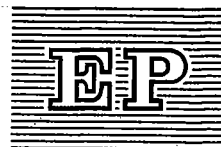




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Item 11 (c) of the provisional agenda

HUMAN SETTLEMENTS

Action taken in pursuance of General Assembly resolution 2998 (XXVII) 1/

Note by the Executive Director

1. The Governing Council at its first session requested the Executive Director "to take note of the General Assembly resolution 2998 (XXVII) of 15 December 1972 and to express interest in the findings arising therefrom and to report to the Governing Council accordingly" (decision 1 (I), para 12 (a) (ii); A/9025, Annex I). In compliance with that request the Executive Director brings to the Governing Council's attention the information set out below.

A. General Assembly resolution 2998 (XXVII)

2. General Assembly resolution 2998 (XXVII) of 15 December 1972 is entitled "Criteria governing multilateral financing of housing and human settlements". In the preambular paragraphs of that resolution, the Assembly recalled several of its earlier resolutions on the subject of human settlements and referred to the important role assigned to housing as part of the International Development Strategy for the Second United Nations Development Decade. It took note of certain related policy statements by the International Bank for Reconstruction and Development (IBRD) and reaffirmed recommendations 1, 15, 16 and 17 of the Action Plan adopted by the United Nations Conference on the Human Environment.

3. The Assembly's recommendations, as contained in the operative paragraphs of the resolution, were addressed to development assistance agencies and more particularly to the IBRD. It recommended that such agencies should accord high priority to requests from Governments for assistance in the sector of housing and human settlements. It further recommended that the IBRD should provide funds in this sector on terms and conditions which fully reflect the unique nature of investments therein; that, in establishing criteria for eligibility for loans on such terms and conditions, the IBRD should take account of socio-economic factors, in addition to economic and monetary criteria; and that as a matter of priority, the IBRD, in

1/ The Executive Director has suggested that this sub-item (c) be added to item 11 of the provisional agenda, "Human Settlements" (see UNEP/GC/11).

agreement with requesting Governments, should implement its policy of providing seed capital loans on favourable terms for the establishment of domestic financial institutions to mobilize and allocate capital for housing and related investments. In the final paragraph, the General Assembly requested the Secretary-General to report to it at its twenty-eight session on the implementation of the resolution.

B. The report of the Secretary-General on the implementation of the resolution

4. Accordingly, the Secretary-General submitted to the General Assembly at its twenty-eighth session a report entitled "Criteria governing multilateral financing of housing and human settlements" (A/9163) 1/. The report was based largely upon the replies received to a circular letter sent to seven organizations concerned with the provision of multilateral financial and/or technical assistance to developing countries; these organizations included the IBRD and its affiliated organizations, the Organisation for Economic Co-operation and Development and five regional development banks. The text of the letter and the replies thereto are annexed to the report.

5. The report summarizes the activities of these organizations in the field of human settlements, as well as those of the Organization of American States and of the United Nations family (apart from the World Bank Group) in providing technical or pre-investment assistance in that field (A/9163, Chapter II). It is pointed out that only two of these sources of assistance (viz. the World Bank Group and the Inter-American Development Bank) provide a significant amount of capital for the human settlements sector; others either provide a modest amount of financial assistance or confine their activities to technical or pre-investment assistance (ibid. paragraph 4). The report goes on to discuss trends in expenditure on multilateral assistance for housing and human settlements and in the policies governing the provision of such assistance (ibid., Chapter III).

6. In the conclusions of the report (ibid. Chapter IV), it is observed that, despite the recently increased awareness of the need for multilateral assistance for housing and human settlements and some increase in the volume of that assistance, such assistance remains relatively minor in relation to assistance for other purposes. Moreover, much of the former is devoted to the provision of services designed to facilitate the functioning of urban areas as business or commercial centres, rather than as centres for living. Very little assistance has been directed to the provision of housing in urban areas, while settlements in rural areas have received hardly any at all. Such housing assistance as has been provided has been directed to the production of housing units, rather than to the essential "producer goods" of the housing industry.

7. The report suggests that this limited and uneven assistance is in many ways a reflection of the lack of adequate policies and plans for housing and human settlements in developing countries, many of which have consequently had to deal with unforeseen demands for basic shelter and sanitary services in urban centres. The lack of recognition of human settlements as an important development sector and the consequential fragmentation of administrative responsibility for that sector, at

1/ A few copies of the report will be available for consultation by participants in the second session of the Governing Council.

both the national and multilateral levels, are mentioned as reasons for these planning deficiencies. However, the importance accorded to human settlements by the United Nations Conference on the Human Environment and by the Governing Council of UNEP is considered to be an indication that this sector may henceforth be given the attention it deserves in development policies and plans and in multilateral assistance programmes.

8. The conclusions further state that, since external assistance for housing and human settlements is always likely to be small in relation to the domestic investment required in this field, such assistance should be directed to those activities which generate the highest productivity in the sector as a whole, viz., the production, packaging and distribution of building materials (particularly indigenous ones); the construction industry; and the necessary financial, planning and administrative institutions.

C. Action by the General Assembly at its twenty-eighth session

9. The Secretary-General's report (A/9163) was considered by the Second Committee of the General Assembly during its twenty-eighth session. A draft resolution on the subject was introduced by the representative of Jamaica, on behalf of Barbados, Guyana and Jamaica. The Central African Republic, Laos and Madagascar joined in co-sponsoring the draft resolution. The draft, as revised orally by the sponsors, was adopted by the Second Committee at its 1571st meeting on 27 November 1973 by a roll-call vote of 83 to 3, with 37 abstentions 1/.

10. The statement of the Secretary-General regarding the financial implications of the draft resolution (A/C.5/1561) was considered by the Fifth Committee of the General Assembly at its 1624th meeting on 11 December 1973 2/. Upon the recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/9008/Add.22), the Fifth Committee decided, without objection, to inform the General Assembly that, should it adopt the draft resolution, an additional appropriation of \$33,000 would be required under Section 7 of the programme budget for the biennium 1974-1975.

11. At its 2199th plenary meeting on 13 December 1973, the General Assembly adopted the draft resolution by 89 votes to none, with 13 abstentions 3/. The text as adopted became General Assembly resolution 3130 (XXVIII).

12. General Assembly resolution 3130 (XXVIII) is likewise entitled "Criteria governing the multilateral financing of housing and human settlements". It restates several of the provisions of the preamble to resolution 2998 (XXVII). It notes the rapid and world-wide deterioration of human settlements and the effect thereof on the quality of life of vast numbers of people, and also the high priority accorded to human settlements, human health, habitat and well-being by the Governing Council of UNEP. Furthermore, in this latest resolution on the subject the Assembly notes that the report of the Secretary-General (A/9163) "shows no evidence of the identification or establishment of new criteria as envisaged in General Assembly resolution 2998 (XXVII)" 4/.

1/ See A/9402 and A/C.2/SR.1571.

2/ See A/9438 and A/C.5/SR.1624.

3/ See A/PV.2199.

4/ See resolution 3130 (XXVIII), last preambular paragraph.

13. The operative part of the resolution reads as follows:

The General Assembly

"1. Requests the Secretary-General to undertake, as a matter of priority, the comprehensive analytical study envisaged in General Assembly resolution 2998 (XXVII), which would provide new criteria governing lending and interest rates for housing and human settlements by international institutions;

"2. Recommends that any new criteria should also be applicable in principle to any institution or arrangement emanating from resolution 2999 (XXVII) or from any other action by the General Assembly regarding the financing of housing and human settlements;

"3. Requests the collaboration and co-operation of the International Bank for Reconstruction and Development, the Governing Council of the United Nations Environment Programme and the United Nations Development Programme with the Secretary-General in undertaking the above-mentioned study;

"4. Requests the Secretary-General to report to the General Assembly at its twenty-ninth session on the implementation of the present resolution."
