



UN-HABITAT



Mid-Term Comprehensive Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the Decade 2001 – 2010

Introduction and Executive Summary

The present report presents the activities, outcomes and major findings of UN-Habitat's contribution to the implementation of the Programme of Action (POA) for the Least Developed Countries (LDCs). It consists of three parts. Part I is devoted to an analysis of key human settlements trends and issues in LDCs, their social, economic and environmental consequences, and the challenges that need to be addressed for the effective implementation of the POA and related internationally agreed development goals. It also presents the strategic approach adopted by UN-Habitat to address these challenges. Part II presents an overview of activities and outcomes at the global, regional and country levels in relation to key issues and areas of action identified by the POA. Part III focuses on lessons learned and recommendations for follow-up action.

Part I: The challenge of rapid urbanisation in LDCs:

A rapid situation analysis

The urbanisation of poverty

1. LDCs are witnessing historically unprecedented rates of urbanisation. For the decade 2000-2010, the average urban growth rate for all LDCs is estimated at 4.7 percent and the average urban slum formation rate of 4.88 percent, representing a doubling of the urban population in less than 15 years and of the slum population in less than 12 years. In most LDCs this trend is accentuated by the concentration of urban growth in one or two major cities where the doubling of the urban population can occur in less than 10 years. The combined lack of resources and capacity to provide basic urban infrastructure and services to an exploding urban population is resulting in the urbanisation of poverty, social exclusion and unsustainable forms of development. While similar trends can be observed in many developing countries, a unique feature affecting all LDCs is that the process of rapid urbanisation is neither induced nor accompanied by economic development. This phenomenon is characterized by the predominance of the informal economy and where 78 percent of the urban population lives in slums and informal settlements, the majority of whom also live on less than one dollar a day. Recent studies undertaken by UN-Habitat further indicate that the urban poor in LDCs are no better off than their rural counterparts. Their vulnerability is heightened by their lack of access to durable shelter, clean water and sanitation, and overcrowded living conditions. At the same time, their resilience is often lower as they depend almost entirely on monetary means to acquire food, energy, transport, and to access basic health and educational services. Further, most of the urban poor in LDCs are under the age of 25 and have no serious prospects for meaningful employment. The combination of these factors makes the urban poor in LDCs the most dis-empowered group in terms of poverty and access to health and education, and the most vulnerable group in terms of HIV/AIDS and other diseases.
2. These trends and issues that particularly affect LDCs were fully acknowledged by the international community with the adoption of the Habitat Agenda in 1996 and its twin goals of “shelter for all” and “sustainable human settlements development in an urbanizing world”. These goals were further translated into specific targets on water and sanitation and slum upgrading by the Millennium Declaration and the Johannesburg Plan of Implementation. Despite growing awareness of these trends and issues at the global level, progress has been slow on the ground. Major factors that impede progress include:
 - (i) Most LDCs have ignored the consequences of rapid urbanisation until relatively recently. As a result, slums and squatter settlements have proliferated under the assumptions that investing in rural development can arrest urbanisation, and that informal settlement dwellers will graduate to the formal housing sector over time. Both these assumptions have proven to be erroneous. Decades of neglect have resulted in the explosion of slums and the informal economy, leading to precarious living and working conditions, poor health and security, environmental degradation, and social exclusion.
 - (ii) Investments in urban infrastructure and services lag way behind the demographic growth and the physical expansion of towns and cities. An analysis of national development plans, poverty reduction strategies, and multilateral and

bilateral assistance frameworks for LDCs reveals that urban development and urban poverty are often overlooked or rank among the lowest in terms of budgetary allocations. Furthermore, private sector investment in urban infrastructure has not been forthcoming. This is especially so for urban poor communities in Africa and Asia where the perceived risks associated housing and basic services for low-income groups have been a deterrent.

- (iii) The lack of institutional capacity remains a severe constraint and bottleneck in many developing countries. This is particularly the case with local authorities, which have the direct responsibility for managing urban growth and providing basic services. Recent attempts at decentralisation have rarely been accompanied by the allocation of human, managerial and financial resources commensurate to the challenges of rapid urbanisation. As a result, many local authorities in LDCs are ill equipped to engage in strategic urban planning, local economic development and pro-poor capital investment.
- (iv) The prevailing sectoral approach to development assistance by the international community has largely failed to recognise the spatial dimensions and complexities of urban poverty. This often leads to piece-meal and compartmentalized initiatives that are ineffectual at best, and often counter-productive in urban areas. For example, the provision of clean water in densely occupied slums and informal settlements can result in negative impacts on health and exacerbate the spread of waterborne diseases and malaria unless simultaneous action is taken to improve waste management and drainage.

An integrated and cross-sectoral approach in support of implementing the POA

3. In light of the above, UN-Habitat is applying an integrated and cross-sectoral strategy to support the efforts of LDC Member States in implementing the POA and internationally agreed development goals. The objectives of this strategy are to address the social, economic and environmental consequences of rapid urbanization and to meet the shelter and basic needs of the urban poor. Key components of the strategy include:
 - (i) Mainstreaming the follow-up and monitoring of progress in the implementation of the POA at the inter-governmental and global levels;
 - (ii) Fostering pro-poor, gender-sensitive and people-centred policy frameworks;
 - (iii) Applying an integrated approach to policy development, capacity building and finance designed to maximize aid efficiency and going to scale;
 - (iv) Forging partnerships and participation of key stakeholders in development including government, local authorities, civil society organizations and the private sector to promote good urban governance;
 - (v) Strengthening rural-urban linkages and the urban informal economy as a means of building productive capacities to make globalization work for LDCs;
 - (vi) Applying specialized expertise and experience in the areas of land-use planning, property rights, housing, urban infrastructure and services, and urban environmental management to reduce vulnerability and protect the environment. These areas also constitute key determinants of peace-building, gender equality, and sustainable post-disaster reconstruction and are applied across the humanitarian, developmental and environmental continuum.

Part II: Mainstreaming the POA at the global, regional and country levels

Support at the inter-governmental level

4. UN-HABITAT mainstreamed follow-up to the implementation of the POA in its intergovernmental machinery. The Governing Council of UN-Habitat, at its nineteenth session in 2003, adopted resolution 19/17 in which it expressed appreciation for the good work UN-HABITAT has done through post-conflict and post-disaster reconstruction in affected LDCs. The Governing Council requested UN-HABITAT to continue to give special attention to LDCs in its programme activities and emphasized the importance of the effective implementation of the POA.
5. At its twentieth session in 2005, the Governing Council adopted resolution 20/4 in which it requested UN-HABITAT to continue to give special attention to the LDCs in its normative and operational activities. The Governing Council invited Governments of developed countries and Habitat Agenda partners, in a position to do so, to provide increased and sustained development assistance to LDCs for preparing and implementing national development strategies to meet the internationally agreed development goals.

Support at the regional level

6. At the regional level UN-HABITAT has supported African and Asian countries to emulate the good practice of the Latin American and Caribbean region in establishing ministerial conferences on housing and urban development. The African Ministerial Conference on Housing and Urban Development (AMCHUD) was established under the auspices of the African Union and held its first meeting in January 2005 and a special session in April 2006 devoted to attaining the Millennium Development Goals. This biennial forum serves as the regional consultative mechanism for achieving the aims of the Habitat Agenda, the POA and in accelerating the attainment in Africa of the internationally agreed development goals. Preparations for the first Asian and Pacific Ministerial Conference on Housing and Urban Development (APAMCHUD) are underway for the end of 2006.

Monitoring global trends in urbanisation and slum formation in LDCs

7. Since the adoption of the Millennium Declaration and the POA, UN-Habitat's global monitoring activities have been re-configured to assist developing countries in general and LDC Member States in particular to collect and analyse data on key urbanisation trends and issues as a basis for informing and promoting pro-poor gender-sensitive policy development.
8. Technical support has been provided, to date, to 20 national statistical offices in LDCs while 10 LDCs are currently part of a global network of urban observatories engaged in key indicators on urbanisation, urban poverty and slum formation. While the major focus of these monitoring activities is to provide baseline data for monitoring progress in the water and sanitation and slum upgrading targets of the MDGs, key indicators are also collected in collaboration with other UN agencies on health, education and nutrition for the urban poor.
9. The results of UN-Habitat's monitoring activities were reported in the 2003 Global Report on Human Settlements on the Challenge of Slums and provided, for the first

time, statistical evidence of the true scope and extent of urban poverty and deprivation in LDCs. The key findings of this report include:

- (i) That the growth rate of urban poverty is outstripping rural poverty in the majority of LDCs;
 - (ii) That the combined impact of lack of job opportunities and access to decent shelter and basic services render the urban poor as vulnerable as their rural counterparts to malnutrition, poor health and diseases;
 - (iii) That conventional data collection methods, which look at the proximity rather than access to basic services, tend to disguise the true plight of the urban poor and overlook the particularly negative impact on and consequences for women and children;
 - (iv) That the attainment of the objectives of the POA and the MDGs in developing countries in general, and in LDCs in particular, will depend to a large extent on how well cities are managed and are able to provide access by the urban poor to housing and basic services, and to promote local economic development.
10. The above findings led UN-HABITAT to devote its normative and advocacy activities to focus on pro-poor housing policies and local economic development strategies. The objectives of these activities in support of the implementation of the POA are: (i) to assist LDC Member States in revising national legislation in favour of pro-poor housing and urban development, (ii) to strengthen urban governance and the role of local authorities in promoting LDC cities as effective marketplaces for rural and agricultural production and as a steppingstone to build bridges with the global economy.

Commitments 1 & 2: Fostering a people-centred policy framework and promoting good governance

11. A key determinant to urban poverty reduction is the issue of access to land and land tenure by the urban poor. The illegal status of slums and informal settlements not only prevents the urban poor from gaining access to basic services such as water and sanitation, health and education, it also presents major obstacles and disincentives to slum upgrading and the improvement of living conditions and the environment.
12. UN-HABITAT adopted a two-pronged approach to people-centred housing and land policies: (i) advocating pro-poor housing norms and land policies at the national level, and (ii) improving urban governance and the capacity of local authorities in implementing the POA and the MDG 7 Target 11 on slum upgrading, and (iii) rapid urban sector profiling in support of urban poverty reduction. This approach is spearheaded by the agency's twin campaigns on Secure Tenure and Urban Governance, with follow-up support being provided in many cases in research, capacity building and ad hoc technical assistance.

Pro-poor housing and land policy reform

13. During the reporting period, UN-HABITAT, in collaboration with governments, local authorities and civil society organisations launched campaigns on urban governance and secure tenure in 14 LDCs and responded to requests for ad hoc technical assistance in a further 3 countries. These activities are based on global norms and principles that are further informed by local level situation analysis on key trends and issues in urban

poverty, urban governance and slum formation. They involve multi-stakeholder forums to raise awareness of these issues and trends and their policy implications, policy dialogue to forge broad-based ownership in preparing and adopting of people-centred action plans to slum upgrading and pro-poor housing development, and enhancing the role and contribution of local authorities in follow-up implementation.

Asia and the Pacific:

14. In **Afghanistan**, UN-HABITAT is currently working together with the Ministry of Urban Development and Housing and the Kabul Municipality to improve land management and build the capacity and strengthen the mandate of the Urban Land Administration Department to revise the National Housing Policy. In a three-day Workshop held in June 2004, urgent action was recommended to revise existing laws and regulations pertaining to planning and acquisition as well as in developing new directives on land development and financing to preserve public interests. The Workshop called for concerted and coherent international support in building land administration in the country and facilitating the paradigm shift in land use planning from control to management.
15. Preparatory activities have been initiated to launch the Campaign for Secure Tenure in **Bangladesh**. Activities include: setting up stakeholder forums; policy dialogue including the localization of campaign principles; situation analysis in consultation with key campaign actors; preparation of a national action plan; and the preparation of a campaign launch event and follow up.
16. During the Campaign pre-launch activity in June 2003, the **Government of Cambodia** committed 100 slums per year for upgrading. The Phnom Penh Municipality Action Plan was adopted in line with this commitment. The main areas of the Action Plan are on legislative reform, sustainable and affordable shelter policies, increased capacity to record and update property rights, and the reduction of forced evictions.
17. As a follow-up to a regional meeting held in Cairo in December 2005, the **Government of Yemen** has requested assistance for launching the Global Campaign for Secure Tenure indicating that the city of Sana'a will be involved in the process. The Government is in the process of contacting UNDP for its financial and substantive contribution to the campaign. A National report on Urban Environment and development including the squatter settlements situation, recently prepared by the Government, will serve as a preliminary basis for the campaign activities.

Africa

18. In **Burkina Faso**, the Campaign for Secure Tenure was officially launched in October 2004. An Action Plan was put in place and the Government is committed to working with the urban poor to improve their living conditions and livelihoods. The Government committed US\$ 600 million towards the implementation of the Action Plan over the next 7 years. The main areas of the Action Plan deal with the extension of secure tenure to all people; regularizing land tenure; and improving the quality of life in urban settlements by promoting poverty-reduction strategies. UN-HABITAT is assisting in the harmonization of statutory and customary legal regimes on land.
19. UN-HABITAT in cooperation with UNDP provides technical support to the **Government of Eritrea** to formulate a comprehensive Housing Policy and Shelter

- Strategy. Their formulation involves a participatory approach involving all stakeholders, including local authorities and communities of the urban poor.
20. The **Government of Ethiopia** designated the city of Addis Ababa as the platform for the Cities without Slums initiative. A broad-based process has been initiated involving city authorities, NGOs and community-based organisations. The initiative benefited from exposure to the experience of similar initiatives in Nairobi, Kenya and Durban, South Africa as well as the exchange of experience with other cities during a regional workshop held in Nairobi in September 2005. An action plan has since been elaborated to guide slum upgrading and prevention initiatives in Addis Ababa.
 21. A Cities without Slums program is being implemented in **Lesotho**. Outcomes to date include the adoption by the Ministry responsible for local government, land and planning to involve all stakeholders in a participatory situation analysis, including the slum dwellers themselves. Both the situation analysis and an action plan have been finalized and will be issued in the course in 2006 as a major policy document. Parallel activities in support of land law reform include capacity of local lawyers, the identification and dissemination of Best Practices, the assessment of gaps for further research and advocacy, and ad hoc technical assistance. Outcomes to date include the publication and dissemination in 2006 of an authoritative study on “Law, Land Tenure and Gender Review ” in Southern Africa. This review provides a broad overview of the national and local legal frameworks related to land, housing, inheritance and marital property rights in Lesotho and three others countries in southern Africa. The study includes a review of relevant policy documents such as the Poverty Reduction Strategy Paper and National Development Plan. Tenure types and land management systems have been assessed with regards to their accessibility by the urban poor and by women, in particular. Innovative forms of tenure and alternative dispute settlement mechanisms are highlighted and accompanied by a set of specific policy recommendations on tenure regularisation, participatory decision-making, women's rights to land and housing, and innovative land management.
 22. In 2005, the **Government of Madagascar** requested UN-HABITAT to accompany its effort on urban development and slum upgrading and prevention. The Global Campaign for Secure Tenure, with funding support from UNDP will be launched in 2007 following general elections to be held in 2006.
 23. A Cities without Slums programme is being implemented in Blantyre, **Malawi**. A draft Situation Analysis report has been completed and work on an Action Plan is in its final stages. The City Assembly conducted stakeholder workshops to ensure broad-based participation and representation and is currently establishing Task Forces focusing on various sectors and holding community consultations in preparation for follow-up implementation.
 24. In **Mozambique** a Cities without Slums programme started work on a situation analysis in a number of cities, while simultaneously identifying Best Practices in slum upgrading that will inform the preparation of an Action Plan. A major effort is underway to help the government map the location of slums for the first time as a fundamental first step of the situation analysis.
 25. In **Rwanda** UNDP funded a large programme aimed at assisting the Government of Rwanda to deal with its urban development problems including the engagement of the Global Campaign for Secure Tenure. Activities are planned to start second semester of

2006. The issue of access to land by the urban poor will be the entry point to the campaign launches and follow-up activities.
26. In **Senegal** the Campaign for Secure Tenure was launched in May 2004 and the resulting Action Plan is currently being implemented. The government is committed to the improvement of the lives of slum dwellers, and the continuous implementation of the Global Campaign for Secure Tenure as a tool to achieve this target. The Government of Senegal is committed to local governance and human settlement issues and is committed to an investment of US\$ 300 million towards sustainable human settlements development. In addition it will adopt and enforce legislation and regulatory reforms related to urban governance and secure tenure.
 27. Technical assistance and research is currently being undertaken in support of “Somaliland” and Puntland authorities and other stakeholders in the development and implementation of an integrated urban and peri-urban land management system. The objective of these activities are to assess national and urban land policies and legislation and to identify and develop land management capacity to implement innovative approaches to land tenure that work best for the urban poor, particularly IDPs and women.
 28. UN-HABITAT in collaboration with the **Government of Uganda**, local authorities, NGOs, slum dwellers and their support organization, is working towards launching both Campaigns in Uganda. A situation analysis highlighting the condition of housing and related issues has been produced in preparation for the launch. In addition, through the Cities without Slums Sub-regional Programme for Eastern and Southern Africa, UN-HABITAT have been working with the City Council of Kampala to strengthen its approach for upgrading unplanned settlements and to improve living conditions of people living and working in these settlements. Action Plans have been adopted for two informal settlements, and capacity building support is being provided in partnership with the World Bank to assist the Ministry of Water, Lands and Environment in developing innovative approaches to land administration. The Ministry has already undertaken 3 pilot demonstration projects and will implement another 6 pilots in urban areas. This will be the first time that the new 1998 Land Law will be applied in urban areas. The current pilots have already shown that pro-poor gender-sensitive approaches to land tenure and land administration are key to confidence-building and conflict resolution and are major determinants to promoting women’s rights in general and their land rights in particular.
 29. In **Tanzania**, the Cities without Slums Programme is being implemented in the City of Arusha. Slum Upgrading Plans and a Plan of Action including situation analysis have been completed. Most recently, the Municipality of Arusha has applied for additional support to expand the upgrading initiative to cover all unplanned areas and informal settlements in Arusha.
 30. In **Zambia**, land law reform research has been undertaken for capacity building of local lawyers, identification and dissemination of Best Practices, identification of gaps for further research and for advocacy, and for backstopping technical assistance by UN-HABITAT staff. This research is also part of the series “Law, Land Tenure and Gender Review Series” in Southern Africa.

Urban Sector Profile Studies in support of urban poverty reduction

31. The Regional Urban Sector Profile Study (RUSPS) has been developed by UN-HABITAT and the European Commission as a rapid and action-oriented assessment tool to assist Member States in identifying key institutional, legislative and structural issues and to facilitate consensus on effective response mechanisms for urban poverty reduction. RUSPS also integrates urban concerns within Poverty Reduction Strategy Papers, UNDAF and the development efforts of development partners and government institutions. They provide a roads map for addressing urban needs and gaps through capacity building and demonstration projects aiming at poverty reduction through strategic interventions. Three phases are involved at the country level, namely rapid, participatory urban profiling at national and local levels, focusing on governance, slums, gender and the environment, complete with proposals for intervention; feasibility studies for priority areas of action; and, follow-up implementation. The programme expanded its activities in 2005 to **Afghanistan, Burkina Faso, DR Congo, Eritrea, Ethiopia, Lesotho and Liberia.**

Commitment 3: Building human and institutional capacities

32. Country-level operational and capacity building activities of UN-HABITAT are focused on supporting governments in the formulation of policies and strategies to create and strengthen a self-reliant management capacity at both national and local levels. Technical and managerial expertise is provided for the assessment of human settlements development constraints and opportunities; the identification and analysis of policy options; the design and implementation of housing and urban development projects; and the mobilization of national resources and external support for improving human settlement conditions for the urban poor. This national capacity-building process involves central government institutions, community-based and non-governmental organizations, universities and research institutions, and local governments and municipalities. Emphasis is also placed on strengthening governments' monitoring capacities in human settlement management.
33. The priorities of UN-HABITAT's operational and capacity building activities are: (i) promoting shelter for all; (ii) improving urban governance; (iii) reducing urban poverty; (iv) improving the living environment; and (v) managing disaster mitigation and post-conflict rehabilitation.
34. Currently 95 technical programmes and projects under execution in 56 countries, the vast majority of which are in LDCs. In supporting these operational activities, UN-HABITAT is fully committed to the goals of maximizing the use of national expertise and to supporting both national execution and procurement from developing countries. In 2004, more than 80 per cent of UN-HABITAT's project personnel were national experts.
35. Dedicated training and capacity building activities focus specifically on local authorities and civil society organizations to build core skills and competencies in local leadership, financial management, local economic development, participatory planning and conflict management. These activities use cutting edge training tools and methodologies to assist local authorities in LDCs in developing managerial, technical and policy-making capacity to improve local governance and sustainable urban development. Activities are implemented at the regional, sub-regional and national levels, with the former designed to promote and foster the exchange of expertise and experience and south-south

cooperation. A major emphasis is placed on the training of trainers to ensure multiplier effect and aid efficiency. The following LDCs have benefited from UN-HABITAT training and capacity building activities.

36. **Benin, Madagascar, Mali, Mauritania and Niger** are among several developing countries that are benefiting from a sub-regional training and capacity building programme tailored for Francophone West Africa and Madagascar on Participatory Planning and Managing Conflict and Differences, as part of a comprehensive approach in support of socially inclusive and pro-poor urban governance.
37. In **Burkina-Faso** a pilot training of trainers programme is being implemented for municipal leaders in three cities of Banfora, Bobo-Dioulasso and Ouahigouya. This was part of a national technical cooperation project for city development and poverty reduction strategies. UN-HABITAT plans to support the up scaling and replication of pilot leadership training nationally in Burkina Faso. Local leaders are also currently benefiting from the sub-regional Training and Capacity Building Programme for Francophone West Africa and Madagascar on Participatory Planning and Managing Conflict and Differences.
38. In **Ethiopia** UN-HABITAT supported the translation in Amharic, adaptation and dissemination training manuals on leadership roles and competencies. In 2003, Ethiopia benefited from regional training of trainers on elected leadership and will again participate on a planned regional training event in May 2006 for Eastern and Southern Africa based on UN-HABITAT's revised Local Elected Leadership series. A national Training of Trainers Launch Workshop is planned for late 2006 to make the manuals more accessible to municipal staff. This will ensure a critical mass of national trainers in this particular area.
39. UN-HABITAT has been present in **Haiti** for many years, especially through national technical cooperation projects designed to build human and institutional capacities, strengthen the mandate and operations of national and local governments, as well as to pave the way for partnerships with the civil society. A major obstacle has been political instability and the delay in organizing national elections (finally held on 7 February, 2006) and local elections (scheduled to take place on 29 April, 2006). It is hoped that these activities will resume in the near future.
40. Following elections in 2005 and in response to the request by the Government of **Lesotho**, a national programme for training on local elected leadership has been designed for Lesotho. The programme is designed as an integral part of the Sustainable Lesotho Project to enhance effective urban management and development and the attainment of the MDGs. Programme structures have already been established and training is set to begin in mid 2006.
41. In **Madagascar** technical advice and backstopping are being provided to design and implement a national training and capacity building programme on local elected leadership roles and competencies. The programme is to include adaptation of UN-HABITAT training manuals, a Training of Trainers programme and a pilot training course for local elected leaders in two provinces.
42. UN-HABITAT supported the capacity building component of the UN-HABITAT/Cities Alliance Slum Upgrading and Vulnerability Reduction Programme in flood-prone cities and towns in **Mozambique**. Local institutions are now equipped with a full range of training manuals into training materials in Portuguese. A major outcome has been the

- training of local elected and civil society organization leaders to effectively develop and formulate policies and strategies to reduce the vulnerability of communities living in flood-prone areas.
43. Capacity building institutions in **Senegal** have been actively involved in UN-HABITAT regional activities and benefited from the training of its experts. Currently, Enda Tiers Monde, a capacity building institution, is partnering with UN-HABITAT as the key anchor institution in the implementation of the sub-regional Training and Capacity Building Programme for Francophone West Africa and Madagascar on Participatory Planning and Managing Conflict and Differences
 44. Within the framework of the EC/UN-HABITAT implemented **Somali** Urban Development Programme, technical backstopping and methodological support was provided to the Somalia Good Local Governance and Leadership Training Programme. The programme has seen the adaptation of UN-HABITAT training manuals on elected leadership as well as gender, participatory and conflict management approaches, and has trained local leaders in these approaches in three regions of “Somaliland”, Puntland and South-Central Somalia and contributed to institutional capacity strengthening.
 45. In **Tanzania**, following the establishment of three new municipalities within Dar-es-Salaam City and subsequent elections, UN-HABITAT organized training for 15 national trainers and 110 councilors. Support is currently being provided to the Local Government Reform Programme in a national evaluation of its ongoing training programmes for local leaders and municipal staff. Plans are also underway to organize a training programme for women councilors to enhance their effectiveness as leaders in decision and policy making, while capacity building support is also being provided to the Cities Alliance/Cities without Slums project
 46. In the Small Island States of **Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu**, UN-HABITAT organised a Sub-regional Training of Trainers programme for the South Pacific Islands on Local Elected Leadership March/April 2006, in collaboration with Commonwealth Local Government Forum (CLGF). Many governments in the region have sought to improve governance and quality of life indicators through the adoption of decentralization policies to empower local governments, locally elected leaders and their stakeholders. The training focuses on creating a pool of resources persons to design and deliver interactive training programmes on leadership in the region and generate country-specific action plans for implementation and follow-up at the national levels.

Commitments 4 & 5: Building productive capacities to make globalisation work for LDCs and enhancing the role of trade in development

47. The thrust of UN-HABITAT’s research activities on urban economics and finance and on urban-rural linkages is to provide evidence-based support on how to strengthen the role of cities in developing countries and in LDCs to fulfill their role as engines of economic growth and productivity and as nodes for international trade. A major outcome of these studies has been the pilot implementation of the Rural-Urban Partnership Programme (RUPP) in Nepal and Cambodia.
48. The RUPP recognizes that the economic base of most LDCs is rooted in rural and agricultural production. It identifies the absence of market linkages and market information as a major bottleneck in commercializing agricultural and rural production

both for domestic consumption and for export. The specific objectives of RUPP are: (i) to stimulate local economic development through improved rural-urban linkages both in terms of rural access to urban markets and the provision of value-added urban services to peri-urban and rural areas; (ii) to improve the marketability of rural production through market-oriented information systems; and (iii) to help formulate integrated local and regional economic development policies and strategies. The RUPP has adopted four innovative strategies to achieve its objectives.

Management and Policy Support

49. Strengthening local government capacity to plan for and establish a well-articulated network of urban centres, peri-urban markets and villages to link rural production and urban consumption systems and to improve the delivery of urban services to strengthen the network.

Development of Decentralized Community-Based Social and Economic Institutions

50. Strengthening community-based multi-purpose institutions to implement local economic development initiatives, including local enterprise development, through human resources development, technology, skills, credit and seed capital;

Urban Services through Private Partnership

51. Mobilising the private sector to support the marketing of rural and agricultural production for urban consumption and export and providing, in return, value added services and relevant market information to rural producers in partnership with local governments.

Rural Labour Linkage to Industrial/Commercial Establishments

52. Enhancing productivity and value added rural production by organising and integrating traditional occupational groups and artisans to produce semi-finished and finished goods for urban manufacturing and export concerns through technology transfers and skills development focusing on the disadvantaged and poor sections of the community.
53. Although rural and urban producers face numerous obstacles in entering the market place, the RUPP has demonstrated how an integrated approach to infrastructure and service improvements, training and capacity-building, and access to credit can help LDC rural and urban enterprises compete in bigger markets in many ways. The programme has proved sufficiently successful that the strategy has been incorporated into Nepal's 10th Five-Year National Development Plan (2002-2006) and is currently being replicated in the Rural-Urban Linkage Project between Phnom Penh and Kandal province in Cambodia

Commitment 6: Reducing vulnerability and protecting the environment

54. The combined impact of rapid urbanisation and the urbanisation poverty has resulted, in the majority of LDC cities, in poor water and sanitation, drainage, refuse removal and in the proliferation of informal settlements in high-risk zones prone to flooding, landslides and other natural disasters. The consequences include poor environmental health, increased risk and vulnerability to loss of human life and destruction of property. UN-

HABITAT had adopted a governance approach to strengthening the capacity of national and local authorities to implement sustainable urban development policies and practices that have a direct impact on improving living conditions of people, reduce the risks of the most vulnerable groups, and mitigate the negative impacts of urbanisation on the natural environment.

Localizing Agenda 21 and Sustainable Cities

55. UN-HABITAT provides multi-year, multi-donor support to local authorities and their private and civil society partners to develop and implement action plans to locally contribute to the implementation of the Agenda 21 and the Habitat Agenda. Programme support specifically targets secondary cities, which very often lack capacities and are usually neglected by international support programmes. The objective is to promote good urban governance through the implementation of broad-based environmental action plans, focusing on context-specific aspects of municipal planning and management. The action plans are designed to achieve tangible impact for low-income communities targeting especially the urban poor, leading to more sustainable urban development as a response to the challenge of the Millennium Development Goals.
56. In **Burkina Faso**, the joint UNEP/UN-HABITAT Sustainable Cities Programme implements a special facility called Basic Urban Services (BUS) where local and national stakeholders, including grassroots women's associations and youth groups work together with international technical partners to improve access to water and sanitation and waste collection. The participatory approach fostered by the BUS project has enabled ownership and buy-in by the local community in the operations and maintenance of neighbourhood level drainage and waste collection, supported by community-based micro-credit facilities. Efforts are currently underway to mainstream lessons learned from the project to other urban poor communities in the country.
57. In **Lesotho**, UN-HABITAT in collaboration with UNDP, ILO and Habitat for Humanity are supporting the Ministry of Local Government is addressing informal settlements in Maseru City through an integrated approach to slum upgrading and sustainable cities. The overall objective is to contribute to the achievement of environmentally sustainable and socially inclusive urban development and management. At the national level UN-HABITAT works with the Ministry of Local Government to adopt more enabling policies and strategies to empower local authorities to engage in slum upgrading and urban environmental planning and management. At the local level, capacity building support is provided to Maseru City Council to engage local urban communities in broad-based participatory planning and the delivery of improved urban service delivery.
58. Together with UNEP, UN-HABITAT is assisting the Government of **Rwanda** to mitigate the negative environmental impact of industrialization, especially the wetlands in the valleys where many of industries are located. A scientific and public-private profiling of industries and of the wetlands has been conducted and a stakeholder meeting is being organized to elaborate a joint action plan to simultaneously guide future industrial development wetlands protection. A major thrust of follow-up activities will be placed on capacity building for improved urban environmental management at the national and city levels, as well as training and research support to national institutions.
59. Since 2004, UN-HABITAT has been supporting a National LA21 Programme in **Senegal**, co-funded by the Ministry of Urbanism and Town Planning, and aimed at

replicating the Louga LA21 project in the four secondary cities of Saint Louis, Guediawaye, Tivaouane and Matam. The programme contributing to strengthen the capacities of local authorities and their partners to prepare and implement Local Agendas 21 and to enhance the technical support capacity of the African Institute of Urban Management (IAGU) to assist municipalities in developing LA 21 processes. A comprehensive approach is being implemented to facilitate dialogue between local authorities and national government on policy issues related to urban environmental management and poverty reduction and to provide technical assistance at the local level to apply environmental planning tools and management systems.

60. Urban environmental management (UEM) in **Tanzania** started with Sustainable Dar-es-Salaam Project in 1992 and subsequently replicated in 9 major municipalities. The Ministry of Local Government, with the support of UNDP, UN-HABITAT and DANIDA, is establishing a countrywide Urban Environmental Planning and Management practices and capacity, especially for improving basic urban services in the high-density neighbourhoods. A follow-up phase aims at mobilising multi-donor support to scale up the initiative to all major urban centres. The City of Dar-es-Salaam is also implementing a Cities Alliance initiative with support from UN-HABITAT to prepare a citywide strategy and a long-term financing strategy for upgrading unplanned and poorly serviced settlements.
61. In **Zambia**, UNHABITAT has been collaborating with city authorities and national government agencies to support local and national initiatives aimed at improving the urban environment in Lusaka and Kitwe, the country's two major cities. A major effort is directed to building capacity for enhanced environmental information management and stakeholder participation in priority setting and action planning. The cities of Lusaka and Kitwe have completed the demonstration phase in applying urban environmental planning methodologies and are now developing mechanisms for institutionalization. Major emphasis has been placed on involving national training and research institutions to integrate urban environmental planning and management tools and methods in national education programmes.

Urban Safety and Security

62. The lack of urban safety and security is a major impediment to mobilizing foreign and domestic resources and investment, to promoting gender equality and the empowerment of women, and to ensuring peace and stability. During the reporting period, UN-HABITAT completed a series of regional consultations, international conferences and fact-finding investigations in the form of victimization surveys in selected cities in, inter alia, **Bangladesh, Madagascar, Mali, Tanzania** and **Uganda**. The findings of the studies and the recommendations resulting from the consultations and conferences form the basis of the current phase of testing and applying pro-poor gender-sensitive policies and participatory strategies for combating urban crime and violence. The strategy consists of establishing multi-stakeholder Action Plans, formulating institutional and legislative change to support implementation, and the establishment of regular review mechanisms to monitor progress. Pilot implementation programmes are underway in 23 cities in 14 countries in Africa and Asia. Key partners include UNODC, UNESCAP and UNICEF. A key focus of these pilot activities is the mobilisation and active participation of civil society organizations, women's groups and youth-at-risk.

Risk and Disaster Management

63. The poor are often the most severely affected victims of natural disasters and conflicts and the last to benefit from reconstruction and the restoration of livelihoods, as evidenced by a recent UNHCR report highlighting the growing number of internally displaced people. UN-HABITAT's experience has shown that human settlements planning and management, and especially the restoration of property rights, are key determinants to sustainable reconstruction, the restoration of livelihoods, and peacebuilding. This has led UN-HABITAT to adopt an integrated capacity building approach to post-disaster/post-conflict land management and administration, settlement planning, and risk and vulnerability reduction. This approach is currently being applied by in collaboration with national agencies, bilateral donors and other UN agencies in countries affected by the Tsunami, earthquakes and floods, including **Bangladesh** and **Mozambique**, and in post-conflict communities in **Afghanistan, Burundi, Haiti, Liberia, Rwanda, Sierra Leone, Somalia, Sudan** and **Timor-Lesté**. They combine policy advisory services, capacity building and technical assistance to rebuild and strengthen local government capacity; promote timely resettlement and reconstruction through the restoration of property rights; enhance disaster preparedness and reduce the risk and vulnerability of the poor through integrated land and water management, improved building standards, planning norms and construction technology; and the restoration of livelihoods, including the re-integration of ex-combatants and ex-militia in civil society, through skills and vocational training. At the inter-agency level, since becoming a member of ECHA, UN-HABITAT has been actively involved in mainstreaming a more sustainable approach to the shelter, land and property dimensions of system-wide humanitarian response and serves as the focal point for these issues in the IASC humanitarian reform working groups.

Commitment 7: Mobilising financial resources

64. The lack of financial resources and investment in pro-poor housing and urban development is arguably one of the major obstacles to urban poverty alleviation and the attainment of the MDGs in LDCs. UN-HABITAT's strategy in this area is geared towards the attainment of Goal 7 targets 10 and 11 on water and sanitation and slum upgrading of the MDGs. Research, policy advocacy and capacity building are conceived as fast-track pre-investment packages for follow-up grants and loans. This packaging reduces the lead-time between policy reform, technical assistance and investment to maintain political will and momentum through quick-impact initiatives. They are implemented in close collaboration with bilateral donors and the African and Asian Development Banks and engage domestic banking and non-banking financial institutions, including micro-credit facilities, to leverage public expenditures with private and community sector capital.
65. Activities are currently being implemented in, inter alia, **Ethiopia, Lesotho, Malawi, Uganda, Tanzania and Zambia** in Africa, and in **Bangladesh, Cambodia, East-Timor-Lesté and Nepal** in Asia. These activities seek to devise new and innovative instruments for leveraging domestic resources with international financing to close the growing gap between the demand for the delivery of municipal services to meet the basic needs of rapidly growing urban populations and the limited financial resources available to municipal authorities to fund those services.

Research on Municipal and Public Finance

66. Lack of municipal resources arise not only from decreasing or fluctuating central government transfers to cities, but also on local factors, such as poor financial management, lack of local institutional and managerial capacity, inability to collect local taxes efficiently and insufficient tapping of private sector funding for urban development. UN-HABITAT activities in this area focus on policy reform and capacity building in African LDCs to enhance resource allocation for urban development as a whole, and in the areas of private and public finance.¹ It is increasingly recognized throughout African LDCs that the private sector can bring much needed finance and investments to complement scarce public funds for the expansion or improvement of urban infrastructure. Mobilising private sector resources depends, however, to a large extent on improving efficiency, managerial skills for better service delivery and greater cost recovery. At the same time, effective mechanisms must be in place to ensure that low-income groups are not priced out of the market as a result of greater private sector involvement in the provision of essential urban services.
67. In the area of public finance, particular emphasis is placed on fiscal decentralization, the enhancement of local tax collection capabilities, greater cost recovery of user charges that also incorporate social considerations, greater use of municipal borrowing arising from increased financial governance, as well as more targeted central government budgetary provisions for physical infrastructure. It must be stressed, however, that in the conditions of widespread poverty existing in most African LDCs, there is also a general lack of domestic resources available to fund capital formation and provide the required physical capital stock, social services and the basic urban infrastructure to keep pace with urban population growth.²

Pro-poor gender-sensitive Water and Sanitation

68. UN-HABITAT established a Water and Sanitation Trust Fund in 2002 to provide a coordinated, fast track programmatic approach to enable cities and municipalities to provide access by the poorest of the poor to clean water and improved sanitation. Trust Fund activities focus on water demand management, values-based water education, improved sanitation for the urban poor, water catchment management, awareness raising and information exchange. Regional activities in Africa and Asia include gender mainstreaming strategies and training and capacity building. The Trust Fund currently implements two regional water initiatives in Africa and Asia, and two trans-boundary initiatives for the Lake Victoria Region and the Mekong Delta Region. Both these initiatives focus on secondary cities, which despite being among the fastest growing settlements in LDCs, have been largely neglected by the donor community and by international financial institutions.
69. A strategic partnership with the Asian Development Bank has facilitated additional pro-poor investment in water and sanitation amounting to US \$125 million in the region, including **Lao DPR**. Similarly, UN-HABITAT is collaborating with African Development Bank projects in, inter alia, **Ethiopia** and **Mozambique** with total investments of US\$ 183.3 million. In 2005, programme delivery accelerated further to

¹ For more details, see *Enhancing Resource Allocation to Urban Development in Africa...* op. cit. It is worth noting that UN-HABITAT intends to hold similar seminars at sub-regional levels, as well as in other developing country regions, as a means to examine more specific local factors, including those associated with financially weak municipal authorities in the least developed countries.

² See, for example, UNCTAD, *The Least Developed Country Report 2002*, UN, New York and Geneva, 2000, pp. 77-87.

the emerging presence of Habitat Programme Managers working with UN Country Teams, resulting in increased pro-poor investment flows in water and sanitation to **Nepal**.

70. A key component of these initiatives has been the development of a rapid gender assessment methodology which has been applied and adopted by 17 cities in 14 African countries.

Slum Upgrading Facility

71. A key challenge in slum upgrading and the prevention of the future formation of slums is overcoming the perceived risks by the private sector in investing in pro-poor housing and urban development. Further progress has been made on the development of UN-HABITAT's Slum Upgrading Facility (SUF). The Facility combines the technical expertise, convening power and confidence-building abilities of UN-HABITAT to forge framework agreements between private sector banking and non-banking financial institutions, community based micro-credit facilities, central and local governments, and urban poor communities to engage in slum upgrading and to increase the supply of affordable housing for low-income groups.
72. Four countries have been selected for the 2005-2008 pilot phase, including in **Tanzania**, while pipeline and consultative activities continue in **Uganda**. In Tanzania, the Tanzanian Women's Land Access Trust has developed innovative financing strategies in the development of new low-income housing, with assistance from the local government. The Pilot Programme will test these methodologies that have been developed in close collaboration with the World Bank, the Cities Alliance, and the Private Infrastructure Development Group and domestic financial institutions.

III. Lessons learned and recommendations

Lessons learned

73. While considerable progress has been made in furthering the implementation of the POA and of the Habitat Agenda in LDCs, substantial obstacles remain in scaling up efforts at the national and local levels to address the complex issues of rapid urbanisation and urban poverty. This situation is compounded by the predominance of the largely sector-specific assistance provided by the international community to support the efforts of LDC Member States in attaining the internationally agreed development goals including the MDGs. The consequences include fragmented, uncoordinated and often contradictory policy making when it comes to cities and towns where an increasing proportion of the population targeted by the MDGs now live. Attaining the MDGs in urban areas will require a much more integrated and holistic approach which recognise the growing crisis of rapid and unplanned urbanisation and the primary role and responsibility of local authorities for planning and mobilizing investments in urban infrastructure and the delivery of basic services. Support for attaining the POA and sustaining the benefits accrued in rapidly urbanizing LDCs will depend to a large extent on strengthening effective partnerships between governments, their respective local authorities and the international community to work with local stakeholders in a coordinated manner.
74. The current situation is both dysfunctional and disempowering. Local authorities and civil society organisations, including the private sector, are seldom consulted in the

formulation of PRSPs, CCAs, UNDAFs and other development frameworks, and they are also often bypassed by sector-specific support and interventions resulting in un-coordinated responses.

Recommendations

75. In view of the above, the following recommendations are proposed for consideration:

LDC Governments are encouraged:

- a) To accord the highest priority to assessing and monitoring trends in slum formation, urban poverty and urban deprivation as a basis for informing and adopting pro-poor gender-sensitive urban policies and strategies to improve the living conditions of slum dwellers as per targets 10 and 11 of Millennium Development Goal 7, and are invited to collaborate with UN-HABITAT in the integrated monitoring, reporting and advocacy of these targets;
- b) To mainstream the urban agenda in preparing and implementing comprehensive national development strategies to achieve the POA and the MDGs as called for by paragraph 22 (a) of the 2005 World Summit Outcome and to ensure that the issues of urban poverty and the urban dimension of attaining internationally agreed development goals figure prominently as an integral part of these strategies and of CCAs, CSAs, PRSPs, and the overall scope of work of the UNDAF;
- c) To adopt integrated and multi-stakeholder approaches to financing pro-poor housing, water and sanitation and urban development, and to ensure the effective participation of local authorities, the private sector and civil society in implementing slum prevention and slum improvement initiatives as called for by paragraphs 56(m) and 174 of the 2005 World Summit Outcome;

All concerned parties and Member States are encouraged:

- d) To invite inter-governmental machinery, including ECOSOC and the General Assembly, within the framework of the ongoing reform process for system-wide coherence, to designate a single focal point for urban affairs within the UNCTs as a means of enhancing cohesive and coherent international support to the attainment of the POA and the MDGs in urban areas, and to ensure mutually reinforcing support and overall aid effectiveness;
- e) To invite countries in a position to do so to contribute generously to the capitalisation of UN-HABITAT's Water and Sanitation Trust Fund and Slum Upgrading Facility to accelerate the development of "bankable" projects in the slum upgrading, pro-poor water and sanitation, and to introduce financial instruments that leverage public expenditures with private domestic capital, including from banking and non-banking financial institutions, housing cooperatives, community-driven development funds for the urban poor, and municipal development funds;