

PREPARATORY COMMITTEE FOR THE SPECIAL SESSION OF  
THE GENERAL ASSEMBLY FOR AN OVERALL REVIEW AND  
APPRAISAL OF THE IMPLEMENTATION OF THE  
HABITAT AGENDA

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Good urban governance: A normative framework

Summary

1. The United Nations Centre for Human Settlements (UNCHS) (Habitat), is launching a "Global Campaign for Good Urban Governance" as a means of implementing the Habitat Agenda's goal of sustainable human settlements development in an urbanizing world.

2. Part I of this paper provides an overview of the Global Campaign for Good Urban Governance, its objectives, components and partner strategy. Good urban governance is the means for realizing the Inclusive City, a place where everyone, regardless of wealth, gender, age, race or religion, is enabled to participate productively and positively in the opportunities cities have to offer.

3. Part II presents a proposed normative framework for good urban governance, including a draft Declaration on Good Urban Governance. The draft declaration proposes sustainability, decentralization, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security as the norms of good urban governance.

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\* HS/C/PC.1/1.

4. Part III outlines a proposed strategy for consulting partners and adopting the declaration. The process of review and appraisal of the implementation of the Habitat Agenda will facilitate regional consultations with Governments, local authorities and other Habitat Agenda partners, leading towards global endorsement of a final declaration in June 2001.

#### Introduction

5. The Habitat Agenda recognizes that the battle for sustainable development will be won or lost in cities. As humanity enters the twenty-first century the urban millennium a consensus is emerging that good governance will make the difference between success and failure.

6. In adopting the Habitat Agenda, States recognized the importance of good governance and committed themselves to fostering "transparent, responsible, accountable, just, effective and efficient governance of towns, cities and metropolitan areas".<sup>1</sup> They also called on UNCHS (Habitat) to promote human settlements management, "aiming at achieving transparent, representative and accountable governance through institutional development, capacity-building and partnership".<sup>2</sup> Furthermore, major recent publications such as the 1999 Human Development Report issued by the United Nations Development Programme and the World Bank's 1999/2000 World Development Report confirm that good governance is the sine qua non for sustainable human development.

7. The argument for good urban governance is straightforward. Most of humanity now lives in cities, and the trend of urbanization appears irreversible. Cities hold tremendous potential as engines of economic and social development, creating jobs and ideas through economies of scale and of scope. Cities today, however, can also generate and intensify social exclusion, denying the benefits of urban life to the poor, to women, to youth, and to religious or ethnic minorities and other marginalized groups. It is Habitat's experience, derived from over 15 years of work with cities, that the key to realizing the Inclusive City is neither money nor technology, but good urban governance.

8. Habitat recognizes that considerable expertise exists around the world in the field of urban governance and management. Habitat is committed to mobilizing this expertise behind the banner of the Inclusive City, and with that in view is launching a Global Campaign for Good Urban Governance. The campaign, endorsed by the Commission on Human Settlements at its seventeenth session, represents Habitat's contribution to implementing the Habitat Agenda's goal of "sustainable human settlements development in an urbanizing world".

### I. THE GLOBAL CAMPAIGN FOR GOOD URBAN GOVERNANCE

#### A. Campaign overview

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9. The campaign's goal is to realize the Inclusive City through improved urban governance. The Inclusive City is a place where everyone, regardless of wealth, gender, age, race or religion, participates productively in the opportunities cities have to offer. Inclusiveness, therefore, is as much a goal as a process. Participatory decision-making processes are the essential means by which the Inclusive City will be realized.

10. The campaign's objectives are, first, to increase the capacity of local governments and urban stakeholders to practise good urban governance and second, to raise awareness of and advocate good urban governance around the world. These objectives will be achieved through the following components and flagship outputs:

(a) Advocacy and normative debate: elaborating, promoting and refining the global norms of good urban governance through such mechanisms as the draft World Charter of Local Self-government and the draft Declaration on the Norms of Good Urban Governance;

(b) Awareness-raising: promoting best practices, good policies and action plans; developing good governance indicators and a good governance index; publishing a policy paper on the role of women in urban governance and regular reports on the state of the world's cities;

(c) Operational activities: demonstration projects, promotion of "Illustrative Cities" and capacity-building;

(d) Tool development: developing tools based on lessons drawn from experience and capacity-building needs. These will be made available to all partners through the Good Urban Governance Tool Kit.

#### B. Campaign strategy

11. While UNCHS (Habitat) bears the ultimate responsibility for implementing the campaign, effective collaboration with partners is vital to its success. Campaign elements will be implemented through networks of partners operating at the global, regional, national and local levels, including local authorities, international support programmes, civil society and academic organizations and media representatives.

12. At the local level, the campaign will support cities and their stakeholders in achieving their development goals through improved urban governance. The campaign will promote broad-based participatory decision-making processes as the primary means of addressing urban issues. Capacity-building and institution-building tools and methods will be developed, tested and modified in the light of lessons learned. Cities will be encouraged to monitor and report regularly on emerging issues, local best practices and performance in meeting local objectives.

13. At the national level, the campaign will support Governments, national associations of local authorities and their partners through the sharing of lessons learned, best practices, enabling policies and tools. Support will be given for legal reform in urban legislation. National policy-making and capacity-building priorities will be identified for action.

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14. At the regional level, networks of major partner groups will be responsible for adapting the campaign's objectives to regional priorities and contexts. Regional campaigns with their own particular thematic foci are envisioned. Regional networks will also facilitate the debate on the draft Declaration on the Norms of Good Urban Governance and the sharing of information and lessons learned of particular regional relevance.

15. At the global level, regional, national and local lessons will drive the development and refinement of the global norms and the development of new tools and methods. Global trends and their impacts will be monitored.

II. THE DRAFT DECLARATION ON THE NORMS OF GOOD URBAN GOVERNANCE:  
TOWARDS THE INCLUSIVE CITY

A. Purpose and relationship to the World Charter of Local Self-government

16. The Declaration on the Norms of Good Urban Governance is the foundation of the campaign. The agreed norms of good urban governance will guide the design of activities to implement the campaign, for example the selection of tools to assist in the implementation of the norms, and to achieve its objective of the Inclusive City. Together with the World Charter of Local Self-government, the declaration will be a principal vehicle for global advocacy and normative debate.

17. The World Charter and the Declaration are two sides of the same coin. The World Charter focuses on the relationship between central government and local authorities and advocates decentralization and local autonomy based on the principle of subsidiarity. The Declaration will focus on how local authorities practise good urban governance in partnership with civil society. Subsidiarity and inclusive citizen participation in decision-making are seen in both documents as fundamental to the practice of good urban governance.

B. Structure

18. After first defining governance and good urban governance, the draft Declaration proposes seven norms of good urban governance: sustainability, decentralization, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security. It concludes by committing all parties to a series of steps to move towards the adoption of these norms and to report on progress.

19. The Declaration is drafted in such a way as to facilitate both adoption and implementation. Local authorities, in particular, are urged to hold local consultations and identify specific means of operationalizing the Declaration. While the proposed norms are held to be universally valid and accepted, the specific means of realizing them should be determined by local contexts and priorities.

C. Draft Declaration on the Norms of Good Urban Governance:  
Towards the Inclusive City

20. The following is the proposed text of the draft Declaration:

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"We, Governments, local authorities and other Habitat Agenda partners,

"Recognizing that people are at the centre of concern for sustainable urban development and that urban poverty, marginalization and social exclusion are the most pressing issues facing cities today,

"Reaffirming the commitments made by Governments to recognized human rights agreements and at major United Nations conferences, particularly the United Nations Conference on Environment and Development (1992), the World Summit for Social Development (1995), the Fourth World Conference on Women (1995) and the United Nations Conference on Human Settlements (Habitat II) (1996),

"Convinced that the principles of subsidiarity and inclusive citizen participation are the basis for good urban governance, as stated in the World Charter of Local Self-government,

"Also convinced of the urgent need to strengthen the practice of good urban governance as the essential prerequisite for achieving the goals of the Habitat Agenda,

"Endorsing the concept of an Inclusive City - a place where everyone, regardless of wealth, gender, age, race or religion, participates productively in the opportunities cities have to offer - as the banner and goal of the Global Campaign for Good Urban Governance,

"Having agreed that:

"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;

"Urban governance is inextricably linked to the welfare of the citizenry. Good urban governance must enable women and men to access the benefits of urban citizenship. Good urban governance, based on the principle of urban citizenship, affirms that no man, woman or child can be denied access to the necessities of urban life, including adequate shelter, security of tenure, safe water, sanitation, a clean environment, health, education and nutrition, employment and public safety and mobility. Through good urban governance, citizens are provided with the platform which will allow them to use their talents to the full to improve their social and economic conditions;

"Good urban governance is characterized by sustainability, decentralization, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security, and that these norms are interdependent and mutually reinforcing;

"1. Commit ourselves to realizing the norms of good urban

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governance as described in the articles below:

"Article 1: Sustainability in all dimensions of urban development

"Cities must balance the social, economic and environmental needs of present and future generations. Leaders must have a long-term strategic vision of sustainable human development and the ability to reconcile divergent interests for the common good.

"Article 2: Decentralization of authority and resources

"Responsibility for service provision should be allocated on the basis of the principle of subsidiarity, that is, at the lowest appropriate level consistent with efficient and cost-effective delivery of services. This will maximize the potential for inclusion of the citizenry in the process of urban governance. Decentralization and local democracy should improve the responsiveness of policies and initiatives to the priorities and needs of citizens. Cities should be empowered with sufficient resources and autonomy to meet their responsibilities.

"Article 3: Equity of access to decision-making processes

"The sharing of power leads to equity in the use of resources. Women and men, and particularly the poor, must be equally represented, their needs and priorities equally addressed, in all urban decision-making and resource allocation processes. Inclusive Cities provide everyone with equal access to basic appropriate standards of nutrition, education, employment and livelihood, health care, shelter, safe drinking water, sanitation and other basic services.

"Article 4: Efficiency in the delivery of public services and in promoting local economic development

"Cities must be financially sound and cost-effective in their management of revenue sources and expenditures, the administration and delivery of services, and the enablement, based on comparative advantage, of government, the private sector and communities to contribute formally or informally to the urban economy.

"Article 5: Transparency and accountability of decision-makers and all stakeholders

"Transparency and accountability are essential in allowing stakeholders to have insight into local government operations and to assess which sectors of society are benefiting from decisions and actions. Universal access to, and the free flow of, information is fundamental to transparent and accountable governance. Laws and public policies should be applied in a transparent and predictable manner. Public officials should adhere to high standards of professional and personal integrity.

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"Article 6: Civic engagement and citizenship

"People are the principal wealth of cities; they are both the object and the means of sustainable human development. Civic engagement implies that living together is not a passive exercise: in cities, people must actively contribute to the common good. Citizens, especially the poor, must be empowered to participate effectively in decision-making processes.

"Article 7: Security of individuals and their living environment

"Every individual has the inalienable right to life, liberty and security of the person. Cities must strive to avoid human conflicts and natural disasters by involving all stakeholders in crime and conflict prevention and disaster preparedness. Security also implies freedom from persecution.

"2. We commit ourselves to promote the realization of these norms through the following means:

"(a) Continuously monitoring the social, economic and environmental state of our cities and reporting thereon in an open, timely and transparent manner;

"(b) Holding broad-based consultations with all local stakeholders to define local priorities and specific activities necessary to implement this Declaration and then inviting local councils to endorse the Declaration;

"(c) Introducing the above norms of good urban governance in our national legislation as far as practicable;

"(d) Raising awareness of the Declaration at local and international meetings, with a view to encouraging additional cities and local authorities to become signatories;

"(e) Regularly reporting on progress made in implementing the Declaration to the United Nations Centre for Human Settlements (Habitat)."

D. Commentary

21. The definition of governance used above is derived from the work of the Commission on Global Governance (1995), and has been adapted to the city level. Three aspects of this definition should be highlighted. First, governance is not only government. Governance as a concept involves recognition that power exists inside and outside the formal authority of government. In many formulations, governance includes government, the private sector and civil society. Second, governance is a neutral concept. Governance can come in many forms: tyrannical or benevolent, effective or incompetent. Third, governance emphasizes "process". It recognizes that decisions are made on the basis of complex relationships between many actors with different and sometimes conflicting priorities.

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22. The draft declaration further argues that "good" urban governance, to deserve that qualification, must ensure that everyone shares equally the benefits of urban life. These benefits have been repeatedly endorsed in human rights documents such as the Universal Declaration of Human Rights (1948) and the Declaration on the Right to Development (1986), and in major United Nations conferences such as the World Summit for Social Development (1995).

23. The seven norms presented in the draft Declaration can be operationalized through a variety of mechanisms adapted to regional and local contexts. During the consultation process it is envisioned that each of the articles will be expanded to include operational principles, that is, recommendations on how the norms can be realized in practice.

24. The norms and the operational principles will be the foundation for implementing Habitat's Global Campaign for Good Urban Governance.<sup>3</sup> In particular, they will guide the production of the following campaign "flagship products": a policy paper on the "Role of women in governance"; legal and policy reform; "Illustrative Cities"; a Good Governance Index; and the Good Urban Governance Tool Kit.

### III. THE WAY FORWARD

#### A. The negotiation process

25. All participants in the work of the Preparatory Committee, including representatives of Governments, local authorities and other Habitat Agenda partners, will be invited to debate and endorse the draft Declaration as the basis for global, regional, national and local consultations leading to a final text to be adopted at the General Assembly's special session. The opportunity offered by the regional preparatory meetings for that session will be exploited to hold consultations in the autumn of 2000. It is envisioned that the consultation process will lead to an expansion of the draft Declaration to include specific operational principles.

#### B. Institutional arrangements

26. A Campaign Steering Group will be established composed of strategic partners. It will be responsible for providing guidance on the overall goals and policies of the campaign, as well as advising on activities and strategies to achieve them.

27. The United Nations Advisory Committee of Local Authorities, which has already endorsed the campaign, will have an important role in influencing the content of the Declaration and obtaining feedback from local authorities worldwide. The Advisory Committee's support will be pivotal in gaining international support for the final draft.

28. UNCHS (Habitat) will serve as secretariat to the Campaign Steering Group. Its principal functions will be to facilitate coordination and collaboration among partners, providing support for awareness-raising activities, facilitating and servicing regular meetings of the Steering Group, and to report on progress to the second session of the Preparatory Committee and the eighteenth session of the Commission on Human Settlements.

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Habitat Agenda, para. 45 (a).

Habitat Agenda, para. 228 (o).

For more information, see the Campaign Concept Paper entitled "The Global Campaign for Good Urban Governance", available on the UNCHS Website at <http://www.unchs.org/govern/>. See also the UNCHS Habitat work programme for 2000-2001.