

## Five Years After Habitat II

### Successes and Set-backs

*"We commit ourselves to the objectives, principles and recommendations contained in the Habitat Agenda and pledge our mutual support for its implementation". This was the declaration of world governments and leaders when they endorsed the Istanbul Declaration and the Habitat Agenda at the conclusion of the Habitat II Conference in June 1996. Five years later, it is time to review how far the commitments of the Habitat Agenda are being implemented, and to make recommendations for future action.*

In June 2001, the United Nations General Assembly holds a Special Session for the review and appraisal of the Implementation of the Habitat Agenda (Istanbul+5). Countries have been preparing reports on their own progress in this undertaking in preparation for Istanbul+5.

The official review process for Istanbul+5 began in October 1999 with the issuing of "Guidelines for Country Reporting" issued by UNCHS (Habitat). The guidelines were developed through a consultative process involving Habitat staff, national governments and Habitat Agenda partners. Countries were requested to compile their national reports through a consultative process using broad-based, gender-balanced national committees.

Reporting was to be done under 20 key commitments and strategies selected from the Habitat Agenda. These are grouped under six main themes of: **Shelter; Social Development and Eradication of Poverty; Environmental Management; Economic Development; Governance; and International Cooperation.** Even though this was the beginning of the official reporting process, the reports received from countries and from some Habitat Agenda partners indicated that some countries, regional groupings and



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# GOVERNANCE

## Building Capacity to Improve Urban Governance

by Joris van Etten and Leon van den Dool

### From Urban Management to Urban Governance

The term "governance" has become an integral part of the "aid vocabulary" used today. However, it is interpreted differently by different development practitioners. Urban governance differs from the broader governance agenda (which has tended to concentrate on macro-levels), in that it focuses on the meso-levels. It also differs from the urban management perspective of operation and maintenance of infrastructure and services, because urban governance acknowledges that one should not ignore the complex social and political environments in which these services are being managed. At the city level, good governance is not only concerned with good urban management but also with interactions between all stakeholders in the city. Therefore political, contextual, constitutional and legal dimensions need to be considered.

The Habitat Agenda advocates transparent, responsible, accountable, just, effective and efficient governance of towns, cities and metropolitan areas through enabling local leadership and the promotion of democratic and participatory processes. It stresses that public authorities should use public resources in all public institutions to further these objectives. It further stresses the need for participatory approaches in human settlements development and management. Since the Habitat II Conference in June 1996, several initiatives have been undertaken by various programmes to promote the concept of good urban governance. Among these is UNCHS (Habitat)'s Global Campaign on Urban Governance. (See box on p.25.)

### Elements of Good Urban Governance

The United Nations Development Programme (UNDP) describes good governance as a process that includes the following elements:

- **Participation:** all men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interest. Local democracy and decentralization are pre-requisites for participation;
- **Strategic vision:** leaders and the public should have a broad and long-term perspective on good governance, human development and the development of their city along with a sense of what is needed for such development;
- **Rule of law:** legal frameworks should be fair and enforced impartially, particularly the law on human rights;
- **Transparency:** processes, institutions and information are directly accessible to all stakeholders, and enough information is provided to understand and monitor governance processes;
- **Responsiveness:** institutions and processes try to serve all stakeholders;
- **Consensus orientation:** different interests are mediated in order to reach a broad consensus on what is in the best interest of the group and, where possible on policies and procedures;
- **Equity building:** all men and women have opportunities to improve or maintain their well being;
- **Effectiveness and efficiency:** processes and institutions produce results that meet needs while making the best use of resources.
- **Accountability:** decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders.

A future challenge is to translate each component into practical tools and have benchmarks for each component. For instance the quality of civic engagement in the decision making process, the responsiveness of local governments towards its citizens and the respect for basic human rights are some of the benchmarks for good

governance performance of cities.

### Capacity Building for Good Urban Governance

Inadequate human and organizational capacities and unfavourable institutional environments can inhibit good urban governance. Capacity building for the promotion of good urban governance should be directed to improve the performance of local as well as national stakeholders for the elements listed above.

The key question is how to build the capacity required for better urban governance in the most effective way. Capacity building is more than training. Training of individuals does not automatically result in the envisaged change in the organizations to which the individuals belong. Besides, improved capacities of cities more often than not require major changes in the institutional context of urban governance, e.g. local-central government relations and the legal framework for urban development and partnerships with civil society, community-based organizations and the private sector. It is important to link human resource development with the other two main dimensions of capacity building: organizational development and capacity for network management.

Capacity building efforts are fraught with challenges, some of which are listed below:

- **Capacity building is more than a passing phase.** Capacity building is a means to an end, and should not become an end in itself. This implies that the objectives of a capacity building strategy need to be clearly specified before interventions can be determined.
- **Capacity building for good urban governance is a complex process** which demands major efforts over extended periods of time. Quick and tangible results are difficult to achieve so commitment and support of all those involved in the capacity building process is of key importance in achieving results. This has implications for both the process of designing a capacity building strategy as well as the duration of such a strategy.
- **Capacity building should be demand-based and rooted in well-defined capacity requirements.** Since translating development goals into capacity requirements has proven to be very difficult, there is a great need to develop methodologies and approaches that can link the demand and supply side of capacity



building. Interventions should also be planned for organizational and institutional development.

● **Many donor agencies are promoting capacity building. However, it is expected the funding will fall short of the resources required to respond adequately to capacity building requirements.** This implies that national and local governments need to recognize the need for capacity building as well as make local resources available. On the other hand, it also should be stressed that not all capacity building interventions, e.g. organizational or institutional changes, require major investments in monetary terms.

● **Good urban governance requires attitudinal change, which is difficult to achieve in general.** Firstly, attitudinal change is needed for local government since their role is changing from the main actor to a special actor in a complex network of stakeholders. Secondly, attitudinal change is needed because many components of good governance refer to attitudes.

● **There is a lot of scope for increasing the impact of capacity building efforts.** Experience shows there are four main conditions that need to be met to make a successful capacity building effort: (1) there must be a strong conviction by management and elected members that the results are worth the investment; (2) efforts should be focused on the issues that need to be tackled in a city or community; (3) the costs, duration and timing of the efforts should be in such a way that it allows people to participate; (4) capacity building needs to be continued in order to have impact in a constantly changing situation.

● **Impact assessment is important.** Better understanding of the full impact of capacity building efforts, be it successes, failures or limitations, and the factors behind this, can assist in improving these efforts, and thus increasing their impact.

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## Towards Norms of Good Urban Governance

UNCHS (Habitat)'s Urban Governance Campaign is engaging cities, partners and the international community in a vigorous debate on what exactly constitutes good urban governance. Habitat has initiated this debate by arguing for the following definition of **urban governance**:

*"Urban governance is the sum of the many ways individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action can be taken. It includes formal institutions as well as informal arrangements and the social capital of citizens."*

Based on international legal instruments, commitments at major UN Conferences and operational experience in cities, the campaign proposes that good urban governance is characterized by the following seven interdependent and mutually reinforcing norms.

- **Sustainability** in all dimensions of urban development
- **Subsidiarity** of authority and resources at the closest appropriate level
- **Equity** of access to decision-making processes and the basic necessities of urban life
- **Efficiency** in the delivery of public services and in promoting local economic development
- **Transparency and Accountability** of decision-makers and all stakeholders
- **Civic Engagement and Citizenship**
- **Security** of individuals and their living environment

These norms are supported by a wide range of operational principles, which are based on lessons of experience and reflect regional conditions. Their implementation must be grounded in the local reality of urban planning and management.

The debate on norms of good urban governance is currently intensified through networks of the Campaign's global and regional steering group members, through national campaign launches in all regions and through inter-agency consensus building within the UN family.



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