

ANNUAL REPORT 2010



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A WORD FROM THE UNITED NATIONS SECRETARY GENERAL

Urbanization continues to move to the forefront of the development agenda. With 52 per cent of the global population living in cities and towns, the world is increasingly urban. By 2030, the world is forecast to be 60 per cent urban, with 93 per cent of global population growth expected to take place in urban areas in developing countries.



The Shanghai Expo 2010 was a major highlight of the year. Under the theme **"Better city, Better life"**, the Expo helped us reach millions of visitors, policy-makers and ordinary citizens alike, with two crucial messages about our urban future. First, we must be ready for urbanization, not afraid of it. Second, cities must be better prepared to meet the challenges of climate change, for nowhere are large concentrations of people more vulnerable to disasters than in cities.

This means that addressing urban problems offers an opportunity to tackle wider development concerns such as employment, safety, social exclusion, the provision of basic services, gender inequality, climate change and environmental protection.

Development agencies, banks, foundations, donors, the private sector and non-governmental organizations are showing themselves receptive to this significant shift. More than ever before, they are incorporating the urban agenda in their plans and strategies. And more and more cities are beginning to understand the very important urban dimension of climate change.

UN-HABITAT, the UN agency mandated to work with local authorities and municipalities, strengthened its advocacy, policy work and field operations in 2010.

It helped to rebuild thousands of homes and lives – in post-conflict settings such as Afghanistan, Iraq, Somalia and Sudan, in Pakistan and Myanmar after devastating floods, and in Haiti following that country's worst earthquake in living memory. As populations affected by conflict and disaster become increasingly urban, this work is likely to take on an even greater profile.

The theme of the UN pavilion at Shanghai, **"One Earth, One UN"**, showcased the many ways in which UN agencies are working together for a sustainable and equitable future for all. UN-HABITAT's efforts to build safer, more livable and inclusive cities, as detailed in this annual report, are a crucial part of that picture. I thank all partners for their support and look forward to working together for a sustainable urban future.

Ban Ki-moon
Secretary General



FOREWORD

Every city is like our planet Earth; a space to share. We move around, enjoy the built or the natural environment, and socialise – across borders or across the street, depending on time and opportunities. With half of humankind now living in cities, the street has turned into a powerful catalyst; the melting pot of individual, social and civic dignities that nurture human development in a variety of ways around the world.

The problem is that this most basic of shared spaces remains elusive to so many, in so many cities and towns around the world. Not just the space, but the multiple opportunities that come with it. Millions have seen their street razed to the ground by some natural or man-made disaster – floods, tsunamis, earthquakes, war or civil strife. Some hundreds of millions are denied the benefit of proper streets in cramped slum conditions. And too many others still must endure the street as their sole available abode, and ultimate indignity, being too poor to afford any sort of makeshift shelter.

For the more fortunate among us, streets are also the places where we unwillingly share the downsides of a questionable development model. We risk our safety when walking across poorly designed crossroads, or our security because too much inequality generates crime. We waste finite energy resources in the middle of the traffic, or precious time in public transport, because of bad planning. We inhale toxic fumes from motorized vehicles or uncollected waste. In our streets we pollute the atmosphere to the point of altering climate patterns



in a most dangerous way all around the world.

From the more deprived to the more fortunate, all these dimensions of early 21st century cities feature in UN-HABITAT's mandate; the promotion of sustainable urban development. We help reconstruct urban communities in challenging circumstances. We tackle slums at the root and reduce poverty.

We promote improved access to housing, water, sanitation, transportation and alternative energy sources. We update land-related systems in order to pave the way for social cohesion through better planning. We campaign for safer cities and promote relevant tools and methods. As countries become more prosperous, cities develop into ever-more complex or new configurations. At that stage we advise governments on the legal, regulatory and policy frameworks that will put them in a better position to pursue sustainable urban development. We strengthen their ability to make the most of the further opportunities which urbanisation has to offer to all.

UN-HABITAT is unique not just as the United Nations agency that is solely dedicated to matters urban. We are unique insofar as in our pursuit of sustainable urban development, we deal with the whole range of stakeholders. This includes not just central and local authorities, but also business, non-governmental organisations and even small grassroots youth groups. We recognise and promote the dynamic contributions which women and young people can make to urban life. We give them a voice in urban governance, as we do to all other stakeholders. We



support the reinvention of urban planning in the face of daunting threats to our cities' future, like social exclusion and climate change.

Ultimately, streets are what we want them to be. This is why we need better control over them, wherever we are. Challenging as local circumstances may be, we must restore, maintain or redeploy what has become the eminent locus of human development. This is the privileged mandate of UN-HABITAT.

This report presents UN-HABITAT's main achievements in 2010. They range across the whole continuum of operational and normative projects, from post-conflict and post-disaster recovery to urban planning and climate change adaptation. We deal with the many aspects of reconstruction: physical in Haiti, social in Afghanistan, and socio-economic in Iraq. We restore peace when we provide for refugees and displaced persons in Somalia. We preserve peace when we provide for proper land management in countries recovering from civil strife like South Sudan, the Democratic Republic of Congo and Liberia. We build better communities when we establish partnerships for poverty reduction in 30 towns and cities in Bangladesh. We pave the way for a more socially sustainable social future when we support promising slum-improvement projects launched by underprivileged young people around the world. We promote better informed urban planning when we establish urban observatories in all the major regions. We tackle slums at the root when we develop a new land administration model. And we provide safer futures for millions when we support adaptation to climate change from Ecuador to Mozambique to the Philippines.

We do all this, and prepare to do more, in the face of increasing financial constraints against an unfavourable global economic background. But then our objectives and our determination remain quite clear: we are determined to promote new urban planning; to support the improvement of local institutions, governance and urban legislation; and to promote the growth of urban economies and reform of municipal finance. Rapid urbanisation, including related problems such as climate change, is not just a daunting challenge. At UN-HABITAT, we also recognise it as an opportunity for a fresh start. A fresh start towards enabling legal frameworks and a 'green' economy. A fresh start for sustainable urban planning, building and transport. And a fresh start from the street towards a more sustainable urban future for all.



Dr. Joan Clos

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



INTRODUCTION

UN-HABITAT MOVING WITH THE TIMES

OUR STORY

The first effective UN-led shelter programme was the distribution of blankets to those huddling in the ruins trying to survive the bleakest of winters at the end of World War II.

Another 30 years would pass before urbanisation and its impacts began to flicker on the radar screen of a United Nations created when two-thirds of humanity was still rural.

The United Nations convened the first Conference on Human Settlements (HABITAT I) in Vancouver, Canada, in 1976, as governments began to recognise the consequences of rapid urbanisation, especially in the developing world.

Twenty years later, the second UN Conference on Human Settlements (HABITAT II) was convened in Istanbul, Turkey. Governments meeting at what came to be known as the City Summit, adopted the Habitat Agenda and the Istanbul Declaration, committing themselves to the goals of adequate shelter for all and sustainable human settlements development.

After a special Istanbul+5 review session of the UN General Assembly in 2001, the human settlements body known as the Centre for Human Settlements (Habitat) was elevated to the UN Human Settlements Programme (UN-HABITAT).

WHAT WE ARE

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.

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 caused by poorly planned urbanisation and which 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. UN-HABITAT supports governments and civil society in attaining the Millennium Development Goals on water and sanitation in urban areas and on improving the lives of slum dwellers.



WHAT WE DO

As part of the Secretariat of the United Nations, our work consists of two dimensions: field projects (operational work) and normative and policy work. UN-HABITAT's main products and services include:

- i. strategic field projects, including in post-war and post-disaster environments;
- ii. policy/advisory services and capacity building of national and local authorities and other partners;
- iii. strategic partnerships with public, private and non-governmental organizations;
- iv. research and publications to raise awareness and enhance knowledge of urban issues;
- v. advocacy of urban matters through the World Urban Forum, global campaigns, seminars and meetings;
- vi. pilot projects on innovative approaches; and
- vii. reporting to inter-governmental bodies, donors and other partners on progress towards the attainment of internationally agreed human settlements goals and targets.



The Nile riverfront, Cairo.
UN-HABITAT/Photo © Daniel Biau

OUR PRIORITIES

1 NEW URBAN PLANNING

Building on its current achievements, and as part of its sharpened focus, UN-HABITAT's work in coming years will be organized within the overall framework of sustainable urban development and will focus on three programmatic priorities

- i. new urban planning, including mobility and energy;
- ii. local institutions, governance and urban legislation; and
- iii urban economy and municipal finance.

New urban planning work will concentrate on promoting new approaches to urban planning and integrating a number of key substantive issues, including:

- Planning in advance of population increase;
- Planning at the scale of challenges;
- Planning in phases, starting with the street;
- Planning for increased urban density and mixed land-use;
- Urban networks with sustainable mobility;
- Sustainable energy in urban areas; and
- Equity, integration and improvement of urban living conditions

2 LOCAL INSTITUTIONS, GOVERNANCE AND LEGISLATION

Effective urban planning and development require effective institutions, good governance, and legislative frameworks that are responsive to current urban concerns. Accordingly, in the area of local institutions, governance and legislation, UN-HABITAT's work will focus on the following:

- Promoting more socially inclusive and sustainable cities, including improved access to land;
- Strengthening UN-HABITAT's knowledge base on urban legislation issues;
- Strengthening the governance capacity of local authorities; and
- Strengthening the capacity of cities to deliver basic services and infrastructure

3 URBAN ECONOMY AND FINANCE

Attention to urban economy and finance is important because the majority of the world's population now live in cities, and also because of recent global trends in fiscal decentralization, globalization and the increasing importance of cities as economic agents. UN-HABITAT's work in the area of urban economy and municipal finance will therefore focus on:

- Promoting the creation of decent jobs for urban dwellers;
- Improving knowledge on the dynamics of economic development of villages, towns and cities;
- Strengthening the capacity of cities to act as engines of economic development;
- Promoting the contribution of cities to assets and wealth building, and to value creation; and
- Promoting the reform of municipal finance systems in order to enhance the capacity of cities to fund basic services and infrastructure.
- The ultimate goal of all of this work will be to improve the living standards of urban populations around the world.



Man at work - Merduati Banda Aceh, Indonesia.
Photo © Shutterstock

CHAPTER 01

2010 - A YEAR OF CHANGE



“

Rapid changes in production technologies and in trade and consumption patterns will lead to changes in urban spatial structures that, notwithstanding their nature, need to be addressed.”

The Habitat Agenda

The year 2010 was a demanding one for UN-HABITAT as disasters around the world increased with tragic loss of life, homes and livelihoods in several countries, while economic belt tightening made matters still more difficult. This was especially the case in the world's poorer countries where UN-HABITAT conducts so much of its work.

Yet the impact of the agency's operations proved heartening and inspiring, as dedicated staff, some of whom risked their own lives or health in many conflict and disaster zones, worked tirelessly in our common quest for better cities and better lives.

Dr. Joan Clos of Spain took the helm as Executive Director at the level of Undersecretary-General of the United Nations from Mrs. Anna Tibaijuka of Tanzania, ushering in a new era for the agency at its global headquarters in Nairobi, Kenya.

There were two other crowning moments of the year for UN-HABITAT: The fifth session of World Urban Forum in Rio de Janeiro, which turned into the biggest gathering so far of the world's premier meeting on cities.

The other was the 'Better City, Better Life' Shanghai Expo 2010 which focused on the world's urban future, and where UN-HABITAT served as lead agency for the dazzling United Nations pavilion. Drawing over 3 million visitors, the UN's One Earth, One UN pavilion showcased the way in which many UN agencies working together as one cooperate around the globe.

UN-HABITAT'S WORK IN COMING YEARS

How better to support local authorities as they face the challenges of rapid urbanization. Our work during the year 2010 convinced us yet again that this is the core mission of UN-HABITAT.

In coming years UN-HABITAT will extend its focus to four main areas of urban planning, urban mobility, legislation for improved governance and institutions, and urban economies and finance.

URBAN PLANNING



If cities are to develop in any sustainable way, they must embrace fresh approaches to urban planning. Strategic planning enables all stakeholders to envision future scenarios and support local development, while at the same time responding to climate change and promoting energy efficiency. Strategic planning should pay particular attention to youth, women and the urban poor, who often represent significant segments of any given urban population.

In city-regions, decision makers must favour sustainable development patterns and encourage the 'greening' of local economies. When looking to weave economic competitiveness and ecology-friendly landscaping into strategic planning, decision makers should consider the following approaches:

mixed land use, land mosaic patterns; 'compact' city models and planned enlargement; forward-looking diversification of facilities; expanding and optimizing infrastructure networks; environment-friendly buildings; protection of ecosystems and biodiversity; and promotion of 'green' industries and jobs.

Building on these elements, responsive urban planners can evolve various ways of integrating land use and transport planning at the scale of a city or a neighbourhood.

As far as informal settlements are concerned, planned city enlargement can prevent their emergence, and enhanced density can help upgrade already existing slums as water, sanitation and electricity networks are extended.

Finally, urban planners must remember at all times that enhancing the role and character of the street as the prime locus of public intervention in various

A view of downtown, Amman, the Jordanian capital. **UN-HABITAT/Photo © Daniel Biau**





Linz, Austria. Photo © shutterstock

urban environments will have a double beneficial effect: opening up a range of options for integrated service provision, and highlighting public spaces as economic and social assets.

URBAN MOBILITY

Adequate urban mobility has a major role to play if conurbations around the world are to become more sustainable. In this respect, functional networks and effective services are a prerequisite not just for economic but also for major social dimensions, like access to housing and employment opportunities, as well as community participation. The challenge here is that the negative side-effects of public transport (congestion, air pollution and social exclusion) often combine to deprive the poor from the economic and social ben-



efits of urban mobility, resulting in unequal access to employment and housing opportunities.

For fresh approaches to mobility to contribute to sustainable urban development, they must support socio-economic development while providing comprehensive responses to the causes and effects of global warming. Reconciling the constraints of socio-economic progress with those of environmental preservation would open up fresh opportunities for much-needed capital investment in the 'green' economy.

In this major strategic area, UN-HABITAT policies promote several complementary approaches, including: urban planning models and community patterns that reduce the need for motorized travel; improved infrastructures for pedestrians and cyclists; expanded public transport systems; comprehensive mobility management; and more efficient technologies for vehicles and transit systems.



LEGISLATION FOR URBAN GOVERNANCE AND INSTITUTIONS



Sustainable urban development can only be carried out in enabling institutional background. The core element here is smooth, efficient decision making, starting from grassroots (local populations) and involving the whole chain of local and central government. In other words, efficient governance calls for effective institutions and adequate legislative frameworks that can facilitate three major functions: local service delivery, interface with the citizenry, and the setting and upholding of adequate standards such as planning rules or construction norms.

With a solid legal framework to back them up, institutions can perform, adapt and remain both stable and relevant over time, in the face of the constantly evolving, complex patterns of the urban space.

Being the foundations of sustainable urban development, responsive institutions and governance must be supported and secured through a set of effective tools. These include proper norms, regulations and other legal instruments setting out the objectives of urban development and the respective functional responsibilities for their achievement.

In this other major respect, UN-HABITAT's policies are of a threefold, complementary nature: assisting national and local/urban governments as they devise appropriate legislative frameworks, supporting participatory governance, and helping municipal authorities as they strengthen and develop effective structures, procedures and systems.

In order better to fulfill this mission, UN-HABITAT is strengthening its legal expertise in the face of the new needs and requirements of Member States and local authorities. Such expertise must extend to a broad range of urban areas, including urban development, human settlements, slum prevention and upgrading, post-conflict and post-disaster situa-

tions, planning, urban institutions and governance. This new policy comes in recognition of a basic practical fact, namely, that legislation and the practice of law have a critical role to play if sustainable urban development is to become a reality, and the goals of the Habitat Agenda are to be achieved.

URBAN ECONOMIES AND FINANCE



With decentralized taxation and budget powers, devolution is putting local authorities in charge of a wider range of services (health, education, etc.) and infrastructure. At the same time, globalization means that cities are now competing between themselves for foreign investment, major events and cultural prestige on the international stage.



Cities look to attract more businesses and skilled workers with a combination of adequate infrastructure, healthy living conditions and relatively low taxes. Municipal authorities must secure the resources they need to build these assets, and adequate urban finance is of the essence.

Cities are critical to the success of the new emerging economy everywhere in the world.

This is why an understanding of the dynamics of economic development is so crucial to sustainable urbanization and must take in not just urban centres but villages, too.

Housing finance has a significant role to play. Economic and financial reform must put cities around

the world in a better position to act as the engines of national socioeconomic development. Legal frameworks and government policies must enhance cities' assets, value creation and capital accumulation.

This is why UN-HABITAT policies look to improve finance systems and to develop innovative pro-poor mechanisms and tools. The objective is to secure the sustainable financing of affordable housing, urban services and infrastructure development. All are badly needed if sustainable urban development is to become a reality for all in every country in the world.

Onitsha, Nigeria. Photo © UN-HABITAT/Alessandro Scotti



CHAPTER 02

AN OVERVIEW OF OUR WORK IN A RAPIDLY URBANISING WORLD





Supporting programmes that increase the effectiveness and transparent utilization of public and private resources, reduce wasteful and untargeted expenditure and increase access to housing and services for all people, particularly those living in poverty”

The Habitat Agenda

Although urbanisation is growing in Asia and Africa, it has stabilised in Latin America, where 75 per cent of people live in urban areas. The rate in Arab States is moderate.

Even where the process stabilised, however, the task confronting UN-HABITAT and policymakers was the same in the difficult year 2010: Whether in developing, emerging or transition countries, it was the provision of sustainable housing, infrastructure and services for all, better planning and mitigating the risks associated with climate change.

From post-crisis urban centre to fully-fledged metropolis, UN-HABITAT supported smart, sustainable urban development in 2010 across a wide range of regional and national conditions.

With its megacities, Latin America today is more urbanised than Europe but must contend with a deeply pronounced urban divide between rich and poor.

In East Asia, the pace of urbanisation remains very brisk but is reasonably well managed. This is also the case in Southeast Asia where urbanisation is somewhat slower. The exception is South Asia, where slum proliferation and urban poverty remain problem.

In Arab States, urbanisation is better managed in middle-income countries with high urban densities. In North Africa, urban development is often stymied by a lack of economic opportunities, even for those better educated.

Eastern Europe and Central Asia are characterised by high degrees of centralisation. While market forces and global competition enhance the primacy of capitals, towns far from the main centres are declining. The emergence of informal settlements in the Caucasus and Central Asia is a result of this urban divide.



Capacity building in Bagh, Pakistan. Photo © UN-HABITAT

INFLUENCING POLICIES, BUILDING CAPACITY

It is against this background that UN-HABITAT continued during the year to pursue its mandate of promoting sustainable urban development. It does this by supporting the development of sound national urban policies, local urban policies, and capacity building at country level.

This is because effective national government structures and the extent to which they support the administrative and financial autonomy of urban authorities is key for sustainable urban development.

UN-HABITAT maintained its support for national decision-making through global programmes and technical cooperation projects. And in 2010, the agency was working in no fewer than 70 countries, many recovering from conflict or natural disasters.

Indeed today, some 40 to 60 per cent of UN-HABITAT's operational portfolio involves reconstruction after natural disasters (e.g., Haiti, Pakistan), or recovery after conflict (e.g., Afghanistan, Somalia,

Iraq, Kosovo). These projects are funded through international donor cooperation.

The agency covers the whole spectrum of urban matters, needs and requirements. These involve reconstruction, environmental conservation, and adaptation to, or mitigation of, the effects of climate disruption. In any given country, projects involve cooperation with the central government, local authorities, business, and civil society including non-governmental and community organisations.

In the least developed countries, the typical focus remained during the year on the reduction of urban poverty, including slum upgrading, access to land and housing, basic services and city management. Projects are also funded through international donor cooperation.

In middle-income countries and 'emerging' economies, countries such as East Asia, the Arab States, Latin America and Eastern Europe, UN-HABITAT in 2010 continued to support programmes with funding from the countries themselves, typically focusing on sustainable urban development.





AFRICA AND THE ARAB STATES

The world's highest urban growth rates

In 2009, Africa's total population for the first time exceeded one billion, of which 395 million (or almost 40 per cent) lived in urban areas. Africa should prepare for a total population increase of about 60 per cent between 2010 and 2050, with the urban population rising threefold to 1.23 billion during this period. African cities retain the strongest demographic growth in the world (3.3 per cent per year on average, compared with a global 2.5 per cent) against a background of steep imbalances in socio-economic and urban development.

In Africa, urban populations are growing twice as fast in poorer than in comparatively richer sub-regions (i.e., North and Southern Africa). South of the Sahara, the urban population is expected to increase from 323.5 million (or 37.3 per cent) in 2010 to 530.3 million (48.2 per cent) in 2030 and to over 1 billion (60.4 per cent) by 2050.

The Arab States, with urbanisation rates ranging from medium to extreme, share the same highly centralised structures and a lack of local capacities which hinder urban development. In Arab cities the supply of water is a more pressing problem than in African cities. Yet the oil-producing Arab States enjoy an abundance of financial resources.

AN IMPORTANT IRAQ PORTFOLIO

During 2010, UN-HABITAT continued to provide policy advice to the Government of Iraq in many of its key reform areas: urban governance and planning, delivery of urban services (water, sanitation and solid waste management), land management and housing delivery, upgrading informal housing and efforts to accommodate internally displaced people. Delivered by a dedicated and specialist team of consultants and staff members, the UN-HABITAT Iraq Office combines its policy work with implementation of demonstration projects funded largely by the Iraq Trust Fund. The current portfolio of 14 projects is valued in the region of USD 25 million. Governance and institutional strengthening is a key element of the work with central government ministries and newly established local government entities. Many projects are implemented jointly with UN and multilateral and other organizations, and cover the period 2006 to 2014.

The year saw the completion of five programmes with various partners at the local, government and international level. These were (i) introduction of participatory local area development planning for five Governorates and delivery of fast track rehabilitation projects; (ii) various consultations and workshops as part of the second phase of a technical assistance and capacity building in the housing sector. The programme resulting in a new housing information system, with a new legal framework for the housing sector and a knowledge and training centre. In November 2010, the Government formally approved the National Housing Policy and is actively pursuing public-private partnerships in the sector; (iii) The Basra Governance and Support Project to improve the quality of provincial level planning and consultation on public services in the southern Iraqi city; (iv) the development of a nationwide Technical and Vocational Training system; and (v) efforts to strengthen the municipal solid waste management system through a new legal framework, focused learning on waste collection and the role of the private sector as well as targeted improvements in facilities and services for Basra City. Work continues on a demonstration urban upgrading project in the northern city of Erbil, exposure visits and support to the Iraq Local Government Association and with urban planners on building a professional cadre in Iraq. Details of all these projects with the names of donors and partners are carried in full in the agency's Country Activities Report 2011 available online and in print.



In the Gulf Cooperation States, urbanisation rates range from 80 per cent (or double Africa's average) to just under 100 per cent.

URBAN PLANNING AND CAPACITY BUILDING ARE PARAMOUNT

UN-HABITAT's work in 2010 in sub-Saharan Africa and the less developed Arab States, mainly involved helping public authorities improve urban planning and related capacity-building. Housing, water, sanitation and slum reduction projects are ongoing in the poorer countries in both sub-regions. In the less developed Arab States, most programmes focused on planning and capacity-building.

Thanks to the Government of Kuwait, UN-HABITAT benefited in the Arab States, from substantial support under a five-year USD 3.9 million agreement (ending 2012), in a partnership with the UN Economic and Social Commission for Western Asia, the Arab Towns Organization and the Arab Urban Development Institute.

The arrangement has resulted in a regional cooperation programme with the Arab Gulf Countries Council. Technical assistance was provided for housing and urban development projects in Iraq, Syria, Tunisia, Kuwait and Jordan. Training programmes in geographic information systems were held in Jordan and Lebanon.

The arrangement has also resulted in a four-year cooperation programme with the Kuwaiti Ministry of Municipalities. Kuwait also supported ongoing work on the first-ever State of Arab Cities report, to be published in 2012.



A SAMPLING OF KEY PROJECTS

PEACE BUILDING

Conflicts over land can be a major cause of civil strife or even war. With its unique expertise in land issues, UN-HABITAT is in a privileged position to help prevent tensions before they boil over.

In 2010, one of the agency's strategic African projects, a USD 15 million programme, covering the years 2009 to 2014 – focused on returnee land rights in the troubled east of the Democratic Republic of Congo. Thanks to support from the Canadian International Development Agency, the US Agency for International Development, the UN High Commissioner for Refugees and the Peace Building Fund, UN-HABITAT is stabilising the eastern region as it helps the government address and resolve a variety of land and property disputes which stand in the way of the return, reintegration and recovery of displaced persons or refugees.

In Sudan, the North-South war has displaced some four million people and turned another half-million into refugees. Faced with the threat of renewed conflict over land rights, the United Nations Humanitarian Coordinator and the Government of Canada asked UN-HABITAT to strengthen the capacity of relevant institutions to manage land disputes effectively. On top of dedicated institutional mechanisms and an awareness campaign, the USD 2 million, one-year project funded by START Canada includes advanced training in land mediation skills.

Two other projects in **Liberia** further exemplify the peace-building implications of UN-HABITAT's specific mandate. One helped establish the country's Land Commission. Another helps strengthen urban service delivery, thanks to the support of the Swedish International Development Agency and the UN Development Programme.

Lebanon, 2007. Photo©UN-HABITAT



POST-CRISIS RECOVERY

In the **Occupied Palestine Territory**, UN-HABITAT was engaged in three large projects. In Gaza, 100 housing units were under reconstruction for non-refugees under a 1 ½ year, USD 7.7 million project financed by the Campaign of the Custodian of the Two Holy Mosques for the Relief of the Palestinian People in Gaza. A 4 ½ year, USD 6.3 million project supported by the Saudi Committee for the Palestinian People Relief provides 100 housing units for the widowed and underprivileged women of Hebron and helps them establish their own micro-businesses. The Saudi Committee is also supporting a USD 1.5 million, 2 ½ year project for a vocational and technical training centre for underprivileged women in the West Bank.

In Somalia, the agency is running four programmes. The largest is a 4 ½ year, USD 37.1 million programme ending in 2012, generously supported by the European Commission, Swedish International Development Agency, the Department for International Development of the United Kingdom, the Government of Italy and the UN Development Programme. This comprehensive UN joint programme on local governance and decentralised service delivery includes a new land policy, complete with land dispute mitigation, new planning and building standards, the development of a municipal finance policy, improved revenue collection, and solid waste collection. Two other major projects were completed in 2010. One applied a joint UN strategy to help provide shelter and services for some 22,000 refugees and internally displaced people in Bossaso, northern Somalia. There were other such support programmes made possible

thanks to the support of the Government of Italy and other partners.

URBAN POVERTY REDUCTION

Some highlights of the year were exemplified by these examples of UN-HABITAT's work in some of the poorest African countries.

In Burkina Faso, UN-HABITAT in 2010 completed a USD 500,000, 3 ½ year project with support from Cities Alliance, the UN development Programme, the World Bank, Agence française de développement and the Municipal Development Partnership as part of the Cities without Slums action plan. The rationale was the development of a participatory strategy to improve infrastructure and services for the poor.

In Chad, a major USD 22.3 million, three-year project with support from the UN Development Programme focused on urban development and housing improvement.

In Egypt, an ongoing, USD 7.4 million, government-funded project provides strategic urban plans for small cities to improve shelter, access to basic services and local economic development.

In Mozambique, thanks to Spain and other donors, UN-HABITAT was running six urban development programmes in 2010.

In Sudan, three projects for a combined USD 16.2 million were completed in 2010, and Tanzania, a five-year plan to upgrade informal settlements was completed in Dar es Salaam, while in Zimbabwe, the UN-HABITAT office was strengthened thanks to a USD 400,000 two-year project funded by Swedish International Development Agency.

UN-HABITAT, AFRICAN MINISTERS SUPPORT A NEW LAND POLICY INITIATIVE FOR AFRICA

Meeting in Bamako, Mali for three days, the Third African Ministerial Conference on Housing and Urban Development (AMCHUD) in November 2010 presented a new plan of action to tackle growing urban poverty on the continent. "It gives me great pleasure to congratulate you on the Bamako Declaration and Plan of Action," UN-HABITAT's Executive Director Joan Clos said after governments adopted the new plan, marking a successful outcome to his first official African ministerial meeting. "What we have achieved this week must take us into a new era when we can say we have brought the percentage of people living in slums below the 60 percent level of Africa's urban populations," he said.

Dr. Clos congratulated governments for looking into land policies, at new land ideas, at better land governance - "in short, at one of the most important areas where we can bring visible improvement for all in this rapidly urbanising continent." Representatives of some 29 African countries unanimously adopted the new Bamako Declaration and the Plan of Action. The closing plenary was also addressed by President Amadou Toumani Touré of Mali who also expressed his satisfaction at the outcome of the meeting focussed on better land management and governance in rapidly urbanising African towns and cities.

The main outcome of the meeting was the adoption of the Land Policy Initiative for Africa: A Framework to Strengthen Land Rights, Enhance Productivity and Secure Livelihoods. The outcome of a joint initiative by the African Union, the African Development Bank and the UN Economic Commission for Africa, the two-year action plan shows that the need to address land issues through comprehensive policies has gained additional impetus in Africa. The framework encourages governments to develop more appropriate national forms of land administration which fit with an African environment that includes a mixture of formal, informal and customary land allocation and use rights. The framework was initially endorsed by African Heads of State in July 2009 in Libya.



THE STATE OF AFRICAN CITIES 2010: GOVERNANCE, INEQUALITIES AND URBAN LAND MARKETS

This UN-HABITAT African report warns that the continent's urban population stands to increase threefold over the next 40 years with most of that growth is to take place in slums. Africa is urbanizing faster than any other continent. For the first time, in 2009, Africa's total population exceeded one billion, of which some 40 per cent lived in urban areas. This urban population will grow to one billion in 2040, and to 1.23 billion in 2050, by which time 60 per cent of all Africans will be living in cities, according to the second edition of the biennial report. To meet this daunting demographic challenge, the report calls for "a people-centred perspective" to substitute for the trend that has prevailed so far -- whereby "urbanisation and cities are often considered more in terms of their physical attributes than as living environments for their residents." A people-centred perspective "highlights the need for more appropriate, realistic planning and regulations that are affordable to the urban poor and facilitate, rather than restrict, sustainable livelihoods."

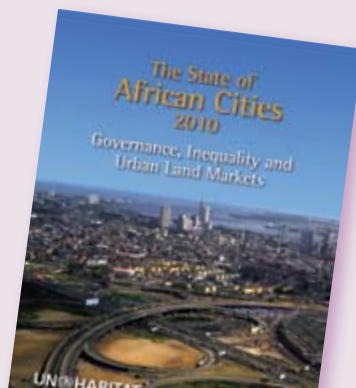
The report says that over the past decade or so, North Africa has achieved

dramatic reductions in the proportions of urban dwellers living in slums. However, in sub-Saharan Africa any slum improvements have been unable to keep pace with the rapid urbanization of the population, and the report warns that short of urgent action, a threefold increase in urban populations could spell disaster. The report notes that most countries in sub-Saharan Africa are unlikely to meet the Millennium Development Goals.

As much as 70 per cent of all Africa's urban population growth will take place in smaller cities and those with populations of less than half a million, which will increasingly need public

investment to cater for this growth. Climate change can also spell disaster: more than 25 percent of Africa's population lives within 100 km from the coast and is at risk from sea level rise and coastal flooding in coming decades. Other parts of Africa recently suffered prolonged droughts and subsequent hunger, with drought refugees adding to the urban populations at risk. The report further notes that whereas many African central governments are beginning to address the effects of climate change, local and urban authorities are severely lagging.

The report carries an in-depth analysis of land mechanisms in Africa's five major sub-regions and suggests a mainstreaming of informal into formal systems and markets. The UN-HABITAT report reviews new urban configurations, with the opportunities (development, regional integration) and the challenges that come with them. This report is available online and in print.





LATIN AMERICA AND THE CARIBBEAN

A region mostly urbanised

In Latin America, around 75 per cent of the population now live in towns and cities. In contrast, Caribbean countries remain largely rural with rather scattered urban centres. The main challenge in Latin America is that economic development, infrastructure and services have not matched the high rate of urbanization.

Some areas thus still experience emigration, inequality and insecurity.

The protection of the natural environment and climate change readiness is a new challenge for authorities and city mayors. Community training and institutional capacity-building are critical for effective protection schemes, especially in the Caribbean, notorious for cyclones, and earthquakes.

UN-HABITAT's study of the region's cities will be published in the State of Latin American and Caribbean Cities.

Latin America's metropolitan areas and mega cities see extreme wealth sitting side by side with extreme

poverty. The potential for social problems is exacerbated by a poor economic climate.

Decentralisation has occurred faster in Latin America than in any other developing region. The sense of community nurtured in innumerable favelas (slums) and the spirit of self-help, places Latin America at the forefront of participatory governance in the world.

Major strides have been made on smart urban public transport, though more creative solutions are needed to manage traffic congestion. Participatory governance and community development are also helping reduce and prevent urban crime and violence. UN-HABITAT's Safer Cities campaign is playing a role in this area.

A SAMPLING OF KEY PROJECTS

SUPPORTING URBAN MANAGEMENT

In 2010 UN-HABITAT supported dialogue on decentralisation with projects focusing on urban management and related capacity-building, including safety, gender and youth.

There were three projects of note in Costa Rica in 2010. These were:

- i. a USD 700,000 scheme to strengthen municipal planning for local human development through participatory and inclusive planning. Supported by the European Commission, it involves the National Institute for Women, and 40 municipal authorities, and non-government organisations.
- ii. The successful development of a 22-month, USD 500,000 project to develop neighbourhood improvement and slum eradication policies across the country. UN-HABITAT is grateful to the support here of the Cities Alliance, the government, GTZ, the German cooperation agency, the Housing Mortgage Bank and the Costa Rican Cham-



ber of Construction, among others. Policy development, capacity building and 14 pilot initiatives were launched and replicated.

- iii. A three-year (to June 2012) USD 600,000 project to improve safety in nine of the most insecure districts in the country. The project is supported by Spain through the Millennium Development Goals Fund, in partnership with other UN agencies and the government, local authorities and non-governmental organisations.

In Brazil, UN-HABITAT had two ongoing projects in 2010. They are a USD 200,000 programme for community development and youth entrepreneurship in Vila Brasilândia (São Paulo), and the USD 150,000 launch of an inter-agency programme to promote gender, racial and ethnic equality.

On a regional scale and in partnership with the Spanish Ministry of Housing, UN-HABITAT in 2010 strengthened its support to the Ibero-American

and Caribbean Forum on Best Practices with non-governmental organisations to promote the Habitat Agenda.

*The names of all donors and partners are carried in full in the agency's Country Activities Report 2011 available online at www.unhabitat.org and in print

A FOCUS ON DISASTERS AND GOVERNANCE

The year started grimly on 12 January when a catastrophic earthquake of magnitude 7 struck Haiti, one of the poorest countries in the Caribbean, reducing much of its capital to rubble. It was the worst earthquake in the region in more than 200 years. The Inter-American Development Bank estimated that the total cost of the disaster was between USD 8 billion to USD 14 billion, based on a death toll from 200,000 to 250,000.

The UN-HABITAT team inspects what was once a street, Port-au-Prince, Haiti. **Photo ©UN-HABITAT / A. Grimard**



That figure was later revised upwards by Haiti's government to 316,000. More than a million displaced people still live under tents and tarpaulins. International donors promised Haiti USD 5.3 billion at a March 2010 donor's conference, and later in the year the country's troubles were exacerbated by a cholera outbreak. From the outset, UN-HABITAT stepped into the breach.

The year was further blighted by a devastating earthquake in Chile where UN-HABITAT helped set-up a regional resource centre for weather and seismic-related natural disasters. The centre helps municipal and government capacity-building and community training in participatory disaster prevention.

To improve governance, national dialogues on decentralization were held in El Salvador, Colombia, Guatemala, Mexico and Ecuador.

The topic came under discussion at a broader level at the World Urban Forum in Rio de Janeiro. Spain's

Deputy Prime Minister attended the first-ever meeting of government ministers in charge of local government and decentralization. They agreed to set up a new inter-governmental working group under the Ibero-American Summit of Heads of State and Government. At their annual meeting in early September in Buenos Aires, Argentina, Latin American Ministers for Housing and Urban Affairs (MINURVI) agreed to give priority to disaster risk management in the face of climate change, which was chosen as one of the topics of their next meeting.

Meanwhile, UN-HABITAT, the Fluminense Federal University in Rio de Janeiro and Petrobras set up a scheme to monitor the social impact of a large petrochemical facility and assess it against the Millennium Development Goals. At the company's request, the monitoring will be replicated in another four industrial sites covering a total of over 35 municipalities.

ECUADOR TAKES THE LEAD ON CLIMATE CHANGE

The city of Esmeraldas, Ecuador (population: 200,000), which has exceptional biodiversity, has been pioneering UN-HABITAT's Cities and Climate Change Initiative in Latin America. The Initiative promotes enhanced climate change mitigation and adaptation in developing-country cities using innovative pro-poor approaches. The programme puts city

managers and practitioners in a better position to cope with climate disruption by building their capacity to assess the risks and opportunities associated with climate change. It covers areas relating to settlements, health, water resources, infrastructure and energy, among others and uses distinct climate change scenarios. Through workshops, it helps identify partner-

ships, adaptation strategies, vulnerabilities, planning and management of potential scenarios. Key recommendations from the exercise included the establishment of three national-scale systems: an information system, adaptation fund, and 'Urban Climate Change Adaptation Blueprint'.





Discussing gender matters at the World Urban Forum. Photo © UN-HABITAT/Julius Mwelu

ADVOCACY

In Brazil, as part of an Inter-agency Programme for the Promotion of Gender, Race and Ethnicity, a Millennium Development Goals initiative funded by the Government of Spain, UN-HABITAT helped facilitate the development of a communication strategy resulting in a new web portal, <http://www.generora-caetnia.org.br>.

The programme seeks to reduce inequalities related to gender and race, taking into account the diverse features of Brazil's vast territory. Programme partners are UN-Women, UNICEF, UNFPA, UN-HABITAT, UNDP, ILO and Brazilian government departments such as the Secretariat of Policies for Women and the Secretariat for Policies to Promote Racial Equality.

In Costa Rica, UN-HABITAT completed a pilot programme on 'gender in municipal management'. Five dialogues on municipal management and gender budgeting were held in the cities of Heredia, Talamanca, Flores and Puriscal.

In Kingston, Jamaica in 2010, UN-HABITAT and the UN Development Programme helped strengthen community safety through local government capacity-building. This included women's safety training for local government community workers now conducting safety audits with local women in partnership with the Huairou Commission and the University of Technology, Jamaica. This programme will be replicated elsewhere in the country.



ASIA AND THE PACIFIC

A dynamic region with 16 of the world's 20 largest cities

In 2010, 39 new projects worth a combined USD 150 million were started, and 47 worth a combined USD 106 million were completed in the Asia-Pacific. The bulk of the operational portfolio is made up of emergency projects in response to natural disasters and political conflicts.

Cities in the region continued to pose UN-HABITAT a variety of challenges, ranging from post-crisis recovery, to the world's largest slum populations, and the complexities associated with new urban configurations in middle-income countries.

Urban demographic expansion was the fastest in the world between 1990 and 2009 and as a result, nearly half the world's urban population now lives in the region.

Again during the year 2010, many countries in Asia made significant progress in poverty reduction, but the urbanisation rate remained so brisk that the region is also home to half the world's slum population.

From Shanghai to Bombay to Manila to Sydney, cities have become the major drivers of national economies in the Asia-Pacific as in other regions. However, fast-expanding cities in newly industrialized and rapidly developing countries are facing serious environmental, poverty and planning challenges.

Many mega urban regions and urban corridors located in coastal areas are under serious threat from rising sea levels. These pose a vital challenge to some Pacific Island States, for which adaptation to climate change may not be enough. Their resources are inadequate, and in some cases the only option will be forced relocation of entire populations thousands of miles from home.

The number of large natural disasters has increased considerably in Asia over the past 10 years. And again in 2010, for UN-HABITAT, this brought a new dimension to shelter, settlement and urban management interventions, especially in South and South-east Asia (Indonesia, Myanmar and Pakistan). Conflict in Afghanistan and post-crisis situations, such as in Sri Lanka, also mobilise the agency's resources in the region.

At the same time, decentralisation has highlighted the need for improved local governance in fast-expanding secondary urban centres where infrastructure and services are deficient.

In 2010, UN-HABITAT implemented the same community-based People's Process across all post-crisis or urban improvement programmes. This included ongoing slum upgrading projects in Mongolia, Bangladesh, Indonesia, the Philippines, Vietnam and the Pacific Island States.

Typical of UN-HABITAT's evolving agenda in the region are projects in support of legislative reform and national programmes, as in the Philippines and Sri Lanka. More affluent countries now want even more specialised technical cooperation from UN-HABITAT as they face fresh, complex urban challenges. This typically comes at a critical juncture where these countries are no longer eligible for donor grants.

In 15 such countries, the agency built capacity and networked with partners, undertaking climate change-related vulnerability assessments, for instance.



A SAMPLING OF KEY PROJECTS

UN-HABITAT'S BIGGEST OPERATION

The single largest country portfolio remains Afghanistan with a total budget of USD 68 million in 2010. Twenty years of conflict have weakened governance in the country and UN-HABITAT projects focus on community empowerment and development.

The government, with UN-HABITAT support, has launched a National Solidarity Programme to strengthen the network of 30,000 self-governing community institutions. The agency defined the core community-based governance model, designed an

operational manual and launched the programme in 2003. From 2007 onward, UN-HABITAT and 28 Afghan and international non-governmental associations helped set up Community Development Councils to conduct civic affairs, such as election supervision, as well as the planning and execution of local projects. These include public amenities, literacy courses and business skill training.

The single largest ongoing project (USD 40 million, five years to 2013) involves the second phase of a National Literacy Programme, with support from the United States Agency for International Development (USAID). So far, some 6,600 gendered literacy centres have been established in 20 provinces and of the 153,000 beneficiaries two-thirds are female;

Untold destruction: Rebuilding homes and lives in the aftermath of Pakistan's devastating floods is going to take years.
Photo © UN-HABITAT/G. Siddiqui





Untold destruction: Rebuilding homes and lives in the aftermath of Pakistan's devastating floods is going to take years.
Photo © UN-HABITAT/G. Siddiqui

on top of this, over 9,500 self-saving community schemes were established in rural and urban areas.

Of eight other ongoing projects, the single largest (USD 31 million, one year to March 2011) contributes to peace-building through consolidation of community solidarity as part of the National Solidarity Programme. Another project (USD 8.1 million, two years to end 2011), supports a new phase in the reintegration of thousands of returnees and displaced persons in Kabul and Jalalabad.

Too numerous to cite on these pages, UN-HABITAT projects in Afghanistan are supported by the Government of Japan, the Canadian International Development Agency (CIDA), the UK Department for International Development (DfID), the European Commission, UNICEF, the United States Agency for International Development (USAID) and the World Bank, and others.



For further details of UN-HABITAT's country programmes, see the latest 2011 Country Activities Report at www.unhabitat.org/publications

PAKISTAN

Another major operational area in 2010, UN-HABITAT is providing shelter and secure tenure for conflict refugees in the Swat valley and Baluchistan, similar support in all provinces affected by devastating floods in what became Pakistan's largest natural disaster in recent memory, as well as those areas recovering from a major earthquake.

Indeed, the major project that saw completion over the course of 2010 (3 ½ years to July 2010, USD 14 million, with support from SIDA and DfID), provided technical and training support to the country's Earthquake Reconstruction and Rehabilitation Authority. ERRRA's rural housing reconstruction programme, supported by UN-HABITAT, has been regarded as a major success due to the owner-driven approach and technical guidance provided. Over 430,000 houses have been reconstructed within four years.

UN-HABITAT is an active member of the UN 'Delivering as One in Pakistan'. The agency works on joint



sub-programmes on the environment, urbanization, water, sanitation and gender. During 2010 UN-HABITAT undertook three joint projects of a total value of USD1.2 million, a figure expected to double in 2011.

SRI LANKA

In 2010, UN-HABITAT completed the last projects for survivors of a 2004 tsunami which the country. The largest project completed in 2010 (4 years to June 2010, USD 2.8 million with support from IFRC) helped post-tsunami communities rebuild their settlements, including 6,431 new homes, and strengthen community rehabilitation. The reconstruction of a fish market destroyed by the tsunami in Galle was completed with support from the German chemical giant BASF.

Other projects completed in 2010 are supported by Cities Alliance and the UN Development Programme. These donors together supported a two-year project (USD 0.5 million to December 2010) in four towns experiencing steady demographic expansion amid poor infrastructure and services; the project institutionalized participatory governance and developed action plans for settlements upgrading in order to mobilise funding for the upgrading process.

UN-HABITAT is now providing support to Tamil communities to rebuild their homes after years of civil strife. The two ongoing projects include a 16-month, AusAID-supported, USD 9.3 million programme to provide shelter to people who had been displaced by the recent conflict in the North of the country. The support involves repair, reconstruction, water and sanitation, environmental protection, land documentation and women's skills development. A USD 1.6 million, 3-year project (to March 2011) with the Salvation Army supports post-tsunami reconstruction and recovery in the Jaffna district.

MYANMAR

The country is where UN-HABITAT pioneered the 'people's process' in the 1990s. Over 1.7 million people benefited from community infrastructure and access to safe water. The agency also designed the Human Development Initiative for the UN Development Programme. Today, UN-HABITAT conducts settlement support programmes (shelter provision, water, sanitation and community infrastructure) in the disaster zones hit by cyclones Nargis and Giri, and has expanded support to disaster risk reduction and pro-poor urban development nationwide. UN-HABITAT is also assisting three relevant government departments.

Elsewhere in Asia, UN-HABITAT was engaged in training for improved solid waste management in Indonesia, and helping cities in the Philippines. Projects completed in 2010 included a post-tsunami sanitation assessment and action plan in Aceh, Indonesia; a post-earthquake recovery project in West Sumatra, Indonesia; emergency shelter provision after typhoon Ketsana in Laos; and earthquake-resistant reconstruction of a school in Sichuan Province, China.

URBAN POVERTY REDUCTION

PACIFIC ISLAND STATES

As part of ongoing cooperation with the European Commission, UN-HABITAT is now involved in projects with the African, Caribbean and Pacific (ACP) countries that benefit from development aid from the European Union. Under an 18-month (to March 2011), USD 120,000 participatory slum upgrading programme supported by the Commission and the ACP Secretariat, UN-HABITAT builds the capacities of central and local authorities as well as major stakeholders in Pacific Island States. Urban sector profiling helps these countries reduce slums in pursuit of the



Millennium Development Goals. The programme also involves pilot projects and, where needed, assistance to policy development and implementation of institutional, legislative, financial and normative frameworks. The initiative has already raised interest in other island-States of Tuvalu, Vanuatu, the Federated States of Micronesia, Palau and the Republic of the Marshall Islands.

BANGLADESH

UN-HABITAT's single largest ongoing project (USD 50.4 million, five years to March 2015) for poverty reduction through urban partnerships is supported by DfID and the UN Development Programme. In 2010 the scope was increased from 16 to 23 urban centres. Building on a previous (2000-2007) scheme in a country where slums and (extreme) poverty are significant, the project aims at improving the livelihoods and living conditions of three million people. By the end of 2010, the tally was already over 2.1 million, with basic infrastructure (water, sanitation, footpaths) to be provided as well.

VIETNAM

With 25 per cent of its housing stock classified 'substandard' or 'temporary', the fast-urbanising country needed a fresh housing policy. A strategic two-year, USD 400,000 project, with support from One UN and in partnership with major institutions including the Asian Coalition on Human Rights and the Association of Cities in Vietnam, the government has assessed housing needs, and a national housing strategy and recommendations have been developed, including for low-income residents. Two other projects completed in 2010 involved the establishment of local urban observatories, complete with gender-based indicators, and a development strategy for Quang Nam, the country's most disaster-prone province.

MONGOLIA

The country's capital Ulaanbaatar is facing strong inflows of rural migrants forcing public authorities to shift from central planning to demand-driven development. In December 2010, UN-HABITAT completed a USD 500,000 programme launched in 2006 with support from Cities Alliance. It included training as well as development of guidelines and an information system. The programme is complemented by an ongoing, two-year (to December 2011) USD 5.8 million project supported by the Government of Japan for community-based upgrading in the same area. The programme involves empowerment, needs assessment, and provision of basic infrastructure and services.

THE CLIMATE CHANGE INITIATIVE

As of late 2010, UN-HABITAT's Cities and Climate Change Initiative (CCCI) had rallied 20 urban centres in Cambodia, Fiji, Indonesia, Mongolia, Nepal, Papua New Guinea, the Philippines, Samoa, Sri Lanka, Vanuatu and Vietnam. The project (2008-2015) has so far attracted USD 800,000 in contributions, thanks to the generosity of the Government of Norway, SIDA, Cities Alliance, the UN Environment Programme, the UN International Strategy for Disaster Reduction (UN-ISDR), CityNet, the Commonwealth Local Government Forum, the UN Economic and Social Commission for Asia and the Pacific (UNESCAP), GTZ, the Rockefeller Foundation, UCLG-A/P, some academic institutions and others.

Vulnerability assessments and action plans are under way in all participating countries. Representatives from 14 Asia-Pacific countries attended a training of trainers' workshop in 2010. The Initiative has come under focus at several dedicated events. A regional workshop for universities and a seminar for students resulted in the development of basic lecture material which will feed into a planned Cities and Climate Change Academy. Partners have agreed on a



CCCI-Asia Pacific strategy to up-scale support to 30 cities by 2015. In a related development, a Making Cities Resilient campaign was launched in Thailand, Myanmar and Fiji on 13 October the International Day for Disaster Reduction.

SOME REGIONAL HIGHLIGHTS

The year 2010 marked the first full year of operation for the Disaster Mitigation Office which UN-HABITAT had opened the previous year in the Iranian capital, Tehran. The focus is on capacity-building in the area of earthquake-resistant housing.

In partnership with UNIFEM (now UN-Women) and Jagori a local women's training, documentation, communication and resource centre in India, UN-HABITAT has supported the participatory development of a strategic framework for the Delhi Government. The focus is on enhanced safety for women.

Women's safety was also identified as a critical area for concern in the Philippines where workshop was held as part of a joint UN-HABITAT and UNESCAP project, Promoting urban safety for the poor in the Asia-Pacific. Women's safety audits were conducted in Phnom Penh, Cambodia and New Delhi, India. An on-line 'Safer Cities' toolkit with training modules was been developed.

TWO NEW ASIAN REPORTS

UN-HABITAT released two major new publications during the global celebration of World Habitat Day in Shanghai last October providing a fresh, informative insight into the state of cities in China and in Asia as a whole. Mr. Daniel Biau, Director of UN-HABITAT's Regional and Technical Cooperation Division, said it was the first time ever the agency had published the special reports, *The State of Chinese Cities 2010/2011*, and *The State of Asian Cities 2010/2011*.

The Chinese report, published in cooperation with Chinese experts, said that by the end of 2009, there were 654 cities in China that are home to 621.86 million people.

"With the gradual increase of urbanization level, the position and role of urban economy are becoming more important in the national economic development. Today, urbanization has already become an important force to encourage the new-type industrialization, create jobs and expand domestic

demand. It has promoted the economic development, social progress, cultural prosperity, and comprehensive strength of China," the report said.

At the end of 2009, the number of employed people was 779.95 million, of whom 311.20 million worked in cities and towns. The unemployment rate registered in cities and towns was 4.3%. On the basis of the booming development of urban economy, livelihoods had gradually improved. Packed with the latest facts and figures on Chinese cities, the report is available in Chinese and English.

Taking a regional view, the *State of Asian Cities 2010/2011* said that Asia's prominent role in the world economy is driven by the relentless dynamism of its cities. However, it says they must prepare for climate change and adjust basic infrastructure and education to ongoing demographic growth if this success is to be sustained in the decades ahead.

"Although the Asia-Pacific population will not become predominantly urban before 2026, Asian cities already epitomise the successful integration of the region in the international economy over the past two decades or so," the report says. "However, the benefits are not equally distributed, as testified by slums and enduring urban poverty."

This first *State of Asian Cities Report 2010/11* is a collaborative effort between UN-HABITAT and the UN Economic and Social Commission for Asia and the Pacific (ESCAP), the UN Environment Programme (UNEP), and the United Cities and Local Governments – Asia-Pacific Regional Section (UCLG-ASPAC).





EASTERN EUROPE AND TRANSITION COUNTRIES

A universal lack of decentralisation

Urban development in 2010 remained uneven as gentrified historic centres in the region merged with new mega-shopping malls, high-rise buildings and residential areas developed under previous regimes.

Better awareness of holistic, socially balanced urban regeneration is needed. Some of the aging housing stock has been improved to reduce unaffordable energy costs, but due to limited funding and lack of administrative capacity, improvement efforts were limited and undertaken without due planning, resulting in haphazard, fragmented renewal patterns.

Urbanisation in Eastern Europe and Central Asia is today characterised by an almost universal lack of effective decentralisation.

In a rushed bid to become more competitive on a global scale, many capital cities attract most financial, human and cultural resources causing land and property prices to soar as a result.

In some countries, the urban divide is more pronounced than in any other region in the world. Informal settlements – often not recognised as slums – sprang up in the Caucasus and in Central Asian countries. Across the region, the need for afford-

able rental urban housing in cities remained critical.

In some places, European integration helped promote regional cohesion and policy-driven funding. It also opened labour markets within the European Union, resulting in cross-border migration for better employment opportunities. However, many authorities find themselves with little control over the ongoing transformation, with towns far from the main centres losing more and more people.

It is critical too, therefore, that bilateral technical cooperation is accompanied by policy reform to ensure that pilot projects can be replicated and mainstreamed.

A SAMPLING OF KEY PROJECTS

IN KOSOVO

A USD 6.4 million three-year project (ending April 2011) supports a Municipal Spatial Planning Programme. UN-HABITAT's partners include the Government of Sweden, the UN Interim Administration Mission in Kosovo (UNMIK), the Organisation for Security and Cooperation in Europe (OSCE), UN agencies and Germany's Friedrich Ebert foundation. The project deals with unplanned urbanisation. It has improved the quality of planning and adherence to international principles and European Union standards. It has also promoted participatory and gender-sensitive approaches and faster municipal response to development opportunities. The whole planning chain is streamlined, including pilot projects and informal settlements, paving the way for inter-municipal cooperation.

IN SERBIA

A two-year USD 650,000 project set for completion in December 2011 is promoting peace-building in the south of the country with support from the



Spanish government. Partners include the UN Development Programme, the International Organisation on Migration (IOM), the UN High Commissioner for Refugees, UNICEF and 13 Serbian municipalities. The rationale is to enhance community cohesion and human capital to reduce inter-ethnic tension and conflict through participation, dialogue and partnerships for improved safety.

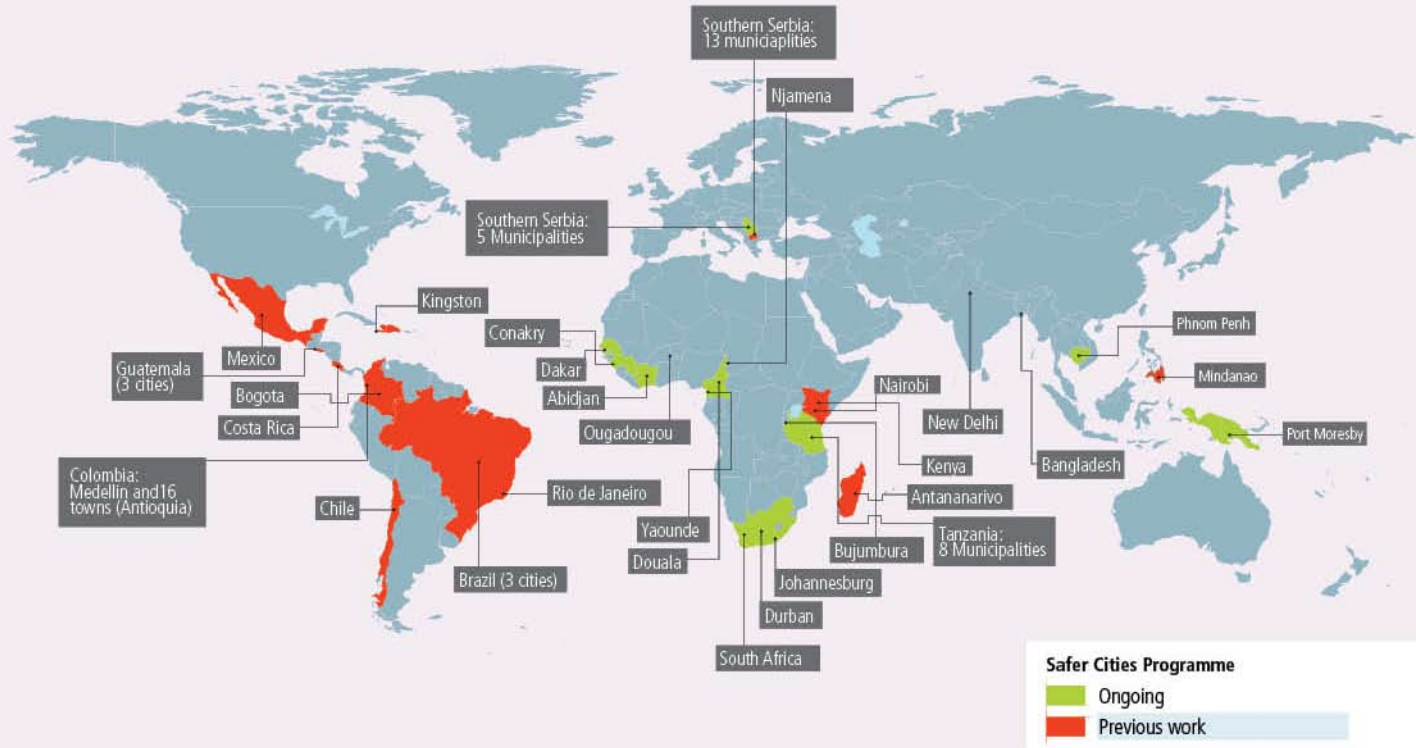
Gender matters were brought to the fore with a course for trainers on the practicalities of women's safety audits. A training needs assessment of the municipalities was conducted and a training programme on building social cohesion and safety is being delivered. Safety assessments of 13 municipalities were being completed and strategies being developed.

The year 2010 saw the completion of the preparatory phase of a Settlement and Integrated Local Development Regional Programme. The project, funded by the Italian government, was aimed at Serbia, Albania and Bosnia and Herzegovina to bring the development of institutions and capacities in the housing, informal settlement upgrading and local development planning in each country up to European Union standards. Additional funding is required to implement the next phase.

UN-HABITAT reports on urban developments in the region. This work will be published in two new reports – the State of the Russian Cities and the State of the Cities in Transition.

UN-HABITAT ACTIVITIES

SAFER CITIES PROGRAMME



CHAPTER 03

URBAN INFRASTRUCTURE



“

Rural to urban migration has steadily increased, particularly in developing countries, which has put enormous pressure on urban infrastructure and services already under serious stress.”

The Habitat Agenda

WATER AND SANITATION

Two of the defining features of slum conditions around the world are a lack of water and sanitation. Better access to both is a target of the Millennium Development Goals which stipulates that we must: “Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation”.

UN-HABITAT’s Water and Sanitation Programme, with support from donors through a dedicated trust fund, worked in many countries to improve water and sanitation access, a mission so important, that the UN Secretary-General, Mr. Ban Ki-moon himself characterized it in a keynote 2010 speech as something more than just a basic necessity:

“We know water is not only a basic necessity, it is a human right. Without water, there is no life. Yet hundreds of millions of people have no access to safe, clean water. Approximately 2.6 billion people lack safe sanitation facilities,” he said.

“Living in these conditions increases the likelihood of disease and death. It perpetuates poverty. Clearly, we must boost our efforts. We are on track to meet the target for water, but all reports indicate that the Millennium Development Goals target for sanitation is far off track.”

It was with this in mind that during the year, UN-HABITAT leveraged its ‘convening power’ to enter a broad range of partnerships with regional development banks, governments, civil society and the private sector.

Urbanization in developing countries, which is often accompanied by the rapid proliferation of slums, poses major challenges.

The focus of the trust fund on water, sanitation and solid waste management in urban areas, is therefore of increasing relevance to the current challenges facing developing countries.

Indeed, the year 2010 was been a year of international reflection on progress made in achieving the



Photo © Bigstock

Millennium Development Goals. In the water and sanitation sector, progress continues to be unsatisfactory, especially in the area of sanitation. With only five years remaining to meet these internationally agreed development goals, the fund has continued to consolidate its role in assisting developing countries in Africa, Asia and Latin America in overcoming some of the major financial and institutional constraints to meeting the MDGs in the agreed time frame.

UN-HABITAT's two major projects are in the Lake Victoria Region in East Africa, and in South East Asia, the Greater Mekong Sub-region Water and Sanitation Initiative.

Lake Victoria is a fragile ecosystem in East Africa which provides livelihoods for some 30 million people in the countries situated around it – Kenya, Tanzania and Uganda. The initiative under the Water for African Cities Programme, focuses on rapidly growing secondary urban centres and emphasises capacity-building.

In 2010, the Initiative was extended to an additional 15 smaller towns, or another 800,000 residents, thanks to a USD 110 million grant from the African Development Bank (AfDB), a strategic partner in the scheme along with the East African Community. A new partnership with the European Investment Bank (EIB) now enables UN-HABITAT to explore a further extension to larger urban centres in the three countries.

In South East Asia, the Greater Mekong sub-region (Cambodia, Yunnan-China, Laos and Vietnam), is home to some 250 million people. A three-phase strategy has been devised under the Water for Asian Cities Programme and emphasises innovative solutions. After a successful preliminary phase, deployment of the scheme is now under way in 17 towns across Lao PDR, Cambodia and Vietnam.

UN-HABITAT is closely working with national and provincial governments, public water utilities and community-based organisations such as women's groups. The project has already benefited over



A CONSTANTLY INNOVATING PROGRAMME

The Lake Victoria water and sanitation programme is piloting an innovative approach to capacity building which involves bringing all the key institutions, the private sector and civil society together into a capacity building framework at the town level. After a capacity needs assessment phase involving all key local stakeholders, the project is now delivering an integrated capacity building programme in 10 towns, targeting service providers, the municipal council, local government institutions, local NGOs, community-based organizations and the Multi-Stake Holder Forum.

The areas of focus include, utility management, pro-poor governance, local economic development, urban catchment management and gender and vulnerable groups. The preparation of action plans by participants and institutions is embedded in the capacity building approach and the programme provides follow up technical assistance on the implementation of the action plans. A total of 932 persons have so far participated, comprising local government personnel, utility managers and technical staff, representatives of community groups, women and youth groups and local NGOs. Women participants make up 32% of the total.

42,000 people and the momentum is such that it has encouraged partner governments to extend the approach with their own resources.

A SAMPLING OF KEY PROJECTS

In **India**, UN-HABITAT supported local implementation of national sanitation policy initiatives in Madhya Pradesh. In **Vietnam**, the agency assisted the Cam Ranh utility to adopt pro-poor water demand management, as have utilities in three provinces of **Laos**. In **Nepal**, a solid waste management act has been passed and guidelines issued, including on the urban environment and rainwater harvesting.

UN-HABITAT in 2010 also made concerted efforts to support **gender mainstreaming** in water and sanitation programmes. Through partnerships with

the Gender and Water Alliance, a capacity-building programme on gender mainstreaming has been implemented in Asia and Latin America since 2009.

In slums in **Pakistan**, women's empowerment has been mainstreamed in a water and sanitation improvement project and another provides equitable access to water and sanitation management.

Participating countries in Latin America include **Bolivia, Ecuador, Mexico** and **Nicaragua**. A Gender Resource Book for Water and Sanitation in Latin America and the Caribbean is also to be developed.

In **Latin America** and the **Caribbean**, following the results of the regional Water for Cities Programme, UN-HABITAT and the Inter American Development Bank were invited to lead the 'Water and Sanitation Group' of the Americas Water Forum supporting pro-poor policy reforms in the sector.

In partnership with local micro-finance institutions, community banks and grassroots groups, the 'sanitation microcredit initiative' was helping more than 100,000 poor urban families build low-cost, improved toilets in **Burkina Faso, Kenya, Nigeria, Senegal, Tanzania** and **Uganda** as well as in **India, Nepal, Laos, Vietnam, China** and **Cambodia**.

Efforts in 2010 also focused on financial, technical and operational partnerships with private sector firms – Google.org (the H2.0 project), Coca Cola, BASF and Lane Xang Minerals.

This included monitoring Millennium Development Goals. Coca Cola Far East provided USD 100,000 for water, sanitation and hygiene education in schools in Comilla and Dhaka, **Bangladesh**. Success in Asia has led the Coca Cola Company to provide an additional USD 500,000 towards a USD 1 million partnership with UN-HABITAT to improve access to water and sanitation in Asia, Africa and Latin America.

The **h2.0 platform for water utilities** was launched at the World Water Week in Stockholm in September. With support from Google.org, it is de-



SOLID WASTE MANAGEMENT IN THE WORLD'S CITIES

In a rapidly urbanizing global society, solid waste management will be a key challenge facing all the world's cities. This publication provides a fresh perspective and new data on one of the biggest issues in urban development. Using the framework of Integrated Sustainable Waste Management, the report presents unprecedented research from 22 cities across six continents. It describes the rich diversity of waste management systems used throughout the world drawing out the practical lessons for policymakers. The volume is essential reading for all professionals and policymakers in the field and a valuable resource for researchers and students. During 2010, UN-HABITAT also published a fact sheet on the right to water with the Office of the High Commissioner for Human Rights (OHCHR) and the World Health Organization (WHO).



signed to monitor services with a view to 'informing and empowering' water operators and users for the sake of improved, socially sustainable services.

Its seven components include major management tools like urban inequities surveys, Water point mapping, utility benchmarking, citizen report cards and a water quality monitoring methodology. These together provide a shared public space displaying data about water and sanitation from various sources which should inform decision-making, capital investment choices and project monitoring among water utilities around the world. This monitoring platform complements the benchmarking system launched in March 2010 during the African Water Association Congress to help water operators, regulators and financial institutions better to monitor the quality of service delivery.

In a related development, the Global Water Operators Partnerships Alliance has expanded to include Agence française de développement, the Caribbean and the Southern African development banks as well as utilities in Eastern Europe. The Alliance also has established two regional platforms in the Caribbean and the Pacific.

Indeed, the Global Water Operators Partnership Alliance has now become a major vehicle for enhancing the capacity of water utilities through training and twinning/matchmaking activities. In 2010, a total of 1,206 individuals from 162 utilities benefited directly from WOPs and training programmes implemented under the WOPs umbrella, as shown in the table below.

SUSTAINABLE URBAN TRANSPORT

The UN-HABITAT initiative Promoting Sustainable Transport in East African Cities, funded by the Global Environmental Facility, was to start in January 2011. This initiative will support the design and deployment of sustainable transport projects in the three capital cities of **Ethiopia, Kenya and Uganda**.

UN-HABITAT is investigating motorized transport in six other Sub-Saharan countries. In Cuenca, **Ecuador**, the agency is exploring the potential for an integrated transport system which could subsequently be replicated in other medium-sized cities in Latin America.

ENERGY

In 2010 UN-HABITAT consulted with various institutions and local partners to find out how renewable energy technologies could improve access to water and sanitation for the poor. Project documents were developed and discussed with stakeholders, and several water operators have shown interest.



REGIONAL WOPS ACTIVITIES IMPLEMENTED UNDER WATER OPERATORS PARTNERSHIPS (WOPS) UMBRELLA IN 2010 (PRELIMINARY DATA)

Region/Event	Training/ Matchmaking Workshops	No. Utilities	No. Workshop Participants	WOPs Implemented	No. Utilities	No. WOPs participants
Latin America / Caribbean	15	12	425	12	24	80
Africa	2	11	33	2	4	55
Asia	1	29	100	14	28	364
Pacific	1	12	40	0		
South East Europe	1	3	9	1	11	20
Arab Region	1	28	80	0		
Totals	21	95	687	29	67	519

On top of the technical aspects, the programme promotes pro-poor governance and good practice including community-based sanitation, water demand management, innovative water and sanitation approaches and capacity building among communities. Best practice can, in turn, be replicated by national governments and regional development banks.

In its continuing pursuit of affordable alternative energy sources, UN-HABITAT in 2010 also launched the Global Energy Network for Urban Settlements in Latin America, focusing on the management of waste and its conversion into energy.

ENERGY CORRIDORS: A BOOST FOR AFRICA

Sub-Saharan Africa must harness its huge untapped energy resources to support 'green', sustainable socio-economic growth, and existing urban corridors lend themselves well to planned industrial and residential development. This is the conclusion of a UN-HABITAT research paper advocating the creation of urban energy corridors.

In sub-Saharan Africa, at least 600 million people have no access to modern energy services. On average, only 7 per cent of the population in rural areas and 50 per cent in urban areas have access to electricity, although no other continent is urbanizing faster in the world.

In Africa as in Europe, urban corridors involve trade and transport routes, power lines and pipelines. South of the Sahara, the model is the 'Maputo Corridor' between Mozambique and South Africa.

Urban energy corridors as developed by UN-HABITAT would include three additional components. Local 'energy parks' would take advantage of Africa's wealth of alternatives to fossil fuels: wind, solar, biogas, geothermal or hydro-electric power. In oil-producing countries, refineries could also be established along the corridors. Together, these sources could power local mining and/or manufacturing plants while taking full advantage of existing infrastructures (railways, highways, airports, seaports, waterways, high-voltage lines, oil/gas pipelines etc) and unexploited business opportunities.

Finally, the corridors would create many formal jobs, with staff housed in new, well-planned, energy-efficient settlements to prevent slum proliferation. In the process, UN-HABITAT would become more familiarized with the best ways of giving the urban poor access to energy. Altogether, the corridors would promote both sustainable urban development and poverty eradication.

In the next proposed stage, potential corridors are to be identified in four African sub-regions, two of which would be selected for pilot projects. Roadshows would be held to attract private capital, including through public-private partnerships.



CHAPTER 04

STRENGTHENING FINANCING FOR HUMAN SETTLEMENTS



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Promoting broad, non-discriminatory access to open, efficient, effective and appropriate housing financing for all people, including mobilizing innovative financial and other resources.”

The Habitat Agenda

Lack of financing for affordable housing and infrastructure is a major cause of slum proliferation although both sectors can act as catalysts for socioeconomic development. This is why UN-HABITAT is involved in this crucial area with a demonstrated ability to leverage the required funding from a variety of sources, attracting an additional USD 200 for every dollar of lending (or debt finance). An initial funding of only USD 2.75 million (or 76 per cent of donated funds) has leveraged a total USD 550 million in investments from various partners.

The expected outcomes of the four projects agreed under the agency's Experimental Reimbursable Seeding Operations (ERSO) scheme included: (i) building/upgrading 900 houses in Nepal (USD 250,000 seed capital); (ii) building/upgrading 2,000 houses in Nicaragua (USD 500,000); (iii) building 30,000 houses in the Occupied Palestine Territories (USD 1 million); and (iv) building 125 new houses in Uganda (USD 500,000). The scheme also supported the demarcation of 2,400 plots in Tanzania (USD 500,000). The projects were selected among over 50 potential investments to date since inception in 2007.



Growing and growing - two views of Shanghai, as it is today (top), and in the future as depicted in the model.

Photos © UN-HABITAT / D. Biau

Loans are part of UN-HABITAT's two-pronged approach to urban finance, which also includes grants for credit enhancement through Slum Upgrading/Local Finance Facilities that have been established in Ghana, Indonesia, Sri Lanka and Tanzania.

These facilities encourage project finance for neighbourhood development/slum upgrading, as well lending for housing and infrastructure. Domestic lending is leveraged through US \$5.5 million in credit enhancement funds for the benefit of up to 10,000 households by the end of 2014. The value of ongoing projects is expected to be about five times greater than the amounts of guarantee loans provided by domestic banks.

SLUM UPGRADING

The rationale behind UN-HABITAT's local finance approach as established through the Slum Upgrading Facility Pilot Programme is to increase the flow of funding for slum upgrading and neighbourhood improvement. The schemes achieve this insofar as they respond to the concerns of the private banking and financial sectors with regard to risk in what remains a whole new market segment to them.

This is achieved through a combination of guarantees for project finance loans, involvement from strong local institutions and well-designed slum up-

Kenya slum upgrading programme in Kibera, Nairobi, Kenya. Photo © UN-HABITAT/Julius Mwelu



grading projects. Municipal input and community savings ensure efficient delivery, sustainability and project 'ownership.'

Upgrading extends beyond mere shelter improvement and includes neighbourhood improvement – two areas where banks benefit from UN-HABITAT's expertise.

Projects are designed to meet the affordability criteria of the community and to match inputs and subsidies from government and other stakeholders. They may include housing construction and upgrading, or may focus on paving and lighting, community kitchens, market stalls and toilet blocks. The Slum Upgrading Facility received USD 19 million in grants, thanks to the generosity of the governments of Sweden, Norway and the United Kingdom.

SUPPORTING CIVIL SOCIETY IN NICARAGUA...

In 2010, UN-HABITAT's lending operations facility (ERSO) lent USD 500,000 in working capital to PRODEL (Programa de Desarrollo Local), a non-governmental organization. Some 40 per cent of the monies will fund PRODEL's housing improvement loans to micro-finance institutions which in turn lend to individuals. PRODEL then ensures that the primary lenders offer architectural and engineering services to every borrowing family as long as they comply with building codes. The remaining 60 per cent of ERSO funds were allocated to PRODEL's new municipal finance initiative. This combines community group savings and in-kind contributions, together with municipal borrowings, for infrastructure improvement, better roads, sanitation and water services to low-income and peri-urban communities. It is estimated that over 4,000 families will benefit from the ERSO-funded PRODEL programmes.

... AND IN NEPAL

A similar type of revolving loan (USD 250,000) was granted in 2010 to Habitat for Humanity International Nepal (HfHI), which will add USD 100,000 of their own funds for 15 credit cooperatives and village banks. In turn, they will provide loans to "Save & Build" groups for housing construction and improvements.

This transaction shows that it is possible to engage in fruitful collaboration with a heretofore purely donor-funded organization now seeking to expand its activity in poor communities.

The organization used the standard loan documentation and procedures associated with the loan in order to build more formal relationships with the beneficiary village banks.

Together with better loan management abilities, the standards improve repayment rates, which in turn makes it possible to grant more loans. The potential for broadening this project to many other Habitat for Humanity International affiliates around the world is significant. Over 900 families in Nepal are set to benefit from the ERSO loan.

As demonstrated by those two new loans, seed capital provided under the ERSO increases the flow of funding to domestic banks, non governmental organizations or urban poor funds and makes loans to micro-housing, municipal and community social housing and infrastructure projects for low-income urban residents. ERSO loans reach limited- to very low-income urban populations, while SUF lending ultimately reaches those on low incomes and all the way to the bottom of the income pyramid. To date, the ERSO loan portfolio is performing according to schedule. Loan payments have already started on four out of the five loans and the repayment rate is currently 100 per cent.

ERSO benefits from USD 3.6 million in funding thanks to the generosity of the Governments of Spain and Bahrain, and the Rockefeller Foundation.



DEALING WITH URBAN CRISES

The UN Inter-Agency Standing Committee held its first Strategy on Meeting Humanitarian Challenges in Urban Areas in November to devise better strategies for dealing with crises in urban areas caused by conflict or natural disasters. They agreed on a two-year action plan based on a strategy devised by a UN-HABITAT-led group of prominent institutions including 24 UN agencies, the Red Cross, and non-governmental organizations. It draws on lessons learned from recent urban disasters in Manila, Nairobi, Eldoret (Kenya) and Port-au-Prince. Its approach represents a paradigm shift in humanitarian assistance in urban areas: it is district- or community-based, rather than focusing on individual beneficiaries, so as to forge partnerships for assistance delivery and recovery with local stakeholders on the ground. The strategy recommends actions that can make responses to humanitarian crises in urban areas more effective, saving more lives and accelerating early recovery. This includes

- (i) improving partnerships;
- (ii) building technical capacity and urban expertise;
- (iii) developing and adapting tools to the urban context; (iv) promoting protection of vulnerable urban populations;
- (v) strengthening livelihoods; and
- (vi) enhancing preparedness among national and local governments in urban areas.

At the Standing Committee's request, UN-HABITAT will continue its leadership role. The agency now chairs a Standing Committee Reference Group for Meeting Humanitarian Challenges in Urban Areas, which will monitor the implementation of the Strategy and the Action Plan by member agencies and partners. UN-HABITAT also is to manage the dissemination of various tools in order to enhance the impact of humanitarian assistance in urban areas. These include frameworks, strategies, methodologies, assessments and guidance.

GUARANTEES FOR AFFORDABLE LOANS IN INDONESIA

Incremental upgrading, new construction, water and sanitation, and innovative community investment trusts for new construction are the focus of some of the ongoing projects supported by a Local Finance Facility established in Solo, Indonesia in 2010.

The scheme provides credit enhancement and technical assistance to develop 'bankable' low-income housing or slum upgrading projects that can secure commercial loans while remaining affordable to the poor.

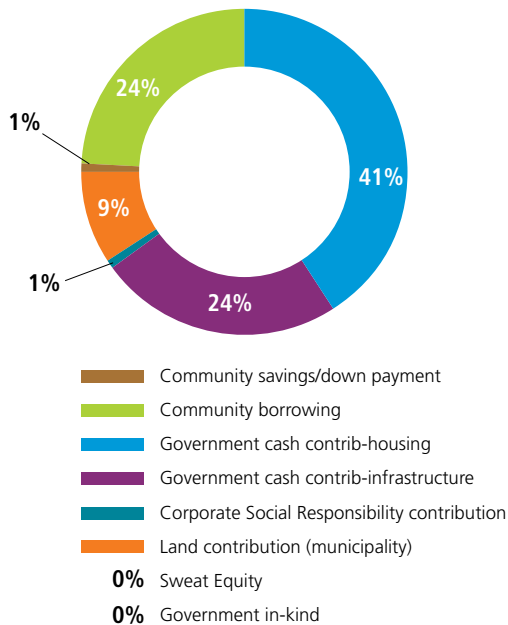
The facility supports local projects with a combination of community savings, in-kind contributions (cash, staff, office support), municipal and government subsidies on top of commercial bank lending (see graph).

The seven projects are part of a municipal strategy to eradicate slums. They are valued at over one million US dollars and are expected to benefit to close to 500 households. The aim is to secure 24 per cent of project value through the commercial loans which municipal and national subsidies make affordable to communities.

Another local finance facility has been established in Yogyakarta. Typical projects combine infrastructure and home upgrading. Housing improvement loans are made to individuals, with guarantees covering individual repayment obligations. Livelihood improvement programmes (professional training, microfinance loans for enterprise development) are a feature of certain of these projects. Under the scheme, either homes or plots are made available to beneficiaries on a freehold basis.



INDONESIA: PROJECT FUNDING SOURCES



SECURE TENURE LEVERAGES IN SRI LANKA

The Lanka Financial Services for Under-served Settlements (LFSUS) is a national financial institution providing credit enhancement to a number of projects across Sri Lanka. It blends funding from government, community saving and borrowing for urban upgrading projects, and makes use of a guarantee programme to attract private sector lending to urban upgrading.

Two projects have completed upgrading/construction for 100 households and five other projects are set to begin soon. In all projects, a domestic bank grants a loan to a local microfinance institution, which on-lends the proceeds to individual borrowers; the initial bank loan is secured by a guarantee from the local finance facility.

Johor Bahru, Malaysia. Photo © UN-HABITAT/Alessandro Scotti



The Sri Lanka programme has worked closely with municipalities, microfinance institutions, community groups and domestic banks to create a replicable pattern of well-coordinated projects combining infrastructure upgrading and home improvement lending to communities in both underserved pock-

ets of the capital city, Colombo, and secondary cities throughout the country.

Sri Lanka's national finance facility is expected to reach over 1,000 households by 2014, with expected leverage of over 6:1 of project value to credit enhancement funds.

PLANNING AND CAMPAIGNING FOR PRO-POOR LAND RIGHTS

Inclusive, sustainable and climate-resilient cities call for more effective land management and better urban planning. Today, this can be done thanks to a pro-poor land rights recording system called the Social Tenure Domain Model (STDM) unveiled in Sydney, Australia at the 2010 congress of the International Federation of Surveyors (FIG).

The model was jointly developed by several Global Land Tool Network partners including FIG, the Faculty of Geo-Information Science and Earth Observation (ITC) of the University of Twente (The Netherlands), the World Bank and UN-HABITAT.

The model is the operational outcome of the concept of a 'continuum of land rights' able to integrate the wide range of land rights and social tenures. These are the private, public and customary or traditional, individual and group rights or claims used by the urban poor as an alternative to unaffordable, cumbersome conventional cadastre-based systems of securing land tenure.

These rights or claims do not fit with formal, conventional land registration systems because of their nature, their unique spatial description or the land title requirement.

Based on open-source software, the system is appropriate in any, urban or rural, environment and adjustable to any specific national conditions.

This innovative recording system is timely as to date up to 70 per cent of the land in many developing countries lies outside existing freehold parcel-based land administration and information systems. This situation stood in the way of proper land administration – a major factor behind the emergence of chaotic, unsustainable cities characterized by land degradation, poor water management, land disputes, and slum proliferation.

The model now gives policy- and decision-makers the leverage they badly need if land management, administration and urban planning are to meet the joint challenges of slum and

poverty reduction, service improvement, inclusiveness, sustainability and climate-change resilience.

The integration of informal or customary with the formal or cadastral land systems is advocated by UN-HABITAT in its State of African Cities 2010/11 report. The important role of secure tenure for access to basic urban services is underlined by the agency in its State of Asian Cities 2010/11 report.

Thanks to recorded rights under a more uniform land administration system, slum dwellers gain the security of tenure they need for incremental improvement of their housing as well as better access to basic services and micro-credit.

Before the system gives the urban poor an effective opportunity for a more formal type of tenure, it protects them against both eviction and land disputes.



UN-HABITAT ACTIVITIES

CITIES & CLIMATE CHANGE INITIATIVE



Climate Change Initiative

- Initial pilot cities (began in 2008)
- Additional cities in Africa (began in 2009)
- Additional cities in Asia and Pacific (began in 2010)



CHAPTER 05

REACHING OUT



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A wide range of partnerships, including partnership with the private sector, and within and between countries, should be promoted.”

The Habitat Agenda

HONING THE MESSAGE, JOINING HANDS WITH NEW PARTNERS

Given the depth and breadth of urban matters today, no single organisation of any kind can claim to be able to solve the multiple challenges urbanisation is throwing at us in all parts of the world.

Important as governments, local authorities and public policies can be, UN-HABITAT is also keen to reach out to, and mobilise, all those other institutions which together determine or monitor the conditions and prospects of any given urban centre: the formal and informal business sectors, non-governmental institutions, grassroots groups and academia.

In this area, advocacy and awareness-raising have a crucial role to play, both to mobilise partners and to use them to spread the message. The year 2010 has seen the number of Habitat Agenda partners expand to 2,800, from 2,500 at the end of 2009. Partners commit to the norms and principles of sustainable urbanization. Membership opens up par-



President Lula da Silva at opening ceremony of WUF 5.
Photos © Ag. Gingafotos/Government of State of Rio de Janeiro

ticipation in awards such as the Habitat Scroll of Honour, the Dubai Best Practice and Sheikh Khalifa Awards, as well as the Urban Youth Fund.

The Urban Gateway, a global online urban portal, launched in October 2010, has started to enhance knowledge sharing, collaboration and networking among Habitat Agenda partners and improving communication between the agency and them.

SOME NEW PUBLICATIONS

The agency's new *Cities and Citizens* series examines urban inequality through in-depth analysis of intra-city data developed by the agency and partner institutions, complete with on-the-ground interviews and insights.

In 2010 São Paulo: A tale of two cities launched the series in a partnership with local research centre Fundação Sistema Estadual de Análise de Dados (SEADE). Forthcoming volumes will focus on Cairo, Lagos and La Paz.

On the crucial matter of urban economies and social development and ahead of the next biennial State of the World's Cities Report, which will focus on 'the prosperity of cities', UN-HABITAT produced four reports: Housing as a Strategy for Poverty Reduction; Low-Income Housing; The Organization, Management and Finance of Housing Cooperatives; and Informal Settlements and Finance. In 2010 the agency co-organized the China Urban Forum and launched its first Global Urban Economic Dialogue.

UN-HABITAT also produced its key reports: The State of the World's Cities, The State of African Cities, The State of Asian Cities and The State of Chinese Cities, its first State of Urban Youth report, as well as its flagship quarterly magazine, Urban World.

Other studies included environment and climate change case studies on the linkages between land and the environment. UN-HABITAT and the World Health Organization also co-published Hidden Cit-

ies, which seeks to unmask and overcome health inequities in urban settings.

TWO CROWNING EVENTS OF THE YEAR

IN RIO DE JANEIRO, THE BIGGEST WORLD URBAN FORUM YET

The fifth session of the World Urban Forum in Rio de Janeiro was hailed by speakers as the biggest gathering of the world's premier convention on cities yet held. The meeting drew some 14,000 participants from 150 countries around the world. Keynote speaker, US Secretary of State Mrs. Hilary Clinton of the United States was full of praise for the forum, saying it was a unique venue where people from different backgrounds shared ideas on how to cope with the challenges of urbanization.

Mrs. Clinton who addressed the closing ceremony via a video message said the work of UN-HABITAT in addressing urbanization challenges was crucial. She said that there was a greater need to foster private public partnerships in addressing those challenges.

Brazil's Minister for Cities, Mr. Marcio Fortes, said the success of the meeting could be gauged in the fact that most of the time, the meeting rooms were turning away some participants because of being fully packed.

The World Urban Forum took on a new dimension at its fifth session in Rio de Janeiro as high-level government and business representatives saw it as an opportunity to make specific commitments on top of exchanging views and experiences.

The biennial event, held 22-26 March 2010 under to discuss theme The Right to the City: Bridging the Urban Divide, also attracted a record number of heads of State, government ministers, mayors and leaders of global foundations and big businesses. The presence of two Heads of State, Vice-Presidents, a prime minister, senior ministers and other political





Photo © UN-HABITAT/Flossie Mbiriri

leaders, brought a new level of sophistication to the event. The President, senior ministers and other political leaders of the Brazilian Government were at hand. In all, there a total of 358 meetings were held, along with two events on the eve of the convention, the World Urban Youth Assembly and the Gender Equality Action Assembly.

Over 350 representatives of the media covered the conference with more than 8,300 articles in English and nearly 500 in another 8 languages. Many thousands of visitors streamed in daily to see an exhibition showcasing more than 110 lively and vibrant displays from 35 countries – a huge increase on the numbers at previous sessions of the World Urban Forum. On display were learning institutions showcasing study packages, governments highlighting their best practices, big businesses exhibiting the latest in exciting new technology, and non-governmental organizations – including grassroots women’s organizations, and the urban poor. All had something interesting to show and a message of a better urban future to convey.

Added to the dynamic mix were the foundations – both large and small – that could not afford to lose the opportunities offered by the Forum. Big business groups were also present, attended the Business Caucus under the theme: “Green Cities – bridging the urban divide”. Some of them are now working with UN-HABITAT around the world, to promote the World Urban Campaign which was launched in Rio.

The open and often frank debate on the main theme of the Forum, produced a fresh range of interesting ideas for policy and practice that enhance the ideals outlined in the Habitat Agenda. High on the agenda were the issues of climate change, and its potentially disastrous impact on cities, and the reduction of the huge urban pollution footprint.

The Forum also organized 150 networking events, and held special meetings on subjects as diverse as rebuilding Haiti; integrated slum upgrading, and South-South cooperation.

- As an outcome, the forum offered three key messages and opportunities for new partnerships:
- to build communities more sustainably;
- to restore security to housing markets;
- and to incorporate innovative and sustainable approaches in the way that we plan for disaster and offset climate change.

The gathering underscored the urgent need to embrace a greener more sustainable future for the world's metropolitan areas. The World Urban Forum in Rio de Janeiro was a political event of note. It helped Governments, parliamentarians and local authorities push for legislation on sustainable, equitable cities at home. One again, the World Urban

Forum demonstrated its position as the world's premier meeting on cities.

See the full report on www.unhabitat.org/wuf

BETTER CITY, BETTER LIFE – THE SHANGHAI EXPO 2010

China's great world exhibition, the Shanghai Expo 2010, drew more than more than 70 million visitors. From China and around the world, they came to take advantage of the fascinating look at the modern challenges of rapid urbanization, climate change, sustainable urban development, and the many interesting glimpses into how our cities will look in coming generations.

Inside the UN Pavilion at Shanghai Expo 2010.
Photo © UN-HABITAT / Christian Lindgren



Shanghai skillfully used the six-month Expo which opened on May 1 to remodel and remake itself as a 21st century gateway to the East. Now the city plans to build a giant international convention centre with modern office and residential blocks to replace the pavilions built by hundreds of countries and companies that turned the Expo into a huge house of wonders.

The USD 40 billion Shanghai World Expo 2010 cost double the price tag of the 2008 Beijing Olympics. But that did not matter given the great interest shown with queues lasting several hours to get into the popular pavilions like those of China, the European Union, the United States or India to cite some examples.

The UN Pavilion, for which UN-HABITAT was the lead agency, had itself attracted three million visitors by the time Expo 2010 closed 31 October.

Shanghai's city planners have used the expo to stimulate public spending, and strengthen its economy as the city grows and grows.

Thus the prospect of life in a very urban future is a subject of global interest, and concern to all countries, developed or less developed. This is why officials said they chose the theme, Better City, Better Life.

"The theme of Expo 2010 represents the common wish of the whole humankind for better living in future urban environments. This theme represents a central concern of the international community for future policy making, urban strategies and sustainable development," said the official Expo 2010 website.

In a closing ceremony at the United Nations pavilion Secretary-General Ban Ki-moon called the theme very timely: "Thanks to this Expo, millions of people learned about possibilities for making our cities healthier and safer – cities that better integrate nature and technology, cities that offer their citizens cleaner air and water, and better lives all around, and cities which offer hope for tackling the growing

challenges of our age of urbanization."

The Secretary-General, who was joined at the One Earth, One UN Pavilion Commissioner General Awni Behnam at the closing ceremony, noted that cities remain powerful magnets for jobs and economic opportunity, with people flocking to them in hopes of finding a better life.

At the same time, today's cities are under enormous pressure, becoming less and less able to cope with the growing number of people moving into them – a matter of concern cited by UN-HABITAT's Executive Director Joan Clos who was also in Shanghai for the occasion.



"A future city is a fair city that is inclusive, where all find in it equal opportunities and services without discrimination. A future city is one whose governance is at the hands of all stakeholders who share in the decision-making; a future city is also one that protects cultural heritage; a future city is one that invests in the potential and expectations of its youth.

Dr. Awni Behnam, the UN Commissioner General, writing in Urban World.

All Heads of State who visited the Expo were presented with a portrait seal stamped on silk - on the very silk first introduced to the modern world by the Shanghai merchant, Xu Ronguen, who won the Gold Medal at the first World Expo in London in 1851.



THE WORLD URBAN CAMPAIGN

The World Urban Campaign was formally launched at the World Urban Forum in Rio de Janeiro. The campaign is coordinated by UN-HABITAT and governed by a Steering Committee representing a comprehensive range of international partners.



By year's end, more than 50 international partners had committed to disseminate the campaign's messages. Links were established with other UN bodies, particularly those with campaigns on related themes. These include the campaigns on 'resilient cities' (as part of the International Decade for Natural Disaster Reduction) and on 'fostering creative economies' (UN Development Programme).

A partnership was established in the United States to develop indicators of

sustainable urban development in US cities to support policies, planning and capital expenditure. At a Steering Committee meeting in Shanghai, China, in October, the campaign graduated from a coalition of willing partners to a more institutionalised form. This includes an executive committee with elected co-chairs together with representatives of major partner groups. Their role is to guide the decision making process and further strengthen cooperation among partners.

One of the most encouraging aspects of the campaign is that partners are forging new avenues of collaboration amongst themselves. Beyond sharing knowledge and expertise, they also explore new business synergies and opportunities. The 100 Cities Initiative is one of the early building blocks of

the World Urban Campaign.

As an online forum, it collects and posts the schemes and practices that are most favourable to a smarter urban future. The UN-HABITAT Business Award for Better Cities is another campaign initiative recognising outstanding private sector practice. The campaign is also creating a user-friendly Catalogue of Tools and Methods in support of sustainable urban development. A Global Observatory of Good Policies and Enabling Legislation will also be established to enable municipal and other public authorities to assess and review their laws and policies on the right to the city.

The World Urban Campaign promotes greener, smarter, better, more equitable, sustainable and better managed cities around the world.

NEW IDEAS AND NEW THINKING

New ideas and new thinking, especially those of young people and their teachers at universities around the world, are essential for better, smarter cities in today's interconnected world.

As the Norwegian youth leader, Mr. Kristoffer Sundøy, elected by UN-HABITAT's Youth Advisory Board to address the World Urban Forum put it: "We are youth who live in cities. We are full of ideas, creativity, and energy. Yet even as we represent well over half the world's total population, we are still not full partners in the institutions, processes and decisions that affect our lives.

"We live in cities in great numbers, yet our voices are rarely given equitable space or accorded the same respect and consideration as those of adults."

One way of hearing the voices of young people is through the Habitat Partner University project. After the completion of a test phase in 2010, it is to be re-launched in 2011 with more flexible membership rules, along with a global urban research network among academic institutions.

At the World Urban Forum in Rio de Janeiro, a seminar on the topic drew more than 200 academics. In partnership with the Cities and Climate Change Initiative, an Asia-Pacific regional expert group meeting and a seminar were held to mainstream climate change into planning education. In partnership with the Dutch Institute for Housing and Urban Development Studies (IHS, Erasmus University, Rotterdam), a one-month post-graduate course on Urban Management Tools for Climate Change attracted students from around the world.



UN-HABITAT supported the development of a master's degree on sustainable development for Africa, piloted by Kenyatta and Nairobi Universities in Kenya with support from the UN University. UN-HABITAT has already launched a master's programme on Sustainable Urban Governance and Peace jointly with the University of Peace (UPEACE), with which another partnership is to launch a one-year Master's programme on urban risk and resilience in Costa Rica.

Together with the Association of European Schools of Planning, UN-HABITAT held its first European Urban Summer School for young professionals at the Wroclaw University of Technology, Poland, in September 2010.

In 2010 the agency signed cooperation agreements with two scientific institutions focusing on children's issues: the Norwegian Centre for Child Research and the Children, Youth and Environment Center at the University of Colorado (USA).



Actress Zhou Xun and Prof. Xu Bo, Director of the International participation at the Shanghai Expo.

GENDER

UN-HABITAT looks to engage youth in adaptation and mitigation activities under the Cities and Climate Change Initiative. A new 'water-use ethic' through human values-based water education is under development. The agency also contributed to the launch of the Youth for a safer Africa programme at the July 2010 World Cup in South Africa.

Partnerships also involve the sharing of local expertise, from grassroots to research centres. One example is UN-HABITAT's 'Grassroots Mechanism', which involves participation of local communities in the design and development of relevant land tools at their own local level. Land is an area where women's rights are poorly recognized and UN-HABITAT's Global Land Tool Network has developed a set of 'Gender Evaluation Criteria' which plays a triple role: assessing whether any large-scale land tool is sufficiently gender-responsive; identifying where more work is in order; and identifying how any tool can be made more beneficial to both women and men.

The scheme was piloted in Brazil, Ghana and Nepal. The three pilot programmes empowered women and grassroots organizations, enhancing the knowledge and confidence needed to negotiate their land rights with the government.

Also in 2010, UN-HABITAT and UNIFEM agreed on a Global Programme on Safety for women and girls in cities, now under implementation in five cities: Quito, Ecuador; Cairo, Egypt; New Delhi, India; Port Moresby, Papua New Guinea; and Kigali, Rwanda.

In Mexico, UN-HABITAT has been selected to lead the Gender Interagency Group until 2012. The group promotes gender mainstreaming in UN policies, programmes and projects in the country, with participation from relevant government and non-governmental organizations.

Focusing on another major issue on the gendered urban agenda, UN-HABITAT co-hosted the 3rd In-

ASIA-PACIFIC MINISTERS MEET

The third session of the Asia Pacific Ministers' Conference on Housing & Urban Development in 2010 addressed the challenges of urbanization, housing and habitat management, millennium development goals, urban poverty and slum development. They agreed that in developing strategies and policies for habitat development, land and housing were key to a better urban future. They also called on governments to share lessons and best practices to ensure that plans to tackle housing needs and urban development are carried through in the world's most populous region. Mr. Sunil K. Singh, Chief Coordinator of the APMCHUD Secretariat in New Delhi, said that more than 650 million people in the region lived on one dollar or less per day, accounting for 65 percent of what he called the world's "ultra-poor". Citing the first two meetings in New Delhi in 2006, and in Tehran in 2008, he said APMCHUD now brought together 68 countries in a region that represented the cradle of human civilisation with vast intellectual and technical resources. The conference had now progressed into a vibrant inter-governmental gathering poised to contribute more significantly to the housing and urbanization challenge. He assured the meeting of the continued support of the Secretariat for which the governing Bureau was considering New Delhi as a permanent home.

International Conference on Women's Safety in New Delhi, India in November 2010. Participants developed strategies for improved safety for women and shared best practice and case studies. The conference was co-organized by Women in Cities International and the local activist group, Jagori in collaboration with UN-HABITAT, UNIFEM (UN-Women) and the Huairou Commission.

UN-HABITAT has supported the Huairou Commission's decision to launch a dedicated women's information portal, www.womenandhumansettlements.org. All interested parties can join in the ongoing online discussion and reach out to grassroots or professional groups. The portal is to be linked to UN-HABITAT's own Urban Gateway as part of the World Urban Campaign.

In 2010 UN-HABITAT continued to disseminate the sourcebook on Gender and local Governance and to strengthen local government capacities in gender mainstreaming. The programmes also involve training institutions, civil society representatives and government departments as well as women community leaders.

An international training workshop on gender and local governance for trainers was held in Haifa, Israel, in November/December 2010 with the Golda Meir Mt Carmel International Training Centre.

BUSINESS AND 'GREEN' CITIES

Rather than mere resource providers, UN-HABITAT recognises the private sector as partners in urban development.

Operational projects in the area of water and sanitation, post-disaster intervention, housing and urban data management have been implemented with private sector firms through corporate social responsibility funds.

Other companies or groupings provide pro bono expertise in specific areas, particularly on infrastructure development and access to basic services. Current partners include Arcadis NV, BASF Social Foundation, Coca-Cola, GdF-Suez, Google Inc., Hyundai, Siemens (incl. Foundation), Veolia Environnement, the World Business Council for Sustainable Development and Zerofootprint Inc.

Ongoing partnerships with two firms come as good examples of the varied ways the private sector can support the sustainable urban agenda. French-based worldwide utility group Veolia Environnement launched its own Access to Basic Services for All initiative to develop an international standards framework for public-private partnerships for utilities. Another innovative partnership brings together the employees of Arcadis, an infrastructure company based in the Netherlands, who commit their exper-





Cities and Climate Change - The Beddington Zero fossil Energy Development (BedZED) in south London, UK, is one example of a pioneering attempt to create a sustainable community where it is easy for people to reduce their footprint, rely on solar energy and enjoy a good quality of life.

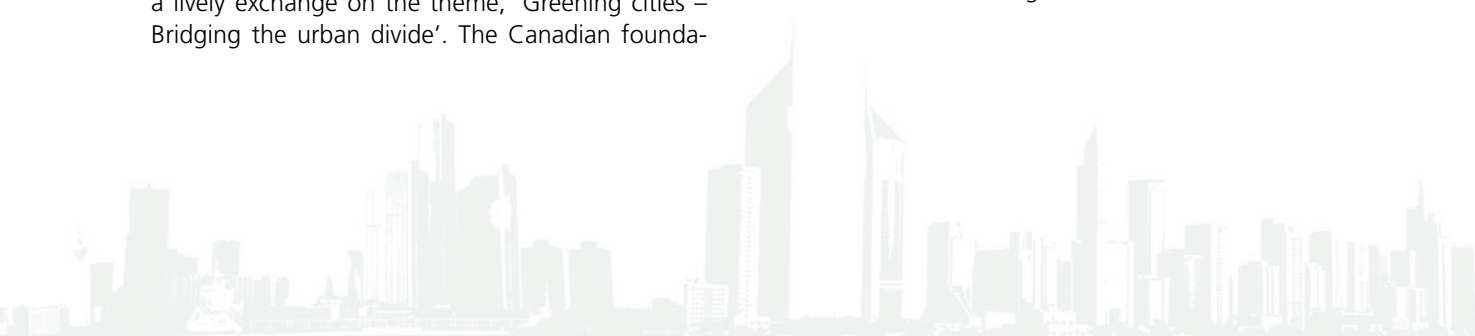
Photo © Codding Enterprises

tise and skills in the areas of infrastructure, water, the environment, buildings and urban planning.

The private sector is also rallying behind the World Urban Campaign, and 10 companies having joined as official partners.

The Habitat Business Forum in Rio de Janeiro held a lively exchange on the theme, 'Greening cities – Bridging the urban divide'. The Canadian founda-

tion, Zerofootprint, used the occasion to announce the winners of its 'ZEROpriizes' for re-skinning buildings to make them more energy-efficient. They were awarded to a warehouse and a bank in San Francisco, and to a generic American house and a Berlin apartment complex. The will award a USD 10 million prize for the first zero-energy, zero-water and zero-carbon building.



CHAPTER 06

RESOURCES AND EXPENDITURE

The Johannesburg Social Housing Company (JOSHCO) is awarded the Habitat Scroll of Honour in 2010 for providing tens of thousands of affordable housing units, improved living conditions and basic services to poor families.
Photos © Johannesburg Social Housing Company





New and additional financial resources from various sources are necessary to achieve the goals of adequate shelter for all and sustainable human settlements development in an urbanizing world.”

The Habitat Agenda

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

UN-HABITAT’s main sources of funding are as follows:

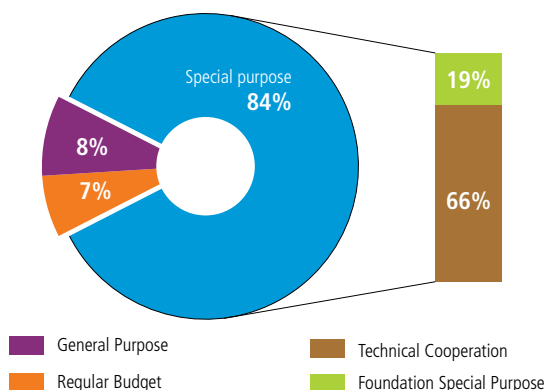
Regular budget allocations approved by the UN General Assembly against assessed contributions of Member States (core funding). A regular budget allocation of US\$ 12 million was received.

General Purpose contributions towards the UN-HABITAT and Human Settlements Foundation. These are the non-earmarked, voluntary contributions from governments. This core funding is allocated according to priorities agreed by the UN-HABITAT Governing Council. In 2010, the agency received a total of US\$ 16,6 million in general purpose contributions.

Special Purpose contributions, which are earmarked voluntary contributions from govern-

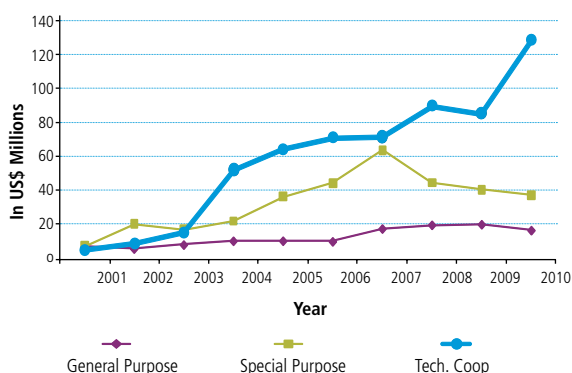
ments and other donors for the implementation of specific activities included in the approved work programme. The agency received a total of US\$ 166,2 million in earmarked contributions. Of the Special Purpose funds received US\$ 37.6 million was for Foundation activities and US\$ 128.5 million for Technical Cooperation activities.

DISTRIBUTION OF FUNDS RECEIVED BY UN-HABITAT DURING THE YEAR 2010



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

TRENDS IN DONOR CONTRIBUTIONS



As shown in the chart above, funding for technical cooperation projects increased in recognition of the agency's achievements at country level. However, from 2008, UN-HABITAT's non-earmarked income has been affected by the global economic crisis. By the end of 2010, the agency had a shortfall of US\$4.9 million in non-earmarked funds. The new Executive Director of Dr. Joan Clos is addressing this situation through an internal review and rationalization process to increase accountability, efficiency, effectiveness and transparency.

UN-HABITAT is also continuing the aggressive resource mobilization strategy started in 2008 to better coordinate its fund-raising efforts, widen its donor base and secure more sustainable funding for its programme of work. Under this strategy, the agency engages donors more actively in the work of the organization.

The tables and charts below show the donors and income received by UN-HABITAT in 2010.

GENERAL PURPOSE PLEDGES/CONTRIBUTIONS TOWARDS THE UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION RECEIVED IN 2010

Country	Pledges/Contributions
Algeria	10,000
Angola	2,550
Barbados	3,000
Burkina Faso	18,931
Canada	73,529
Chile	5,000
Colombia	12,000
Finland	616,076
Greece	30,000
India	80,000
Israel	10,000
Japan	106,970
Kenya	60,000
Norway	5,072,727
Pakistan	6,007
Panama	1,000
Republic of Korea	89,522
Russian Federation	10,000
South Africa	45,250
Spain	3,958,500
Sri Lanka	30,000
Sweden	2,777,905
Tunisia	741
United Kingdom	1,580,000
United States of America	2,050,000
Total	16,649,707

SPECIAL PURPOSE / EARMARKED VOLUNTARY CONTRIBUTIONS FROM GOVERNMENTS RECEIVED IN 2010 IN US\$

Country	Contribution
Afghanistan	483,209
Australia	8,655,700
Bahrain	500,000
Burkina Faso	18,931
Brazil	2,900,000
Canada	10,182,186
China	193,529
Colombia	269,705
Egypt	1,087,521
European Union	13,564,467
Finland	66,740
France	410,237
Germany	138,082
Iran	491,006
Ireland	245,000
Italy	547,961
Japan	31,407,981
Kuwait	2,074,522
Mexico	160,552
Morocco	78,248
New Zealand	250,000
Nigeria	120,734
Norway	8,429,942
Russian Federation	390,000
Saudi Arabia	2,520,000
Slovenia	13,459
Spain	12,848,323
Sweden	3,124,342
Turkey	100,000
United Kingdom	11,500,100
United States of America	16,005,168
Total	128,777,647

Note: Data is based on actual receipts

SPECIAL PURPOSE / EARMARKED VOLUNTARY CONTRIBUTIONS FROM OTHER DONORS RECEIVED IN 2010

Donor	Contribution
Abu Dhabi Water and Electricity Authority (ADWEA)	1,514,125
Al Fayhaa Union of Municipalities	12,300
American University of Beirut (AUB)	9,973
Arab Authority for Agricultural Investment and Development (AAAID)	242,645
Asian Development Bank (ADB)	2,642,573
BASF AG	249,320
Bureau of Shanghai World Expo	729,133
Cadbury Kenya Ltd.	10,000
City of Munich	28,127
Coca Cola Atlanta	60,000
Coca Cola Far East Ltd	50,000
Coca Cola Southeast Asia Inc.	69,975
European Investment Bank	39,594
Fukuoka International Exchange Foundation	639,821
Fundacao Euclides Da Cunha	87,079
Fundacao Vale	107,000
Google Inc.	300,000
International Bank for Reconstruction and Development (IBRD) / World Bank	4,753,300
International Development Research Centre (IDRC) Canada	85,462
International Federation of the Red Cross (IFRC)	16,822
Japan HABITAT Association	30,000
Katahira and Engineers International	38,384
Korea International Cooperation Agency (KOICA), Pakistan	600,000
Livelihoods and Food Security Trust Fund (LIFT)/ United Office for Project Services (UNOPS)	982,810
Ministry for Rural Rehabilitation and Development, Afghanistan	894,920
Municipality of Dakar	51,295
Municipality of Hani I Elezit	26,128
Opportunities Industrialization Centers International	75,000
People of Japan	8,773
Prefeitura da Cidade do Rio de Janeiro (PCRJ)	324,899
Province of Gangwon, Korea	212,330
The Salvation Army - Sri Lanka	555,736



Joint United Nations Programme on HIV/AIDS (UNAIDS) / United Nations Development Programme (UNDP) - Joint Programme	68,600
United Nations Development Group, Iraq Trust Fund	3,619,882
United Nations Development Programme (UNDP) (incl.one UN fund)	7,069,695
United Nations Environment Programme (UNEP)	180,000
United Nations High Commissioner for Refugees (UNHCR)	2,954,684
United Nations Children's Fund (UNICEF)	637,931
UN International Strategy for Disaster Reduction (UNISDR)	58,315
United Nations Federal Credit Union	6,100
United Nations General Trust Fund	6,396,832
United Nations Office for Project Services (UNOPS)	846,688
UN-OCHA	23,979
Veolia Environment	52,800
WFP	15,000
Others	1,335
Total	37,379,366

HOW THE MONEY IS USED

The contributions received by UN-HABITAT are either used for direct project execution in individual countries – technical cooperation – go towards the

Foundation for normative work. A limited amount is used for core support functions.

The agency's operational work in around 60 countries supports implementation of the Habitat Agenda at the local, national and regional levels. Much of the work helps reconstruction and improving people's living conditions in post-disaster and post-conflict areas.

Normative work includes pro-poor land and housing, urban development, environmental planning, capacity building, city monitoring, best practices, policy analysis, urban economy, gender mainstreaming, youth and partnership building. It also covers urban infrastructure and services and innovative financing mechanisms for housing and urban infrastructure.

To ensure that the normative and operational work of the agency is aligned, an Enhanced Normative and Operational Framework has been developed to better link UN-HABITAT's global policy with its regional and country activities.

The table below shows how the funds were used by the different divisions to implement the agency's portfolio of normative and operational work.

SUMMARY OF EXPENDITURE BY DIVISION AND BY SOURCE OF FUNDS FOR 2010 IN USD '000

Division	Non-core resources			Core resources			Total
	Regular Budget including Development Account	Foundation General Overhead	Foundation Overhead	Technical Cooperation Overhead	Foundation Earmarked	Technical Cooperation Earmarked	
Shelter and Sustainable Human Settlements (Global)	3,725,100	4,015,400	-	-	8,718,600	-	16,459,100
Monitoring and Research	3,012,500	5,176,600	-	-	5,005,100	-	13,194,200
Regional and Technical Cooperation	1,779,800	3,574,700	-	6,038,900	7,630,500	121,295,100	140,319,000
Human Settlements Financing	1,127,100	2,840,300	-	-	19,631,500	-	23,598,900
Executive Direction and Management	2,200,000	5,489,600	-	-	3,280,500	-	10,970,100
Programme Support	169,300	2,070,600	4,202,210	275,900	1,273,300	-	7,991,310
Total	12,013,800	23,167,200	4,202,210	6,314,800	45,539,500	121,295,100	212,532,610

Division	Main Focus
Shelter and Sustainable Human Settlements (Global)	Pro-poor land and housing, urban development, urban environment, training and capacity building
Monitoring and Research	City monitoring, urban economy, policy analysis, gender mainstreaming, youth, partnerships
Regional and Technical Cooperation	Operational projects at local, national and regional levels including post-disaster and post-conflict zones
Human Settlements Financing	Water and sanitation, urban mobility, urban energy, urban finance

TRUST FUNDS

THE WATER AND SANITATION TRUST FUND

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

AGREEMENTS SIGNED TO DATE

	Amount in USD
Netherlands	39,080,500
Spain	35,877,951
Norway	27,710,356
Canada	12,455,556
Sweden	5,573,586
Italy	553,000
Poland	3,000
Google	1,800,000
Oxiana/Lane Xang Minerals	208,000
Cadbury Kenya Ltd.	10,000
Coca Cola India	450,474
Coca Cola Nepal	10,000
Bentley University	10,836
Fukuoka Habitat Institute	50,000
Abu Dhabi Water and Electricity Authority	3,000,000
Coca Cola Far East Ltd.	100,000
Coca Cola Southeast Asia Inc.	600,000
Catalan Agency for Development Cooperation	131,406
Swedish Agency for Economic and Regional Growth	349,208
BASF Social Foundation	190,539
UNOPS	5,801,300
France	52,284
European Investment Bank	60,846

SPECIAL HUMAN SETTLEMENTS PROGRAMME FOR THE PALESTINIAN PEOPLE

The Trust Fund for The Special Human Settlements Programme for the Palestinian People was established to address the housing situation and related human settlements needs of people living in the occupied Palestinian territories. The objectives of the Programme are to build institutional capacity and coordination mechanisms in the field of human settlements, promote affordable mechanisms for housing finance, work with research institutions to collect socio-economic data through the creation of urban observatories, support the development of a Palestinian human settlements policy (with related strategies for housing and urban development), establish a planning framework, and implement housing and settlements upgrading.

AGREEMENTS SIGNED TO DATE

	Amount in USD
Saudi Arabia	7,890,000
Bahrain	1,050,000
USA	500,000
Sweden	296,582
Oman	100,000
Sudan	67,380
Russian Federation	50,000
China	49,980
The Custodian of the Two Holy Mosques	7,600,000
Arab Authority for Agricultural Investment and Development	354,000
Al-Maktoum Foundation	199,985

THE ERSO TRUST FUND

Governing Council resolution GC21/10 established the Experimental Reimbursable Seeding Operations Trust. The objective of UN-HABITAT's efforts to field-test experimental reimbursable seeding operations is to encourage, induce and enable domestic housing financial institutions to expand the range and scope of existing financial services for low-income housing, related infrastructure and human settlements upgrading

AGREEMENTS SIGNED BY THE TRUST

	Amount in USD
Spain	2,879,579
Bahrain	500,000
Rockefeller Foundation	250,000










A model housing project in Singapore.
Photo ©: Singapore Housing and
Development Board (HDB)

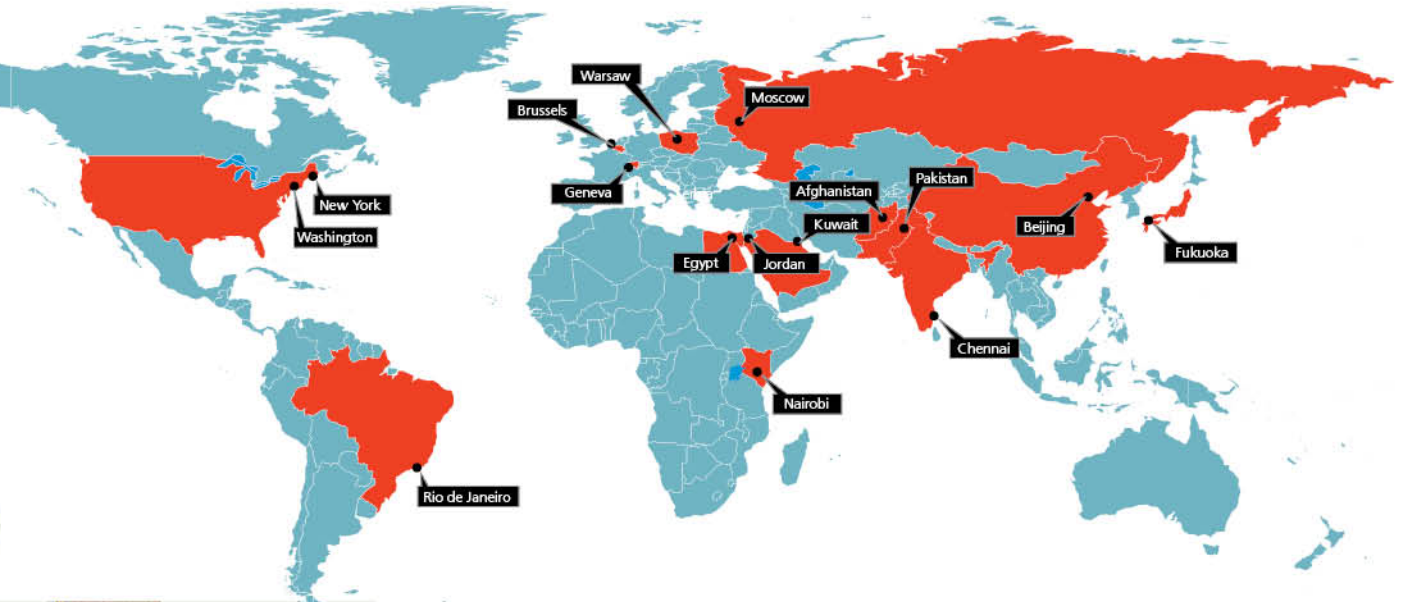




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