in Afghanistan was commissioned. In terms of policy formulation support, the regional office organized the Workshop on Poverty Alleviation through Rural-Urban Linkages: The Role of Small and Medium-sized Towns in Cambodia, as well as the International Conference on Kabul and National Urban Vision in Afghanistan.

79. A number of initiatives of normative and advocacy nature received support from the regional office among which were the first Asian region Forum of Global Parliamentarians on Habitat held in Manila, the World Congress of Metropolis held in Seoul, the third Forum on City Informatization in the Asia-Pacific Region held in Shanghai, and the Asia-Pacific City Summit held in Japan.

80. Considerable attention and staff resources of the Fukuoka Office have gone into assistance to Afghanistan where UN-HABITAT implemented a total budget of $12 million in 2002, providing major support to communities affected by the civil war. UN-HABITAT has recently spearheaded a two-fold strategy, on the one hand to deal with immediate needs through quick impact projects on shelter and infrastructure rehabilitation and, on the other hand, to build a strategic long-term development programme in the field of municipal support, housing and national solidarity. In this respect, UN-HABITAT has been designated to oversee the Secretariat for Urban Management Programme, a policy-making and programming body established to assist the Government in programme formulation. A number of project proposals were submitted to donors and have been recently approved (e.g., housing rehabilitation with $2 million from UNDP and another $2 million from Japan) or are under negotiation.

81. Other recently initiated projects include: the Safer Port Moresby Initiative in Papua New Guinea, the Lunawa Lake Environmental Improvement and Community Development in Sri Lanka and the Support for Urban Youth at Risk initiative in Cambodia and Viet Nam.

3. Latin America and the Caribbean

82. The main activities of the global campaigns have included the participation of the Rio Office in the World Social Forum in Porto Alegre, Brazil, in February, in support of an international coalition promoting urban legislative reform to foster the Right to the City campaign. Subsequently, the same theme was selected for thematic discussion in the World Urban Forum in Nairobi, building around Brazil’s innovative legislation (the statute of the city). In Jamaica the campaigns were launched jointly by the Prime Minister. The third meeting of the Regional Action Committee was held in Rio de Janeiro, Brazil, in 2002 to review
the regional campaigns strategy for the 2000 and 2003 work programme. This meeting gathered representatives of regional networks officially endorsing and supporting the campaigns.

83. Within the Cities Alliance, UN-HABITAT has been stepping up inter-municipal consultations in Brazil for the settlement upgrading component. UN-HABITAT also collaborates on land market studies and municipal practices. In El Salvador, the Cities Alliance project has completed studies on upgrading and metropolitan infrastructure leading to the formulation of a loan package. The Cities Alliance programme for Central America held a regional meeting in San Jose, Costa Rica, where sectoral Ministers agreed on a collaborative platform for the development of regional project proposals. A new proposal for a project in the Municipality of Cali, Colombia, has been finalized.

84. Operational activities in 2002 included: a project in the city of Guayaquil, Ecuador, financed by the municipality and projects on the application of indicators in Colombia and Panama. In Brazil, a project agreement was signed early in the year with the Federal Government on tools for strengthening housing policy formulation and monitoring; collaboration with the city of Santo Andre continues with specific activities related to the Safer Cities programme being developed; in Sao Paulo assistance to the Municipality on waste management, initiated in December 2001, is now being further developed together with collaborative activities on metropolitan management and information systems. Finally, a consolidated programme of activities financed by the Municipality of Rio de Janeiro for 2002-2003 has been approved with a special focus on settlements upgrading, poverty reduction and the environment.

85. The regional office in Rio de Janeiro, has strengthened its collaboration with regional networks of sectoral authorities, non-governmental organizations and local authorities, and new activities have begun on disaster management, best practices and the right to habitat. Cooperation agreements are being established with regional bodies like the Inter-American Development Bank (joint operations), the Economic Commission for Latin America and the Caribbean (preparation of regional state of the cities report) and UNEP (GeoCities).

4. Countries with economies in transition

86. Projects in the Russian Federation have addressed good local governance, sustainable urban management, monitoring of sustainable urban development and urban transportation. The Moscow Habitat Executive Bureau acts as coordinator of projects in the Russian Federation, plays an active role in dissemination of UN-HABITAT publications in the Russian Federation and Commonwealth of Independent States countries as well as information about UN-HABITAT activities, initiates new projects and produces a Russian language version of *The Habitat Debate*.

87. Dependent upon close collaboration with the United Nations Interim Administration in Kosovo (UN MIK), UN-HABITAT projects in Kosovo attend to four key areas: the rehabilitation of the municipal administration; development of new spatial planning legislation; the regularization of housing and property rights; and the restoration of property and land registries. The Kosovo programme also includes training of local government elected officials in collaboration with the Organization for Security and Cooperation in Europe and the European Union. In mid-2002, UN-HABITAT signed a memorandum of understanding with UN MIK, which took over day-to-day management of Housing Property Directorate and the Housing Property Claims Commission in Kosovo.

88. In 2002, UN-HABITAT signed a memorandum of understanding with the then Federal Republic of Yugoslavia (now Serbia and Montenegro) according to which UN-HABITAT is starting activities in Serbia and Montenegro. The memorandum of understanding stipulates that the main spheres of cooperation between UN-HABITAT and Serbia and Montenegro are: local governance, urban and municipal management; housing policies and development; urban infrastructure and services; sectoral data and information systems; and capacity-building and awareness raising.
Of special importance was the June 2002 mission of the United Nations Secretary-General Mr. Kofi Annan and UN-HABITAT Executive Director Mrs. A.K. Tibaijuka to the Moscow Congress on the provision of sustainable development of Russian cities, which was attended by many representatives of the Commonwealth of Independent States countries, Afghanistan, Brazil and other countries and where the Habitat Agenda was promoted and popularized.

5. Interregional technical advice

The Technical Advisory Branch has offered specialized technical expertise and operational support to requesting Governments and other Habitat Agenda partners through: short-term advisory services on high priority issues; identification, development and launch of innovative and illustrative cooperation programmes; and specialized support to the implementation, monitoring and replication of cooperation programmes. Activities were closely coordinated with other parts of the organization and focused on innovative approaches and areas of technical expertise that are not yet available through ongoing technical cooperation projects of UN-HABITAT. The aim has been to support Governments and their Habitat Agenda partners in their efforts to contribute to the implementation of the Habitat Agenda and to the human settlements dimension of other multilateral agreements such as Agenda 21 and the millennium development goals. Many of these activities, by design, have shown flexibility responded to ad hoc demand.

The Technical Advisory Branch has supported strategic global partnerships, including: UNDP – deployment of UN-HABITAT programme managers in selected country offices; UNEP – strategic partnerships on sustainable urbanization and on the implementation of General Assembly resolution 53/242 of 28 July 1999 (HSP/GC/19/11); innovative initiatives in collaboration with the Cities Alliance focusing on urban finance, poverty reduction and urban governance in Algeria, Madagascar and Morocco (see HSP/GC/19/INF/4); system-wide mechanisms for strengthening local authorities in their important role for achieving sustainable urbanization, including city-to-city cooperation (see HSP/GC/19/7 and HSP/GC/19/12).

The Branch has supported special events during the 2001 - 2003 period, including the following: local government session of the Third United Nations Conference on the Least Developed Countries in Brussels and the special session on the overall review and appraisal of the implementation of the Habitat Agenda in New York; publication of a report on the special session’s thematic committee entitled Implementing the Habitat Agenda – the 1996-2001 Experience (ISBN 92-1-131619-7; HS/631/01E); organization of the fourth meeting of the International Forum on Urban Poverty in Marrakech; organization of the dialogue series on sustainable urbanisation during the first World Urban Forum in Nairobi (HSP/GC/19/2/Add.1); coordination of the participation of UN-HABITAT and its partners in the World Summit for Sustainable Development in Johannesburg (HSP/GC/19/2/Add.2); publication of a conceptual framework for the World Summit on Sustainable Development entitled Sustainable Urbanisation – Achieving Agenda 21 (ISBN 92-1-131671-5; HS/676/02E) and a multi-partner action plan entitled Coalition for Sustainable Urbanisation – Partnership Commitments for Implementing Agenda 21 (ISBN 92-1-131675-8; HS/678/02E); coordination of the World Summit on Sustainable Development follow-up, including the Coalition for Sustainable Urbanization and preparation of the Weihai International Conference on Sustainable Urbanization Strategies to be held in September 2003 (HSP/GC/19/2/Add.2).

The Branch has also supported partners with special regional needs and opportunities, including the following: Eastern Europe and countries with economies in transition; Africa, with emphasis on the human settlements dimension of the New Partnership for Africa’s Development, including assistance on urban development policy to requesting Governments (e.g., Algeria, Burkina Faso, Liberia, Mauritius, Sierra Leone, Sudan) and the establishment of the Regional Council for Africa of the Global Parliamentarians on Habitat; Asia, with emphasis on China and the Water for Asian Cities Programme; and countries emerging from conflicts. To support resettlement and integration of refugees in six cities of Serbia, UN-HABITAT has prepared a major technical cooperation programme with the Governments of Italy and Serbia.
IV. FOLLOW-UP TO RESOLUTIONS ADOPTED BY THE COMMISION OF HUMAN SETTLEMENTS AT ITS EIGHTEENTH SESSION

A. Resolution 18/1: Establishment of the Committee of Permanent Representatives as an inter-sessional subsidiary body of the Commission on Human Settlements

94. In its resolution 18/1 of 16 February 2001, the Governing Council welcomed the role performed by the Committee of Permanent Representatives during the inter-sessional periods and recommended to the Economic and Social Council the establishment of the Committee of Permanent Representatives as an inter-sessional subsidiary body of the Governing Council and, in operative paragraph 7 of the same resolution, authorized the Bureau of the Governing Council, upon receipt of this approval by the Economic and Social Council, to establish the inter-sessional subsidiary body.

95. The approval which was being requested by the Governing Council was given by the Economic and Social Council in its resolution 2001/48 of 24 October 2001. Thereafter, the Bureau of the Governing Council, at its meeting of 31 October 2001, and pursuant to operative paragraph 7 of the above-mentioned resolution of the Governing Council established, with immediate effect, the Committee of Permanent Representatives as an inter-sessional subsidiary body of the Governing Council. These decisions of the United Nations Economic and Social Council and of the Bureau of the Governing Council were subsequently endorsed by the General Assembly in its resolution 56/206 of 21 December 2001 which, after upgrading the Commission on Human Settlements into the Governing Council of UN-HABITAT, a subsidiary organ of the General Assembly, "further decided that the Committee of Permanent Representatives to UN-HABITAT shall serve as the Governing Council's inter-sessional body".

96. A report on the work of the Committee of Permanent Representatives during the inter-sessional period is contained in a separate report (HSP/GC/19/3), which is also before the current session of the Governing Council. Two other related reports - Draft resolutions prepared by the Committee of Permanent Representatives to UN-HABITAT (HSP/GC/19/3/Add.1) and Preparation of the rules of procedure of the Governing Council (HSP/GC/19/3/Add.2) - have also been submitted by the Executive Director to the session for consideration by the Governing Council.

B. Resolution 18/2: Themes for the nineteenth session of the Commission

97. For further information refer to HSP/GC/19/5: Urban Development and Shelter Strategies Favouring the Poor and HSP/GC/19/6: The rural dimension of sustainable urban development.

C. Resolution 18/3: Global campaigns for secure tenure and urban governance

98. Resolution 18/3 requested the Executive Director to report on progress made on the implementation of the Global campaigns for secure tenure and urban governance. Specifically, the resolution asks for a report on progress regarding strengthened legal advisory capacity in UN-HABITAT, the continued expansion of the campaigns, increased financial and technical support to the campaigns, and various aspects of partnerships to promote the campaigns. Progress on each issue is reviewed below.

99. In order to strengthen UN-HABITAT’s advisory capacity to provide legal assistance with respect to human settlements, UN-HABITAT has recruited a legal expert on the issues of land management and secure tenure. Further, the Global Campaign on Urban Governance has produced a publication reviewing innovative legislation from Brazil, the Philippines and South Africa, putting into practice participatory urban governance (see chapter III.B., section 3 (a) of the present report).
100. The continued expansion of the global campaigns has strengthened links between advocacy, capacity-building and technical cooperation in the human settlements sector. Through open dialogue on such issues as forced evictions and corruption, Governments and Habitat Agenda partners are promoting policy reform and strengthening institutional arrangements. The campaigns thus provide a foundation for effective capacity-building, technical cooperation and investment. These and related aspects of the expansion of the global campaigns are elaborated upon in chapter III.B., sections 1 (a) and 3 (a) of the present report.

101. Regarding the provision of increased financial and technical support to the global campaigns, the Government of the Netherlands recently increased its support to the campaigns under its Partnership Programme. This support complements funding from the primary donor, the Government of Belgium, as well as additional support from the Governments of Germany, Norway and Sweden.

102. Dialogue on, and consideration of, urban governance and secure tenure norms and experiences were promoted through an inter-agency meeting on the principles of good urban governance held in New York in 2001 and the production of two policy papers (see chapter III.B., section 3 (a) for more details). In addition, these principles were also debated during dialogues organized during the World Urban Forum held in 2002, on: The Right to the City; and Stopping Evictions and Securing Tenure.

103. Regarding the issue of partnerships to support the activities of the global campaigns, the Steering Group of the Global Campaign on Urban Governance met in New York in 2001 and in Nairobi in 2002 to review progress and identify new areas of collaboration. An Advisory Group on Forced Evictions has been established as a follow-up to the World Urban Forum in order to assist, in a pro-active manner, Member States seeking policy alternatives to unlawful evictions. The Advisory Group will facilitate peer exchanges and learning through best practices.

104. UN-HABITAT in collaboration with campaign partners produced a range of capacity-building tools for poverty reduction. These are directed at policy makers, local authorities and associations of slum dwellers. The following urban governance toolkits have been developed or are in the process of production: Urban Governance Index, Tools for Improving Local Government Transparency, Toolkit on Local-to-Local Dialogues on Women and Local Government, Tools for Participatory Urban Decision-Making, and Toolkit on Participatory Budgeting. In partnership with the Office of the High Commissioner for Human Rights, the Secure Tenure campaign has developed through the Housing Rights Programme a Secure Tenure and Housing Rights Index. The Global Campaign for Secure Tenure is developing tools for slum upgrading through a partnership with Slum Dwellers International and with financial support from the members of the Cities Alliance. Tools of this kind provide direct inputs to operational activities supported by the global campaigns.


105. Cooperation between UN-HABITAT and UNEP is a standing item of the Governing Council, in accordance with General Assembly resolution 40/199 of 17 December 1985 and pursuant to Commission resolution 10/3 of 16 April 1987 and UNEP Governing Council decision 14/3 of 18 June 1987 on the same subject. Progress in this area is covered under a joint report to the Governing Councils of both organizations, which on the UN-HABITAT side bears the symbol HSP/GC/19/11. The report highlights the cooperation between UN-HABITAT and UNEP in four previously established subject areas (chapter I) and within the system-wide efforts of the United Nations (chapter II). It also outlines the future prospects for cooperation (chapter III), and addresses joint implementation of General Assembly resolution 53/242.
E. Resolution 18/5: International cooperation and the review of mechanisms for monitoring the implementation of the Habitat Agenda

106. Resolution 18/5 called upon Governments in a position to do so to assist developing countries to participate in the special session of the overall review and appraisal of the implementation of the Habitat Agenda. Financial contributions received by UN-HABITAT for that session amounted to $1.28 million, out of which 40 per cent was used to facilitate the participation of developing countries. The resolution also called upon United Nations organizations and agencies to use existing country coordination mechanisms to support the implementation of the Habitat Agenda. This has been quite difficult in view of the absence of UN-HABITAT country representation. The signing in 2002 of a memorandum of understanding between UN-HABITAT and UNDP on the placement of UN-HABITAT Programme Managers in selected UNDP country offices will help to redress this deficiency.

107. With regard to the follow-up to decision 2000/1 of the Economic and Social Council, it has not yet been possible to establish the Habitat Agenda Task Manager system due to the need to clarify its relations with the Environmental Management Group (General Assembly resolution 53/242) and with the World Summit on Sustainable Development and its follow-up mechanisms. However UN-HABITAT has been fully involved in the implementation of the Millennium Declaration, particularly in the establishment of the Millennium Task Forces on Water and Sanitation (target 10) and on Slum Upgrading (target 11) as key components of the United Nations Millennium Project launched by the Secretary-General during 2002.

108. The Executive Director of UN-HABITAT has taken a leadership role in the Cities Alliance initiative, playing a coordinating role vis-à-vis multilateral and bilateral members of the Alliance. The consultative group met twice during the reporting period, in Kolkata (December 2001) and Brussels (October 2002), under the co-chairmanship of UN-HABITAT and the World Bank. The Chairman of the Commission on Human Settlements was invited to attend these meetings to provide the general views of the Governing Council, particularly those of developing countries. In addition the Policy Advisory Board of the Cities Alliance gathers eminent experts able to present the experience and needs of developing countries. In 2002, the Asian Development Bank joined the Cities Alliance as the third multilateral member.

109. In financial terms, the Cities Alliance members have committed $24.4 million of core funding and $22.3 million of non-core funding (earmarked contributions) over the last three years (2000-2002). These funds are used to support preparation of pro-poor city development strategies and large-scale slum upgrading programmes, as operational extensions of the global campaigns on urban governance and secure tenure respectively.

110. An independent evaluation of the Cities Alliance took place during 2002 which praised the Alliance’s achievements, particularly in placing the issue of urban poverty and slums on the international agenda and improving collaboration among Alliance members, including between UN-HABITAT and the World Bank. On this latter point, it has to be noted that the World Bank participated actively in the first session of the World Urban Forum while UN-HABITAT participated actively in the Urban Research Symposium hosted by the World Bank in December 2002. The two agencies are working together in the above-mentioned Millennium Task Forces and on a limited number of operational activities.

111. The final recommendation of resolution 18/5 was on the establishment of a new urban forum. This was done in April-May 2002 when the first biennial session of the World Urban Forum was convened in Nairobi by the Executive Director. A specific report on this important initiative is provided to the Governing Council under HSP/GC/19/2/Add 1.
F. Resolution 18/6: Work programme and budget of the United Nations Centre for Human Settlements (Habitat) for the biennium 2002-2003

112. It will be recalled that through resolution 18/6, the Commission approved the work programme for the biennium 2002-2003 prepared in line with the strategic vision of the United Nations Human Settlements Programme and also reflecting the structure and orientation of the medium-term plan for 2002-2005. In the same resolution, the Commission endorsed the formats of the work programme and budget that have subsequently been adopted in the preparation of the work programme and budget for the 2004-2005 biennium.

113. As requested in paragraph 3 of the resolution, the Executive Director of UN-HABITAT gave regular updates on progress made in the implementation of the work programme for 2002-2003 to Governments through the Committee of Permanent Representatives and the Working Group on the work programme and the budget. The priorities of the programme of work of UN-HABITAT for the period January 2002 to May 2003 were presented to the Committee of Permanent Representatives and its Working Groups on 7 February 2002, while a report on progress made in the implementation of the work programme was given on 13 September 2002.

114. In response to paragraph 4 of resolution 18/6 that requests the Executive Director to ensure timely consultation during the preparation of biennial budgets and work programmes, the Executive Director consulted with Governments through the Committee of Permanent Representatives on the preparation of the work programme and budget for 2004-2005 on 15 and 26 November, 2002, and 16 January, 2003, as well as on 20 May 2002 on revisions to the medium-term plan for 2002-2005.

115. In paragraph 8 of the resolution, UN-HABITAT is requested to align its activities with its central objectives, and in paragraph 11, the Executive Director is urged to strengthen the resource mobilization capacity of UN-HABITAT and to consider the development of a medium-term fund-raising strategy (see HSP/GC/19/8): Draft work programme of the United Nations Human Settlements Programme (UN-HABITAT) for the biennium 2004-2005, for details.

G. Resolution 18/7: Countries with economies in transition

116. UN-HABITAT implemented resolution 18/7 to the extent possible within the limits of available resources which were insufficient. UN-HABITAT was restricted to missions, projects and the activities financed by the Government of the Russian Federation, and the third party payment funds, which were not sufficient to provide implementation of the resolution in full scale. No pilot innovative projects, workshops, etc., were possible. At the same time there are definite positive expectations of a further development of cooperation with the countries with economies in transition resulting from achievements of the UN-HABITAT missions to a number of them and contacts with other interested United Nations organizations.

117. To promote further understanding of housing rights and assist all countries, including those with economies in transition to develop practical steps in the housing sphere, UN-HABITAT and OHCHR launched the United Nations Housing Rights Programme (UNHRP), which operates as a tool for the Global Campaign for Secure Tenure. Mechanisms to promote the implementation of a housing policy in the course of the transition to a market economy and a reform of management of the housing stock are to be addressed, subject of the availability of funding under the project "Improvement of Legislative and Management Basis of Condominiums and Home-owners Associations", planned as a part of the collaboration agreement between UN-HABITAT and the Russian Federation.

118. Development problems of sustainable transportation infrastructure were addressed in a project on innovative transportation systems being implemented in Russia - Sustainable development of Human Settlements and Urban Environment Protection Through the Use of a String Transportation System - as part of the above-mentioned agreement of cooperation.
119. The provision of a legal framework for tenants' rights and for public participation in local decision-making has an important part of the Kosovo projects and is addressed in the projects in Serbia and Montenegro which are in the process of being launched: Settlement and integration of refugees in Serbia and Local self-government and development in Serbian municipalities.

H. Resolution 18/8: Youth

120. During the reporting period, UN-HABITAT created and strengthened its Partners Section in the Urban Secretariat. Within its portfolio on non-governmental organizations and other civil society organizations, great focus will henceforth be on youth, and especially the situation of young girls with regard to employment generation.

121. As part of the continuing implementation process of the Habitat Agenda, a youth caucus was organized in conjunction with Youth for Habitat International Network with 30 participants. This was part of the twenty-fifth special session of the United Nations General Assembly. The caucus provided input to the Draft Declaration on Cities and Other Human Settlements in the New Millennium that would address youth concerns.

122. In line with the strategy adopted by the World Youth Forum of the United Nations system, held in Dakar, UN-HABITAT and its Habitat Agenda partners are preparing a global proposal on youth employment programmes to be linked with UN-HABITAT youth and crime prevention programmes. Already a stakeholders’ meeting was held in Kenya in 2002 to explore the possibilities for youth in employment creation and enterprise development in Kenya and East Africa at large.

123. In 2002, UN-HABITAT, through its Safer Cities programme, organized its first international conference on youth issues in Port Elizabeth, South Africa. The conference which addressed the theme of youth in conflict with the law in Africa, resulted in a declaration and the commissioning of important follow-up activities focusing on the most vulnerable youth; youth, children and urban governance; and the development of a network of cities and youth. The conference gave rise to further discussions on expansion of the theme to cover youth unemployment as a reintegration strategy for youth at risk.

124. The Safer Cities programme convened an expert group meeting at the youth employment summit in Alexandria, Egypt, and a campaign to raise public awareness of the plight of street children and combat drug abuse and sexually transmitted diseases among high-risk youth was initiated in Kenya. Concurrently, UN-HABITAT has commissioned a training programme for municipal officials and youth leaders in three pilot cities in East Africa: Dar es Salaam, Nairobi and Malindi, that will result in the development of a youth crime prevention training manual.

125. UN-HABITAT has further forged close ties with other United Nations agencies in the promotion of youth employment, providing, for example, input to the world youth report at a United Nations system-wide expert group meeting held in Helsinki in 2002. Further, through its relationship with the International Labour Organization, UN-HABITAT has been invited to participate in expert group meetings of the Secretary-General's high-level panel on the youth employment network, and to participate in the expert group meeting on employment generation. Active participation in the United Nations Commission on Social Development in New York will further strengthen the interagency collaboration on youth issues.

126. The initiative is jointly being undertaken with the National Crime Prevention Council of the United States, and the International Centre for the Prevention of Crime, based in Montreal, in close collaboration with UNESCO. The training builds on the implementation of safer cities youth profiles carried out in Dar es Salaam and Nairobi, as well as an urban management programme profile in Malindi.
I. Resolution 18/9: Revitalization of the United Nations Centre for Human Settlements (Habitat)

127. The revitalization of UN-HABITAT during the past two years has consisted of four elements:

   (a) To give UN-HABITAT its due place within the United Nations system;

   (b) To align the organizational structure of UN-HABITAT with its work programme elements;

   (c) To undertake a staff regularization exercise;

   (d) To mobilize requisite financial and human resources to strengthen UN-HABITAT’s capacity to fulfil its mandate.

128. The progress on points (a) and (b) have already been covered in chapter I of this report and are further elaborated in document HSP/GC/19/4. With regard to the staff regularization exercise the following steps have been undertaken.

129. In February 2000 the Office of Internal Oversight issued a report (A/54/764), which recommended (SP-99-003-7), that UN-Habitat should take systematic action to reclassify all professional posts within the new organizational structure according to their levels and types of service and to decide which posts belong to either 100 or 200 series.

130. Some initial actions were taken by UN-HABITAT on a number of senior management posts, but the process was accelerated with the arrival of the new Executive Director in September 2000. In February 2001 a new organizational structure for UN-HABITAT was endorsed by the Governing Council, to be implemented as funds became available.

131. In the period June-August 2001 intensive consultations took place between the Office of Human Resources Management (OHRM) in New York, Human Resources Management Services (HRMS) in UNON, the Nairobi United Nations Staff Union and UN-HABITAT regarding the implementation of the regularization exercise. The implementation plan was approved and OHRM agreed to second a number of staff members to Nairobi to assist in this exercise.

132. The regularization process involved a complete review of the financial situation of UN-HABITAT and a prioritization of the posts to be established. As a result of this detailed review 98 posts were established, out of which 53 posts (the remaining 45 posts had already been regularized) were advertised in August 2001 with closing dates in October 2001.

133. In all, over 4,500 applications were received and the five departmental panels established for this exercise undertook around 270 interviews. Recruitment within the United Nations is not a quick and simple process, particularly when it is on such a massive scale as this exercise was. However, UN-HABITAT has been complimented by United Nations Headquarters for the overall speed, efficiency and effectiveness of the recruitment and regularization campaign, particularly in comparison with similar exercises within the United Nations.

134. The regularization exercise was completed in December 2002, at which time appointment decisions had been taken for 50 out of the 53 advertised posts. The three remaining posts were readvertized due to lack of qualified candidates.
135. For the posts filled, the ratio of internal/external and male/female recruitment, as set out in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>%</th>
<th>Male</th>
<th>%</th>
<th>Female</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>35</td>
<td>70</td>
<td>25</td>
<td>71</td>
<td>10</td>
<td>29</td>
</tr>
<tr>
<td>External</td>
<td>15</td>
<td>30</td>
<td>8</td>
<td>53</td>
<td>7</td>
<td>47</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
<td>33</td>
<td>66</td>
<td>17</td>
<td>34</td>
</tr>
</tbody>
</table>

Thus, 30 per cent of the posts have been filled with external candidates, almost half of whom are female. Female candidates also constitute 34 per cent of all the filled posts.

136. In conclusion, the regularization exercise has enabled UN-HABITAT not only to tackle fundamental issues that have undermined staff morale for many years, in a cost-effective and transparent way, to restructure its human resources, give existing staff new opportunities through open competition, and attract a significant number of new professionals.

137. A similar exercise is currently ongoing to regularize the general service staff of UN-HABITAT, who have been facing the same kind of problems of uneven distribution of workloads, lack of promotion opportunities, delays in classification of posts, working without proper job descriptions, etc. This exercise is intended to be completed in the first half of 2003.

138. With regard to the efforts of UN-HABITAT to mobilize requisite financial and human resources to strengthen UN-HABITAT’s capacity to fulfil its mandate, it is to be noted that UN-HABITAT has worked on a number of fronts to improve its resource base. Successful representations were made to United Nations Headquarters to increase the regular budget funding for UN-HABITAT and in the 2002-2003 biennium the number of professional posts funded by the regular budget was increased by four to 46 posts. Furthermore, a small increase in non-staff costs was granted. For the 2004-2005 biennium a further increase in posts and non-staff costs has been requested on which the General Assembly will take a decision in December 2003.

139. Much time and effort has been allocated to fund-raising activities, particularly by the Executive Director. In the fund-raising efforts a two-pronged approach was followed:

   (a) Increase the general purpose contributions to the United Nations Habitat and Human Settlements Foundation, both in absolute terms as well as in number of donors;

   (b) In order to increase the predictability of funding, encourage donors to enter into multi-year commitments;

140. The level of general purpose contributions to the United Nations Habitat and Human Settlements Foundation has generally hovered around an annual level of $4 million in the 1980 and 1990. Thanks to the efforts of UN-HABITAT, there was a significant increase in the year 2001 ($7.3 million), a slightly lower amount in 2002 ($6.0 million), while the predictions for 2003 are that the 2001 level will be reached again.

141. An area of concern remains the small donor base of UN-HABITAT, with only seven main donors providing 85 per cent of the general purpose contributions in 2002. The level of special purpose contributions to UN-HABITAT has also increased significantly from $12.5 million in 2001 to an all-time high of $30 million in 2002. While this in itself is a welcome development, it should be reiterated that, in principle, general purpose contributions are more compatible to the need of UN-HABITAT to implement a focused work programme and to manage its financial resources on the basis of predictable and stable income.
142. In this respect it should be noted that UN-HABITAT has recently signed with the Government of the Netherlands a two-year partnership programme, under which the Government of the Netherlands provides a total amount of Euros 7.8 million to a number of mutually agreed major themes and outputs. This type of cooperation, which offers medium-term predictable and prioritized soft-earmarked funding within the framework of the approved UN-HABITAT work programme, offers a very welcome complement to the general purpose contributions.

143. Finally it should be mentioned that the efforts to improve the financial and administrative management of UN-HABITAT have continued. The staff regularization exercise has been a major outcome of this, but in addition to financial reporting to the Committee of Permanent Representatives and donors has been improved. The Programme Support Division has been strengthened by the addition of a Budget and Information Technology Officer as well as a Legal Advisor, seconded by the Office of Legal Affairs. Further improvements are currently being implemented in the areas of monitoring and evaluation, document handling and donor reporting.

J. Resolution 18/10: The role of local authorities

144. Through this resolution, the Commission invited Governments and other Habitat Agenda partners to facilitate, with the support of the secretariat, local authorities in their important role in implementing the Habitat Agenda. The Commission also invited Governments to support the role of local authorities through a variety of means and invited the international community to support the international, regional and national associations of local authorities in their important role by helping associations establish mechanisms for matching demand for solutions with proven practice. Finally, the Commission called upon the Executive Director to continue to involve local authorities in the preparation, implementation and evaluation of UN-HABITAT’s work programme and to expand the identification, analysis and dissemination of best practices, good policies and action plans.

145. In response to all aspects of this resolution the secretariat has expanded its support to Governments, to the local authorities and their associations, as well as to other Habitat Agenda partners in the area of local capacity development. This support comes through global programmes such as the Sustainable Cities programme (see HSP/GC/19/11) and the Best Practices and Local Leadership programmes, through the two global campaigns on good governance and secure tenure (see HSP/GC/19/5), the Urban Secretariat and through regional technical cooperation. At the same time, the Executive Director has made significant progress not only in operationalizing the United Nations Advisory Committee of Local Authorities (UNACLA), but also in involving local authorities and their associations systematically in the work of UN-HABITAT. Examples of such involvement include direct collaboration between the World Association of Cities and Local Authorities Association and UN-HABITAT on city-to-city cooperation, the special session on the overall review and appraisal of the implementation of the Habitat Agenda (see HSP/GC/19/4), the first session of the World Urban Forum (see HSP/GC/19/2 Add.1), the World Summit on Sustainable Development (see HSP/GC/19/2 Add.2), and the Dialogue-1 discussions of the current session of the Governing Council on “Effective Decentralization and the Strengthening of Local Authorities” (see HSP/GC/19/7).

146. Secretariat activities in the context of the World Summit for Sustainable Development are a good example for these efforts. Local capacity development, as a key prerequisite for sustainable urbanization, became a central rallying cause for Habitat Agenda partners during the World Summit preparations. This commitment to strengthen the role of local authorities is well reflected in the Johannesburg Declaration on sustainable Development and the Implementation Plan of the World Summit on Sustainable Development. The secretariat has also supported concrete implementation of this commitment through the Coalition for Sustainable Urbanization which became part of the type two outcomes of the World Summit on Sustainable Development. The Coalition brings together some 50 Habitat Agenda partners in 11 initiatives, which are all designed to develop local capacities, but through a variety of complementary means and modalities. Local authorities and their associations are collaborating partners in most, if not all of these initiatives. In some key initiatives, such as the overarching Partnership for Local Capacity Development, local authority associations have taken the lead. Overall, local authorities and their associations have been strong partners in the policy
and technical dialogues that defined the overall orientation and thrust of the Coalition as well as the operational details of its component parts.

K. Resolution 18/11: Intensifying dialogue on decentralization and strengthening of local authorities within the framework of implementing the Habitat Agenda

147. For further details refer to HSP/GC/19/7: Intensifying dialogue on effective decentralization and strengthening of local authorities.

L. Resolution 18/12: Illegal Israeli human settlements in the occupied Palestinian territories

148. For further details refer to HSP/GC/19/2/Add.3: Housing situation in the occupied Palestinian territories: report of the Executive Director.

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1 See, for example, *The Habitat Agenda*, paragraph 224.

2 The Millennium Declaration includes a number of elements directly relevant to the UN-HABITAT mandate, including the promotion of human rights, democracy and good governance and gender equality. Under its section III entitled “Development and poverty eradication”, heads of State and Government specifically resolve “to have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers as proposed in the Cities Without Slums initiative. Reference to the millennium development goals in the text of this report is to this specific target and to the target of reducing by half the proportion of people without sustainable access to safe drinking water.

3 See HSP/GC/19/4 for fuller details.

4 See HSP/GC/19/4 for a complete and detailed report on the twenty-fifth special session of the United Nations General Assembly.

5 Since the former programmatic structure was in place during the reporting period, progress is herein reported within the former framework of divisions and branches that were responsible for that structure.

6 One of the three operative sections of General Assembly resolution 56/206 was devoted to the central issue of financing human settlements. In it the General Assembly called on the Executive Director to strengthen the United Nations Habitat and Human Settlements Foundation to achieve its primary operative objective. A report on progress in this matter has been prepared as an addendum to the present report.

7 See HSP/GC/19/4 for more details on the transformation process.

8 All four reports are available electronically at http://www.habitat.org/unhrp/pub.


10 See HS/GC/19/6 *Rural Dimensions of Sustainable Urban Development*. 

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