



UN-HABITAT GC-20 HIGHLIGHTS: WEDNESDAY, 6 APRIL 2005

Delegates to GC-20 conducted dialogues in the morning and afternoon sessions focusing on effective decentralization and strengthening of local authorities, and financing shelter and urban development. The Committee of the Whole (COW) also met in the morning to consider implementing and monitoring of the goal of the UN Millennium Declaration on improving the lives of slum dwellers, and the budget and work programme. The contact group on the budget and work programme continued its deliberations in the afternoon and into the night. The drafting committee met throughout the day and into the night to review draft resolutions.

DIALOGUES

In the morning, President Kopriva opened the dialogue on effective decentralization and strengthening of local authorities, including the draft guidelines on decentralization, prepared by the members of the Advisory Group of Experts on Decentralization. Moderator John Loughlin (UK) introduced the panelists: Musikari Kombo, Minister for Local Government, Kenya; Greta Billing, Ministry of Local Government and Regional Planning, Norway; Bernard Hoarau, Ministry of Foreign Affairs, France; Joan Clos, Mayor of Barcelona, Spain; Yves Ducharme, Mayor of Gatineau, Canada; Issa Shivji, University of Dar-es-Salaam, Tanzania; Heinrich Hoffschulte, Vice President of the Council of European Municipalities and Regions, Germany; Ernesto Gil Elorduy, President, Global Parliamentarians for Habitat, Mexico.

Loughlin highlighted the guidelines' purpose of inspiring thinking on how decentralization may be put in place. Kombo said Kenya has reached a general level of acceptance of the need for decentralization and strengthening the role of local authorities. Hoffschulte explained the rationale behind the guidelines, stressing that recognition, at Habitat II, of the need for effective governance at all levels is a major achievement in the process of strengthening local authorities.

Hoarau outlined the concept of decentralization as carried out by French cooperation, including its systematic and global approach to decentralization and inter-city cooperation. Billing highlighted Norway's successes in achieving a transparent, decentralized system based on the principle of equalization of expenditure across municipalities.

Clos underscored that GC-20 took an unprecedented step in hosting this dialogue between local authorities and governments. Noting the trend towards the increasing role of local governments, he said that additional resources need to be provided to match growing responsibilities. Ducharme noted that local authorities are often the first to respond to catastrophes and security issues in their countries.

Shivji highlighted Tanzania's challenges in decentralization: resistance to devolution of power and legal harmonization;

securing adequate financial resources; and generating political will. He stressed the need for entrenching local governments in national constitutions and developing one's own models rather than imitating existing ones. Elorduy highlighted the responsibility of parliamentarians in promoting effective decentralization and strengthening local authorities.

After comments from the floor, the moderator noted wide support for the principle of decentralization and the draft guidelines. He also stressed: the strong link between democracy, decentralization and development; the need for flexibility, diversity, and adaptability of the guidelines; and the importance of adequate financing.

In the afternoon, President Kopriva opened the dialogue on financing shelter and urban development, moderated by Sharad Shankardass, UN-HABITAT Secretariat. Panelists included: Amos Kimunya, Minister of Lands and Housing, Kenya; Manfred Konukiewitz, Federal Ministry of Economic Cooperation and Development, Germany; Roger Iversen, State Secretary, Ministry of Local Government and Regional Affairs, Norway; Marten Lilja, State Secretary, Ministry of Sustainable Development, Sweden; Shanon Sorzano, Deputy Assistant Secretary for International Affairs, Department of Housing and Urban Development, United States; and Saths Moodley, Special Advisor to the Minister of Housing, South Africa.

Iversen, Lilja and Sorzano elaborated on the housing policies in their countries. Kimunya presented the context of financing shelter and urban development in Africa. Moodley outlined South Africa's efforts to provide adequate housing to its population through innovative financial mechanisms such as the National Housing Finance Corporation.

After an animated debate, the following key points emerged: the assumption that poor people are high-risk borrowers has been proven wrong by microfinance initiatives; slum upgrading projects need to be turned into holistic programmes, including water, sanitation, education, and job creation components; and elevating housing on both national and international agendas is the key.

COMMITTEE OF THE WHOLE

Chair Bernd Braun (Germany) introduced discussion on the UN-HABITAT work programme and budget, and on the budget of the UN Habitat and Human Settlements Foundation for the 2006-2007 biennium (HSP/GC/20/6 and Add.1; HSP/GC/20/9 and Add.1, Add.2; HSP/GC/20/BD/1 and BD/2; HSP/GC/20/INF/5), informing the Committee that the contact group on budget and work programme had suspended its session until the COW discussed these items. Anna Tibaijuka, UN-HABITAT Executive Director, introduced the proposed work programme, highlighting the changes and priorities for the revitalization of UN-HABITAT during the current biennium. She stressed that the focus will remain on: implementing the UN Millennium Declaration targets on upgrading slums, urban water and



sanitation; urban governance; disaster management; and gender mainstreaming. On the budget, Tibaijuka proposed the addition of six new staff members under the UN regular budget, the introduction of a voluntary indicative scale of contributions, and the deployment of 45 Habitat Programme Managers (HPMs) in UNDP country offices. She also urged countries to increase non-earmarked contributions through multi-year agreements, and consolidate earmarked funding through soft-earmarked agreements focusing more on UN-HABITAT priorities. She thanked Germany for a contribution to the UN Habitat and Human Settlements Foundation, and Sweden for a contribution towards the Water and Sanitation Trust Fund.

The UK, on behalf of the EU, stressed the need for better organization of work at the GC, with discussion in the COW always preceding that in drafting and contact groups, and for earlier presentation of proposals on the budget by the Secretariat to the Committee of Permanent Representatives (CPR). The EU also expressed concern over the new staffing requests, noting a number of vacant positions still unfilled from the previous biennium. Uganda, on behalf of the G-77/CHINA, supported the new posts at the regional level, with Mexico, on behalf of GRULAC, called for strengthening regional offices. The G-77/CHINA, together with NIGERIA, CAMBODIA, and ALGERIA, expressed support for the introduction at GC-21 of the indicative scale of voluntary contributions, opposed by JAPAN and the US.

The G-77/CHINA, together with PHILIPPINES, NEPAL and GRULAC, favored the introduction of 45 HPMs, to be paid also by regular budget; whereas the EU proposed to defer consideration of the proposal to GC-21, after an evaluation of HPMs' efficiency. The EU also proposed that GC-20 mandate the Executive Director to reallocate resources among sub-programmes to respond to emergencies or emerging priorities, and reiterated their suggestion for a medium-term strategic plan. ALGERIA announced its voluntary contribution to slum upgrading activities in Africa. NORWAY proposed introducing work on youth and children in the work programme.

The UN-HABITAT Secretariat prioritized broadening the donors' base for voluntary contributions, and pointed to the anticipated saving in mission and consultant expenses through the deployment of HPMs. He also agreed that agenda items should be discussed in the COW or in the plenary prior to the formation of drafting/contact groups, and highlighted a draft resolution on the establishment of intersessional working groups for the GC.

Chair Braun reopened discussion on implementing and monitoring the goal of the UN Millennium Declaration on improving the life of slum dwellers. NEPAL, INDONESIA, SRI LANKA and ALGERIA were in favor of resetting target 11, and, with AFGHANISTAN, SENEGAL and TANZANIA, highlighted national progress. NORWAY announced the launch, later in 2005, of an international high-level commission on the legal empowerment of the poor.

CONTACT GROUP: Chaired by Rosalinda Valenton Tirona (the Philippines), the group continued its discussions based on a revised text as a result of Tuesday's negotiations. Chair Tirona clarified that the budget proposed for approval contains two components: general purpose budget and special purpose budget.

Delegates agreed to a paragraph confirming that the work programme reflects the structure and orientation of the Strategic Framework for the period of 2006-2007. On the actual budget, some delegates said that the proposed budget was not realistic, with one suggesting a two-step approach, in which GC-20 approves a lower budget and will increase it to the proposed level subject to availability of resources and in consultation with CPR.

After discussions, delegates agreed to add a new paragraph authorizing the Executive Director, in the event of shortfall or surplus in income, to adjust, in consultation with CPR, the level of allocation for programme activities, to bring the budget into line with possible variations in income compared to the approved level of appropriations. With this agreement, delegates approved the proposed budget: US\$27,601,000 for the general purpose budget and US\$55,148,000 for the special purpose budget.

On a paragraph regarding the Executive Director's authority to reallocate general purpose resources between subprogrammes, a group of countries proposed a maximum of 30% for such reallocation. Others said 30% is too high, and emphasized that such authority should be in conformity with the practices in other UN bodies.

On the voluntary indicative scale of contributions, a group of countries highlighted the importance of discussing the feasibility of introducing such a mechanism at GC-21, and proposed a new text requesting UN-HABITAT to look into the feasibility of introducing innovative financing mechanisms, *inter alia*, the voluntary indicative scale of contributions, for consideration at GC-21. The discussion on this issue was deferred to a later stage. *Editor's note: The ENB coverage ended at 8:00 pm.*

DRAFTING COMMITTEE

Chair Jose Luis Casal (Argentina) opened the meeting announcing six newly tabled resolutions: Youth and Human Settlements; Establishment of African Ministers Conference on Housing and Urban Development; Preservation and Sustainable Development of the Oasis; Least Developed Countries; Access to Basic Services for All; and Best Practices, Good Policy and Enabling Legislation in Support of MDGs. The Committee then turned to consideration of resolutions in sequence as follows: L.2, on Post-Conflict, Natural and Human-Induced Disasters Assessment and Reconstruction, still pending because of reservations on operative paragraphs; L.3, on the World Urban Forum, approved with minor changes; L.4, on the Slum Upgrading Facility of the UN Habitat and Human Settlements Foundation, approved after clarifying amendments to the preambular paragraphs; L.6, on Enhancing Involvement of Civil Society in Local Governance, approved after input from the COW on the role of civil society groups; L.7, on Global Campaigns on Secure Tenure and Urban Governance, approved with little discussion; L.8, on Implementing and Monitoring of the goal of the UN Millennium Declaration on Improving the Lives of Slum-Dwellers, pending the outcome of informal consultations; L.9, on Gender Equality, pending while delegates review new documents; L.10, on CSD-13, pending while delegates consult; L.11, on Small Island Developing States, approved with minor changes; L.12, on HPMs, discussed without reaching agreement; L.13, on the Provisional Agenda for GC-21, referred to the GC Bureau; L.15, on Sustainable Development of Arctic Cities, approved with minor changes; and L.16, on Housing as a Component of the Right to an Adequate Standard of Living, not discussed. Thus far, eight resolutions have been approved; two are under discussion in other fora; six of the draft resolutions in document HS/GC/20/3 and six newly tabled resolutions are pending. The issues that stimulated the most extensive discussion were: the role of civil society (L.6); the feasibility of Millennium Declaration goal on 100 million slum dwellers (L.8); and HPMs (L.12). *Editor's note: The ENB coverage ended at 8:00 pm.*

IN THE CORRIDORS

On the third day of GC-20, budget and work programme discussions sent the first sparks flying with operationalization of UN-HABITAT and securing predictable budget funding being the main points of contention. The question of the day was 'to be or not to be' for the immediate deployment of Habitat Programme Managers (HPMs) across the developing world. While most developing countries expressed concern over proposed setbacks on new HPM appointments, stressing their added value and cost-effectiveness in comparison with international consultants, some developed country delegates questioned their efficiency in the absence of formal evaluation. The decision on the budget is expected to provide the answer to this life-and-death matter for HPMs. However, it also raises the bigger question of the future directions for UN-HABITAT, now only one year shy of its 30th birthday.