

2008 ANNUAL REPORT



UN  **HABITAT**
FOR A BETTER URBAN FUTURE

UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME

2008 ANNUAL REPORT

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CONTENTS

A MESSAGE FROM THE EXECUTIVE DIRECTOR	6
CHAPTER 1: EFFECTIVE ADVOCACY, PARTNERSHIPS AND MONITORING	8
CHAPTER 2: PROMOTION OF PARTICIPATORY PLANNING, MANAGEMENT AND GOVERNANCE	22
CHAPTER 3: PROMOTION OF PRO-POOR LAND AND HOUSING	30
CHAPTER 4: ENVIRONMENTALLY SOUND BASIC INFRASTRUCTURE AND SERVICES	36
CHAPTER 5: STRENGTHENED HUMAN SETTLEMENT FINANCE SYSTEMS	40
CHAPTER 6: EXCELLENCE IN MANAGEMENT	46
2008 MILESTONES	52

Daunting and pressing as they are, environmental issues like climate change and energy depletion do more than challenge our current social and economic patterns. With forensic clarity, they also highlight all the factors and forces, from individual to national to global level and back, whose interactions make our 21st century cities so complex – and so vibrant. This was one of the big lessons we learned in the year 2008.



Today and more than ever before, cities are home to humanity's great expectations. The challenges are there for all to see day after day. Meeting those challenges would open up a wealth of opportunities for all. Much as we should like to control them, the best we can probably do at this stage is to make sense of the forces behind urbanization, and try to steer them in the right direction.

Against this background, UN-HABITAT showed again in 2008 that it is particularly well-placed both as an observatory and a catalyst of the forces at play in urbanization. Cities have acted as engines of national development for decades, yet in almost every country in the world the responsibility for them is fragmented among various government departments and local authorities. By comparison, UN-HABITAT's mandate in the international sphere is uniquely focused on urban needs: sustainable shelter and cities for all, as mandated by the Habitat Agenda and the Millennium Development Goals.

We are also one of those rare United Nations institutions that combine hands-on with operational and normative approaches, which we can bring to good effect on the ground, as this Annual Report recounts in some detail. We even go one step further: we are in a position to deal with the local communities whose advancement we directly are mandated to promote.

With this you could think that we at UN-HABITAT are in control of the whole chain.

The fact is that we are, and we are not!

UN-HABITAT field staff are local and therefore well aware of local needs, requirements, challenges and constraints. This enables us adjust to local circumstances to the instruments and policies devised by UN-HABITAT experts in order to improve urban conditions.

As a UN institution, we were able yet again in 2008 to influence national government policies and help align these to the international agenda as defined at a series of major meetings, from the 16th Session of the Commission on Sustainable Development in New York in May to the UN-sponsored climate change negotiations in Poznan, Poland in December.

Top of the list of these meetings was the fourth session of the World Urban Forum. The Forum held in Nanjing, China in November 2008, has now clearly established itself on the international agenda as the world's premier conference on cities, where a broad range of participants meet to discuss a comprehensive agenda.

We also worked hard during the year to help central and local governments to strengthen their abilities in every aspect of urban life – legislation, policy-making and decentralization, along with the building of administrative, managerial, operational and financial capacities.

Again, in this sense we could think that we are in control. But here again, we are not.

As noted earlier, a wide variety of factors are at play in 21st century urbanization. With the myriad opportunities it can create for all segments of society, the private sector is a major shaping force in cities, and municipal authorities across the world are well aware that their specific comparative advantage has a lot to do with their attractiveness for business.

Much as cities can be springboards of opportunity, though, they are also home to increasing social disparities, poverty, pollution, waste and environmental problems. This is the sort of damage which environmental and welfare-oriented civil society organizations seek to mitigate, often filling in for the shortcomings of business or public authorities.

For all those efforts, expanding slums reflect the extent to which the poor are both victims and unwilling agents of environmental degradation and the informal economy.

Just as slums are the unacceptable face of economic and urban policy failure, disasters and conflicts further

point to our collective state of unpreparedness in an extreme and cruel sort of way. Even the short-term future catches us unprepared, and all-too often cities plan blind, if at all. No wonder, then, that UN-HABITAT found itself helping rebuild homes and lives after conflict and disasters, from Lebanon to Afghanistan to Indonesia to Peru over the course of 2008.

Let's face it: realities have overtaken our well-established formal systems. These realities are so complex and intricately linked that no single type of power, political, administrative, economic or social, can expect to exert any influence over them on their own. Most of us also know that even collectively, we cannot change those systems wholesale overnight.

What we can do together, though, is to form partnerships for gradual change. We are looking to do more with the academic world and civil society. In the private sector, we work with companies that have joined the United Nations Global Compact, a UN initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies in the areas of human rights, labour, the environment, social services delivery, and anti-corruption.

With its rich range of well-articulated operational, technical and conceptual expertise, UN-HABITAT showed again in 2008 that it is uniquely placed to strengthen local capacities and leverage all available public or private resources and energies in favour of positive urban change. We did so for local communities and authorities through participatory governance, paving the way for vibrant, rights-based civil societies as well as sustained social and economic stabilization. This in turn creates opportunities for the private sector to test more sustainable economic models on the ground, opening up new business perspectives.

Donors recognize UN-HABITAT's unique role, especially as we work as one, and also increasingly with other United Nations agencies as part of the 'One UN' initiative that is already bearing fruit in many countries. In 2008, UN-HABITAT devised more than 20 such 'One UN' programmes in as many developing countries.

Our multiple partnerships also act for us as channels for constant dialogue, especially with municipal authorities, grassroots civil society organizations and business firms. Partners keep us ever alert to fresh concerns and best practice, responsive to any shifts in the forces shaping

our cities and their future, and within reach of the levers that can influence these cross-currents.

This is why UN-HABITAT's Medium-Term Strategic and Institutional Plan (2008-2013) is anchored on the principle of partnerships, rather than on the capacities of the United Nations or of UN-HABITAT alone. It focuses on six key areas, each of which we have chosen as a chapter heading for this Annual Report.

As agreed by the 58 member States of the Governing Council which oversees our work programme and budget, these areas are: **(i)** effective advocacy, monitoring and partnerships; **(ii)** the promotion of participatory planning, management and governance; **(iii)** the promotion of pro-poor land and housing; **(iv)** environmentally sound basic infrastructure and services; **(v)** strengthened human settlements finance systems; and an institutional component, **(vi)** excellence in management.

Thanks to partnerships in all our areas of operations, we at UN-HABITAT can act as catalysts in order to change today's daunting urban challenges into sustainable opportunities – for all.



Anna K. Tibaijuka

Executive Director, UN-HABITAT
Under-Secretary-General of the United Nations

CHAPTER 1: EFFECTIVE ADVOCACY, PARTNERSHIPS AND MONITORING

“Enable all key stakeholders in the public, private and community sectors to play an effective role – at the national, state/provincial, metropolitan and local levels – in human settlements and shelter development.”

--- The Habitat Agenda

In this area, the strategic goal for UN-HABITAT is to improve urban policies from the local to the global level.

ADVOCACY

As part of efforts to ensure sustainability of local ownership of projects and policies, UN-HABITAT maximizes the use of national expertise and procurement, supporting national execution in developing and transition countries. In 2008, more than 90 per cent of UN-HABITAT's project personnel were national experts. From a longer-term point of view, this ensures stability, ownership and mainstreaming of recognized international standards in national policies.

50 COUNTRIES

As of the fourth quarter of 2008, UN-HABITAT had cooperation programmes and projects under execution in 50 countries, the majority of which were in the least developed countries. More than 20 other countries were benefitting from the support of UN-HABITAT's global programmes.

As a direct response to increasing demands from developing countries, the organisation's in-country activities have grown significantly over the last decades from expenditures totalling USD 18.7 million in 1988 to close to USD 100 million in 2008.

TECHNICAL PARTNERSHIPS

UN-HABITAT's country-level activities are focused on supporting governments in the formulation of policies and strategies to create and strengthen a self-reliant management capacity. In some countries, partnerships with local stakeholders – including central or local government and non-governmental organizations – require some capacity-building if they are to be effective.

Technical and managerial expertise (including monitoring activities and collection of data and best-practice) is provided for the assessment of the development problems and opportunities specific to human settlements.

Country-level activities also seek to identify and analyze policy options, design and implement housing and urban development programmes, help mobilize national resources and external support for improving human settlements conditions.

This national capacity-building process involves central government institutions, local authorities, and their partners in community based and non-governmental organizations, universities, and research institutes.

Emphasis is also placed on strengthening monitoring capacities of governments in human settlements management.

Lessons learned from country-level activities go into the formulation of global policy options and guidelines.

PARTNERSHIPS

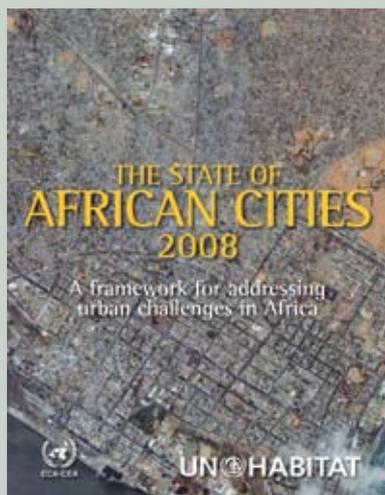
Partnerships with a wide range of institutions and bodies are the linchpin of UN-HABITAT's operational, capacity-building and even normative activities. They enable the agency to play its full role as a catalyst for all the resources – human, technical, institutional and financial – required to bring about sustainable urban change, and 2008 saw some more progress on this score. This chapter provides a general overview of UN-HABITAT partnerships and advocacy in 2008, the specifics of which are detailed in further, relevant chapters of this report.

STRONGER LINKS WITH THE UN SYSTEM

The pilot deployment of the *One UN* programme in eight countries in 2008 has further reinforced UN-HABITAT's operational links with other UN agencies, with each contributing their own comparative advantage to projects. The list includes:

Food and Agriculture Organization, International Labour Organization,

MORE REGIONAL 'STATE OF THE CITIES' REPORTS



UN-HABITAT's authoritative, biennial *State of the World's Cities* report (now in its fourth edition) is a major plank in the agency's advocacy efforts and regional or country reports are now underway in partnership with UN regional economic commissions.

The series of UN-HABITAT regional surveys started in late 2008 with the first *State of African Cities Report – A framework for addressing urban challenges in Africa*, in cooperation with the UN Economic Commission for Africa.

Also in 2008, a *State of Russian Cities* report was the outcome of cooperation between UN-HABITAT and Russia's Ministry of Regional Development. The report (available in Russian (CD and paperback) and English (CD only)) describes the impact of the ongoing transformation process on Russian cities and highlights challenges and achievements in implementing the Habitat Agenda and the Millennium Development Goals. The first of its kind, this document includes analysis and data from local urban observatories in four Russian cities, applying methodologies worked out with the assistance of the UN-HABITAT Global Urban Observatory.

UN-HABITAT is currently working with the UN Economic and Social Commission for Asia-Pacific on the first *State of Asian-Pacific Cities* report, to be published in October 2009 with the UN Economic and Social Commission for Asia.

Another 'first', the *State*

of Latin American and Caribbean Cities report with the UN Economic Commission for Latin America and the Caribbean, will be published to coincide with the 5th World Urban Forum to be held in Rio de Janeiro, Brazil in 2010.

The 2008 State of the World's Cities highlights some disturbing new trends, which include the fact that growing inequalities in income and access to adequate shelter have become socially and economically unsustainable, posing such threats as social unrest, reduced economic efficiency, reduced level of investments and, diversion of funds to security; no fewer than 25 million people in Africa are at risk of sea level rise from climate change, with the most vulnerable cities being Abidjan (Côte d'Ivoire), Alexandria (Egypt), Cotonou (Benin), Dakar (Senegal), Freetown (Sierra Leone), Lagos (Nigeria), Maputo (Mozambique), Mombasa (Kenya) and Tunis (Tunisia).

One UN Fund, UN Capital Development Fund, UN Development Programme, UN High Commissioner for Refugees, UNICEF, UNIFEM, UN International Research and Training Institute for the Advancement of Women, UN Non-Governmental Liaison Service, UN Office for the Coordination of Humanitarian Affairs, and the UN Special Rapporteur on Adequate Housing. The scheme enables every agency to contribute its own specific experience and expertise to operational and technical UN-HABITAT projects.

The agency also worked closely with the UN Central Emergency Response Fund, International Organization for Migration, the UN Economic Commission for Latin America and the Caribbean, the UN Economic and

Social Commission for Asia-Pacific, UNESCO, UN High Commissioner for Refugees, the UN Industrial Development Organization, the UN Office of the High Commissioner for Human Rights, the UN Permanent Forum on Indigenous Issues, the UN Population Fund, World Bank, World Food Programme and World Health Organization.

In June 2008 UN-HABITAT joined the *United Nations Inter-Agency Standing Committee*, putting the institution on a new footing in global humanitarian operations. It was agreed that UN-HABITAT would take the lead role in the shelter sector. The Committee was established in 1992 to shape UN humanitarian policy and ensure coordinated and effective response to crises.

Other, non-UN institutional partners in 2008 included the Council of Europe Development Bank, the European Commission, the African, Asian and Inter-American Development Banks and the Organization of American States. Some of these partnerships are going to be strengthened in 2009, and extend to the European Investment Bank.

GOVERNMENT PARTNERSHIPS

As an inter-governmental institution, UN-HABITAT works in close cooperation with the central governments of countries in need of assistance and of donor countries (including international cooperation agencies). Details of such cooperation appear in the successive sections of this report.



Aerial view of Durban, South Africa, 2002.
Photo © UN-HABITAT

UN-HABITAT also acts as a catalyst for public policy-making. A good example of this was the second Asia-Pacific Ministerial Conference on Housing and Urban Development. Held in mid-May 2008 in the Iranian capital Tehran, the event brought a fresh focus on sustainable urban development as participants highlighted the links between growth, equity and identity.

The meeting took place against a background where, with the current average urbanization rate of 42 percent and a growth rate of 2.5 percent in the region, cities in Asia-Pacific will have to accommodate an additional 1.7 billion people in the next 40 years. This will represent a doubling of the current urban population.

In Tehran government ministers and representatives from 37 countries adopted an action plan to guide regional cooperation in the area of sustainable urban development, which also underpins UN-HABITAT's Medium-term Strategic and Institutional Plan for 2008-2011. The action plan focuses on five key themes: urban and rural planning management, urban slum upgrading, water and sanitation, housing finance and natural disasters.

CIVIL SOCIETY PARTNERSHIPS

Civil society organizations bring their expertise to bear on UN-HABITAT's projects, technical activities and research. The fact that 26 percent of all the new legal arrangements UN-HABITAT contracted in 2008 were with non-governmental and community-based organizations highlights the major role of civil society in the local implementation of the *Habitat Agenda* and the relevant Millennium Development Goals.

UN-HABITAT is almost unique in that it deals directly with grassroots

WORLD HABITAT DAY 2008

On 6 October 2008 the global celebration of World Habitat Day was held in Angola's capital Luanda under the theme of *'Harmonious Cities'*.

Angolan President José Eduardo dos Santos and senior officials of his government joined UN-HABITAT in the celebration. He took the opportunity to announce a series of major social housing initiatives. These included a plan to upgrade towns, cities and villages for the benefit of all as well as a new national housing programme.

At a ceremony, best practices from China, Mexico, Russia and Rwanda were awarded the Scroll of Honour. The United Kingdom Building and Social Housing Foundation presented its own *World Habitat Award* to best practices from the USA and Vietnam.



UN-HABITAT Scroll of Honour awarded to the City of Juarez, Mexico at the Global Celebrations of World Habitat Day 2008 in Luanda, Angola.
Photo © Copyright owned by BSHF

organizations to further common objectives. Community-based organizations are ideally placed to activate networks and provide information on which projects can build, as well as to know the status of what is being or has been implemented on the ground. International non-governmental organizations mobilize their own, broader networks with their own unique perspectives and knowledge. UN-HABITAT's role is to leverage these resources in order to promote the Habitat Agenda and the Millennium Development Goals.

In order to make the most of ongoing

and future partnerships with civil society organizations, UN-HABITAT in 2008 devised a dedicated cooperative communication framework. The relevant draft proposal has been submitted for comment to a wide range of organizations.

From a more strategic point of view, the 4th World Urban Forum (WUF) held in Nanjing, China in November 2008 gave UN-HABITAT a major opportunity for closer dialogue with civil society as represented there by major international and smaller, local organizations and businesses from around the world. Their strategies with

WELCOME TO THE HABITAT BUSINESS FORUM 2009!

Innovative Cities will be the theme of the first Habitat Business Forum, to be held in New Delhi, India on 7-9 July 2009. The event will provide international business and industry a privileged opportunity to rekindle direct links or network with representatives of relevant public, private, professional, academic and non-governmental bodies. The forum will discuss a number of topical themes including: affordable land and housing; water, sanitation and waste management; 'green' technologies; the digital city; and disaster prevention, management and reconstruction. The 2009 Business Forum will be held in partnership with the Federation of Indian Chambers of Commerce and Industries and the China Real Estate Chamber of Commerce.

UN-HABITAT ADVISES ON FOOD CRISIS

Coming in the aftermath of food shortages and related unrest in the region, the 2008 *State of the African Cities Report* co-authored with the UN Economic Commission for Africa gave UN-HABITAT an opportunity to formulate a number of topical recommendations for governments.

Devising dynamic and effective urban supply and distribution services for Africa is a matter of great concern as the population in urban areas is expected double by the year 2030.

Today, food patterns have changed with the rise of Africa's middle classes, and the region's food production and supply systems are less and less able to meet urban demand for six main reasons: (i) the development of dependable food infrastructure (production, transport, markets, industry) is not keeping pace with urban growth; (ii) urban food demand outstrips the production capacity of the surrounding areas; (iii) urban spatial expansion increasingly converts peri-urban food producing areas to other uses; (iv) changing urban socio-economic composition raises demand for different staple foods, including imported and highly processed foods, (v) urban regulation and multi-storey buildings change food cultures, and (vi) urban rather than rural markets are becoming the source of food supply, with transportation costs assuming a rapidly growing share of food prices.

The joint recommendations from the two UN agencies are that governments should strategically position themselves for changing urban food requirements as well as for the need for supply strategies and systems in the short, medium and longer terms, if they are to continue to feed their increasingly urban societies.

Governments should stimulate agricultural production, improve infrastructure to facilitate inputs into agriculture and outputs from agriculture to cities, and make sure that proper water management enables conversion of non-productive areas to food production for internal use and future export.

regard to sustainable urbanization were discussed at length with UN-HABITAT and other partners.

Civil society is also a partner in UN-HABITAT's normative (or policy-oriented) activities, with the twin aim of providing up-to-date research and to reach out to a wider audience. This

takes the form of various publications which provide back-up and guidance for both capacity-building and operational activities of UN-HABITAT and relevant partners.

In 2008 UN-HABITAT worked in partnership with some 40 major non-governmental organizations

from all major regions and cultural backgrounds of the world, with agendas ranging from housing to water to women's empowerment to youth to human rights to emergency relief.

4TH WORLD URBAN FORUM: SWELLING CITIES POSE FRESH GLOBAL CHALLENGES, LEADERS WARN

At the epoch-making Fourth Session of the UN-HABITAT World Urban Forum hosted by the Chinese city of Nanjing, the strongest message coming out was that the swelling cities of the world are posing fresh challenges every day. The 3-6 November 2008 Forum drew nearly 8,000 participants from some 155 countries, with its exhibition alone attracting more than 20,000 visitors in just four days.

These staggering figures are testimony to the fact that the Forum, held every two years, is now firmly established as the world's premier conference on cities.

The buzzword on everyone's lips was "harmonious urbanization", and barely a speaker missed a chance to give their views of what a harmonious city is all about.

Setting the tone in the opening statement, Mr. Jiang Hongkun, the Mayor of Nanjing, said: "Building harmonious cities is our vision. This session of the Forum convened to discuss the theme, harmonious urbanization, will promote new ways of building cities at home and abroad."

The city was adorned with flyers and posters welcoming Forum visitors and laser light shows lit up the night skies from high rise buildings in the modernized city.

Against the background of the global financial crisis, world leaders at the meeting warned that new threats had emerged on the international development agenda, as developing countries grapple with the effects of the growing tide of people swarming cities in search of better livelihoods.

Kenya's Prime Minister, Mr. Raila Odinga said the urbanization challenge now facing countries in the developing world had already snowballed into a "crisis of global dimensions" while United Nations officials warned some 1.2 billion slum dwellers worldwide may

be forced deeper into poverty by prevailing economic conditions.

New studies published by UN-HABITAT at the Forum showed that some five million people were being added to the population of the world's cities every month, as demographic changes ensured that humankind became irreversibly urban in 2008.

Said Mr. Odinga: "The UN predicts that by 2030, the number of city inhabitants will be over five billion, or 60 per cent of the world's population. We have been warned that unless policy makers undertake a radical rethink, we face disaster. When we look at the progress of human migration to urban centres over the years, we will know that time is not on our side, and we will treat 2030 or 2050 as if they were next year, if not next week."

In her address, Mrs. Tibaijuka, said: "Since the end of last year, we have witnessed a succession of crises, the scale and pace of which took us all by surprise. The year started with a fuel and food crisis, after climate change had been confirmed as a fact of life to which we must adapt or perish. Before we could come to grips with these serious matters, a sub-prime mortgage meltdown in the United States was to unleash a financial crisis whose contagion has been so fast and so vast that the entire world is now grappling with the effects.

"The financial crisis, the threat of global recession and the huge swings in commodity prices and stock markets further threaten the foundations of globalization that have underpinned global growth for the past decade. We are witnessing a resurgence of protectionism combined with credit contraction that can further exacerbate and worsen a global recession."

UN Secretary-General Ban Ki-Moon also warned delegates that the attainment of the Millennium

Development Goals could be threatened if the urbanization crisis was not effectively addressed.

“There are many billions of people suffering from a lack of affordable housing and all the facilities that make life decent,” the Secretary-General said. “We must work together and generate the political will to have a smooth implementation of the Millennium Development Goals and work more closely and harder than before.”

The Vice Premier of the People’s Republic of China, Dejiang Zhang, told the gathering that in the light of the population challenges facing his country, China itself was opting to adopt a coordinated development approach between its cities and regions, with special emphasis on energy saving and climate change mitigation.

For the poor represented by civil society groups, for young people represented by youth groups, or women’s organizations, the “harmonious cities” concept carried a message of hope easy to understand in a rapidly urbanizing world.

Mr. Antonio Maria Costa, Executive Director United Nations Office on Drugs and Crime, warned that in a new urban age with most people living in cities, urban crime was likely to increase.

“The rise in crime is bound to continue and accelerate as urbanization – especially in Africa and the Caribbean – continues to grow at a rapid pace. This carries important implications for global – and not simply local – security,” he said.

He cited reports on regions where crime had had an impact on development – for example in Africa, the Balkans, the Caribbean and Central America. His office had demonstrated the link: under-development increases vulnerability to crime, and crime hurts development.

The success of the Forum was due to the intense interest shown by our participating partners from nearly every walk of life.

And it was also thanks to the tremendous efforts of the People’s Republic of China to ensure that everything in Nanjing worked smoothly, even though the meeting was held in the aftermath of the Sichuan earthquake – one of the most devastating in living memory anywhere in the world. Not least, it also followed closely on the heels of the 2008 Olympic Games in China.

“In expressing our heartfelt appreciation, it is important especially to cite here the Vice Premier of the People’s Republic of China, Dejiang Zhang; China’s Minister of Housing and Urban-Rural Development, Jiang Weixin; the Governor of Jiangsu Province Lou ZhiJun, and the Mayor of Nanjing Jiang Hongkun; for their warm welcome to us and our delegations. And not least Mr. Qi Ji, Deputy Minister of Housing and Urban-Rural Development, and the Forum, Chair, Deputy Mayor Lu Bing of the City of Nanjing,” said Mrs. Tibaijuka.

“This word of thanks goes out also to their assistants, their staff and the ever attentive multilingual young people who were at every venue to give a helping hand – and always with a smile.

“If we think back on the Forum, it is the smiles and kindness shown us all that remain uppermost in our minds,” she said. She also thanked the Governments of Norway for providing financial support towards civil society participation at the Forum and the Kingdom of Bahrain for sponsoring the Khalifa bin Salman Al Khalifa Award, which will from now onwards become a standing feature of the biennial event.

SOME FORUM HIGHLIGHTS

THE WORLD URBAN YOUTH FORUM

More than 500 youth activists from over 50 countries, gathered on the eve of the Forum for a two-day World Urban Youth Forum. Hosted by the Nanjing Municipal Committee of the Chinese Communist Party Youth League, it was the third biennial session of its kind. They unveiled a groundbreaking fund to finance youth-led development projects around the world. The *Opportunities Fund for Urban Youth-Led Development*, is initially financed through a USD2,000,000 grant over two years from the Government of Norway. Other governments and donors are invited to contribute.

WOMEN'S ROUNDTABLE

UN-HABITAT teamed up with the Nanjing Women's Federation and the Commonwealth Association of Planners to review the problems women face in cities and how best to address gender concerns in urban

development policies and practices. Government representatives, experts and women from grassroots organizations outlined recommendations on gender-responsive planning, adequate housing, land tenure and partnerships. Speakers included the Deputy High Commissioner for Human Rights, Mrs. Kyung-wha Kang, YWCA General Secretary Mrs. Nyaradzai Gumbonzvanda, and Vice Mayor of Nanjing Mrs. Wang Yonghong.

AFRICAN MAYORS

African Mayors from the Lake Victoria region signed an exchange agreement with the Yangpu District of the Municipal Government of Shanghai.

BUSINESS LEADERS

Private sector leaders brainstormed on how to build greener cities. They sought ways to ensure responsible



Photo © City of Nanjing

business practices for sustainable urbanization and the core principles that could underpin it. They also discussed affordable technologies and business models that could work for the urban poor at the bottom of the economic pyramid, so that cities and towns are safer, more equitable, harmonious – and better for business.

TOP ASIAN PLANNER IS REWARDED

The 2008 UN-HABITAT Lecture Award was conferred upon Professor Anthony Gar-On Yeh of the University of Hong Kong, one of Asia's foremost urban planners. The award recognizes outstanding and sustained contribution to research and thinking in the human settlements field. The Award rotates regionally every year and in 2008 it focused on the Asia-Pacific region. After a glittering ceremony in Nanjing, Prof. Gar-On Yeh delivered his lecture entitled, *GIS as a Planning Support System for Harmonious Cities*.

THE FORUM EXHIBITION

At the World Urban Forum in Nanjing, Chinese municipal authorities and organizations showcased best practice in four exhibition halls. In the international hall, scores of partners from all over the world displayed their own achievements. The launch of the new UN-HABITAT brand attracted thousands of visitors to the agency's stand, where copies of the *World Cities and African Cities* reports were available, among other publications.

SKILLS

The agency coordinated 23 training sessions held by Habitat Agenda partners at the Nanjing Forum which attracted 850 participants.

FINANCING

A special session discussed the global financial crisis and its impact. Another examined public-private partnerships in housing and urban development, including new approaches to urban and community development.

OPPORTUNITIES FOR BUSINESS

A major force behind the reshaping of 21st century cities, business is a crucial agent of change as far as sustainable policies are concerned, including basic services, climate change and energy conservation. This is why the agency in 2007 launched the Business Partnership for Sustainable Urbanization in an effort to build partnerships under the corporate social responsibility agenda.

In 2008, through its Private Sector Unit, UN-HABITAT expanded dialogue and cooperation with the business community, including global, medium and small-sized enterprises. These partnerships can leverage business resources around specific global, regional and local initiatives, in the process opening up fresh perspectives and opportunities for the private sector.

In 2008, UN-HABITAT leveraged the capacities of a number of top international firms in favour of local projects involving crucial areas like water, sanitation, housing, urban data management and finance (for details, see the relevant sections in this Report). The programmes involved top international firms in banking and finance, broadcasting, information and communication technologies, housing, food and manufacturing.

From an operational point of view, UN-HABITAT can act as a facilitator for business sector participation in manageable, flexible small-size projects in some 120 countries. The agency's comparative advantage lies in its familiarity with local, including institutional, conditions, allowing for maximum resource optimization and tangible response to local needs and requirements.

Business and related bodies are also keen to share expertise and to advise UN-HABITAT on new ways of improving living conditions and achieving harmonious cities. This includes 'bottom up' development of market chains, responsive business practices as well as designing innovative business models and affordable, flexible technologies that are adaptable to climate change. This is the purpose of UN-HABITAT's Business Partnership for Sustainable Urbanization.

In an effort to gain from private sector experience and business models and through its Business Partnership for Sustainable Urbanization (created in 2007), UN-HABITAT works on a database of business 'best practice' in relevant areas, including pro-poor housing, informal entrepreneurship and innovative uses of new information and telecommunication technologies.

Water is a crucial issue in urban areas, as recognized by the Millennium Development Goals, and in 2009 the UN-HABITAT-sponsored Global Water Operators Partnership is to become fully operational, providing a platform for improved institutional capacity in the coming years.

A partnership between UN-HABITAT and Google.org plays a major role in the monitoring of Millennium Development Goals. On top of statistical improvements, an initiative launched in 2008 with Google.org will contribute to the development of innovative, integrated monitoring and benchmarking tools. A pilot scheme will be run in Zanzibar (Tanzania) and in seven towns in the Lake Victoria area (Africa).

Partnerships are also the linchpin of the Global Land Tool Network. The scheme enables UN-HABITAT to share experience and expertise for the development of innovative, well-adapted land management tools. These in turn contribute to poverty alleviation and the Millennium Development Goals through land reform, improved land management and security of tenure. Members of this demand-driven network include NGOs, international financial institutions, research and training institutions, donors, professional bodies and individual experts from around the world.

A GENDER ACTION PLAN IS READY AND MAINSTREAMING CONTINUES

Adequate shelter for all requires gender equality and empowerment, which in turn is vital to participatory, sustainable and harmonious urban governance. To carry out this mandate in 2008, UN-HABITAT focused on three areas:

devising a **Gender equality action plan** in line with a resolution of the 21st Governing Council in 2007; bringing gender concerns into local government; and integrating the gender dimension in land and development. The latter two objectives gave rise to a number of advocacy events and partnerships with a wide range of institutions. The plan which was widely discussed at a World Urban Forum seminar co-hosted by Norway, was scheduled for approval by the 2009 Governing Council.

LOCAL MAINSTREAMING OF GENDER ISSUES

Since 2003, UN-HABITAT has been conducting an integrated programme on empowering urban women entrepreneurs through housing development and land rights. The programme supports (i) baseline surveys; (ii) grants for revolving funds in support of housing development and women's empowerment; (iii) training of paralegal officers specializing in human rights in general and women's human rights in particular; (iv) training women in enterprise development and business management; and (v) establishment of housing co-operatives for women.

Local governance is another crucial sphere where women's participation and influence in decision-making and planning must be promoted. In March 2008, the agency's regional Office for Latin America and the Caribbean hosted a **Women- and girl-friendly cities** competition. A similar competition was held by the Regional Office for Asia and the Pacific.

UN-HABITAT is also collaborating with a women's body called Femun in Peru and the Institute of Local Government Studies in Ghana to build the gender-related capacities of local

authorities. Further partnerships have been launched with an organization in Kenya called GROOTS, and the Huairou Commission to hold training workshops based on 'local to local' dialogue.

Together with the Caribbean Association for Feminist Research and Action and the UN International Research and Training Institute for the Advancement of Women, UN-HABITAT began conducting a global survey on women's empowerment and gender mainstreaming in local governance in 25 countries.

Dissemination of the **Gender in Local Governance** sourcebook is proceeding in earnest. In September 2008, the Federation of Canadian Municipalities used it to train female political leaders. Similar drives were undertaken in Ghana, Israel, and southern Africa.

An international conference on decentralization, local power and women's rights was held in Mexico City in November. Building on a series of projects (supported by the International Development Research Centre) in sub-Saharan Africa, the Middle East, South and Southeast Asia, and Latin America and the Caribbean, the conference took a critical look at decentralization and local governance with regard to women's participation, representation and access to public services, giving participants an opportunity to identify gaps and themes for further research.

Results of previous gender assessments have been used to formulate interventions aimed at redressing inherent gender imbalances in water and sanitation programmes and improving the lives of women. A noteworthy example is the launch of a number of sanitation micro-credit schemes that were designed on the basis of the gender assessments carried out in Africa.

LAND AND ECONOMIC EMPOWERMENT

UN-HABITAT has joined in partnered with UNIFEM, the UN Capital Development Fund and the UN Development Programme for a joint scheme to promote gender and local economic development in five countries. The programme builds local government capacities to mainstream gender perspectives in planning and budgeting as well as facilitating participation of women and community organizations.

In July 2008 during the session of the UN Economic and Social Council, UN-HABITAT organized a Women Parliamentarians and Leaders Caucus in New York City, which included a study tour. The event was part of the agency's programme for women's economic empowerment through housing development and land rights.

UN-HABITAT continues to produce and disseminate publications to promote advocacy and capacity building in gender equality and women's empowerment.

YOUTH WORKING FOR A SUSTAINABLE URBAN FUTURE

UN-HABITAT's Youth Programme in 2008 continued to strengthen the agency's efforts to engage young people in sustainable urbanization work. Emphasis was laid on implementation of the agency's Strategy on Enhanced Engagement of Young People. The strategy focuses on participatory approaches and models that promote employment, entrepreneurship, training, capacity-building and crime prevention, and stresses the role of young people in the alleviation of poverty and inequality.



Women in an informal market in Liberia. 2008.
Photo © UN-HABITAT



Construction of the Youth Training facility in Mavoko, Nairobi, Kenya
Photo © UN-HABITAT

The Global Partnership Initiative on Urban Youth Development (GPI), launched at the 2nd World Urban Forum in Barcelona in 2004, remains a major platform to integrate the Millennium Development Goals with development programmes at the city level. This Partnership continued to focus on, and working with, urban youth, local governments, civil society, other relevant

United Nations agencies, multilateral institutions and private foundations to provide meaningful solutions to urban youth challenges.

LOCAL SUPPORT FOR YOUTH RESOURCE CENTRES

In 2008 UN-HABITAT and local governments set up One-Stop Youth

Information Resource Centres in several African cities. The centres prepare young people for employment through training services (entrepreneurship, digital technologies), engagement in local government and access to recreational activities, along with support programmes in environmental protection and participatory planning. The one-stop centres provide health services (including HIV/AIDS testing and education). Strong municipal support is reflected in both financial contributions and physical space allocations.

UN-HABITAT in 2008 intensified support to its “We are the Future” centres in towns and cities recovering from conflict and disaster, concentrating on youth-led services for orphans and vulnerable children. The focus was on health, nutrition, arts, sports and computer technology to promote both peace-building and entrepreneurship.

June 2008 has been training young people from urban slums in construction technologies, access to affordable housing and improved livelihoods. Triggered by a grant from United Nations Secretary General Mr. Ban Ki-Moon, the scheme has since received significant financial support from the Government of Norway and the Government of Finland.

AFRICAN YOUTH TRAINING CENTRES

A Youth Empowerment Programme launched in Nairobi, Kenya in

In 2008, 30 young people from the overcrowded Nairobi slum of Kibera, and the informal settlement of Mavoko received on-the-job training in the production of low-cost bricks for the **Moonbeam Youth Training Centre**. Another 60 were trained in leadership and management skills, business development as well as in information and communication technologies, complete with certification to enhance income opportunities. Plans were underway to turn it into a regional training centre. An additional 200 young people started skills training in building and related trades. Graduates can combine marketable skills with apprenticeships, including with ongoing construction projects by UN-HABITAT’s Kenya Slum Upgrading Programme. So far, implementing partners Umande Trust and Environmental Youth Alliance have enabled over 300 young people to graduate through the scheme.

New partnerships in 2008 involved the municipalities of Addis Ababa, Kampala, Kigali, Nablus and Nairobi. Cooperation with Nest Kenya, Horisont Norway, Environmental Youth Alliance, Umande Trust, the Nanjing Youth Federation and the International Olympic Committee (IOC) was also secured to support youth empowerment at a global level.

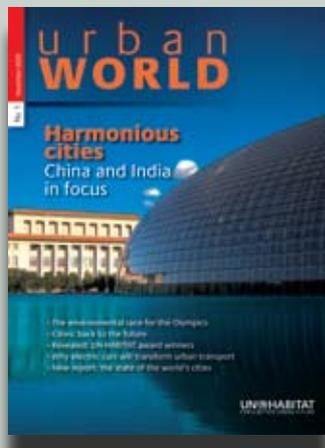
A NEW FLAGSHIP MAGAZINE FOR A NEW URBAN ERA

UN-HABITAT used the occasion of the fourth World Urban Forum in Nanjing, China to launch a new flagship magazine. The new quarterly publication, *Urban World*, replaced *Habitat Debate* as the agency moves forward with the times, with a more modern magazine for our growing global audience in this rapidly urbanizing world.

The new magazine, one of the first products of our Mid-term Strategic and Institutional Plan (2008-2013), was born in 2008 right at the historic crossroads where the world irreversibly entered a new urban era.

We know that governments and municipalities simply can no longer tackle the problems of urbanization and poverty alone. Much of the financing and much of the expertise for such change has to come from the private sector.

And so our new magazine is a joint venture with a private sector company, Pressgroup Holdings Europe S.A. based in



Valencia, Spain. For the first time our magazine carries advertising from companies around the world, including those which have joined the United Nations Global Compact, a UN initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies in the areas of human rights, labour, the environment, social services delivery, and anti-corruption.

A USD1 MILLION FUND FOR YOUNG AGENTS OF URBAN CHANGE

Partnerships help UN-HABITAT mobilize all energies behind its sustainable urban agenda and none may be more precious for the future than those of the younger generations. This is why in 2007 the agency's Governing Council approved a Norwegian proposal to establish a new scheme for young underprivileged urban people, known as the *Opportunities Fund for Urban Youth-led Development*.

The new scheme is designed to help dynamic, underprivileged young people to turn urban challenges into opportunities for individual and collective advancement. Under the scheme, young people are invited to tell UN-HABITAT how they would tackle major challenges like poverty, HIV/AIDS, poor education and health, crime and unemployment at their local level, and the best ideas are rewarded with grants to support deployment on the ground.

With the new Fund, young people act as agents of change at grassroots level, turning cities into better places. As for UN-HABITAT, the scheme provides a further opportunity to identify best practice, as new approaches to urban improvement are tested on the ground.

The funding for the scheme comes through an annual USD1 million grant from the Government of Norway. "There is an urgent need to mainstream

youth in development strategies, particularly in the context of sustainable urban development, and we believe that UN-HABITAT should be a lead agency in this process," said Mr. Erik Berg, of Norway's Ministry of Foreign Affairs. "We also believe that a dedicated fund for targeted support of youth-led initiatives can be an excellent mechanism for implementing this."

The operational details of the scheme came into force after final adoption by the UN-HABITAT Governing Council held in Nairobi between 28th March and 3rd April 2009.

The 58 governments represented on the Governing Council agreed that the new Fund would strengthen youth-related policy formulation. The scheme should help governments, civil society organizations and the private sector to improve the way they address the concerns of this vibrant segment of any population. Establishment of the Fund was mandated under a 2007 resolution from the UN-HABITAT Governing Council, which meets every two years. At the 2006 World Urban Forum in Vancouver, Canada the Youth Forum had recommended the establishment of a dedicated fund for youth-led development, building on a UN-HABITAT Governing Council resolution in 2003.

Government officials said the new UN-HABITAT Youth Fund would also promote vocational training and credit mechanisms to encourage entrepreneurship and employment regardless of gender, in collaboration with the private sector and other UN bodies. In all of these areas, they said, the Fund would also be used to ensure that gender concerns are properly integrated.

Recent years have seen mounting calls for the recognition of the critical role of youth in development. The scale of the challenge and opportunity is now recognized by such global institutions as the World Bank, which devoted its 2007 *World Development Report* to youth development.

Available statistics show that on the whole, young people aged 15-24 years represent 18 percent of the world's population. Africa is host to the largest segments: in countries like Kenya, Tanzania, Zambia and Zimbabwe, those aged 25 years and below constitute about 70 percent of the population.

The UN-HABITAT Youth Fund marks high-level recognition of the need for practical support for youth-led initiatives. It should lead the way for other organizations and governments to place youth at the core of their development strategies.

CHAPTER 2: PROMOTION OF PARTICIPATORY PLANNING, MANAGEMENT AND GOVERNANCE

“Enable all major stakeholders in the public, private and community sectors to play an effective role – at the national, state/provincial, metropolitan and local levels – in human settlements and shelter development.”

--- The Habitat Agenda

UN-HABITAT's efforts to promote and improve inclusive decentralization, management and governance and stronger local authorities are guided by a landmark 2007 resolution of its Governing Council.

If it is to be sustainable, 21st century urban planning, management and governance must be participatory, and therefore decentralized. This allows for better responses to local needs and requirements and favours community ownership of projects. Faced with the challenge of participatory urban governance, many central, local and municipal authorities as well as other stakeholders turn to UN-HABITAT to strengthen their performance with a view to developing safer, more liveable, productive and inclusive cities. In 2008 the agency moved to streamline its own mechanisms for improved efficiency.

In August 2008, UN-HABITAT set up a dedicated task force to develop and implement an 'Enhanced Normative and Operational Framework'. The move is designed to provide an integrated approach to support Governments and their development partners to achieve more sustainable urbanisation, as mandated under the Medium-Term Strategy and Implementation Plan. One of the main objectives is better alignment between the agency's normative and operational activities.

In October 2008 at UN-HABITAT headquarters in Nairobi, an expert group meeting brought together a wide range of expertise and perspectives in managing sustainable urban development. A consensus emerged on the challenges of strengthening planning, management, and participatory governance, with the identification of significant similarities in the challenges facing countries of the North and South, (rich and poor, developed and developing) with regard to these issues, despite other differences. The meeting produced a comprehensive Strategy Paper which will guide UN-HABITAT in the design of interventions and work programmes in participatory planning, management and governance.

To strengthen the multi-functionality of urban planning, management and governance, UN-HABITAT has also undertaken some institutional re-alignment with the creation of an Urban Design and Planning Unit. This unit also has an agency-wide mandate to lead in the development of prototypes adaptable in real situations through tools, techniques,

and processes developed in the course of normative and capacity-building work. These institutional changes will promote the integration of related sectors to promote interaction between programmes.

DECENTRALIZATION

In order to capitalise on progress made in the international dialogue on decentralization and strengthening of local democracy, UN-HABITAT and United Cities and Local Governments have been developing guidelines on decentralisation, as mandated by the Governing Council. This work has raised great expectations of poor communities at local level. In this regard, UN-HABITAT has benefited from the political support of a considerable number of national governments, including India, and from financial contributions from Norway and France.

UN-HABITAT has now sub-contracted United Cities to carry collect country profiles in support of the Global Observatory of Local Democracy and Decentralisation. United Cities will also explore and identify appropriate methodologies for the development of tools and indicators to support the implementation of the Guidelines on decentralisation, and on top of this will also disseminate the Guidelines.

United Cities has developed country profiles with assistance from UN-



HABITAT and a network of European experts in local democracy. The first set of useful country profiles has been completed and made available to UN-HABITAT.

UN-HABITAT has also been working with a Group of Experts on Decentralisation to identify the needs, elucidate the concepts, and explore the appropriate methodologies to develop tools and indicators for local adaptation of the Guidelines.

THE CHALLENGE OF CLIMATE CHANGE

UN-HABITAT has created the Sustainable Urban Development Network to intensify debate on sustainable urban development solutions through existing global networks as well as regional, national and local partnerships.

As part of the Urban Development Network, UN-HABITAT launched the *Cities in Climate Change*

Initiative in 2008. The scheme helps local governments strengthen climate change mitigation and adaptation measures and to work with urban communities to address infrastructural and governance issues. The resources and tools include participatory environmental planning and management methodologies to conduct vulnerability and risk mapping surveys. The scheme also develops adaptation guidelines for local authorities and promotes innovative solutions like energy-efficient buildings.

The Cities in Climate Change Initiative is currently under experimentation in four conurbations: Maputo (Mozambique), Kampala (Uganda), Sorsogon (Philippines) and Esmeraldas (Ecuador). Five additional cities in Africa are joining the initiative soon.

SAFER CITIES

In 2008 UN-HABITAT continued to support local governments addressing

issues of violence, crime and insecurity through global, regional and country level activities.

At global level, partnerships have been strengthened with the United Nations Office on Drugs and Crime, with the development of a methodology for joint missions, as well as identification of common tools. In addition, partnerships have been established on armed violence prevention (with the UN Development Programme and other agencies) and on gender-based violence (with UNIFEM). Joint work plans and mobilization of resources have also been launched.

Internally, urban safety has been incorporated in the slum upgrading initiative. An ongoing assessment of urban safety issues within slum upgrading initiatives will be concluded in 2009.

In June 2008, the Youth Crime Prevention and Cities Summit took place in Durban (South Africa). The



Photos © UN-HABITAT

event showcased experiences of youth-led urban development and prevention initiatives across the globe. Youth leadership in violence prevention was promoted, as well as the development of resilient communities. The summit also launched a Youth-led Platform on Urban Development and Crime Prevention. Participants discussed the use of arts and culture for community development and experiences of police-youth dialogue towards safer communities.

UN-HABITAT also documented and assessed tools for local action in 2008, including female safety audits and gender-based violence prevention initiatives, together with youth-led prevention initiatives and policing innovations, particularly in the context of urban slums and developing countries.

In Latin America, UN-HABITAT has devised a regional strategy for safer cities, local initiatives have been

launched and a prevention toolkit has been developed with Chile's Universidad Alberto Hurtado. In Asia, pilot activities have been launched in Cambodia and India.

In Africa, UN-HABITAT continued in 2008 to build capacities and partnerships for the prevention of crime and violence, including a Youth Violence Prevention Week which attracted over 5,000 young people in Kenya. Further progress has been made toward the creation of a regional training centre for 'city to city' collaboration and exchange on urban security issues.

ACADEMIC PARTNERSHIPS

UN-HABITAT discussed the Habitat Partner University scheme with a number of relevant institutions in Nanjing (China) in November 2008. The proposed scheme (which comes under the UN-HABITAT Sustainable urban development network) consists of an umbrella framework for the

bilateral agreements that have been concluded between higher education institutions since 2006. Setting common rules and standards, the proposed scheme would expand cooperation between UN-HABITAT and higher education institutions around the world, facilitating links (including research and training) between universities in developing and developed countries.

Based on the principles of reciprocity and mutual benefit, the scheme would bring together institutions willing to promote socially and environmentally sustainable urban development in accordance with Millennium Development Goals. Under the scheme, sharing of knowledge and capacity building would also involve practitioners and policy-makers.

TRAINING AND CAPACITY BUILDING

If sustainable urbanization is to drive both policy and practice, adequate

training and capacity-building have a crucial role to play. As mandated by the Medium-Term Strategic and Implementation Plan, UN-HABITAT focuses efforts in a selected set of countries in order to maximize impact.

In the crucial water and sanitation area, substantial support was provided to institutional participatory mechanisms, especially with respect to the structuring and training of community-based organizations and the design and implementation of demonstration projects with strong community participation. Community-based demonstration projects were under implementation in a number of countries, including Vietnam, Nepal, Laos, Bolivia, Mexico, Ethiopia, Ghana, Senegal, and Nigeria. These projects have not only demonstrated the effectiveness of community-based approaches, but have also helped to extend water and sanitation services to poor communities.

In Africa, 'Training of Trainers' and workshops for local government leaders took place in Liberia (with non-governmental organizations) and Zimbabwe (in cooperation with the Urban Council of Association of Zimbabwe).

In the Democratic Republic of Congo, the *Facultés Catholiques de Kinshasa* was retained as the anchoring institution for a programme (including participatory planning and gender dimensions) launched in the capital. In Mozambique, a capacity needs assessment was carried out for three municipalities as part of a similar programme for which the government is looking to appoint a local anchoring institution. In

Senegal in 2008, UN-HABITAT and partner ENDA TM-ecopop together began to build municipal capacities to implement a new national framework for participatory budgeting.

In Morocco, together with *Agence du Sud* and other partners, UN-HABITAT is assisting with participatory implementation of the local Agenda 21 in southern provinces.

In partnership with the Ford Foundation, UN-HABITAT also supported the biennial *Mashariki [i.e., 'eastern'] Innovations in Local Government Awards*. This East African scheme promotes and rewards poverty reduction and excellence in public service delivery, good governance, and enhanced local democracy and decentralization. It is part of UN-HABITAT efforts to advocate and disseminate good practice in pro-poor urban governance.

AFRICA

The UN-HABITAT-sponsored *Lake Victoria City Development Strategies* mobilize municipal authorities along Lake Victoria (East Africa) to address the absence of effective planning. The initiative has provided an institutional framework that facilitates building capacities in participatory decision-making at the local and national levels.

The overall improvement in environmental governance in participating cities has proven the effectiveness of the scheme. Several small towns around Lake Victoria have also been receiving spatial planning support, providing a basis for infrastructure and service plans.

In Lebanon, UN-HABITAT is adapting four training programmes (including on financial affairs and conflict management) to the specific needs of local authorities and stakeholders engaged in post-conflict reconstruction.

EASTERN EUROPE: ECONOMIC FOCUS

In Eastern Europe in 2008, programmes with local authorities focused on the management of economic development.

In Serbia, UN-HABITAT's Settlement and Integration of Refugees Programme (financed by the Government of Italy) has built institutional capacities for social housing development such as housing agencies at municipal level, and helped to boost local government capacity in urban planning and information systems.

UN-HABITAT designed the next phase of the initiative, the Settlement and Integrated Local Development Programme, which takes stock of lessons learned in Serbia and nurtures a similar process in Albania and Bosnia. The agency also launched on a new project strengthening central and local capacities to apply for and manage funds for pre-accession to the European Union.

In Kosovo, UN-HABITAT completed the first phase of its capacity-building programme for various aspects of urban (including participatory) planning in selected cities and institutions. Now in its second phase, the programme provides financial support to investment projects based on municipal urban plans. Thanks to financial support from the Swedish



Ambassador Elisabeth Jacobsen of Norway and UN-HABITAT's Executive Director, Mrs. Anna Tibaijuka during the signing ceremony of the funding agreement on 3 April 2008 to support UN-HABITAT's programmes, Nepal, 2008.
Photo © UN-HABITAT

SOMALIA: A SUCCESSFUL UN PARTNERSHIP

Somalia provides a good illustration of what UN-HABITAT partnerships working as *OneUN* within the UN system and civil society can achieve even in challenging conditions.

The Somalia Urban Development Programme was a four-year dedicated umbrella scheme co-funded by the European Commission and the UN Development Programme. The International Labour Organization, UNICEF, UNA

(Italian NGO) and Oxfam-Novib contributed their specialist expertise in cities and major towns, with UN-HABITAT acting as lead coordinator for local governance and service delivery.

On top of strengthening civil society and community participation, the scheme promoted an increasingly democratic, inclusive, and accountable system of governance, as well as more efficient and socially effective local management

practices. The scheme also improved donor coordination and programming for the urban sector.

In the Somali capital, Mogadishu, UN-HABITAT and Saaciid, its long-standing local civil society partner, support community-based dialogue, contributing to peace and stabilization and encouraging stakeholders to improve living conditions and develop community-based partnerships.

International Development Agency, UN-HABITAT's action in Kosovo has been a major contribution to peace.

In Albania, UN-HABITAT is providing technical assistance project to develop capacities in eight municipalities in order to implement a loan from the Council of Europe Development Bank for the construction of 1,100 social housing units.

In Moldova, UN-HABITAT helped strengthen national capacity for local economic development initiatives in the context of a national medium-term framework and Integrated Local Development scheme of the UN Development Programme. The initial focus is on five selected towns.

LATIN AMERICA AND THE CARIBBEAN

A workshop with UNIFEM and the Huairou Commission took place in Jamaica that will be duplicated in several communities with the help of the UN Development Programme in the area.

A similar sub-regional project for Central America was developed in 2008 to strengthen local government capacities in integrated risk management, with financial support from the International Development Centre.

TECHNICAL GUIDANCE

Local elected leadership, local economic development and participatory budgeting featured prominently among the themes of 12 training workshops UN-HABITAT organized with various partners in

2008. A new tool on gender and participatory budgeting was also published.

Decentralization is one of the pillars of participatory governance. In this area too, UN-HABITAT looked to update its own guidelines. Further to similar action in Asia and Africa, the regional office moved to revise the agency's *Decentralization Guidelines* for America and the Caribbean at a conference with the main local government associations in the region and representatives of the national governments. Implementation of the resulting action plan started in 2009.

In 2008, UN-HABITAT arranged a partnership with UNDP New York in order to facilitate its e-learning course on key competencies for local elected leadership. The course benefited 32 UNDP national officers based in 27 Asian, African and Latin American countries.

UN-HABITAT also published two training handbooks on participatory local governance in 2008: *Gender in Local Government – A sourcebook for trainers* (in English and Portuguese) which partners in Canada, Ghana, South Africa and other countries are now using at their own initiative; and *Participatory Budgeting in Africa – A Training Companion* (in English and French).

In the water and sanitation area, UN-HABITAT produced a number of major publications in 2008, including: a *Step-by-Step Guide on How to Set Up and Manage a Town-Level Multistakeholder Forum*, a *Manual on the Rights-Based Approach to Water and Sanitation* and a *Global Atlas*



of Excreta, Wastewater Sludge, and Biosolids Management: Moving Forward the Sustainable and Welcome Uses of a Global Resource. A wide range of training manuals and tool kits were also prepared for use in training and capacity-building activities.

The agency also published a book, *Human Rights Cities – Civic Engagement for Societal*



Busy market place, Jinja, Uganda, 2005.
Photo © UN-HABITAT

Development, co-authored with the People's Movement for Human Rights Learning.

DISASTER MANAGEMENT

Afghanistan was a major focus for UN-HABITAT post-conflict activities in 2008 as the country looks to recover from two decades of war. Over the past several years

these have involved community empowerment and development for peace-building, strengthening municipal and community governance and reconstruction of physical and social infrastructure. Together, UN-HABITAT programmes improved living conditions for 4.7 million people in 3,258 communities. They include a variety of training manuals in three languages.

In the small island states of the Pacific, UN-HABITAT's ongoing partnership with the Commonwealth Local Government Forum conducted a popular Local Elected Leadership training in Fiji and Tuvalu. Also in 2008, leaders in Kiribati and Tuvalu came together for the first time to discuss major issues of common concern.

CHAPTER 3: PROMOTION OF PRO-POOR LAND AND HOUSING

“We reaffirm our commitment to the full and progressive realization of the right to adequate housing, and to provide legal security of tenure and equal access to land to all.”

--- The Habitat Agenda

UN-HABITAT's strategic goal in this area is to bring national and local government as well as Habitat Agenda partners to implement improved land and housing policies for the sake of sustainable urbanization. This involves technical assistance and ground-breaking research into new instruments and concepts.

SLUM UPGRADING AND POVERTY

Slum upgrading is a major plank in UN-HABITAT's pro-poor land and housing strategy and Africa is the most rapidly urbanizing region in the world. In 2008 the agency led a Support Programme for Western and Central French-speaking Africa as part of its *Cities without Slums* initiative and with support from the Cities Alliance, the UN Environmental Programme (UNEP) and the Municipal Development Partnership. This involved the formulation of development strategies for six cities (including Cotonou, Dakar, Lomé and Ouagadougou) and countrywide programmes for Mali and Senegal. In Mali, the participatory national programme, helps identify opportunities to mobilize public and private investment in slums improvement.

Other African countries receiving slum-related support, including at municipal level, are Burundi, Cape Verde, Congo DRC, Egypt

and Rwanda. In Tanzania, the agency supports a plan to upgrade informal settlements in Dar es Salaam with assistance from the World Bank.

In Kenya, UN-HABITAT supports three slum-upgrading programmes in

Nairobi and Mombasa. The agency also supports the Kenya Land Sector Donor Group which includes the Swedish International Development Agency, USAID, the International Fund for Agricultural Development, the UN Food and Agriculture Organization, the British Department for International Development, the World Bank, Germany's GTZ and the Government of Italy.

In Macedonia UN-HABITAT assisted with preparation of a law on formalization of illegal settlements, as well as for a central digital database of urban plans.



Newly completed houses, Self Build Housing project Jinja, Uganda, 2005.
Photo © S.Mutter

In the Philippines, the agency is involved in grassroots poverty-reduction programmes.

STRONGER INSTITUTIONS

In Egypt, UN-HABITAT assists in strategic urban plans for the Greater Cairo Region and for small cities.

In Nigeria, UN-HABITAT provided technical support to devise plans for seven urban areas in two states, which included capacity-building and community consultations.

In Rwanda, the agency assisted with institutional development and capacity building of the ministry in charge of urban development, including studies into urban environment rehabilitation and improved access to basic infrastructure through pilot actions.

In South Africa, UN-HABITAT helps improve consultative coordination of spatial development in Eastern Cape Province.

LAND USE

Effective use of land is a driving force of economic development and in 2008 UN-HABITAT assisted Madagascar with the formulation of a national land use planning framework, as well as of urban and peri-urban land policies in support of the country's land reform programme, including the drafting of manuals and guidelines.

In 2008 in Somalia, UN-HABITAT completed a joint Urban Development Programme with the European Commission, UNA, Terre Solidali and Oxfam-Novib, among other partners. The scheme contributed to ongoing social, financial and economic recovery through improved

access to land and basic services, more democratic decision-making as well as public accountability and transparency. The agency is now supporting a shelter construction and employment generation programme.

RESPONDING TO CONFLICT AND DISASTER

In recent years, UN-HABITAT has expanded its focus from assistance to local authorities to more direct support for vulnerable groups – displaced people, returnees or disaster victims.

UN-HABITAT is currently engaged in post-conflict projects related to land in Afghanistan, Congo DRC, Liberia and Nepal.

In occupied Palestinian territories, UN-HABITAT and a broad range of partners are involved in several projects, including a long-term 'special human settlements programme' and the first phase of a human settlements and housing policy programme.

The agency participated in UN system efforts to assist Georgia in the aftermath of the conflict in August 2008 with an assessment of the impact of the crisis on housing, land and property rights of displaced people. Working closely with the UN High Commissioner for Refugees, UN-HABITAT formulated measures for long-term activities to help the country cope with the situation.

In Pakistan, UN-HABITAT was again heavily involved in post-disaster recovery in 2008, including technical support for the Earthquake Reconstruction and Rehabilitation Authority, post-flood information management and coordination,

BUSINESS HELPS WITH DISASTER RECOVERY

The international business sector last year worked in partnership with UN-HABITAT in Indonesia as the country was still recovering from the late 2004 earthquake and tsunami.

Coca Cola Company, Fomento Social Banamex AC Mexico, the International Community Foundation Asia Society, the Netherlands Association of Housing Corporations and VARA Broadcasting Corporation joined efforts with the Citizens of Fukuoka, Japan and the Red Crescent Society of the United Arab Emirates (among others) and contributed to the Aceh Nias Settlements Support Programme. The scheme assisted some 3,600 households in 21 communities.

facilitating access to safer land, and joint UN post-disaster assessment mechanisms. The agency also continues to support the formulation of the country's National Humanitarian Response Programme and to help strengthen post-earthquake reconstruction.

In Somalia, UN-HABITAT has been providing emergency assistance for resettlement, protection and reintegration of returnees and displaced people, as well as shelter provision in eastern, tsunami-affected areas.

In the Indian Ocean and Asia, the agency supported several post-tsunami, post-earthquake programmes in Pakistan, the Philippines (shelter recovery) and the Maldives.

PROMOTING TRANSPARENCY

In 2008 and for the first time UN-HABITAT provided training in 'Transparency in land administration'. In Africa, four dedicated regional events attracted 114 delegates from 19 countries. These included representatives of central and local government land offices and anti-corruption watchdogs, traditional authorities, community-based organizations, professional associations, academia, the private sector and the media.

In Latin America, UN-HABITAT answered an appeal from the Peruvian Government after a major earthquake and developed a set of six capacity-building guides for affected local governments. The guides focused on pre- and post-disaster register and cadastre of tenure and are now routinely used by all affected municipalities.

The 2005 UN-HABITAT *Humanitarian Response Review* identified land issues as a critical gap in the international community's post-disaster and post-conflict response capacity. In 2007, the Early Recovery Cluster had requested the UN Food and Agriculture Organization and UN-HABITAT to develop guidelines on how to address land issues after a natural disaster. In 2008 and as the guidelines on land in post-natural disaster contexts were under production, the Early Recovery Cluster also requested UN-HABITAT to develop a set of guidelines for post-conflict land issues. As a result, two sets of guidelines are currently under development to respond to the specific information needs of the humanitarian community and land experts.

TACKLING FORCED EVICTIONS

Unlawful forced evictions are on the increase worldwide in frequency, number, scale, and degree of violence, affecting the lives of millions of people, many of them poor. Unlawful forced evictions, as practiced in most places, are at odds with the Millennium Development Goal 7 Target 11 on slum reduction.

During 2008, UN-HABITAT improved the capacities of its Advisory Group on Forced Evictions, which advocates alternative solutions including the agency's own programmes. Now providing substantive support to the group is a pool of 15 technical from academic, governmental, non-governmental and grassroots backgrounds.

In several countries including Brazil, the Dominican Republic, Ghana and Italy, the UN-HABITAT advisory group is facilitating the dialogue between public authorities and civil society organizations to achieve negotiated alternatives to forced evictions.

NEW TOOLS, NEW PARTNERSHIPS

In 2008 UN-HABITAT further added to its seminal, cutting-edge technical and strategic shelter research. This included the development of a concept note and draft strategy paper to support land and housing reforms, enhancing security of tenure and promoting slum improvement and prevention.

To improve shelter delivery and housing sector performance, UN-HABITAT is currently developing a 'Shelter Profiling' tool. Assessing the state of the housing sector provides governments and various stakeholders with a comprehensive analysis of housing and land delivery systems; the process also sheds light on the mechanisms of access to land, housing finance, basic infrastructure, building materials, technology and labour. This diagnosis in turn supports the required institutional, regulatory and policy reforms at local and national levels. In particular, the Shelter Profiling tool identifies any gaps and bottlenecks interfering with housing market mechanisms,

and particularly where the poor are concerned. Shelter Profile Studies are now being implemented as a demonstration project in Malawi, Senegal, Tunisia and Uganda.

THE GLOBAL LAND TOOL NETWORK

Helping with the development of innovative, well-adapted land management tools is the Global Land Tool Network (GLTN), whose main objective is to contribute to poverty alleviation and achievement of the Millennium Development Goals through land reform, improved land management and security of tenure.

Partnerships and sharing of expertise is the linchpin of this network, which brings together international NGOs and financial institutions, research and training institutions, donors and professional bodies. The network currently brings together 36 global partners, 58 member organizations and more than 600 individual members.

REBUILDING IRAQ

In 2008 UN-HABITAT's Iraq Programme provided for the rehabilitation of 2,450 housing units for the urban poor (including internally displaced people) and 245 educational facilities. The programme focuses on infrastructure and services as well as the housing and urban sectors. Its accumulated budget since 2004 amounts to just under USD100 million.

Housing policy reform is well underway in Iraq. It benefits from technical support from the new Training & Knowledge Centre at the Ministry of Construction and Housing. Housing strategies are under deployment for three major cities, including Erbil. By the end of year under review, the Government of Iraq was preparing for a housing conference to be held in January 2009.

UN-HABITAT also provided capacity-building – both on-the-job and formal technical and vocational education – with local job creation one of the tangible outcomes. In the urban sector, the programme focused on local area development, solid waste policy and management, as well as local governance and promotion of the private sector.

In 2008 the network developed a Land Administration Domain Model which can document both customary and statutory rights and is about to be tested. The network also developed gender evaluation criteria for the assessment of land tools from a gender perspective. The network's dedicated Global Inventory now lists more than 800 land-related initiatives after taking in as many as 159 from Africa in 2008.

At national level, GLTN works through member states and partners to support the implementation of land policies where there is potential to achieve systemic, pro-poor reform.

UN-HABITAT is also undertaking activities which link normative and operational dimensions at country level, in an effort to

build partnerships, harmonize development interventions and take full advantage of existing capacities. This is in line with the agency's Medium Term Strategy and Institutional Plan. It is also consistent with the Paris Declaration on enhanced development aid through actions and indicators that are amenable to monitoring. The declaration was endorsed by over 100 countries in 2005 under the aegis of the Organization for Economic Cooperation and Development.

UN-HABITAT was one of the founding members of the Development Partners' Group on Land in 2004. This group supports the Government of Kenya, through the Ministry of Land, in

the development of a land policy framework for the country. A common framework of agreement has been established to harmonize donor interventions.

INDIGENOUS PEOPLE

UN-HABITAT is also supporting the production of a policy guide that will add the urban component to the more generic "Guidelines on Indigenous Peoples" developed by UNDG to mainstream and integrate indigenous issues in UN operational activities. The project came in response to the 5th session of the UN Permanent Forum on Indigenous Issues and benefits from cooperation with the Office of the High Commissioner for Human Rights, the International Organization for Migration and the UN Economic Commission for Latin America and the Caribbean.

The guide, which is part of a specialist series, will help local and national governments on policies, legislation, and consultative/participatory mechanisms in connection with indigenous peoples' rights in urban areas, including gender, youth and environmental issues.

Also in 2008, UN-HABITAT arranged a partnership with the New York office of the United Nations Development Programme in order to facilitate its e-learning course on key competencies for local elected leadership. The course benefited to 32 national officers of the UN programme based in 27 Asian, African and Latin American countries.

REGIONAL HIGHLIGHTS

ASIA

ADVOCACY

A UN-HABITAT delegation headed by Mrs. Tibajuka attended the 4th Tokyo International Conference on African Development, a major event for Asian-African development cooperation organized every four years by the Government of Japan, the United Nations and the World Bank.

On World Habitat Day in early October, UN-HABITAT organized an international symposium, *Towards Harmonious Cities in East Asia*.

A seminar for the preparation of the first, forthcoming *State of Asian Cities* report was held in November with the UN Economic and Social Commission for Asia-Pacific at the World Urban Forum.

STRENGTHENING THE INTERNATIONAL URBAN TRAINING CENTRE

UN-HABITAT's partnership with the International Urban Training Centre, which is sponsored by Gangwon Province, Republic of Korea was further consolidated in 2008. In May, an expert group bringing together Asian training institutions in the field of sustainable urban development made a number of practical recommendations for more effective service provision. Training events were organized on a number of urban environmental issues, particularly on ecological restoration and sustainable urban energy.

Three publications are in preparation: an introduction to sustainable urbanization, an "eco-restoration" catalogue and a sourcebook on sustainable urban energy.

LATIN AMERICA AND THE CARIBBEAN

NEW COUNTRY OFFICES

The UN-HABITAT regional office continued building its implementation capacity and presence, with direct activities in 19 countries through technical cooperation projects and normative/operational activities including with the Cities Alliance.

Two new country offices were established: one in Nicaragua, where partnerships are in the works with national and local authorities as well as the Global Housing Foundation; and the other in Barbados to serve English-speaking Caribbean countries, in cooperation with the UN Development Programme.

Also in 2008, the governments of Argentina and Brazil invited UN-HABITAT to establish local offices complete with respective Habitat Programme Managers, and at the time of writing the agency's regional office was still at work on the relevant Memorandums of Understanding.

Barbados, Colombia, Costa Rica, Cuba, Ecuador, Mexico and Nicaragua collaborated with UN-HABITAT on specific global programme events in 2008.

TECHNICAL COOPERATION

Technical cooperation programmes were established in Colombia, Ecuador and Mexico, and will continue through 2009. The UN-HABITAT regional office maintains participation in Cities Alliance projects in Brazil (Belo Horizonte), Chile, Costa Rica and Ecuador.

The UN-HABITAT regional office also continued to benefit from its well-established relations with major regional groupings such as the Association of the Ministers of Housing (MINURVI), the Latin American Federation of Cities, Municipalities and Associations (FLACMA) and civil organizations such as the Habitat International Coalition.

The partnership with MINURVI had a major outcome in 2008 as ministers endorsed a UN-HABITAT proposal to produce a report on the *State of Latin American and Caribbean Cities* and appointed focal points for follow-up. As for the partnership with FLACMA, it gave rise to a Decentralization Conference for Latin America and the Caribbean. Taking example on previous, similar events held in Asia and Africa, UN-HABITAT experts sat with representatives of central governments and the main local authority associations to revise the agency's existing Decentralization Guidelines. As a result of this conference, an action plan was proposed to be carried out during 2009.

After a year of consolidating the Latin American and Caribbean regional team, new projects are being negotiated and some have started implementation.

CHAPTER 4: ENVIRONMENTALLY SOUND BASIC INFRASTRUCTURE AND SERVICES

“We commit ourselves to the goal of sustainable human settlements in an urbanizing world through efficient use of resources and by providing all people with equal opportunities, thereby contributing to the achievement of national sustainable development goals.”

--- The Habitat Agenda

In 2007, a landmark Governing Council resolution detailed a set of guiding principles for basic service provision. In this area, UN-HABITAT looks to expand access to environmentally sound basic infrastructure and services, with a special focus on the non-served and underserved populations.

Over the past two decades, UN-HABITAT has worked with more than 100 cities in the world in an effort to integrate environmental issues in planning and management processes. The vehicles for this were the *Sustainable Cities* and *Localizing Agenda 21* programmes. A number of evaluation and transition meetings in connection with these two schemes took place in 2008: Senegal (French-speaking Africa), Mexico City (Latin

America) and Nanjing, China, with a special session during the 4th World Urban Forum.

UN-HABITAT institutionalized the linkage between urban environment and urban planning approaches with the creation of an Urban Environmental Planning Branch in October 2008.

The agency's Partnership Framework with the United Nations

Environmental Programme has been further translated into a joint implementation plan for 2008-2009, focusing on climate change, solid waste management in Nairobi, ecomobility and biodiversity.

In 2008, UN-HABITAT worked to strengthen local technical partners and anchoring institutions in order to mainstream the Environmental Planning and Management approach devised by the agency.

At the same time, a documentation exercise included an analysis of lessons learned. Reports have been produced in China, Cuba, Nigeria, Peru, the Philippines, Senegal and Zambia.

THE MEKONG REGION PROGRAMME

The Mekong Region Water and Sanitation Programme is a collaborative effort between governments of the Greater Mekong Sub-region, the Asian Development Bank and UN-HABITAT. The objective is to help Mekong riparian countries achieve the Millennium Development Goals in the water and sanitation area and for the benefit of over one million people.

The scheme is also expected to provide an enabling environment for further investments and support for the region as a whole. It is a major contribution to sustainable urbanization and economic growth in the region, including enhanced connectivity, competitiveness and greater sense of community.

As part of the scheme, fast-track projects have been implemented in eight towns in Laos, two in

Vietnam and three in Yunnan province, China (benefiting an estimated 40,000 people), with another project commenced in Cambodia.

UN-HABITAT's support for community-based water and sanitation (including water conservation and demand management) has enabled the city of Puer, China to attract additional capital expenditure in the water and sanitation sector. In the city of Jinghong, China, a major tourist attraction, UN-HABITAT mitigates water and sanitation shortages.

In recognition of the achievements of the programme, the Government of the Netherlands has recently agreed to provide additional funds.

CITIES HAVE THEIR SAY ON CLIMATE CHANGE

Cities are major energy consumers and producers of greenhouse gas emission, and therefore it was apt that they had their say in ongoing negotiations over climate change. The *Cities in Climate Change Initiative* gave them an opportunity to do so when experts from all over the world met in Poznan, Poland in early December 2008 for the UN Climate Summit ('COP-14') to discuss a new framework to tackle climate change after the Tokyo Protocol expires in 2012.

The Warsaw office of UN-HABITAT and the Polish Society of Architects together organized a conference on *Environmentally friendly cities – Coping with urbanization and climate change* for representatives of municipal authorities and related associations. They highlighted the linkages between urbanization and climate change and discussed the development and implementation of long-term strategies for environmental protection.

community-based organizations. Over 600 persons benefited from the training and capacity building programmes, including mayors and professional staff, utility managers, system operators and women's organizations. The training programmes, which addressed areas such as financial management of utilities, water demand management, solid waste management and water quality monitoring and public sanitation, have improved the institutional capacity of service providers, raised awareness of sector issues among policy makers and empowered community organizations for a greater role in the sector, in the process facilitating the sharing of experiences.

WATER AND SANITATION

Training and capacity building is a major aspect of UN-HABITAT's activities in the water

and sanitation sector. In 2008 programmes targeted water service providers, regulatory agencies, municipal governments and



Water Cycle Painting, Senegal, 2004. Photo © UN-HABITAT

Assistance in business planning was provided to four utilities in the Lake Victoria Region and to the Zanzibar Water Authority in Tanzania, and is now being extended to the Harar Water and Sewerage Authority in Ethiopia and another three utilities in Lake Victoria. Demand for this type of assistance is expected to increase in the coming years, with utilities under pressure to improve their financial performance and creditworthiness as a precondition for securing funding for investment.

UN-HABITAT in 2008 also launched a programme to improve the energy efficiency of utilities and to promote greater use of renewable energy. Energy audits were substantially completed for three major utilities in Africa, and feasibility studies to examine the potential for promoting renewable energy technologies were also launched in Kisii town in Kenya (micro-hydro) and another 16 towns in Africa (biogas).

In Latin America and the Caribbean, UN-HABITAT is involved in projects under the 'One-UN Millennium Development Goal Achievement Fund' sponsored by the Government of Spain with several UN agencies. The following projects were approved: governance in water and sanitation (Mexico, Ecuador), gender equality and women empowerment (Brazil) and environment and climate change (Ecuador). Other topics like 'development and the private sector' have been proposed in Brazil and El Salvador.

In China, UN-HABITAT is promoting sustainable urbanization in Shenyang and Wuhan.

SUPPORT FROM THE BUSINESS SECTOR

Water and sanitation is a privileged sector for UN-HABITAT's efforts to act as a catalyst of technical and other support to local projects from major international business firms, as demonstrated in India, Nepal and Laos in 2008.

Coca Cola India promotes water conservation and rain harvesting through schools in India as well as household water treatment in urban Nepal. The contribution includes financial support and assistance in project design.

In southern India, the BASF Foundation provides financial support to a post-tsunami water and sanitation reconstruction project in Cuddalore. The project provides 10,000 people with access to safe drinking water and sanitation.

Australian mining company Oxiana Ltd supports a community-based water supply project for 13,000 residents of Vilabouly, Laos. The company has signed a cooperation agreement with the state-owned water utility, and initial surveys and community consultations have been completed.

In the Philippines in 2008, the agency strengthened the ability of local governments and their partners to improve priority urban environmental services and reduce poverty.

In Kenya, UN-HABITAT is involved in four water-related schemes: the Nairobi River Basin Programme, the Dallas (Embu) Integrated Basic Urban Services Project, and the Kibera and Kisumu Integrated Water Sanitation and Waste Management programmes.

In Mozambique, a programme is improving water and sanitation in Quelimane City, while another one provides for environment mainstreaming and adaptation to climate change.

In Asia, an Expert Group Meeting brought together

training institutions involved in sustainable urban development. The meeting made some practical recommendations on improved training methods. UN-HABITAT's local office provided training on a number of urban environmental issues, particularly on ecological restoration and sustainable urban energy.

Three publications are in preparation: an introduction to sustainable urbanization, an "eco-restoration" catalogue and a sourcebook on sustainable urban energy.

In 2008 UN-HABITAT and the Centre for Housing Rights and Evictions backed up their operational and technical efforts with a joint publication, a *Handbook on the Right to Water and Sanitation*.

CHAPTER 5: STRENGTHENED HUMAN SETTLEMENT FINANCE SYSTEMS

“We commit ourselves to strengthening existing financial mechanisms and developing innovative approaches to finance the implementation of the Habitat Agenda, supporting adequate shelter and sustainable human settlements development.”

--- The Habitat Agenda

UN-HABITAT's strategic goal is to improve access to sustainable financing for affordable housing and infrastructure.

Urbanisation of poverty is one of the largest challenges the world is facing today. The persistent problems of poverty and slums are largely due to weak urban economies and finance, in the absence of the instruments and institutions required to support housing and infrastructure finance.

The Habitat Agenda identifies financial constraints as a major deterrent for adequate shelter. Consequently, it calls for domestic resource mobilization as well as sound national policies. The mobilization of local and domestic capital is a major component of UN-HABITAT's strategic vision for the financing of cities and shelter.

The current global financial crisis presents an additional challenge for financing affordable housing and basic infrastructure, demanding effective responses. The credit crunch will have serious implications for economies around the world. Although the crisis has its roots in the sub-prime mortgage markets in developed countries, it will also have far-reaching implications for financial markets and economies all over the world, including global partnerships for development.

UN-HABITAT provides a mix of advocacy, tool development, normative work and projects on the ground to establish effective local finance systems in support of sustainable urbanization. The agency is actively engaged in making private and public capital available for housing and the necessary infrastructure, and has undertaken several activities at the operational and policy level in 2008.

MORE FORMAL FUNDING FOR SLUM UPGRADING

The UN-HABITAT Slum Upgrading Facility Pilot Programme, established in 2004, is a technical cooperation and seed capital facility with a central purpose: *to test and develop new financial instruments and methods for expanding private sector finance and public sector involvement in slum upgrading on a large scale.* It is funded by the governments of the United Kingdom, Norway and Sweden.

The Slum Upgrading Facility operates under the premise that slums can be upgraded successfully when the existing slum dwellers are involved in the planning and design of upgrading projects as "clients"

– since they are the ones taking the financial risk of repayment. SUF works with local actors to make slum upgrading projects "bankable" – that is, attractive to retail banks, property developers, housing finance institutions, service providers, micro-finance institutions, and utility companies. The facility has pilot projects in Ghana, Indonesia, Sri Lanka and Tanzania, where various approaches are being tested to support the purpose of the Pilot Programme.

2008 saw the launch of a new type of scheme designed to help local communities mobilize funding for slum upgrading. The first so-called Local Finance Facilities were introduced in Ghana, Indonesia and Sri-Lanka and complement the existing range of Pilot Programmes under UN-HABITAT's broader Slum Upgrading Facility.

Local finance facilities help community groups access formal commercial credit through credit enhancements and guarantees, further mitigating risk with technical support to bring projects to completion.

The first such facilities were established in the municipalities of Solo and Jogjakarta, Indonesia, and in SAEMA and Tema, Ghana. Also in 2008, Sri-Lanka set up a nationwide local finance facility. In these countries, the



Colombo, Sri Lanka. Photo © S. Mutter

Slum Upgrading Facility and the Local Finance Facilities together supported over 20 specific projects that had been put forward by local stakeholders; the projects opened up access to a range of institutions including retail banks, property developers, housing finance and service providers, micro-finance institutions and utility companies.

The schemes also provide opportunities to test a variety of financial approaches with a view to future replication. A nationwide local finance facility is underway in Tanzania.

Local Finance Facilities are designed as long-term sustainable ventures, run by dynamic and varied boards. They finance themselves from the investment income derived from the Credit Enhancement Funds established at the core of each facility.

In 2008 the SUF also supported community efforts to mobilize and organize around slum upgrading, as well as building strong partnerships with local authorities and higher levels of government.

EXPERIMENTS AND INNOVATIONS

Significant progress has also been achieved in 2008 with regard to the implementation of Governing Council Resolution GC 21/10, “Strengthening the Habitat and Human Settlements Foundation: experimental financial mechanisms for pro-poor housing and infrastructure”. These activities included the following:

- Field-testing *‘Experimental, Reimbursable Seeding and other innovative Operations’* for urban poor housing finance,

infrastructure and upgrading through community groups, and

- Strengthening the capacity of local financial and development bodies to carry out those innovative operations, and to support the capacity of UN-HABITAT to enhance them.

Key activities in 2008 have included the development of operational procedures and an *Operations Manual* with the Working Group of the Committee of Permanent Representatives, which endorsed these documents. UN-HABITAT also hosted an international expert meeting in April 2008 to define the 'experimental financial mechanisms' approach and gather project ideas in different countries.

In mid-2008, the Executive Director made a number of specialist appointments at regional level and established a Steering and Monitoring Committee for the experimental mechanisms approach, which includes international experts experienced in low-income housing and infrastructure finance. The inaugural meeting took place on 25- 26 September 2008 in Nairobi and reviewed 13 project proposals. UN-HABITAT has subsequently consulted with various potential partners to develop business plans for experimental operations in Africa, Asia, Eastern Europe, Latin America and the Caribbean.

ADVOCACY: EXPLORING SYNERGIES

In 2008, UN-HABITAT promoted urban economic development

strategies and policies as well as balanced urban-rural development, including local economic development pilot projects in Africa's Lake Victoria region (see chapter 2 for details).

As far as advocacy is concerned, the agency further explored the synergies between urban economy and finance. At the World Urban Forum in Nanjing, a special session discussed the global financial crisis and its impact, spearheading a subsequent dialogue on 'productive and equitable cities'. This highlighted the importance to urban residents of productive municipal expenditure on improved housing and basic services. Another seminar at the Forum promoted public-private partnerships in housing and urban development, including new approaches to urban and community development.

WATER AND SANITATION

With only another six years remaining to meet the Millennium Development Goals, and with huge funding gaps still posing a major constraint on expanded access to water and sanitation services, the need to increase the flow of investment into the water and sanitation sector remains primary focus of the UN-HABITAT Water and Sanitation Trust Fund activities. In this respect, the agency seeks to use partnerships with the development banks to link its own work on pre-investment capacity-building and demonstration projects to the banks' lending priorities, as a means of expediting the design,

processing and approval of follow up investments. UN-HABITAT also looks to leverage resources from governments, local financing institutions and the private sector for basic infrastructure.

During 2008, these two approaches showed good results. In Africa, collaboration with the African Development Bank has led to over USD132 million in approved projects for Zanzibar and Kenya. Ongoing project formulation work in Ethiopia and the five countries in the Lake Victoria basin is expected to lead to a further USD184 million in follow-up investments in 2009-2010. In Asia, the Memorandum of Agreement with the Asian Development Bank envisages a total investment of USD321.5 million over the 2007-2011 period. The collaboration with the development banks was further strengthened in 2008 following the signing of Memorandum of Understanding with the Inter-American Development Bank, with subsequent projects under development in Bolivia, Colombia and Mexico. Consultations have also been initiated with the European Investment Bank regarding a possible collaboration that would aim, initially, at the deployment of water and sanitation projects in three large towns in Kenya, Tanzania and Uganda.

Plans to leverage funds from government institutions, banks and the private sector for water and sanitation have also been launched, especially in Asia. Noteworthy examples include the mobilizing of USD208,000

from a local mining company in Laos (which is matched by another USD531,000 for the local governments) and leveraging some USD2.5 million from the National Housing Bank of India to provide for micro-finance for water and sanitation.

The success in leveraging resources hinges on a great extent, on the effectiveness of the Water and Sanitation Trust Fund's pre-investment activities and, also the impact of the pilot projects in achievement of the Millennium Development Goals. In this regard, the pilot projects implemented have provided access to water and sanitation for an estimated 750,000 people in 2008.

TECHNICAL 'REVIEW' SERIES

In 2008 UN-HABITAT strengthened the normative work of human settlements finance with the launch of a *Human settlements finance system review*' series, a timely contribution in the middle of a global financial crisis. Seven country reviews were published in 2008, covering developing regions and including Bolivia, China, Indonesia, Peru, South Africa and Thailand.

UN-HABITAT also launched a report series on *Human settlements finance tools* and best practices. The series looks beyond systematic and policy issues to focus on

practical 'how-to' knowledge and techniques. The branch also produced guides and instruments on social housing finance, social housing investment funds, community-based mortgage finance, urban community funds and community land trusts.

A separate report reviewed the challenges of affordability, accessibility and sustainability in adequate housing provision for all. Another highlighted the importance of governments and public instruments in meeting the housing needs of the poor.

In 2008 UN-HABITAT also published a guide to Asset-based Approaches to Community Development.



SOMALIA: MUNICIPAL FINANCE SYSTEMS IMPROVED

Somalia is a good example of what UN-HABITAT can do to build the capacities of municipal finance departments and improve systems for public sector accounting and revenue collection by local authorities and water utilities.

The strengthening of municipal finance systems in north-west Somalia ("Somaliland") was strongly linked to land management activities, allowing for better urban management and increased municipal revenue from land and property taxes. A GIS-based property database was created from a comprehensive property inventory carried

out in Hargeisa (the capital of Somaliland) in 2004 and 2005.

The Urban Land Information database was subsequently used in Hargeisa to develop a computerized property taxation system with proper staff. The interlinked property database and automated taxation system has since resulted in a remarkable rise in municipal property tax revenue. At the same time, service delivery was improved by a number of capital investment projects, including road-paving, upgrading five public markets and streetlights along major roads.

In 2008, similar property surveys and Geographical Information System database developments continued in Boroma and

Berbera to enhance municipal revenue collection and improve service delivery. Accounting and information management systems came on stream in seven Somali municipalities.

In 2009, following a ministerial request, accounting and information management systems will be established in the Somali Ministry of Interior, the Magistrate of Accounts and the Hargeisa Water Agency (the latter in partnership with Italy's Africa '70). UN-HABITAT also envisages a fully fledged capacity-building intervention for 2009–2010, to be aligned with the UN Joint Programme on Local Governance and Decentralized Service Delivery.



Photos © UN-HABITAT

CHAPTER 6: EXCELLENCE IN MANAGEMENT

“We recognize the need for an integrated approach and concerted action to achieve the objective of adequate shelter for all and sustainable human settlements development, and will strive for coordinated implementation of international commitments and action programmes.”

--- The Habitat Agenda

The strategic goal for UN-HABITAT is to deliver the results planned under its Medium-Term Strategic and Institutional Plan effectively and efficiently.

UN-HABITAT's future success in urban poverty reduction and improving cities depends on effective institutional reform. Guided by an Action Plan for the Medium-term Strategic and Institutional Plan (2008-2013), UN-HABITAT significantly strengthened its delivery capacities during 2008. Key achievements include matching up to the ongoing United Nations reform process, implementing results-based management, strengthened human resources and administrative systems, and improved resource mobilization and communications.

UNITED NATIONS REFORM

More effective country support is a priority for UN-HABITAT in the context of United Nations reform process and the 2005 Paris Declaration on Aid Effectiveness. The production of 33 Habitat Country Programme Documents by the end of 2008 strengthened engagement with national governments, United Nations Country Teams, and the UN Development Assistance Framework. This has enabled UN-HABITAT to define its own comparative advantage as part of the integrated United Nations country framework, building

on its integrated programme of normative and operational activities.

UN-HABITAT has also been harmonizing its operations with best practices drawn from within the UN system in business processes, knowledge management, auditing, monitoring and evaluation.

RESULTS-BASED MANAGEMENT

Building a results-oriented management culture has been a core objective of the organization in 2008. Guided by the strategic plan, UN-HABITAT developed a results framework for the six focus areas.

These will become the principal means for ensuring joint commitment to, and accountability for, focus area results. The framework is the cornerstone of the agency's monitoring, evaluation, accountability and supervision systems for better programme delivery.

STRENGTHENED HUMAN RESOURCES, ADMINISTRATIVE AND MANAGEMENT SYSTEMS

Staff skills and expertise are UN-HABITAT's greatest assets.

Competency profiling for professional staff has already reduced gaps for effective programme delivery. Staff development and training has intensified, in particular in the area of monitoring, evaluation and results-based management, with more than 40 staff trained in the latter.

To deliver cost-effectively, UN-HABITAT realised that its business processes needed an overhaul and throughout the year it honed its operating procedures. It also prepared for the adoption in 2011 of International Public Sector Accounting Standards – considered the most transparent for public-sector institutions.

RESOURCES TO ACHIEVE RESULTS

For effective programme delivery as defined by the 2008-2013 plan, UN-HABITAT needs predictable funding. The top resource mobilization priorities in 2008 were to expand the donor base, increase general-purpose contributions, as well as the proportion of funding coming from multi-year framework agreements.

In early 2008, a new Resource Mobilization Unit was set up to ensure a more corporate approach to resource mobilization, building confidence, and strengthening



Morogoro food market, United Republic of Tanzania, 2003.
Photo © UN-HABITAT

consistent messaging and communications. As part of the roll-out of the resource mobilization strategy, a set of **Guiding Principles** and a **Code of Conduct** for resource mobilization in UN-HABITAT were issued, in a bid to facilitate common standards for approaching development partners.

The year 2008 also saw a trend towards multi-year framework agreements. The Government of Norway signed a Programme Cooperation Agreement for 2008-2009, and discussions regarding framework agreements for

specific focus areas were launched with other bilateral donors. The European Commission funded a multi-year programme in slum upgrading in several countries in the African, Caribbean and Pacific group included in the European development cooperation scheme. Partnerships are central to the catalytic role of UN-HABITAT, and integral to the resource mobilization strategy. United Nations and other partners have shown an increasing degree of interest in cooperation and provision of assistance in post-conflict situations, particularly in the housing, land and property rights sector. In the private sector, agreements were reached with BASF, Google.org, Coca-Cola and Oxiana Ltd (now known as OZ Minerals). These arrangements mark a step forward in mobilizing broad partnerships for the financing of affordable housing and related urban infrastructure.

EFFECTIVE COMMUNICATION THROUGH NEW, COMPELLING BRANDING

Building more effective and clear communication has been a core objective for UN-HABITAT in 2008. Better alignment towards sustainable urbanization is to be achieved through greater effective communication and information sharing at all levels within the organization and with its closest development partners.

A new branding concept for UN-HABITAT was launched at the 4th World Urban Forum in November 2008 and implemented across the organization.

AN ONLINE 'CATALOGUE' OF PROJECTS

In order better to publicize its ongoing activities with current and potential partners, UN-HABITAT is to make available an online catalogue of 'bankable projects' in the various regions and countries. This will come as part of the agency's efforts to improve marketing and attract more core funding. The online catalogue will showcase UN-HABITAT's specific comparative advantages as well as the set of services offered in connection with its specific mandate, i.e., sustainable urbanization. The catalogue will also provide donors and partners with a 'one-stop shop' enabling them to leverage their resources with ongoing country or regional programmes and projects.

OUR RESOURCES AND EXPENDITURE

UN-HABITAT receives most of its income from voluntary contributions primarily from governments and inter-governmental donors. Other partners such as local authorities, the private sector, multilateral organizations and other United Nations system organizations also make contributions, mainly to specific programmes.

UN-HABITAT's main sources of funding are:

- Regular Budget allocations approved by the UN General Assembly against assessed



Youth following the proceedings of World Urban Forum in China, 2008. Photo © UN-HABITAT

contributions of Member States (core funding)

- General Purpose contributions towards the United Nations Habitat and Human Settlements Foundation. These are non-earmarked voluntary contributions from Governments. This core funding is allocated according to priorities agreed by the UN-HABITAT Governing Council
- Special Purpose contributions

which are earmarked voluntary contributions from Governments and other donors for the implementation of specific activities included in the approved work programme

HOW THE MONEY IS USED

The contributions are either used for direct project execution at the country level – technical cooperation – or go towards

the Foundation for normative work.

In 2008, UN-HABITAT received General Purpose contributions amounting to USD 20 million and special purpose funding of USD 134.2 million. Of the Special Purpose funds received, USD 45.5 million was for Foundation activities and USD 88.7 for technical cooperation activities.

Part of the agency's earmarked funding goes to the following trust funds:

THE WATER AND SANITATION TRUST FUND

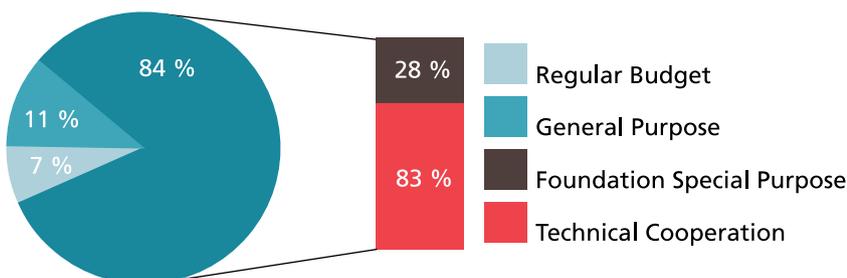
In its drive to achieve the water target of the Millennium Development Goals, UN-HABITAT set up a Water and Sanitation Trust Fund in 2002 to help municipalities reach out to the poorest and offering contributors an opportunity to target a high-priority sector with a clear set of objectives.

To date, the fund has signed agreements of USD 12,455,556 (Canada), USD 32,480,500 (the Netherlands), USD 23,758,980 (Norway), USD 26,134,371 (Spain), USD 5,573,586 (Sweden), USD 3,000 (Poland), USD 150,000 (Coca Cola India), USD 208,000 (Oxiana Ltd/Lane Xang Minerals), USD 1,800,000 (Google) and USD 100,580 (United Nations General Trust Fund).

THE SPECIAL HUMAN SETTLEMENTS PROGRAMME FOR THE PALESTINIAN PEOPLE

The Trust Fund for The Special Human Settlements Programme for the Palestinian People was

FIGURE 6.1: Distribution of funds received by UN-HABITAT during the year 2008



*Note: The core funding is comprised of General Purpose contributions and the UN Regular Budget

THE MEDIUM-TERM STRATEGIC AND INSTITUTIONAL PLAN

TABLE 6.1: Contributions received towards the MTSIP

Donor	Amounts	Amounts in US\$
Sweden (2007)	SEK 3,000,000	469,920
Italy	1,200,000	1,744,800
Canada (CMHC)	CAD\$ 75,000	73,972
Norway NOK	17,000,000	3,393,208
Sweden (2008)	SEK 21,000,000	2,686,845
Total		8,368

established to address the housing situation and related human settlements needs of people living in the occupied Palestinian territories. The objectives of the Programme are to build institutional capacity and coordination mechanisms in the field of human settlements, promote affordable mechanisms for housing finance, work with research institutions to

collect socio-economic data through the creation of urban observatories, support the development of a Palestinian human settlements policy (with related strategies for housing and urban development), establish a planning framework, and implement housing and settlements upgrading.

This Technical Cooperation Trust Fund has signed agreements of

USD 7,890,000 (Saudi Arabia), USD 750,000 (Bahrain), USD 100,000 (Oman), USD 500,000 (USA), USD 296,582 (Sweden), USD 67,380 (Sudan), USD 49,980 (China), USD 354,000 (Arab Authority for Agricultural Investment and Development) and USD 199,985 (Al Maktoum). The total amount of USD 10,257,927 was received during the period 2003-2008.

DONOR CONTRIBUTIONS

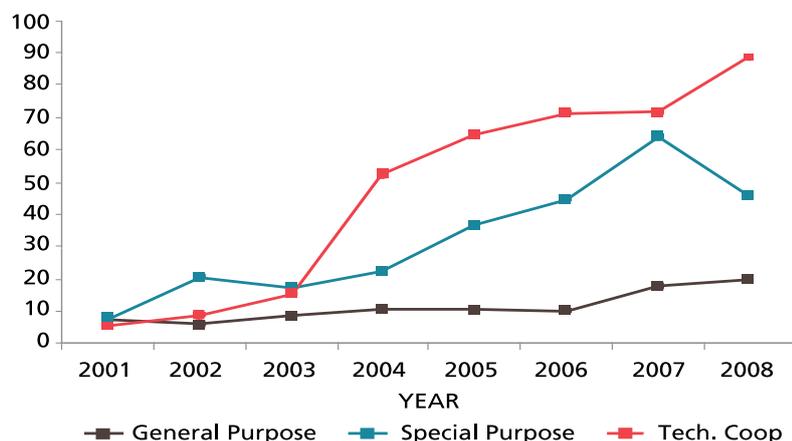
The increase in contributions to UN-HABITAT shows strong support for its work and achievements. In 2007, UN-HABITAT's Governing Council endorsed the agency's Medium Term Strategic and Institutional Plan for 2008-2013 and approved a budget of USD 15 million for 2008-2009 to kick-start the plan, focusing on projects that will help accelerate its achievement.

ENSURING MORE SUSTAINABLE FUNDING

UN-HABITAT relies on a small group of contributors for the majority of its funding. In 2008, the agency embarked on an aggressive resource-mobilization strategy in order to better its fund-raising efforts, widen its donor base and achieve more sustainable funding for its work; this will be achieved through annual donor conferences with development partners to engage them more actively in the work of the organization.

"Thousands of people are displaced and at risk. Supplies of food, water, fuel and essential medicines are acutely low in many densely populated areas.

FIGURE 6.2: Trend in donor contributions (2001 - 2008)



THE MEDIUM-TERM STRATEGIC AND INSTITUTIONAL PLAN

TABLE 6.2: Total Contributions – Top 10 donors, 2006-2008

2006 USD 135,474,837		2007 USD 164,477,770		2008 USD 165,841,979	
Country	0%	Country	%	Country	%
1 Sweden	12	1 Spain	11	1 Spain	11
2 Netherlands	10	2 Norway	10	2 Norway	11
3 Canada	8	3 Sweden	10	3 Japan	10
4 Norway	8	4 Netherlands	8	4 United Kingdom	7
5 European Union	7	5 Regular Budget	7	5 Regular Budget	7
6 UN Regular Budget	7	6 Canada	5	6 Sweden	7
7 United Kingdom	3	7 Italy	4	7 European Union	4
8 Afghanistan	2	8 United Kingdom	2	8 Canada	2
9 Italy	1	8 European Union	2	9 Netherlands	2
10 Switzerland	1	10 Libyan Arab Jamahiriya	2	10 United States	1
Others	40	Others	39	Others	38



Nanjing International Conference Centre. Photo © City of Nanjing

2008 MILESTONES

“We recognize the need for an integrated approach and concerted action to achieve the objective of adequate shelter for all and sustainable human settlements development, and will strive for coordinated implementation of international commitments and action programmes.”

--- The Habitat Agenda

The year 2008 started on a sad note for UN-HABITAT and the entire UN community in **Kenya** as the host country was engulfed in chaos that erupted after disputed presidential elections at the close of the previous year. Mrs. Tibaijuka, in an earnest appeal to an end to the mayhem, sounded the alarm that the violence was not only affecting Kenya but had far-reaching implications on other countries in the region as well.

“Transport corridors from the port of Mombasa through Kenya are restricted, causing supply chain disruption to our humanitarian and peace-keeping operations in the region, for example for **Southern Sudan, Uganda** and parts of the **Democratic Republic of Congo**,” Mrs. Tibaijuka said.

In the same month, **Tanzanian Head of State Jakaya Mrisho Kikwete** honoured UN-HABITAT when he inaugurated the rehabilitation works the agency carried out at Nyamwala Springs, some 600 kilometres north east of Dar es Salaam.

As the country’s leadership tried to put an end to the crisis, **UN Secretary General Ban Ki-moon** paid a morale-boosting visit to Kenya where he reiterated the world body’s support to its members of staff based there.

The Secretary General noted that the situation in Kenya had deteriorated and that the violence had spread, adding that the

figures of the dead and displaced were simply unacceptable. Every effort had to be made to arrest and reverse the situation in a country where the world body, counting all staff and their dependents, make up an estimated 15,000 people, most of them Kenyans.

The month of February saw a landmark agreement signed between the executive branch of the **European Union** and UN-HABITAT that will see 90 municipalities in 30 countries improving living conditions in a sustainable way. This marked the first time that the agency has received a grant from the **EuropeAid Co-operation Office** and its **ACP** fund benefiting the African, Caribbean and Pacific group of countries.

United Nations Secretary General Ban Ki-moon appointed **Dr. Awni Behnam** as Commissioner General for the organisation’s pavilion at the Shanghai World Expo 2010.

President Susilo Bambang Yudhoyono of **Indonesia** feted UN-HABITAT for its work in post-disaster reconstruction in his country.

In April, the Government of Norway pledged USD 25.6 million to help implement a new **medium-term strategic plan** aimed at strengthening the agency. In that same month, Mrs. Tibaijuka took part in the Olympic Torch Relay in Dar es Salaam, Tanzania.

Giving a lecture at the **Warsaw School of Economics**, Mrs. Tibaijuka outlined the crucial role of urbanisation to staff and students of the prestigious Polish institution. Speaking to over 400 students and to faculty members headed by the Rector of the School Professor Adam Budnikowski, representatives of central institutions and media, Mrs. Tibaijuka underlined the economic dimension of urbanisation phenomena.

“Cities drive national economies in industrialised countries and even nations in economic output” the Executive Director, adding that this may be observed also in the developing world, where cities generate a large share of national income. The importance of cities for national economic and social development cannot be overlooked, especially by the future elites.

The 16th Session of the Commission on Sustainable Development was held in New York in May and it recognized the importance of sustainable urbanization for overall sustainable development. That same month UN-HABITAT and the UN Environmental Programme, in collaboration with the Local Governments for Sustainability (ICLEI) launched two publications with selected case studies from around the world on cities, ecosystems and biodiversity

A report by UN-HABITAT was released at the meeting showing that when it comes to land and property rights around the world, there is no doubt that women get the short end of the stick. Women own less than 10 percent of the property in the developed world, while in the developing world it is only two percent, the report found.

In her foreword to the report, *Secure Land Rights for All*, Mrs. Tibaijuka stated: "Secure land and property rights for all are essential to reducing poverty, because they underpin economic development and social inclusion. Secure land rights empower people in both rural and urban areas to improve their homes and livelihoods. At the same time, they help to promote good environmental management, improve food security, and assist directly in the realization of human rights, including the elimination of discrimination against women, the vulnerable, indigenous groups and other minorities."

In the same month a seminar for UN-HABITAT Programme Managers from 17 African

countries, as well as Pakistan and Palestine opened in Nairobi with a call on the agency to support and improve its staff training so that project funds are better and more efficiently managed.

UN-HABITAT's Director of the Regional Office for Africa and the Arab States, Alioune Badiane, appealed to the managers to be more active in directing their respective countries towards self-financed projects and programmes, saying developing countries should not expect outside help to finance low-cost housing. Badiane stressed that developing countries should find the money at home to provide housing for the poor.

The month of June saw UN-HABITAT's work in Afghanistan receiving a major boost after high-level visits by the then United States First Lady Laura Bush and U.S. Transport Secretary Ms. Mary E. Peters.

The First Lady met with representatives of Afghanistan's **Women's Teacher Training Institute**. Established in 2004 with funding from the **United States Agency for International Development**, the institute is supported by UN-HABITAT. The officials Mrs. Bush met included UN-HABITAT Programme Manager, Ms. Hamida Noor, and two literacy experts, Ms. Mari Anwary and Ms. Storai Firozi who work with her as members of the National Literacy Centre. The Centre supports a community-based project known as 'Learning for Community Empowerment' which serves over 300,000 adults and older youth in 20 Afghan provinces.

During the same period, UN-HABITAT joined the United Nations **Inter-Agency Standing Committee** (IASC), putting the agency on a new footing in global humanitarian operations. The IASC was established in 1992 to shape humanitarian policy and ensure coordinated and effective response to humanitarian crisis.

UN-HABITAT's role within the community of humanitarian organizations involves human settlements recovery in shelter-, land- and property-related issues. In Durban, South Africa, some 600 participants from around the world congregated for the **International Youth Crime Prevention and Cities Summit**, which opened with strong calls for young people to stand firm against violence and on governments to invest more in youth-friendly policies.

The Kingdom of Bahrain and UN-HABITAT announced the establishment of the **Shaikh Khalifa Bin Salman Al Khalifa Habitat Award**. The award promotes the ideals and principles of good governance and equity in housing and urban development policies and practice. The award carries a cash prize of USD 100,000. It is to be presented to a single winner every two years at the World Urban Forum. The reward will go to an individual person, or groups, or institutions responsible for an initiative deemed outstanding in implementation of the Habitat Agenda, the achievement of human settlements-related Millennium Development Goals, and the promotion of international and South-South cooperation through the exchange and transfer of lessons learned from experience.

In a month that was packed with activities, young people drawn from two Nairobi slums were poised to be the first beneficiaries of a donation by UN Secretary General Mr. Ban Ki-moon, which is being administered by UN-HABITAT.

At the beginning of the previous year, while visiting Kenya, Mr. Ban Ki-moon was deeply moved at the poverty he witnessed in Kibera, the largest slum in Africa. This drove him to pledge a personal donation to help train young people living in Nairobi's slums.

June also saw the successful staging of the World Cities Summit in Singapore. The highlight was

a warning by the country's Prime Minister that sustainable urban development must combine good governance, energy efficiency, effective water management and air pollution controls based on proper urban planning.

Towards the end of June, the announcement that the 4th World Urban Forum would still be held in Nanjing, China was welcome news. After an earthquake in China's Sichuan Province, the country's Ministry of Housing and Urban-Rural Development, which was hosting the event, had suggested a possible postponement of the meeting to enable staff to focus on the reconstruction effort.

However, recognizing the efforts that have already gone into the preparations for the Forum by Habitat Agenda partners and UN-HABITAT, the Government of China confirmed that it would host the event in Nanjing on 3- 6 November 2008.

July saw the **Second African Ministerial Conference on Housing and Urban Development (AMCHUD II)** take place in Abuja, Nigeria where Head of State Umaru Musa Yar' Adua warned African housing ministers that governments had to move beyond talking to action on the urgent task of delivering housing, utility services and



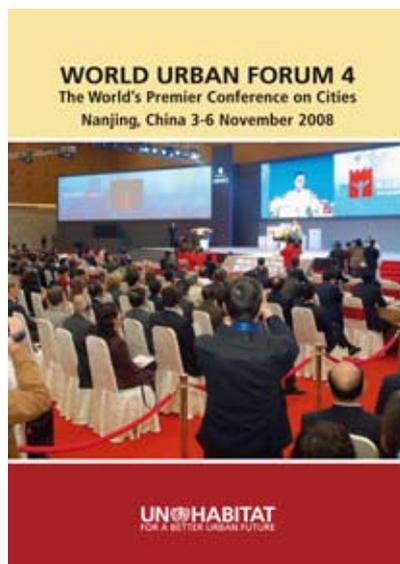
Mrs. Anna Tibajjuka speaks at the Global Celebration of World Habitat day 2008, Angola, 2008.
Photo © Copyright owned by BSHF

pollution management. AMCHUD is a new regional forum backed by UN-HABITAT to help governments deliver on the Millennium Development Goal of reducing global poverty.

In August, more than 2,000 water experts from 140 countries gathered in Stockholm for the **18th annual World Water Week** convention. Addressing the meeting, HRH the Prince of Orange congratulated delegates for helping reduce the number of people around the world without access to water and sanitation. Dutch Crown Prince Willem-Alexander, who serves as Chair of the United Nations Secretary-General's Advisory Board on Water and Sanitation, said that efforts to achieve Target 10 of Millennium Development Goal N° 7 (halving the number of people without access to safe drinking water by 2015) were now starting to pay off.

“The number of people living without improved drinking water has now dropped well below one billion!” he pronounced to loud applause. “More than half the global population now have piped water to their homes, and the number of people using unimproved water supplies continues to decline. That is thanks to your hard work.”

During a visit to Shanghai, China Mrs. Tibaijuka signed a Memorandum of Understanding and Participation Contract on behalf UN-of HABITAT, the Lead agency coordinating the United Nations System's participation in the **Shanghai World Expo 2010**, which will focus on cities. She also officiated at the ground-breaking



Fourth Session of the World Urban Forum, China, 2008.
Photo © UN-HABITAT

ceremony for the UN Pavilion at the Shanghai Expo 2010 and held a meeting with Mr. Yu Zhengsheng, the Communist Party Secretary of Shanghai on the UN's participation, the chosen theme being 'Better City, Better Life'.

The month of October started with the well-established **World Habitat Day**. In Angola, President José Eduardo dos Santos and senior government officials led the celebrations in the capital Luanda.

Mrs. Tibaijuka called on the Angolan authorities to allocate 10 percent of the country's oil income to upgrade their towns, cities and villages for the benefit of all, especially the poorest of the poor and with respect for the human rights of all. She said she was pleased that the Angolan authorities were using the occasion of World Habitat Day to announce a series of important social housing initiatives.

The *2008 State of the World Cities Report* was launched in the same month. On that occasion, Mrs. Tibaijuka said that the then prevailing financial crisis ought to have been viewed as a “housing finance crisis” in which the poorest of poor were left to fend for themselves.

The much-anticipated **4th Session of the World Urban Forum** was held in November. The Mayor of the Chinese city of Nanjing, Jiang Hongkun, China's Minister of Housing and Urban-Rural Development, Jiang Weixin, and Dejiang Zhang, the Vice Premier of the People's Republic of China, welcomed delegates saying that the theme of the Forum – Harmonious Urbanization – was critically important to the Chinese government, which attached great importance to integrated development.

In the same month, an independent international jury, chaired by Ms. Banashree Banerjee of India, announced the winners of the 2008 Dubai International Awards for Best Practices to improve the Living Environment.

The year drew to a close with the **UN Climate Summit** held in Poznan, Poland to discuss a new framework to tackle climate change. The United Nations Secretary General, Mr. Ban Ki-moon, said the world had to avoid backsliding in the fight against global warming and devise a “Green New Deal” to fix the twin climate and economic crises. In an address to more than 100 environment ministers from around the world, he said the crises were an opportunity to address both challenges simultaneously.



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