



United Nations Environment Programme



Distr.
GENERAL

UNEP/GC/93

21 February 1977

Original: ENGLISH

GOVERNING COUNCIL

Fifth session

Nairobi, 9-25 May 1977

Item 9 (a) of the provisional agenda

PROGRESS REPORT ON THE IMPLEMENTATION OF THE PLAN AND PROGRAMME OF OPERATIONS OF THE FOUNDATION

Report by the Executive Director

1. INTRODUCTION

1. Pursuant to General Assembly resolution 3327 (XXIX) of 16 December 1974, the Executive Director prepared a plan and programme of operations for the United Nations Habitat and Human Settlements Foundation which was submitted to the Governing Council at its third session as document UNEP/GC/36. The Governing Council, by decision 38 (III) of 24 April 1975, endorsed the plan and programme of operations, and authorized the Executive Director to proceed with its implementation, taking fully into account the views expressed during the consideration of the agenda item concerning the Foundation.

2. The Governing Council, by decision 72 (IV) of 12 and 13 April 1976, requested the Executive Director to assess the needs of member States for assistance by the Foundation and to encourage voluntary contributions and other offers of support, making full use of the Advisory Board of the Foundation. The Governing Council decided to defer decision on the matter of setting a total target for voluntary contributions to the Foundation by Governments for consideration at its fifth session.

3. The Governing Council, by decision 72 (IV), also approved the general procedures governing the operations of the Foundation and decided to review those procedures at its fifth session in the light of developments during the intervening period. For the purpose of this review the Executive Director has prepared a report contained in document UNEP/GC/94/Add.1.

4. The Governing Council noted with approval the budget report of the Executive Director on the Foundation for 1975-1977, and requested the Executive Director to report further on this subject to the Governing Council at its fifth session. This report is contained in document UNEP/GC/94.

5. This progress report covers the steps taken by the Executive Director in carrying out the operations of the Foundation and further developing its programme of activities. It refers to policy matters and the development of the programme of activities; the relationship of the Foundation's programme of operations to the recommendations of Habitat: United Nations Conference on Human Settlements;

the financial resources of the Foundation; co-operation with other United Nations organizations and agencies; and the first meeting of the Advisory Board of the Foundation. The progress report also puts forward recommendations for action by the Governing Council at its fifth session.

II. SOME POLICY ASPECTS GOVERNING THE FOUNDATION'S OPERATIONS

6. The basic terms of reference of the Foundation were established by General Assembly resolution 3327 (XXIX). Further guidelines for the activities of the Foundation were provided by Economic and Social Council resolution 1914 (LVII) of 10 December 1974, and Governing Council decisions 38 (III), endorsing the plan and programme of operations (UNEP/GC/36), and 72 (IV), approving the general procedures governing the operations of the Foundation.

7. The Foundation's mandate includes:

(a) Expediting financial assistance to Governments and institutions from the Foundation's own resources and a broad spectrum of other sources;

(b) Stimulating innovative approaches to pre-investment, pre-project and financing strategies for habitat and human settlements activities, while drawing on the accumulated practical experience of both the public and private sectors;

(c) Organizing technical assistance services in human settlements and human habitat management, including training facilities and human habitat projects;

(d) Promoting the adaptation and transfer of appropriate scientific and technical knowledge on human settlements projects, with respect, inter alia, to housing finance, housing finance policies, information systems and management.

8. In discharging its mandate the Foundation advocates and supports:

(a) An approach to the natural environment which minimizes its disturbance or destruction and promotes conservation of soil, vegetation and existing drainage patterns, thereby helping to maintain good water and food supplies and avoid land subsidence, flooding and other mishaps. Sound waste-management practices, which are also essential, minimize air and water pollution through the maximum re-use of waste and disposal of residual wastes in ways which neither disturb natural drainage nor damage soil and vegetation;

(b) The productive use of local resources to help generate local income and reduce the use of expensive imports;

(c) Emphasis on the quality of life, within a cultural context, taking due account of conditions of employment, health and education;

(d) Emphasis on public participation because of its practical role in making the most of scarce resources and building up functional self-reliance.

9. These four elements of the Foundation's approach will be reflected in activities related to the provision of seed capital, training, technical assistance, demonstration and the dissemination of information which are undertaken in collaboration with other institutions within and outside the United Nations system.

~~Guidelines have been established~~ and will be kept under review for the provision of seed capital, the extension of technical assistance in human settlements technology and the training of human settlements managers.

10. Specialized financial institutions and adequate means are necessary to meet the requirement of human settlements. Seed capital will therefore be provided by the Foundation to assist in establishing and strengthening financial institutions to serve the development of human settlements. Through such assistance, emphasis will be placed on the mobilization of domestic resources, which in many cases could constitute the bulk of the resources needed for national human settlements activities. In assessing requests for the provision of seed capital, the Foundation will give: priority consideration to developing countries, particularly the least developed. Furthermore, the Foundation must be satisfied that the use to which the seed capital will be put will further the goals and objectives pertaining to human settlements emphasized in the Foundation's mandate.

11. The mandate of the Foundation provides for the training of human settlements managers as part of its technical assistance operations, which also include the transfer of knowledge and experience. In this connexion, the Foundation has made preliminary contacts with national universities, colleges and technical schools offering human settlements programmes, and with UNEP, UNESCO, UNDP, the Centre for Housing, Building and Planning, the World Bank and other international agencies, including non-governmental organizations with training programmes in human settlements.

12. UNEP-initiated programmes for the application of human settlements technologies are supported by the Foundation through technical assistance for demonstration and research projects which seem likely to be innovative and suitable for adoption globally or regionally. Pilot projects dealing with marginal settlements have been started in Indonesia and the Philippines by UNEP and the Foundation. The Foundation has co-operated with UNEP and the Economic Commission for Africa (ECA) in a project in the African region aimed at identifying leading institutions in human settlements technology and designating some of those institutions as subregional focal points responsible for carrying out consortium-type research and demonstration projects.

III. DEVELOPMENT OF THE FOUNDATION'S PROGRAMME OF ACTIVITIES

13. The Foundation began its activities in August 1975, before the convening of Habitat: United Nations Conference on Human Settlements in May-June 1976. The projects being carried out and those under consideration by the Foundation fall within the subject areas and recommendations of the Conference as noted in its report (A/CONF.70/15). 1/

14. In September 1976 the Executive Director established a Project Committee to review and make recommendations regarding project proposals for seed capital and technical assistance. An important task of the Committee is to avoid duplication of activities of the Foundation with those of other international organizations.

1/ United Nations publication, Sales No. E.76.IV.7.

15. A valuable input to programme development was provided by the Advisory Board of the Foundation, which held its first meeting under the chairmanship of the Executive Director in May 1976. Further information on that meeting is given in section VI of this report.

16. To date, the Foundation has received requests or substantive inquiries from 31 countries. These requests and inquiries originated as follows: 14 in the ECA region, 2 in the ECE region, 5 in the ECLA region, 3 in the ECWA region and 7 in the ESCAP region.

17. Requests from Governments for advice and assistance, though mostly related to institution building and management, are varied. This can be seen from the project details outlined below.

18. The Government of Bolivia requested an interdisciplinary team of experts to assist in the formulation of housing policy and housing finance policy. The Foundation provided 16 months of expertise for these tasks, which will be completed by March 1977.

19. The Foundation extended technical assistance to the Government of Botswana through an advisory mission which recommended that a housing finance department be established within the National Development Bank. The department is expected to concentrate on savings and loan activities for the benefit of low-income groups. These activities would include innovative measures to provide for individual landholding without charge and a contract arrangement for savings by individuals whereby they would receive a guarantee of loans for house building.

20. In Ethiopia, the Foundation extended technical assistance to the Government through an advisory mission responsible for (a) formulating a housing policy with emphasis on housing finance policy and (b) recommending measures to strengthen the existing financial institution in the country. Towards the end of the first phase of the mission's activities a group from the European Economic Community visited Ethiopia. The Government, using the mission's data and analyses, submitted a proposal to EEC and, as a result, received a loan-grant of \$Eth 10 million (about \$US 5 million) for low-cost housing. Under the same project, the Foundation is providing an expert to give advice and assistance in implementing the housing policy and extending the services of the financial institution into major towns;

21. A project-identification mission visited Jamaica and made recommendations for technical assistance by the Foundation to the Office of the Chief Government Town Planner of the Ministry of Mining and Natural Resources. According to the recommendations, experts may be provided to undertake master planning of major townships and layouts for rural settlements, with due regard to the environmental conditions of the island. Assistance to a rural housing improvement programme sponsored by Sugar Industry Housing Ltd. was also recommended.

22. The establishment of a regional financial institution or human settlements Foundation in the Arab States has been the subject of discussions between the Executive Director, Foundation staff, and some leading citizens of Arab States. The purpose of the proposed regional institution is to encourage the transfer of financial resources within the region for human settlements purposes. This proposal is still at a preliminary stage.

23. At the request of the Government, an advisory mission visited Lesotho to assist in establishing the Lesotho Building Finance Corporation, for which legislation has been enacted. The Government has requested the Foundation to provide technical assistance by way of expertise to manage the institution in its initial stages, to provide seed capital, and to organize a training programme for local staff.

24. As a follow-up to the visit of the Executive Director to the Libyan Arab Republic in July 1976, at the request of the Government, an advisory mission is being planned in collaboration with ECA to review the human settlements institutional arrangements and make recommendations to strengthen the Ministries of Municipalities and Housing. Projects to be formulated by the advisory mission would be financed on a funds-in-trust basis.

25. At the request of the Sudanese Government, an advisory and appraisal mission visited the Sudan and supported the Government's request for technical assistance in setting up a plan for manufacturing building blocks from stabilized earth, using a new technique for stabilization. The feasibility of this project was established by a UNDP-assisted study. The Government's request to the Foundation also includes provision of expertise, training and equipment. This project, which has a great demonstration value, has reached the implementation stage. The Foundation is collaborating with UNEP on the environmental aspects of the project.

26. At the request of the Venezuelan Foundation for Community Development and Municipal Improvement (FUNDACOMUN), a Foundation staff member visited Venezuela to advise on information interchange and to review projects of mutual interest. FUNDACOMUN requested the Foundation's support for a subregional demonstration course on the management of settlements and environmental programmes, which is now scheduled for November 1977. The mission resulted in a further request from the Habitat Foundation of Venezuela for UNHHSF co-operation in the development of a pilot project for low-cost housing using innovative technology and methods of financing. Consideration is being given to the project and to the possibility of the Foundation's undertaking this activity partly or wholly on a funds-in-trust basis.

27. The Yemen Arab Republic requested advice and assistance from the Foundation in establishing institutional machinery to enable the Government to carry out its housing programme. An advisory mission visited the country and recommended the establishment of a housing corporation and a housing credit bank as executing agencies of the Government's housing programmes. The implementation of the advisory mission's recommendation would require further assistance by the Foundation and other United Nations bodies.

28. A study tour of human settlements, particularly marginal settlements, was undertaken from 2 September to 5 October 1976 in Pakistan, India, Thailand, Indonesia and the Philippines by participants of 17 countries from the ESCAP and ECWA regions, together with staff of the Foundation and UNEP. The report of the study tour emphasizes the practical experience gained in the five countries by carrying out demonstration projects to improve conditions in marginal settlements. The report recommends that policies for dealing with marginal settlements should be integrated in national development plans.

29. A workshop on housing finance for low-cost human settlements, sponsored by the Foundation in collaboration with the International Union of Building Societies and Savings Associations, will take place in London from 14 to 18 March 1977. Participants have been invited from 16 countries from the various regions. Representatives of leading international financial and housing institutions will also participate. The main objective of the workshop is to propose measures to increase the inflow of capital for financing housing and related facilities, using such innovative techniques and mechanisms as may be suitable and acceptable in the various countries. It is expected that a combination of the knowledge and experience of the countries' participants, the representatives of international institutions and the Foundation staff will yield action-oriented proposals.

30. The pace of developing the programme of activities could have been further accelerated had it not been for the financial constraints resulting from the limited resources now available to the Foundation.

IV. FINANCIAL RESOURCES OF THE FOUNDATION

31. The General Assembly, in resolution 3327 (XXIX), envisaged that contributions by Governments to the Foundation would be on a voluntary basis, and authorized the Executive Director to launch an international fund-raising appeal for a maximum funding of the Foundation. The same resolution decided that the Foundation would be initiated by a single allocation of \$4 million over four years from the Fund of UNEP.

32. In August 1975 the Executive Director informed the Governments of all States eligible for membership in the Governing Council of UNEP of the commencement of the operations of the Foundation, and appealed to them to consider extending financial support. He subsequently visited several countries and invited their Governments to give financial support to the Foundation. In pursuing his fund-raising efforts, the Executive Director, as requested by the Governing Council at its fourth session, has sought the advice of the Advisory Board of the Foundation on this matter. A brief account of the first formal meeting of the Advisory Board is given in section VI of this report.

33. The Executive Director appealed to the international community, in his statements at Habitat: United Nations Conference on Human Settlements and at the thirty-first session of the General Assembly, to contribute generously to the Foundation to enable it to realize the important and urgent objectives for which it was established. He made a further appeal in a letter sent in January 1977 to all Member States and other States eligible for membership in the Governing Council. It is hoped that Governments which indicated to the Executive Director that they would consider the matter of contributions to the Foundation after the Vancouver Conference will do so at an early date.

34. To date, 10 Governments have either contributed to the Foundation or made pledges. ^{2/} Notably, a pledge of \$US 1 million has been made by the Government of

^{2/} Contributions to the Foundation have been pledged by Cyprus, Holy See, India, Jamaica, Kenya, Kuwait, Malta, Nigeria, Pakistan, Philippines and Zaire.

the Philippines. A non-governmental organization, the International Union of Building Societies and Savings Associations, has contributed \$US 3,400 to the Foundation.

35. At its fourth session, the Governing Council decided to defer decision on the matter of setting a total target for voluntary contributions to the Foundation by Governments for consideration at its fifth session. As stated in the report by the Executive Director (UNEP/GC/94), the Foundation has found it very difficult to project its programme of activities beyond 1977 in the absence of a clear indication of the level of financial resources likely to be available to it in the coming five years. One effective way of attaining such an indication might be through the setting of a target for voluntary contributions by Governments for the period 1978-1982.

V. CO-OPERATION OF THE FOUNDATION WITH OTHER AGENCIES AND INSTITUTIONS

36. The General Assembly, in resolution 3327 (XXIX), decided that the Executive Director should seek the co-operation and support of financial institutions in developed and developing countries, in fulfilment of the objectives of the Foundation, and invited the active participation and collaboration of the agencies and bodies within the United Nations system, as well as of regional financial and technical institutions, in the activities of the Foundation, particularly with regard to seed capital and the financing of operational human settlements projects. Further, under the provisions of General Assembly resolution 31/116, United Nations bodies, such as the Foundation, are requested to give all possible support to the regional commissions in the strengthening of regional co-operation in the field of human settlements.

37. The Foundation is steadily establishing points of contact at the operational level with a number of Governments and international, regional and national institutions active in the field of human settlements. Such contacts are beginning to yield results. The paragraphs below give an account of co-operation by the Foundation with the United Nations secretariat, United Nations agencies, financial institutions and non-governmental organizations.

38. In regard to the United Nations system, the preparatory process for Habitat: United Nations Conference on Human Settlements, as well as the Conference itself, provided opportunities for contacts and exploratory discussions on programmes of work and priorities. These opportunities further strengthened the Foundation's close working relationship with the Centre for Housing, Building and Planning, a recent example of which was collaboration at the project formulation stage between the Foundation and the Centre for Human Settlements Planning in Bangladesh. In 1975 the United Nations Ad Hoc Group on Housing and Urbanization of the Administrative Committee on Co-ordination provided the Foundation with the opportunity to consult with other United Nations bodies active in the field of human settlements. As a standing procedure, the Foundation carries out its operational activities in full harmony with the strategies set by the Governing Council of UNEP in the field of human settlements. The fact that the Governing Council is also the governing body of the Foundation ensures that the environmental aspects of the Foundation's activities are taken fully into account.

39. The Foundation has held exploratory discussions with other bodies, including IBRD, IFC, UNDP, UNESCO, ILO and WFP. These contacts will be sustained with a view to exchanging information on programme activities relating to human settlements and exploring possibilities of joint or concerted operations.

40. Habitat resolution 4 and General Assembly resolution 31/109 requested the Secretary-General to convene regional meetings, as appropriate, within the framework of the regional commissions. ECLA and ECE convened regional meetings in 1976. The Foundation was represented at the ECLA meeting, which recommended a set of activities to promote regional co-operation in dealing with human settlements problems in Latin America. UNEP and the Foundation are in close touch with the other regional commissions in making preparations for the regional meetings. The Foundation has expressed its readiness to extend its support in preparing for the meetings and in formulating programmes for regional co-operation. The Foundation will be involved with UNEP and ECLA in a joint programming meeting at Addis Ababa in February 1977, and in similar exercises for the ECLA and ESCAP regions. The Foundation expects to play an important role in establishing and strengthening financial institutions at the regional and subregional levels.

41. In seeking to extend its co-operation beyond the United Nations system, the Foundation is steadily strengthening its co-operation with non-governmental organizations which may be in a position to support its strategies and activities. These organizations include those which have programmes in the economic, technical, social and financial areas affecting human settlements, such as the International Union of Building Societies and Savings Associations, the International Union of Architects, the International Union of Local Authorities and the International Co-operative Housing Development Association. The nominal financial contribution made by the International Union of Building Societies and Savings Associations and that organization's collaboration in connexion with the London workshop referred to in paragraph 24 indicate that the Foundation's policy of co-operation with non-governmental organizations is yielding concrete results.

42. An attempt will be made to involve in this programme of co-operation other financial intermediaries in the commercial sector which may be able to assist in providing financial support for institution building and credit facilities for the purchase of supplies, machinery and equipment.

VI. ADVISORY BOARD OF THE FOUNDATION

43. The Governing Council, at its third session, approved the establishment of an Advisory Board to advise the Executive Director on the operations of the Foundation. The Executive Director took steps to establish the Board, extending invitations to several prominent persons to serve as members of the Board. Most of those approached accepted the invitation, and in December 1975 the Executive Director held informal consultations with some members of the Board and senior officials from the World Bank and the Centre for Housing, Building and Planning, who participated in their personal capacity.

44. The first formal meeting of the Advisory Board under the chairmanship of the Executive Director took place at Nairobi, Kenya, from 5 to 6 May 1976. It was attended by Mrs. Imelda Marcos, First Lady of the Philippines and Governor of Metropolitan Manila; Mr. Maurice Strong, first Executive Director of UNEP and at present Chairman of the Board of Petro-Canada; and Mr. John Stadtler, President of the International Union of Building Societies and Savings Associations. Also present were senior officials from the World Bank and the Centre for Housing, Building and Planning, attending in their personal capacity.

45. The agenda of the first formal meeting of the Advisory Board contained a number of items, including development of the Foundation's programme of activities, fund-raising for the Foundation, the relationship of the Foundation with international financial institutions and possible future institutional arrangements which might be recommended by Habitat: United Nations Conference on Human Settlements.

46. The Board noted that the Foundation concept was making progress and was of the opinion that the experience of the first few months of the Foundation's existence confirmed the utility of an institution to provide specialized professional advice on the mobilization of domestic and foreign resources for human settlements, and to provide seed capital and necessary technical assistance. The Board stressed the importance of that function and the benefits to be obtained from an expansion of the work of the Foundation, which should be seriously considered in any discussions regarding a future international institutional framework for human settlements activities.

47. The second formal meeting of the Advisory Board is scheduled to take place at Nairobi, Kenya, from 29 to 30 April 1977. The agenda will include items dealing with the development of the programme of activities, the relationship of the Foundation with international and regional financial institutions and other organizations active in the field of human settlements, the formulation of an information programme, fund-raising activities and methods, and the setting of a minimum target for voluntary contributions to the Foundation in the coming four years.

VII. MAJOR POLICY ISSUES FOR THE CONSIDERATION OF THE GOVERNING COUNCIL

48. The Governing Council may wish to focus consideration on (a) policies and guidelines for the Foundation's operation, and (b) the level of financial resources that should be available to the Foundation.

VIII. SUGGESTED ACTION BY THE GOVERNING COUNCIL

49. The Governing Council may wish to consider a decision along the following lines:

"The Governing Council,

"Taking note of the Executive Director's progress report on the implementation of the plan and programme of operations of the United Nations Habitat and Human Settlements Foundation, 3/

"Noting with approval the policies and guidelines governing the Foundation's operations in the discharge of its mandate, and its concern with sound environmental development,

"1. Recommends that the General Assembly, at its thirty-second session, should set a minimum target of \$US 50 million for total voluntary contributions by Governments to the Foundation for the years 1978-1981;

"2. Further recommends that the General Assembly, at its thirty-second session, should authorize the Secretary-General to convene during the thirty-third session, if pledges to meet the minimum target were not forthcoming, a pledging conference for voluntary contributions by Governments to the Foundation."