

The Global Partnership of UNCED: Reacting to the Earth Summit

By Eric Carlson

The *United Nations Conference on Environment and Development* (UNCED) held in Rio de Janeiro in June 1992 was a remarkable event. At this Earth Summit, 178 countries were represented and there were 118 heads of state, many with sizable delegations. This was historically the largest assembly of the world's leaders and governments ever convoked. They were engaged in a determined joint effort to chart directions for planning and governance to assure sustainable development of the planet's resources.

These efforts and guidelines are summarized in the Conference-approved program of action known as Agenda 21 containing 40 chapters and several hundred recommendations resulting from four preparatory committee meetings over a two year period, in Nairobi, Geneva and New York. The program of action includes a chapter on Promoting Sustainable Human Settlements Development. The chapter merits special

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review and consideration because, although non-binding on governments, its eight separate program areas have estimated annual funding requirements of \$218 billion, of which external financing is to account for over \$30 billion and annual support costs through international organisations are estimated at \$37 million.

The recommendations of the human settlements chapter may be labeled as a laundry list or an impossible dream. But there is no question that beginning with a bottom line of "O"- the fact that human settlements was not even mentioned in the UN General Assembly Resolution of 1989 convoking UNCED - nor taken up as an acceptable topic for the Conference until the third preparatory committee meeting in late 1991- the human settlement component came to occupy more than one-third of the total estimated costs of \$600 billion annually for fulfillment of all Agenda 21 programs. Of this total, external assistance requirements are estimated at \$125 billion annually.

This is clear evidence that such problems as shelter and infrastructure and land planning are at center stage when "Environment and Development" is discussed. Also, as succinctly summarised at the Fannie Mae Roundtable on Housing Finance for Sustainable Development held in Washington DC in February 1992, programs for housing finance, broadly considered, are an essential ingredient for achieving environmental improvement.

The *International Union of Housing Finance Institutions* (IUHFI) was the first organisation to address the UNCED Secretariat and Preparatory Committee on these points with a letter in March 1990 requesting that human settlement issues be added to the Conference agenda. IUHFI pointed to the precedent established by the first UN Conference on the Human Environment held in Stockholm 1972 where this subject was given priority attention. It took a long time, but acceptance came at the third UNCED Prepcom, in large part aided by interventions from country delegations and endorsement of the UN Commission on Human Settlements. The resulting draft report was hastily prepared in co-operation between UNCED and the UN Center for Human Settlements (Habitat). Because of time limitations, the report received little substantive comment and was transmitted from the fourth and last Prepcom with few changes along with other Agenda 21 programs tabled at Rio for endorsement.

The report of UNCED together with Agenda 21 and other agreements are being considered by the UN General Assembly. The United Nations is faced with its own budgetary limitations and problems and is in the process also of undergoing a restructuring by its new Secretary General. It is therefore difficult to predict its range of response to the UNCED report.

The Rio Conference recommended that a strong new institutional structure for envi-

ronmental programs be established under the supervision of a new UN Commission on Sustainable Development with its own secretariat. Such a Commission would oversee follow-up to Agenda 21 in all respects through regular reporting and evaluation processes. Just how such a new body is created and where will be its headquarters are matters to be resolved. The basic question remains whether creating a new Commission is an adequate response to the monumental Earth Summit undertaking.

The momentum generated at Rio makes it essential that a start be made on the long-term programs of Agenda 21. These represent a new form of partnership between international organizations, governments, local authorities and non-governmental organizations from both public and private sectors: The International Union must continue with its concerns that housing finance is an area that needs attention and rectification and must be adequately dealt with in Agenda 21 programs.

Earth Summit Highlights

In all, there were over 35,000 participants at the official conference, the *NGO Global Forum '92* and related events including hundreds of specialized meetings and discussion sessions. Approximately, 8,000 representatives of the media assured worldwide press, TV film and radio coverage of the Conference and scheduled events. Two special exhibitions of environmental technology were organized, one in Rio and one in Sao Paulo in addition to the many exhibitions with environmental themes sponsored by local institutions. Four international organizations co-sponsored the important meetings of mayors and city officials held in both Curitiba, Brazil's model environmental city, and in Rio.

There were conferences and meetings for everybody, ethnic, indigenous, religious, children's and women's groupings, to name a few, including the parliamentarians of the world. There were concerts and music festivals, parades and an invasion of Hol-

lywood stars. Even though the Global Forum was located in Flamengo Park near downtown Rio, while the official Conference itself was located in Rio Centro, some 25 miles away, the Brazilian organization and management for the event was outstanding. Four different daily Conference newspapers, each published independently, provided the basic information and cohesion necessary to keep all informed and critically alert.

With the multiplicity of events at this gigantic world-happening it is unlikely that any two participants will share the same opinions about it. Certainly, for the world community, it represented a successful step forward on the road to recognition of the grave environmental concerns and the essential need for improved planning and management—stewardship—of the world's resources. The Conference achieved all of its basic objectives but it can only be considered a complete success when the UN General Assembly and the member states agree to take the first steps, with financing, to launch the process of action on Agenda 21. The intent is to create a new form of global partnership, and here the UNCED logo leaves its message, "It's in Your Hands."

Achievements of the Earth Summit

All major objectives of the Earth Summit were achieved:

1. Adoption of the Rio Declaration on Environment and Development. This is a 27 point document evolved after much negotiation and discussion by governments. It is supplementary to the 27 point declaration of the 1972 UN Stockholm Conference. The Declaration has the goal of establishing a new and equitable global partnership through the creation of new levels of cooperation among States, key sectors of societies and people.

2. Adoption of Agenda 21, a plan of action contained in 40 chapters and covering over

100 program areas, integrating environmentally sound technology and strengthened institutional capacity. This includes the 24 page chapter on human settlements with its eight separate programs. The total estimated annual cost of Agenda 21 is \$600 billion, of which \$125 billion is required in external financing. Countries are expected to develop their own sustainable development plans, support for which will come through additional financial resources mainly channeled through existing rather than new funding mechanisms.

3. Endorsement of International Conventions on Climate Change and Biodiversity. Both conventions were opened for signature at UNCED and signed by over 150 countries. The only exception was that the United States and Malaysia refused to sign the Biodiversity Convention.

4. Adoption of a Framework of Principles for a Global Consensus on Forests.

5. Agreement to Negotiate a "Desertification" Convention.

6. Agreement at Rio to create a new UN Commission on Sustainable Development. Such a Commission would begin operating in 1993 and report to the UN Economic and Social Council. It is to "encourage" participation by NGO's including business and industrial organisations. Much remains to be decided about the makeup and modus operandi of the Commission.

As for funding and resources the few pledges of governments in Rio were for less than 5 percent of the external financing required. But follow-up to UNCED will involve many existing agencies and organisations of the UN and the international community. One indicator of this is that the Secretary General of UNCED, Maurice Strong, is currently developing such policies and programs using the office of the Administrator, United Nations Development Programme as a coordination and leveraging point. New funding pledges during the Rio conference were estimated at \$6 billion to \$7 billion per year. For example, Japan will increase

"sustainable development" aid from \$3.1 billion over the past three years to \$7.7 billion over the next five years. The European Community pledged \$ 4 billion and Germany agreed to a target of about \$6.3 billion per year. The US government pledged \$175 million annually. The UNDP will increase funding for environmental projects from \$700 million to \$2 billion over the next five years. The Global Environment Facility is likely to increase present resources to twice its current level of \$1.3 billion. A new "Earth Increment" is also promised by the World Bank.

New initiatives are also anticipated. Several countries, including the United Kingdom, offered to sponsor and host specialized meetings to help advance progress on various aspects of Agenda 21. *The Global Environment Fund* (GEF), a new vehicle under joint management of the World Bank, the UNDP and the *UN Environment Programme* has a small grants program which will provide up to \$50,000 each to support grass roots and NGO activities in developing countries. Grants for up to \$250,000 can be made for regional or sub-regional projects. At UNCED the UNDP announced the establishment of the *Local Initiatives Fund for the Urban Environment* (LIFE). This will support with modest funding (\$15 million in small grants) selected demonstration projects developed in partnership with municipalities, NGO's and community-based organizations. UNDP resident representatives will manage this program directly with national committees beginning initially in 20 selected countries. In the Rio-approved Agenda 21 there is provision that localities develop their own environmental action plans - a Local Agenda 21 Initiative. The International Council for Local Initiatives (ICLEI), created in 1991, is preparing a three year project to support the development of Local Agenda 21's in 21 municipalities.

The Global Forum of NGO's

The Global Forum '92 was an unusual multi-sectoral enterprise organized by the Center

for *Our Common Future* in Geneva. It provided upon request space and facilities for all groups who wished to meet and discuss with others a wide range of environmental topics and issues. There were over 22,000 participants registered for the Forum, which had 35 tents and 700 exhibitor stands in the Flamengo Park. Accredited NGO's in Rio totalled 1,420, with 3,180 registered representatives present.

An innovative aspect of the Global Forum was the establishment of an *International NGO Forum* which drew more than 3,000 participants. This Forum began a process of development of "alternative treaties" between and among NGO's for specified objectives. Thirty-nine such alternative treaties were developed and circulated for signature. One treaty on "Urbanization" entitled "Towards Just, Democratic and Sustainable Cities, Towns and Villages" was co-sponsored by the *Habitat International Coalition* with headquarters in Mexico, the *Continental Front of Community Organizations* and the *Brazilian Forum for Urban Reform*. For this particular treaty signatures were later received from 140 additional NGO's.

At the Global Forum there were no sessions devoted to housing finance, and just a handful of meetings on urban themes. These included a presentation of the Megacities project; a Forum of Ideas on Ecopolis, City of the Future; Ecocities: Building in Balance with Nature; ARCOSANTI, in a Forum of ARC Peace; International Architects/Designers, Planners for Social Responsibility; Environment, Poverty and Right to the City, and others. The *Women and Shelter Group* of the *Habitat International Coalition* conducted important meetings on basic problems of shelter and poverty. The fact is that there were few representatives of the "development" community present, including such groupings as architects and engineers, those concerned with housing and shelter, urban development, financing, land planning, real estate, etc. These are, after all,

people who deal directly with the environment, its enhancement or degradation. They were largely absent from the Forum and certainly not at all represented on any of the delegations of the official Conference.

Whether the "Spirit of Rio" will ignite and universalize a quest for sustainable development comparable to the effectiveness of the "Spirit of Stockholm" in activating worldwide environmental protection measures remains to be evidenced in the remaining years of this decade. Agenda 21, though quite unsatisfactory in some of its chapters, is meant to provide guidelines for planning and action in a new global partnership. It was never meant to be a document "fixed in cement" - rather it is expected to be discussed and adapted and amended to apply to different national and local situations. For example, cities and local governments are expected to prepare their own versions of Agenda 21 for local action. There will be emphasis on co-operation and participation in such efforts with citizens groupings, NGO's and community-based organizations. This will mean a strengthening and revitalization of the planning process for urban and metropolitan regions, including for the spectacular growth phenomenon of mega-cities. Obviously, finance institutions must take an active interest in these efforts.

Thinking globally and acting locally has other implications and repercussions. In the world today relatively few developing countries welcome or support concepts of local self government. Only in the past decade have significant reforms been effected by several governments, to strengthen municipalities, promote local free elections and open sources of revenue to meet their needs.

Yet at the international level the UNDP has developed strategies for city development to deal with "poverty alleviation" and other basic problems. The World Bank has endorsed strategies for cities as economic generators. The UNDP is financing an Urban Management Program in cooperation with the World Bank and the Habitat Center. The UMP also has the support of bilateral

donors. Now, the UNCED Agenda 21 chapter on human settlements endeavors to cover and to enhance some of this prior strategy development.

The Agenda 21 chapter on "Promoting Human Settlement Development" contains eight program areas:

- A. Providing adequate Shelter for All
- B. Improving Human Settlement Management
- C. Promoting sustainable Land-Use planning and Management
- D. Promoting the Integrated Provision of Environmental Infrastructure: water, sanitation, drainage and solid-waste management
- E. Promoting Sustainable Energy and Transport Systems in Human Settlements
- F. Promoting Human Settlement planning and Management in Disaster Prone Areas
- G. Promoting Sustainable Construction Industry Activities
- H. Promoting Human Resource Development and Capacity-Building for Human Settlement Development

Several of the above program areas are inter-related with other sectoral chapters of Agenda 21. But other problems soon become apparent. There is no relationship between the program areas themselves. Moreover, there is considerable duplication and redundancy in the recommendations set forth in each of the program areas. Most of the recommendations suggest the implicit or explicit actions required by the public sector, but the private sector is generally given short shrift in terms of assignment of responsibilities or initiatives. Of course, the "private sector" was not consulted in the process of preparation of the program areas which is why some lack credibility and sense of reality. For example, the first Program Area, A, Providing Adequate Shelter for All, barely mentions housing finance as a significant factor for shelter development. The Program area instead calls for greater support by governments of the existing Global Strategy for Shelter which

one can say after five years has met with minimal accomplishment. Moreover, the main thrust of the Program Area for Shelter runs counter to that of the excellent World Bank Policy Paper on Housing : *Enabling Markets to work*.

A brief look at Program Area B on Improving Human Settlement Management will show that it is probably the most forward looking and stimulating. It endorses innovative partnerships with citizen groups for provision of services, more responsive government action, and recognizes the importance of community development measures as necessary for educational and participatory improvement. This Program Area should be especially supported by local governments and is certainly relevant for their consideration. It fits in well with the Local Initiatives approach being promoted by the several international agencies and institutions. But a problem here is that it will require reform in the UN system itself which has no appropriate designated entity or division for dealing with municipalities, local governments and concepts and techniques of public administration generally.

Forty years ago the United Nations did offer such services through an active and effective Division of Public Administration which promoted institution building and reforms in a number of countries. But this core source of advisory services was allowed to wither away, and now needs replacement by a dynamic new organization for Public Administration in the UN Secretariat. This could provide the continuity and institutional development required by the Urban Management Program and related efforts.

Each of the other program areas in the human settlements chapter of Agenda 21 can be the subject of considerable informed critique and comment. But this can best be done in other fora, such as the forthcoming session of the UN Commission on Human Settlements to be held in Nairobi in early 1993. Before this event takes place the country delegations have a special respon-

sibility to solicit comments and ideas from the professional, civic, community action and other NGO groupings concerned with realistic action for human settlements improvement and development. Recommendations for a substantially restructured human settlements chapter should certainly result from such more inclusive dialogue and discussion.

Summing up

In retrospect, UNCED and the Global Forum were truly remarkable events for their size and diversity of representation, with near universal participation. They were convened because of the mounting concern over the continued deterioration of the environment which would jeopardize the Earth's life sustaining qualities and eventually lead to both ecological and economic catastrophe.

Housing finance must therefore be viewed in this new context of basic environmental concerns. Sustainable development is the goal. But, what is it? How can it be achieved? What are the national and international actions required? Can environmental improvement for all who live and work on fragile planet earth be achieved? What are the implications for valuation and management of land and property over time? Do concepts of "sustainable development" lead the way to the "new world order" that is often mentioned, but never defined?

The Earth Summit in Rio is symbolic of the inexorable trends toward improved governance and management of the earth's resources. This means that beyond the economic and financial globalization taking place, investors will become increasingly subject to direction and control from the nation states striving for accepted modalities of improved environment and sustainable development. This is where the guidelines of Agenda 21 will be brought into practical use. The objectives are to expand ways to mobilize resources and to direct them toward projects and programs that will have a built-in sustainability, financially, and environmentally.

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The importance of these concepts was accepted by the International Symposium on Real Estate Development held in Beijing October 20-22. Its first recommendation is that future real estate development policy take into account the provisions and guidelines of Agenda 21. Moreover, the Chinese government through the Ministry of Construction established a special task force to review by end year the human settlements chapter of Agenda 21 and to recommend regarding its applicability to China's new development scene, including the policies and programs for real estate and housing finance.

Agenda 21 is based on the premise that sustainable development is not just an option but an imperative. The caveat is that it will require a major shift in priorities for governments and people. Agenda 21 will be an integral part of the global partnership essential for the world community to set a new course for a more sustainable, secure and equitable future. Effectively, in Rio the governments of the world endorsed these concepts echoed by the millions who were present there or tuned-in by the global media and the computer networks of the new constituencies. ■



THIS GIVES
YOU AN IDEA
WHAT
TEAMING UP
CAN DO.



PRESENTING THE ASIAN COALITION OF HOUSING FINANCE INSTITUTIONS.

Team Work. The principle behind many an accomplishment. The binding element of the Asian Coalition of Housing Finance Institutions.

United they stand...

The year: 1991. The setting: Asia. The players: Government Housing Bank, Thailand, Housing Development Finance Corporation, India, Korea Research Institute for Human Settlements and the National Home Mortgage Finance Corporation, Philippines.

Leading names in their respective countries, these institutions formed a coalition, with one common goal.

To jointly promote market oriented housing finance systems that would be particularly responsive to the needs of lower income households. In Asia.

An exclusive Asian entity. Drawing from its reservoir of Asian talent. To develop institutional capabilities towards meeting these goals.

A strength that comes from understanding needs, sharing problems, experiences, people and financial expertise.

But most importantly... going it together.

An amazing start... A promising future

In its quest to provide training facilities to develop local skills, the Coalition has already responded to requests for assistance from Vietnam, China and Mongolia.

Its strategy for the future is well defined. Plans that will focus on three key areas.

(i) **Training:** HDFC's Centre for

Housing Finance (CHF) in India, is expanding its training programmes to suit emerging needs of the Asian region.

(ii) **Research:** An Asian Network of Housing Research is in its formative stages. Comprising Asian individuals with outstanding track-records. It will be affiliated to the European Network Research, Sweden to broaden horizons.

(iii) **Directory of Resources:** The Coalition will shortly publish a directory of housing related agencies in Asia. Providing information on research and training institutions, university courses, consultancy services and library resources.

Many, many hands make light work

The Coalition doesn't envisage itself as being merely an association of housing finance institutions in Asia.

It hopes to emerge as a major intellectual and resource centre for shelter development in Asia. With a well defined range of activities.

If your field of activity lies within these parameters, and if you see yourself as a major contributor to this process either as an individual or an institution, call or write to:

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