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UN  **HABITAT**
FOR A BETTER URBAN FUTURE



Photos © UN-HABITAT



THE UN-HABITAT MISSION

UN-HABITAT, the United Nations agency for human settlements, helps the urban poor by transforming cities into safer, healthier, greener places with better opportunities where everyone can live in dignity.

UN-HABITAT works with organizations at every level, including all spheres of government, civil society and the private sector to help build, manage, plan and finance sustainable urban development. Our vision is cities without slums that are livable places for all, which do not pollute the environment or deplete natural resources.

At the dawn of a new urban era, with most of humanity now living in cities, UN-HABITAT is at the frontline of the battle against fast growing urban poverty and the scourge of climate change that is caused by poorly planned

urbanisation and threatens the lives and livelihoods of entire cities and communities.

As the United Nations gateway for cities, UN-HABITAT is constantly improving its focus and responsiveness to the aspirations of cities and their residents. Our flagship publications are widely acknowledged as premier works of reference on the built environment, city trends and urban issues.

At the same time, UN-HABITAT works with hundreds of cities and communities around the world to achieve tangible improvements in the living conditions and livelihoods of the urban poor. A key area of focus is in supporting the efforts of governments and of civil society in attaining the Millennium Development Goals on water and sanitation in urban areas and slum upgrading.



The Fourth Session of the World Urban Forum, Nanjing, China.

Photo ©: Urban Construction Archive, Wuxi City, Jiangsu Province, China

THE NEED FOR UN-HABITAT

There are four mega-trends that are marking our modern society. The first two are omni-present. They visibly shape our societies and our daily lives – globalization and information and communication technology. The latter is often referred to as one of the main driving forces of the new economy. Third, is climate change and the growing number of disasters wrought by this scourge, and finally, the trend less spoken about but most profound in its impact on the way we live: urbanisation and the growth of cities.

It is the combined impact of rapid urbanization, globalization and climate change that is increasingly shaping today's development agenda.

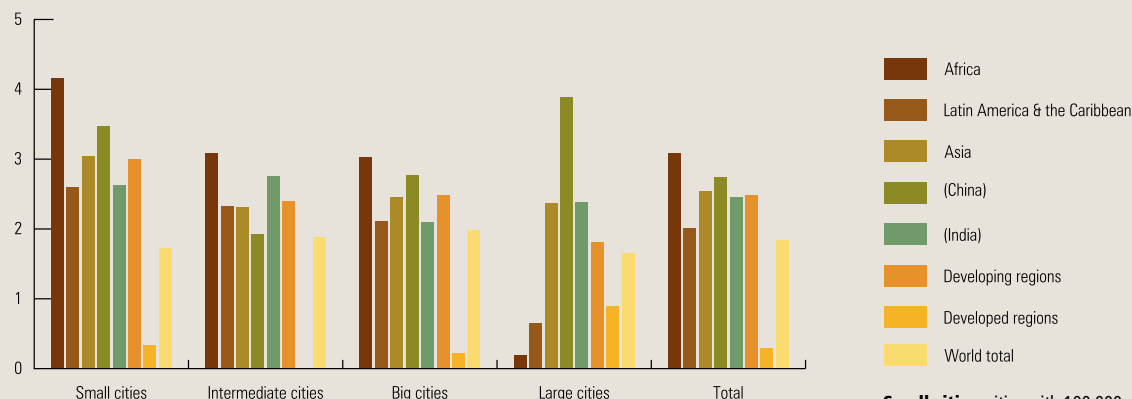
On the one hand, cities present unparalleled opportunities for creating wealth and prosperity. Cities have become the driving force of global trade and the engines of economic growth. They serve as the nexus of our global financial markets, and the service

centres of our information society. On the other, cities also bring irreversible changes in consumption and production patterns. As human activity concentrates in cities, we change the way we use land, water, energy and other natural resources.

With over half of the world's people living in cities, urban areas are already consuming most of world's energy and are generating the bulk of our waste, including green house gas emissions. Cities also harbour many very worrisome trends in terms of social deprivation and exclusion.

As the problems of climate change emerge at virtually the same time and the same pace as our cities are growing, we need new thinking and we need to act fast. By following the green agenda – using less fuel for urban transport, and industry and opting for alternate energy sources, polluting the atmosphere less, cleaning our seas and rivers, and ensuring a decent urban living environment, we can save money and sustain

ANNUAL GROWTH RATE OF THE WORLD'S CITIES BY REGION AND CITY SIZE, 1990-2000



Small cities: cities with 100,000 to 500,000 inhabitants

Intermediate cities: cities with 500,000 to 1 million inhabitants

Big cities: cities with 1 million to 5 million inhabitants

Large cities: cities with 5 million or more inhabitants

Source: UN-HABITAT Global Urban Observatory, 2008.

Note: UN-HABITAT calculations based on UN Statistics Division, Demographic Year books (1985 - 2004), various years, and UN Population Division, World Urbanization Prospects, 2005 revision. Analysis based on a sample of 2,695 cities with populations of more than 100,000.

our cities and their growing populations in greater dignity and equity.

In 1950, one-third of the world's people lived in cities. Just 50 years later, this rose to one-half and will continue to grow to two-thirds, or 6 billion people, by 2050. Cities are now home to half of humankind. In many cities, especially in developing countries, slum dwellers number more than 50 per cent of the population and have little or no access to shelter, water, and sanitation, education or health services.

Put another way: Never before in history has the world witnessed such a rapid growth in urbanisation. At the global level, 30 per cent of all urban dwellers lived in slums in 2005, a proportion that has not changed significantly since 1990. However, in the last 15 years, the magnitude of the problem has increased substantially: 283 million more slum dwellers have joined the global urban population. How we manage this situation is arguably the biggest problem confronting humanity in the 21st century. As more and more governments recognise this, the United Nations needs to galvanise its strength like never before in the quest for sustainable urbanisation.

In essence, it is a problem of adequate and affordable shelter for all, and ways of providing it – a cornerstone of UN-HABITAT's relationship with governments, municipalities, its civil society partners, and the financial world, both public and private. And finally, those most in need of shelter, water, sanitation, electricity and other services that make for an acceptable standard of living.

With 1 billion people living in slums, and thousands joining them every day, we are indeed sitting on a social time bomb that is ticking away quietly in many overcrowded, poverty-stricken corners of a geopolitical chessboard already fraught with problems.

It is a shocking fact, for example, that 62 percent of people living in towns and cities in sub-Saharan Africa today live in slums, and

that slum dwellers constitute 43 percent of the urban population of south-central Asia.

This is where United Nations Human Settlements Programme (UN-HABITAT) is mandated to make a difference for the better. At the birth of the agency in 1978, two years after the first Habitat conference in Vancouver, Canada, urbanisation and its impacts were barely on the radar screen of a United Nations created just three decades earlier when two-thirds of humanity was still rural.

In response to the global urbanisation and shelter crisis, the United Nations General Assembly at a special session to review the Habitat Agenda in 2001 decided in its Resolution A/56/206 to elevate UN-HABITAT into a fully fledged programme of the United Nations, guided by a Governing Council of Member States to help policy-makers and local communities get to grips with the problem and find workable, lasting solutions.

Also directly related to UN-HABITAT's mandate is the United Nations Millennium Declaration which recognises the dire circumstances of the world's urban poor. It articulates the commitment of member States to improve the lives of at least 100 million slum dwellers by the year 2020 (Target 11, Millennium Development Goal No. 7). As large as 100 million may seem, however, it is only 10 per cent of the present worldwide slum population, which, left unchecked, will multiply threefold to 3 billion by the year 2050 (see Figure 1). Target 10 calls for the reduction by half of the number without sustainable access to safe drinking water.

The work of UN-HABITAT, as the UN body dealing with the Habitat Agenda, the Declaration on Cities and other Human Settlements in the New Millennium and the Millennium Development Goal 7, targets 10 and 11, has drawn the agency and its partners in government, regional and local authorities, civil society, and the private sector closer than ever before to the lives of the urban poor.



UN-HABITAT focus: Participatory urban planning, management and governance - a breathtaking view of Singapore, a city constantly reinventing itself and setting new urban development standards.

Photo ©: Singapore Urban Redevelopment Authority

For the poorest of the poor, the impacts on people's lives of local and national policy, as well as international trade and aid, are palpably real.

And although UN-HABITAT's beneficiaries are the urban poor, its key audience remains the

policy-maker at every level with the power and authority to tackle urban poverty, energy wastage and pollution by providing resources, by removing barriers and by ensuring their human and civil rights.

OVERSIGHT - THE GOVERNING COUNCIL



UN-HABITAT Executive Director, Mrs. Anna Tibaijuka, UNEP Executive Director, Achim Steiner and President of the Republic of Kenya, Mwai Kibaki during the 21st session of the Governing Council.

Photo © UN-HABITAT / Nathan Kihara

Every two years, UN-HABITAT's work and relationships with its partners are examined by the Governing Council, composed of 58 member countries of the United Nations. It is a high-level forum of governments at the ministerial level that sets UN-HABITAT's policy guidelines and budget every two years. The governments have representatives at the agency's world headquarters in Nairobi, Kenya, with whom senior UN-HABITAT officials meet regularly throughout the year in the Committee

of Permanent Representatives (CPR). The Governing Council reports to the UN General Assembly through the Economic and Social Council (ECOSOC) which co-ordinates the work of UN agencies. The objectives, functions and responsibilities of the Governing Council are set out in General Assembly resolution 32/162 and in paragraph 222 of the Habitat Agenda.

THE OFFICE OF THE EXECUTIVE DIRECTOR

The Office of the Executive Director manages the agency's four main divisions and provides policy guidance. Within the office is an information service that oversees publications and handles public and media relations. The Information Services Section is responsible for ensuring the coordination of advocacy and information. It produces the agency's quarterly flagship magazine, *Urban World*, and is responsible for the Library, its website, and the coordination of major events such as the World Urban Forum and World Habitat Day to raise awareness about urban shelter issues around the world. It also coordinates the publication, distribution and dissemination of an estimated 80 books, manuals, reports and other documents published annually.

The Executive Director also has a Monitoring and Evaluation Unit to ensure that the agency's programmes are implemented on time and within budget, and that they are having the expected impact.

THE OFFICE OF THE DEPUTY EXECUTIVE DIRECTOR

In 2005, the Office of the Deputy Executive Director was reorganised to oversee strategies for improving the effectiveness of the organization. This includes improved fund management and resource mobilization, as well as enhancing external relations with member governments and other partners with particular focus on the international financial institutions. The Deputy Director also has an external affairs office that liaises with governments and the Governing Council, and a Programme Support Division to ensure the proper administration of UN-HABITAT.

CAMPAIGNING FOR A BETTER URBAN WORLD

UN-HABITAT and its partners are launching a new global campaign to promote better cities for all. At a time of global financial crisis, the campaign takes on a special sense of urgency in the drive to reduce urban poverty, cut back on fuel, lessen air pollution, and promote cleaner, safer, greener cities where all feel they belong, whether rich or poor.

As humanity now moves into a new urban era, the idea is to take these urgent issues as campaign themes to exploit the combined power and influence of governments, local authorities, the media, business, and others to achieve policy change, bring in new thinking and awareness of the importance of living in a better urban world.

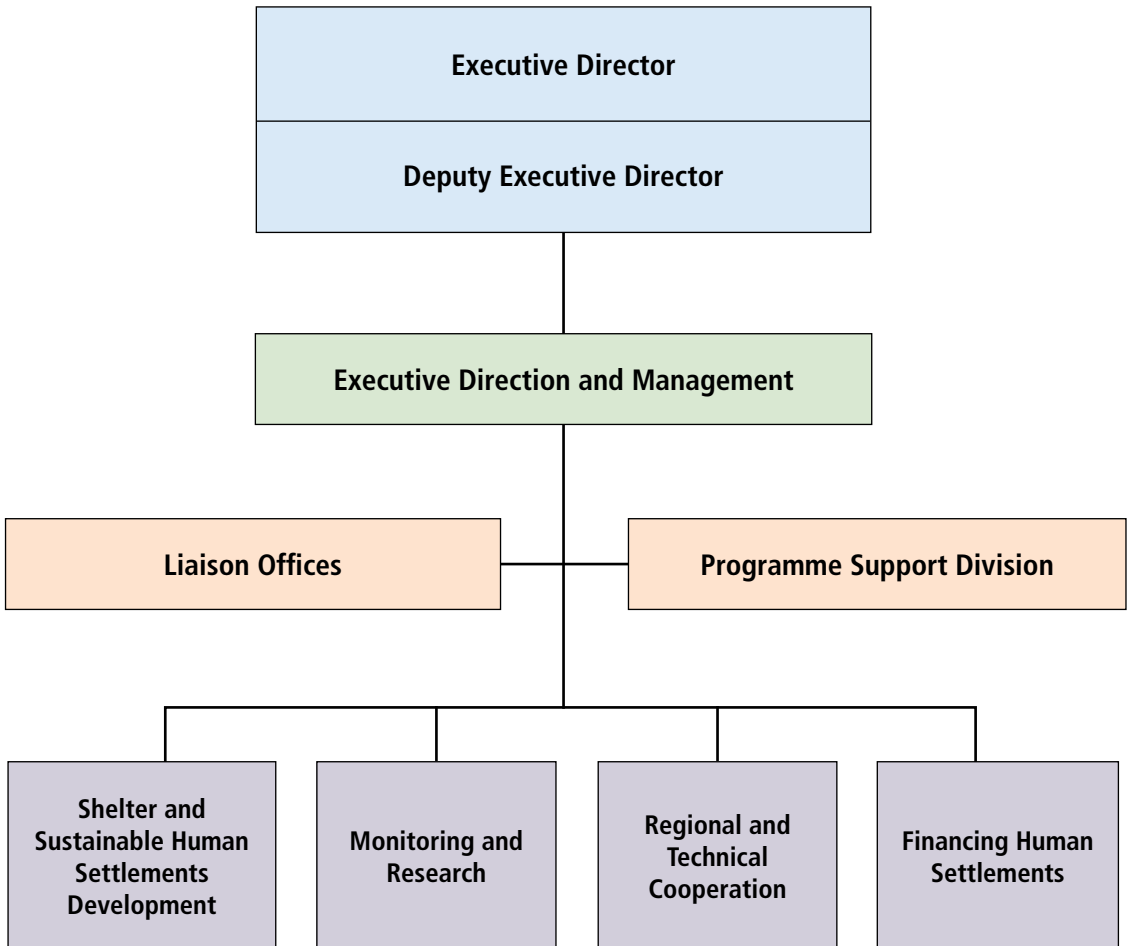
In short, to consider urbanisation as something positive and wonderful, as something that can enhance humanity's greatest legacy – our cities.

THE MAIN DIVISIONS

The four main operational departments are the Shelter and Sustainable Human Settlements Development Division, the Monitoring and Research Division, the Regional and Technical Cooperation Division, and the Financing Human Settlements Division. Each has a series of departments staffed by experts in every area of activity in which UN-HABITAT is engaged. In total it employs some 250 international professionals.

UN-HABITAT also has over 130 technical programmes and projects in around 60 countries around the world, most of them in the least developed countries.

UN-HABITAT ORGANISATION CHART



SHELTER AND SUSTAINABLE HUMAN SETTLEMENTS DIVISION

This division encompasses the Shelter Branch, the Urban Development Branch, the Urban Environmental Planning Branch, and the Training and Capacity Building Branch.

SHELTER

Pro-poor Land and Housing is a key component of UN-HABITAT's new strategic plan for the years 2008-2013. Its aim is to help national governments, cities and communities develop pro-poor and age-sensitive housing, land management and property administration.

The agency also works to develop practical and sound approaches to urban land.

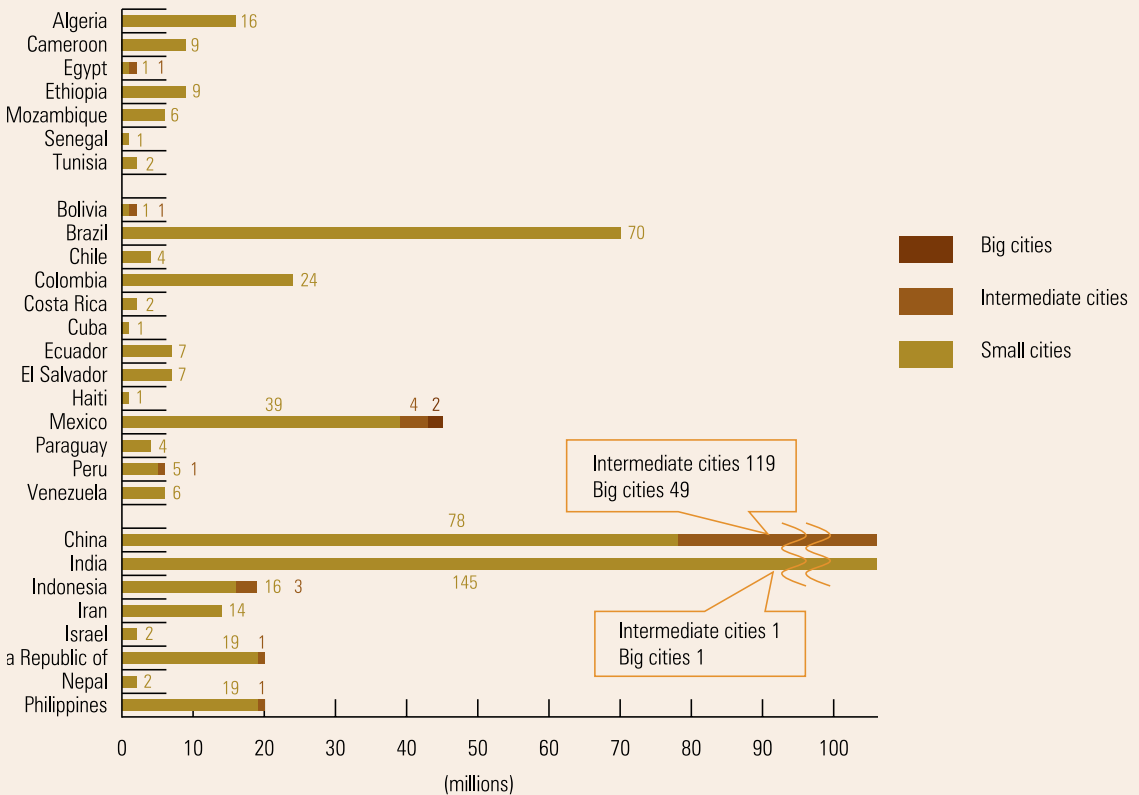
The Land Tenure and Property Administration Section of the Shelter Branch, has the mandate of the agency to develop normative approaches to urban land, innovative residential tenures, affordable land management systems, land-related regulatory and legal frameworks, with a particular emphasis on pro-poor and women's rights and empowerment.

One of this section's key weapons here is the Global Land Tool Network (GLTN). The GLTN objective is to contribute to



UN-HABITAT focus area: Pro-poor land and housing - a priority in Medellin, Colombia.
Photo ©: Municipalidad de Medellin.

NUMBER OF NEW CITIES AFTER 1990 IN THE DEVELOPING WORLD



Source: UN-HABITAT Global Urban Observatory, 2008.
 Data source: UN Demographic Yearbooks, various years (1985 - 2004)

poverty alleviation and the Millennium Development Goals through land reform, improved land management and security of tenure. The Network has developed a global land partnership and its members include international civil society organizations, international finance institutions, international research and training institutions, donors and professional bodies. The GLTN is a demand driven network where many individuals and groups have come together to address this global problem. For further information, and registration, visit the GLTN website at www.gltn.net.

In the agency's quest to achieve the Habitat Agenda goal of Adequate Shelter for All, it also has a special Housing Policy Section that helps establish housing policy, proper shelter strategies, and affordable housing provision. It promotes a right-based approach and coordinates the work of the Advisory Group on Forced Evictions (AGFE). It also fosters cooperative housing as part of the strategy for developing affordable housing options for poor households, and encourages the use of energy-efficient building materials. For further information, the e-mail address is: housing.policy@unhabitat.org



UN-HABITAT focus: Effective advocacy, monitoring and partnerships - working in partnership, women are the backbone of a cleaner, healthier Siddhipur. Photo ©: UN-HABITAT

URBAN DEVELOPMENT

UN-HABITAT's Urban Development Branch runs programmes designed to help make our cities safer, bring relief in countries suffering the aftermath of war or natural disasters, promote sustainable cities, good governance and support a group of priority towns. Its experts work with governments, local authorities, civil society organisations and the poorest of the urban poor themselves.

UN-HABITAT's Urban Governance Section helps cities identify urban governance priorities and assess their progress towards the quality of city-life. The results of its research are fed into the agency's flagship publications, the *State of the World's Cities* and the *Global Report on Human Settlements*.

The Urban Development Branch also runs a Disaster Management programme to help governments and local authorities rebuild

in countries recovering from war or natural disasters.

The Disaster Management programme is working or has worked in Afghanistan, Angola, Bangladesh, Burundi, the Caribbean, Central Asia, China, Guatemala, India, Indonesia, Iran, Iraq, Kenya, Kosovo, Malawi, Mozambique, Nepal, Rwanda, Serbia and Montenegro, Sierra Leone, Somalia, Sri Lanka, Sudan, Timor Leste and Vietnam, and Indian Ocean rim countries hit by a giant tsunami wave. It has an estimated 130 international staff working with more than 2,300 national staff in crisis situations around the world.

Helping governments, communities and local authorities recover from conflict or disasters, UN-HABITAT is working in dozens of countries around the world. In concert with other UN humanitarian bodies, UN-HABITAT's new Strategic Policy on Human Settlements and Crisis enables it to provide expert services as



Working as ONE-UN: In more than 20 countries around the world recovering from conflict or disasters, UN-HABITAT has more than 2,000 national and international staff at hand with other UN agencies working to rebuild homes and lives. Photo ©: UN-HABITAT

part of a carefully coordinated humanitarian response. The agency has or is working in many such countries around the world. For more information, see www.unhabitat.org/programmes/RDMU.

In some of these countries around the world, crime problems have been exacerbated by a proliferation of weapons, drugs, unemployment and delinquency. The Safer Cities Programme provides local authorities and the police with support in crime prevention. It helps cities and towns create the capacity to address urban insecurity and help establish a culture of crime prevention.

URBAN ENVIRONMENTAL PLANNING

Climate change and global financial uncertainty have brought on a new sense of urgency for the sustainable urban development agenda. Helping cities produce less waste

and emissions, consume less energy, water and land and become more resilient to the consequences of climate change is not just about the “green” or environmental agenda. It is about making our cities healthier, safer, economically vibrant and more just and equitable for all.

The Urban Environmental Planning Branch of UN-HABITAT has created a new network of partners called the Sustainable Urban Development Network (SUD-Net). This network is driven by UN-Habitat’s vision of vibrant and pro-poor urban economic growth that is not achieved by causing irreparable and long-term damage to the environment. The network is dedicated to helping Habitat Agenda partners apply strategies that will reduce the ecological footprint of cities while protecting property, stimulating pro-poor local economic development, and combating social exclusion and poverty.

In terms of mitigation, better planned cities, more efficient and effective public transport, and more compact communities not only reduce energy consumption and pollution, but also contribute to social inclusion and cohesion.

In terms of adaptation, helping our cities protect lives and property from extreme weather patterns is not only a means of promoting resilience but also a central strategy to improve the living conditions and safety of the poor and the most vulnerable members of society.

TRAINING AND CAPACITY BUILDING

The demand placed upon communities and their local governments to manage their growth sustainably has never been greater. Yet, many communities cannot meet the myriad of economic, environmental, social and structural challenges.

Developing the managerial, technical and policy-making capacity of local leaders, employees, non-governmental organisations and community-based organisations is

essential to tackling seemingly endemic urban problems such as, environmental degradation, poverty, homelessness, informal settlements, and under-performing municipal services.

UN-HABITAT's Training and Capacity Building Branch is working at national and local levels in various countries to capacitate change agents and strengthen their organizations. It concentrates on improving knowledge, skills and attitudes of local government officials and civil society partners and on strengthening effectiveness, inclusiveness and transparency to implement the MDG for slum dwellers at the local level. Policy seminars, consultations and training-of-trainers workshops are held regularly to encourage and support local governments and communities.

Given the scale of the challenge of the Millennium Declaration, a special effort is being made to expand the networks of partner capacity-building institutions. Special attention is paid to enhancing curricula and teaching methods, to help bridge the gap between education and practice in the field of sustainable urban development.



UN-HABITAT focus: Participatory urban planning, management and governance - Working with local community representatives in Somaliland. Photo ©: UN-HABITAT

THE MONITORING AND RESEARCH DIVISION

The Monitoring and Research Division helps cities learn, know and understand their own needs. From finding out how many people in a given street may have access to water and sanitation, to what local non-governmental and civil society organisations might think about a city, or how women's views should be taken into account, and helping exchange information and best practice ideas world-wide, this division provides the facts and figures and studies that can help urban decision makers and residents make optimum decisions.

The Monitoring Systems Branch runs a Best Practices Unit that enables a city like Port Moresby in Papua New Guinea learn how Durban, South Africa, fights crime, or how an urban water management project in Lusaka, Zambia can benefit a city with similar problems in Latin America. The ideas and practices come in every form, right down to city park

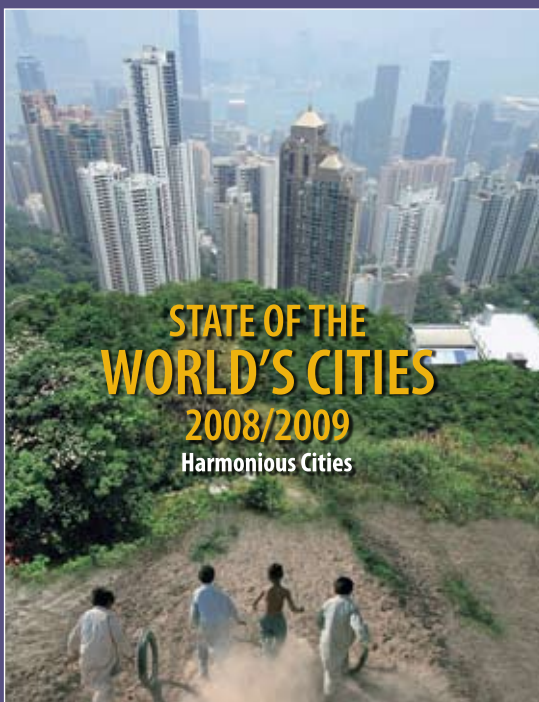
management schemes that can be applied elsewhere in the world. The branch also publishes the agency's flagship *State of the World's Cities* report every two years.

Most developing countries do not have regular data collection, analysis and monitoring systems. Good urban policy and planning requires accurate information. UN-HABITAT's Global Urban Observatory (GUO) helps cities get a bird's eye view of their situation and their needs. Photograph a city from space, magnify it, look at a few streets in any area, and then send in survey teams to fill in the blanks from the streets up – how many people live there? How many have access to water and sanitation? Are the roads in need of repair? How many people have AIDS or malaria? Which slums are the most overcrowded? Armed with answers to such questions it is far easier and cheaper to bring improvements.

The Policy Analysis Branch publishes the agency's other flagship publication, *The Global Report on Human Settlements*, every alternate year. This and the *State of the World's Cities* are authoritative major works of research that provide the latest statistics and thinking of world experts on urban and human settlements affairs.

As urban areas continue to experience rapid population growth, government attitudes around the world are changing from the desire to curb rural-to-urban migration, to accepting urbanisation as an inevitable and even desirable process.

Cities are now seen as the engines of national development, job opportunities and a higher quality of life. UN-HABITAT's Urban Economy and Finance Branch provides an analytical focus on the urban economy, its relationship with the national and global economy. It focuses on four main areas: Municipal Finance, working with local authorities in the delivery of services to growing urban populations; urban-Rural Linkages focusing on strengthening balanced





Rebuilding after the destruction wrought by a tsunami killer wave in Banda Aceh, Indonesia.
Photo © UN-HABITAT

development of rural and urban areas and the promotion of local economic development; housing finance supporting the development of housing finance mechanisms for low-income households in developing countries; and urban economic development and employment examining the impact of macro-economic factors on urban development and the role of the informal sector in urban economic development, employment generation and income enhancement.

GENDER MAINSTREAMING

Women face discrimination of one kind or another in every major city of the world. The Gender Mainstreaming Unit strives to broaden gender equality and women's rights into all of UN-HABITAT's activities by supporting and strengthening gender awareness. It seeks to ensure more accountable, participatory and empowering urban development practices through a gender sensitive approach.

The implementation of women's rights to land, property and housing remains a formidable challenge facing the world today. The problem persists despite a host of international human rights instruments such as Millennium Development Goal 3, and the 2005 World



UN-HABITAT focus: Effective advocacy, monitoring and partnerships – working with young people as our partners around the world. Here members of the Nairobi South Youth Group’s engage in the weekly clean-up in a slum called Mukuru Maraguini. Photo ©: Laban Kuria

Summit Outcome, where women’s land, property and inheritance rights are seen as an important indicator of women’s empowerment and human development.

In an effort to strengthen gender mainstreaming in its activities, UN-HABITAT initiated the development of resource materials on gender and post-crisis governance, reconstruction and land administration, gender in local governance, and best practices in gender mainstreaming in human settlements development.

PARTNERS AND YOUTH

UN-HABITAT recognizes young people as active participants in the future of human settlements. Our work is focused on initiating and fostering inter-agency partnerships and partnerships with youth organizations at the local, national and international levels, to

ensure their voices get heard. Working with young men and women and understanding their diverse abilities, realities and experiences is an essential element of UN-HABITAT’s drive for sustainable urbanisation.

The Partners and Youth Section in partnerships with local authorities, Non-Governmental Organizations (NGOs) and youth groups contributes towards urban youth development by providing skills training and training in enterprise development and setting up income generating projects, for example in the housing sector, to help young people find gainful employment, and thus help reduce the need to turn to crime.

THE REGIONAL AND TECHNICAL COOPERATION DIVISION

UN-HABITAT runs more than 130 technical cooperation programmes and projects in about 60 countries.

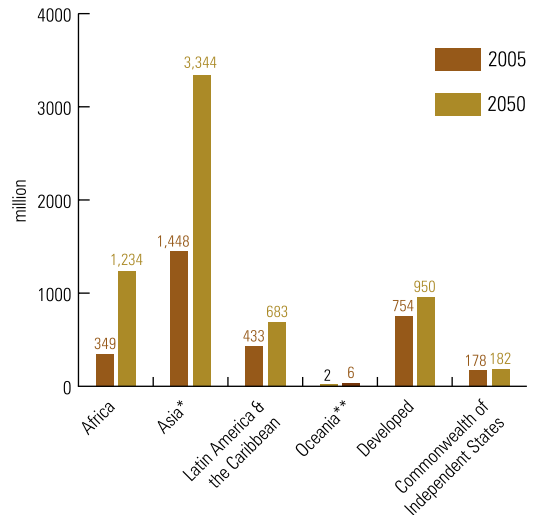
The countries include many of the poorest in the world like Afghanistan, Somalia, Haiti, and Nepal, just to cite four examples. Much of the work is aimed at strengthening the urban fabric, helping slum dwellers with better shelter and basic services such as water and sanitation. Most of the programmes are run by UN-HABITAT staff who are nationals of their own countries, proudly trying to improve their cities or to rebuild after disasters.

It is apt here to pay our own colleagues, these unsung heroes, special tribute. They include more than 1,000 employees helping rebuild Afghanistan, dozens in Iraq, and other places of conflict who daily put their lives on the line to make their world better for their people, thus making our global village a safer place.

UN-HABITAT's operational work around the world is coordinated from four regional offices. These are based in Fukuoka, Japan, covering the Asia-Pacific, Warsaw covering eastern Europe and the former Soviet states, Nairobi for Africa and the Arab world, and Rio de Janeiro, Brazil, for Latin America and the Caribbean.

In accordance with UN-HABITAT's new strategic plan, the operational activities are focusing on the following priorities: promoting shelter for all; improving urban governance; reducing urban poverty; improving the living environment; and managing post-disaster reconstruction.

URBAN POPULATION (MILLIONS) BY REGION, 2005 AND 2050



Source: UN-HABITAT Global Urban Observatory, 2008. Data from UN Population Division, World Urbanisation Prospects, 2007 revision.
Note: *Asia doesn't include Japan. **Oceania doesn't include Australia and New Zealand.

Acting as a catalyst in the mobilization of technical cooperation, UN-HABITAT is supporting the implementation of the Habitat Agenda at the local, national and regional levels and seeking to apply the Millennium Development Goals at the local, neighbourhood level. Lessons garnered from operational activities are also used by the agency to formulate global policy guidelines.

UN-HABITAT employs about 45 Habitat Programme Managers, all of them nationals of the countries in which they work.

HUMAN SETTLEMENTS FINANCING DIVISION



UN-HABITAT focus: Environmentally sound basic urban infrastructure and services - a new shower block for women and men with clean running water in a slum in Ghana. Photo ©: UN-HABITAT/S. Mutter

The Human Settlements Financing Division is home to the Urban Finance Branch and UN-HABITAT Water, Sanitation and Infrastructure Branch. It seeks to strengthen human settlements financing by improving access to finance for housing and infrastructure, particularly for the urban poor. This is done by using innovative financial mechanisms and institutional capacity to leverage the contributions of communities, local authorities, the private sector, Government and international financial institutions.

THE URBAN FINANCE BRANCH

The Urban Finance Branch promotes innovative financing mechanisms for dealing with MDG 7, Target 11 on slums to which world leaders committed themselves in the year 2000. It does this through a mechanism called the Slum Upgrading Facility (SUF) and another called Experimental Reimbursable Seeding Operations (ERSO) and other Innovative Financial Mechanisms. It also incorporates three further specific areas for dealing with Housing

Finance to help member States improve the effectiveness, efficiency and accessibility of existing housing finance systems; Municipal Finance to find innovative ways of financing urban development and basic urban services and infrastructure, especially means of tapping into the private sector; and Community Based Initiatives, including Women's Land Access Trusts.

THE SLUM UPGRADING FACILITY

The Slum Upgrading Facility works as a technical cooperation and seed capital facility that mobilizes domestic capital for slum upgrading projects and activities. It does this under the premise that slums can be upgraded successfully when the existing slum dwellers are involved in the planning and design of upgrading projects.

For the most part, slum dwellers have the ability to provide resources for the housing themselves, but want to be secure in their new or upgraded homes. Finance then becomes a matter of coordinating the expectations of

residents, with the facilities made available by Municipalities, and the containment of risk as perceived by the financing institutions – banks, capital markets, etc.

The Facility works to make slum upgrading projects attractive to retail banks, property developers, housing finance institutions, service providers, micro-finance institutions, and utility companies. Commercial banks need to expand their markets, but to do this, they need very clear information on which to make their assessment of risk.

Good information is key to ensuring that everyone understands the risks involved and how they have been assessed. This can only be achieved with communities, capital markets and local government working together. SUF is designed to promote the dynamics between people, finance, and politics for upgrading low income residential areas.

EXPERIMENTAL REIMBURSABLE SEEDING OPERATIONS AND OTHER INNOVATIVE FINANCIAL MECHANISMS

ERSO, as it is now known, is designed to get UN-HABITAT Governing Council Resolution 21/10 of 2007 working through the establishment of a trust fund within the United Nations Habitat and Human Settlements Foundation, for a four-year 2007 to 2011 probation period to support the introduction of experimental reimbursable seeding operations as well as other innovative financial mechanisms.

The idea is that ERSO will provide seed-capital to domestic financial institutions (banks, microfinance institutions) in the form of loans or credit enhancements. It does this in combination with technical assistance activities to catalyse investments in pro-poor housing, related infrastructure and upgrading, in close partnerships with national and local governments and support by local intermediaries.



UN-HABITAT focus: Environmentally sound basic urban infrastructure and services - the delivery of clean, running water is vital for health of slum dwellers like these in India. Photo ©: UN-HABITAT



Contractor delivering pipes for a water project in Kisii, Kenya. Photo @ UN-HABITAT

THE WATER, SANITATION AND INFRASTRUCTURE BRANCH

At a time when nearly all cities have entered the 21st Century facing a water crisis, the Water, Sanitation and Infrastructure Branch monitors the state of water and sanitation in urban areas around the world.

The explosive growth of towns and cities in the past 30 years since the birth of UN-HABITAT is depleting previously plentiful water resources, and this is felt particularly in arid parts of Africa, the Middle East, and Central Asia.

Proper water conservation and management is vital for social and environmental sustainability of cities. In our rapidly urbanising world, water scarcity is a potential source of strife. Rapid population growth in urban areas has already created environmental degradation – a task UN-HABITAT works to redress.

The MDG water target promotes better service coverage by advocating pro-poor investments in urban water, sanitation, waste management and infrastructure. It encourages and supports

institutional reforms at local government, national and regional levels for efficient and equitable service delivery, particularly in low-income peri-urban settlements. It also helps national governments and local authorities build capacity for effective and efficient provision and delivery of water, sanitation and infrastructure.

It also manages the Water and Sanitation Trust Fund that was established in 2002 to help cities and their municipalities reach out to the poorest of the poor.

It also runs two special programmes: the Water for African Cities Programme to help African cities manage growing water demand and protect their fresh water resources from the increasing pollution loads from cities; and the Water for Asian Cities Programme in a region of the world where almost two-thirds of people lack clean water and adequate sanitation. The two programmes are run in close collaboration with the African Development Bank and the Asian Development Bank.

THE PROGRAMME SUPPORT DIVISION

The Programme Support Division is responsible for the financial, administrative and human resources functions of the organisation. The Division works closely with the United Nations Offices in Nairobi (UNON). Programme Management Officers serve in various departments of the agency.

Core functions include ensuring that UN-HABITAT utilizes effective planning practices and procedures and keeping them under constant review; ensuring the sound financial and administrative management of UN-HABITAT; ensuring the proper servicing of funding partners and compliance with agreements; providing overall direction and guidance on the allocation and management of resources; taking responsibility for UN-HABITAT support services; liaising with UNON; and representing UN-HABITAT on administrative matters at major UN in inter-agency meetings.

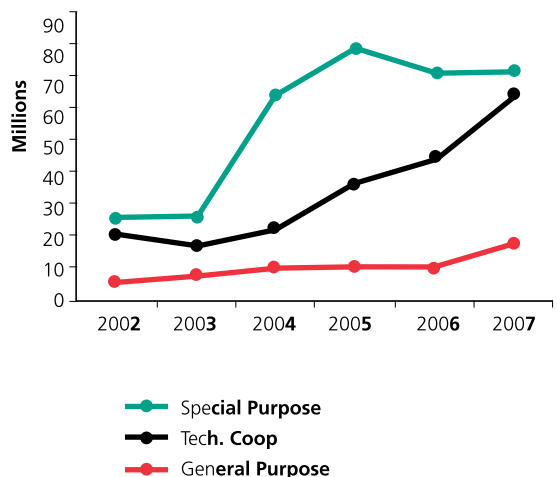
These functions are managed within PSD, by the Programme Support Section, the Management Support Section, the Legal Unit and the Programme Coordination Unit.

RESOURCES

Over half of UN-HABITAT's financing comes from government and inter-governmental donors. Other United Nations agencies and the World Bank contribute to joint projects, while some funds come from foundations, local authorities and other institutions. In addition, the United Nations headquarters contributes to the regular budget for core mandated activities.

A major proportion of UN-HABITAT's total income is received as earmarked funds, targeted by donors to specific projects in specific countries. The rest, received as general purpose or core funds, is allocated to projects in line with the priorities outlined in the UN-HABITAT's strategic plan, ensuring that all areas are covered in a balanced manner. The aim is to increase the non-earmarked multi-year funding to ensure predictable and sustainable funding for human settlements work.

TRENDS IN DONOR CONTRIBUTIONS (2002 - 2007)



PLANNING AHEAD

The 21st session of the Governing Council also approved a Medium-term Strategic and Institutional Plan for 2008-2013. This plan is comprised of two main areas of action: a strategic component and an institutional component.

The strategic component is driven by an ambitious vision and road map for sustainable urbanisation. This vision is of a world where all women, men and children living in urban areas can gain access to decent housing, clean water and basic sanitation. It is also a vision of a world where humanity can engage in its economic pursuits without compromising the ability of future generations to do so. In an increasingly and rapidly urbanising world, such a vision and road map are critical to the attainment of the Habitat Agenda and the Millennium Development Goals.

The plan calls for enhanced partnerships, and over the next six years, UN-HABITAT will marshal the goodwill, the know-how and the resources of all spheres of government and civil society to focus sharply on the key determinants for sustainable urbanisation and inclusive urban development. These areas are: land and housing for all; participatory planning and governance; environmentally sound infrastructure and services; and innovative housing and urban finance. Work in these areas is being spearheaded by a global campaign on sustainable urbanisation.

The plan is achievable because it builds on the growing realization of the international community that urbanisation, despite all of its chaotic manifestations, represents a unique opportunity - a positive force - that can and must be harnessed to support economic growth and social advancement in a globalizing world economy.

On the institutional component, the medium-term plan aims to fulfill UN-HABITAT's contribution to UN reform. A key component is management excellence focusing on enhanced accountability, transparency, results-based monitoring and reporting.





Route d'Antsohihy, Madagascar.
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Hong Kong.
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