



Commission on
Human Settlements

Distr.
GENERAL

HS/C/7/2/Add.2
20 February 1984

ORIGINAL : ENGLISH

Seventh session
Libreville, 30 April - 11 May 1984
Item 4 of the provisional agenda

ACTIVITIES OF THE UNITED NATIONS CENTRE FOR HUMAN
SETTLEMENTS (HABITAT): PROGRESS REPORT OF THE
EXECUTIVE DIRECTOR

Financial and Advisory Institution for Human
Settlements in Asia and the Pacific

Report of the Executive Director

1. In resolution 4/14, the Commission called upon the Executive Director of the United Nations Centre for Human Settlements to undertake a feasibility study on the creation of an Asian human settlements bank. In response, the Executive Director convened an ad hoc group of experts, whose recommendations were contained in a report to the Commission at its fifth session (HS/C/5/8, annex). Having noted those recommendations, the Commission, in resolution 5/12, asked the Executive Director to continue and accelerate the conduct of the feasibility study, and to report to the Commission at its sixth session on progress made.
2. After the fifth session, the Executive Director sent a letter to the Governments of countries in Asia and the Pacific asking them to complete a questionnaire on their national housing policies and on the operations and activities of their domestic housing finance institutions. By the end of 1983, only 10 replies had been received and they were found to be insufficient to arrive at definite conclusions.
3. Accordingly, it was decided to convene a second ad hoc group of experts to analyse the completed questionnaires and to provide advice on action required for establishing the new institution. The report of that group was presented to the Commission at its sixth session (HS/C/6/2/Add.3, annex).
4. In response, the Commission adopted resolution 6/4, in which it decided that further steps should be taken on the question of a financial and advisory institution for human settlements in Asia and the Pacific, and requested the Executive Director to constitute and call a meeting of "the small working group of governmental experts and others" envisaged in the report of the second ad hoc expert group (HS/C/6/2/Add.3, annex). The Commission accepted the offer of the Government of the Philippines to act as host to the meeting of the small working group.

5. In order to provide the members of the small working group with information on the progress made so far, UNCHS prepared a background paper, which, inter alia, traced the development of similar facilities in the other developing regions of the world - more specifically, in Latin America and Africa - and also provided information on the different types of structures that might be considered feasible in establishing the proposed institution.
6. The small working group, composed of experts from the Governments of India and the Philippines, the Economic and Social Commission for Asia and the Pacific (ESCAP), an observer from the Asian Development Bank, an expert consultant, and a substantive officer from the United Nations Centre for Human Settlements, met at Manila from 25 to 28 January 1984.
7. Its terms of reference, in accordance with Commission resolution 6/4, were to examine in detail such matters as:
 - (a) Type of structure - i.e., an international body incorporated by charter, or a limited liability company to be established in the country of residence;
 - (b) Memorandum and Articles of Association of the institution or other appropriate documents;
 - (c) Legal implications, including such matters as immunities and privileges to be extended by the host country;
 - (d) The basis for allocating shares to member Governments of ESCAP;
 - (e) Representation on the Board of Directors and procedures for voting.
8. The report of the small working group envisages that the proposed institution should, in close consultation and co-operation with UNCHS, concentrate its operations to a large extent on the establishment and support of human settlements financing and financial institutions and related advisory services in Asia and the Pacific.
9. The working group made several references to the role of the United Nations and ESCAP which it will be necessary to discuss with the concerned officials of those organizations.
10. The working group's specific recommendations were that the following steps should be taken:
 - (a) The Executive Director of UNCHS (Habitat) should initiate high level consultations with selected countries of the region and with the Asian Development Bank to explore the role the Bank might play in the establishment of the proposed institution;
 - (b) The Articles of Agreement should be submitted to members and associate members of ESCAP together with a summary of the reports concerning the proposed institution;

(c) A suitable regional forum should be selected to discuss the proposal and to appoint a committee of prospective member countries, which, in close co-operation with UNCHS (Habitat) and other concerned parties, would finalize the charter and other necessary documents to effect the establishment of the proposed institution.

11. The Commission may wish to consider what further action should be taken in this matter.
