



**Statement by Mrs. Anna Tibaijuka
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**“Urbanisation in low-income countries
– some critical issues”**

**The Norwegian University of Science
and Technology**

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NORAD
Distinguished delegates,
Ladies and gentlemen,

I am very excited to be back in Norway, a country that I love and hold in high esteem. It also gives me great pleasure to be here in this beautiful city. Trondheim, I understand is a city with a rich and unparalleled position in the history of this nation, a city dating back to the Vikings, Olav the saint, religious leaders and nation-builders, located in the heart of Norway. As the first capital of Norway, this city indeed represents continuity and

change. It is impressive to see that Trondheim is now a modern city and a major centre of learning that provides one of the best research environments in Europe as witnessed by the Norwegian University of Science and Technology (NTNU).

I am also happy to be here on this day when the Norwegian Government is launching its first urban policy, “Cities-Hopes and Challenges”. I remember that last time I was in Norway it was on the occasion of International Women’s Day, where I took part in the launch of Norway’s Plan of Action for Women Empowerment and Gender Equality in Development Cooperation.

Ladies and gentlemen,

The year 2007 is a very special year. It marks a major turning point in human history. For the first time, half of humanity is living in towns and cities. We are at the beginning of a new urban era. And with this new era comes a new challenge, the challenge of sustainable urbanisation.

Today, over 3 billion people live in cities. But a more significant figure is that one out of three, or 1 billion people, are slum dwellers. Our research shows that the slum population is growing by about 100,000 every day. That is the equivalent of another Trondheim every day-and a-half. If we continue with business as usual this figure is set to double by 2030, representing two-fifths of the five billion people living in cities and one-fourth of humankind.

Why have we reached this state of affairs?

What lies behind this alarming trend? What are its causes? We have been asking ourselves this very question since the 1996 Habitat II Conference. Our relentless research shows that are several contributing factors.

First, the development discourse, including the discourse on sustainable development has, over the years, paid very little attention to urbanisation and urban development.

Decades of international and national efforts in agricultural and rural development have not arrested rapid migration into cities. Access to education has naturally propelled qualified youth into cities for jobs and opportunities. Many of us today still believe that efforts in rural development will have an impact on migration. Whether we are successful or not is becoming irrelevant. We have reached the stage where most urban

growth is due to the natural increase of existing urban population, and no longer to migration.

A second trend lies in the dynamics of urban economies that are rapidly changing. The primary source of economic growth of developing countries is increasingly located in towns and cities. In many countries, industry and services account for an ever-increasing proportion of national income relative to agriculture. In Asia, for example, urban areas typically account for 30 to 40 percent of the population and around 60 percent of GNP. Similarly, in Kenya, cities are home to 12 percent of the population but produce 30 percent of GNP.

What these figures hide, however, is the trend that most of the jobs are created in the informal sector of the economy. In sub-Saharan Africa, it is estimated that 7

out of 10 new jobs are created in the informal sector. Government policies as well as the policies of International Financial Institutions often neglect this reality. They assume that the informal economy will eventually be absorbed by the formal economy if the private sector is allowed to thrive and if proper fiscal and legal measures are put in place. This is not happening. Whether we like it or not, the informal economy is the main source of income and employment for the majority of the urban poor in low-income countries. Slums, in the final analyses, are the physical manifestations of the informal economy.

A third reason why we are now facing the urban challenge is misinformed government policies. There has been a long-standing notion that the urban poor are better off than the rural poor. For

decades, development planners, statisticians, and decision makers have confused proximity with access. We have assumed that by virtue of the fact that slums are often located close to schools, hospitals, and trunk infrastructure, that slum dwellers have access to these services.

The 2006-2007 State of the World Cities report, published by UN-HABITAT demystifies for the first time this major assumption. This report revealed that slum dwellers are more likely to die early, suffer from malnutrition and disease, be less educated and have fewer employment opportunities than any other segment of the population. On the health front, studies have shown that prevalence of the five diseases responsible for more than half of child mortality, namely pneumonia, diarrhoea, malaria, measles and HIV/AIDS, is directly linked to the living

conditions found in slums and not to income. These conditions are overcrowded living space, poor security, lack of access to potable water and sanitation, lack of garbage removal, and contaminated food. Indeed, slum dwellers suffer from a double jeopardy: they live in life-threatening conditions and their plight is the blind spot of government action and of international development assistance.

Honourable Pro-Rector,

Let me try to describe what these living conditions are. I will use just one example. In Kibera, Africa's largest contiguous slum, up to 300 people share a single toilet. This lack of access to sanitation is the single biggest cause of disease among women, and the key contributing factor to why adolescent girls drop out of school. The average woman or girl in Kibera spends up to four hours a day to fetch

water. Those who can afford to buy water from a vendor pay up to 50 times more than those who have access to piped water supply. The lack of modern energy supply forces most slum dwellers to use either charcoal or kerosene, a major cause of respiratory disease and fire hazards. It is these 700,000 inhabitants of Kibera, which would qualify Kibera as a sizeable city in Europe, who work in our plants and factories and produce affordable goods and services. Without them, the economy of Nairobi would most probably grind to a halt.

Whenever I walk through the slums of Asia, Africa or Latin America, as a mother and as the head of the UN agency in charge of sustainable urban development, I find it hard to witness children suffering under what can only be described as an **urban penalty**. I am astonished at how women manage to raise their families

under such appalling circumstances, without water or a decent toilet. The promise of urban independence has given way to the harsh realities of urban living largely because too many of us were ill prepared for our urban future. Many cities are confronting not only the problems of urban poverty, but also the very worst of environmental pollution.

UN Secretary General, Ban Ki-Moon and Her Majesty Queen Sonja were among those dignitaries who have recently visited Kibera. Their visits left them with shocking impressions and reinforced their determination to fight against the sub-human living conditions of the women, children and young people who live there. The President of Stortinget, Mr. Jagland, after his visit to Kibera, not so long ago called for development assistance to be channeled through UN-HABITAT for

improving the lives and living conditions of slum dwellers there.

In conclusion, the battle for attaining the Millennium Development Goals, be they on health, education, poverty reduction, or women empowerment will be won or lost in our cities.

What is the UN's role?

The U.N. General Assembly first cited its concern at the “deplorable world housing situation” in 1969, and it declared human settlements a priority for the twenty fifth anniversary of the United Nations in 1971. The next year, the first U.N. conference on the human environment, in Stockholm, marked a conceptual shift from global environmental degradation to its causes including urbanization.

In 1977, the Secretary-General of the first U.N. Human Settlements Conference, Enrique Peñalosa, asked “whether urban

growth would continue to be a spontaneous chaotic process or be planned to meet the needs of the community.”

The Habitat and Human Settlements Foundation, established to fund affordable housing slum upgrading, was never capitalized. Perhaps this was because in the mid 1970s, only one third of the world lived in urban areas.

Today, urbanization is finally being taken seriously. In 1996, at the Habitat II Conference in Istanbul, 171 countries signed the Habitat Agenda, a comprehensive guide to inclusive and participatory urban development.

In 2000, world leaders committed themselves to the Millennium Development Goals. Targets 10 and 11 on water and sanitation and slum upgrading within Goal 7 on environmental sustainability have a strong urban focus.

In 2001, the General Assembly passed a resolution that promoted UN-HABITAT from a Center to a fully-fledged U.N. Programme and called on UN-HABITAT to establish the World Urban Forum as a think tank on urban issues.

With more than 10,000 delegates, the third session of the World Urban Forum, in Vancouver in 2006, proved that people are increasingly concerned about the future of human settlements. Ministers and mayors, industrialists and slum dwellers, all recognized that their combined efforts are required to overcome the urban crisis.

What needs to be done?

Progress has been slow, but the political machinery is finally beginning to recognize urbanization as a major development issue. In 2006, the United States Senate held its first hearing on African urbanization, while the British

Parliament held its first debate on urbanization in developing countries.

I had a very useful meeting last March in Oslo with the Norwegian Parliamentary committee on Local Government. I also met with representatives of the Development Committee to exchange views on policy options related to sustainable urbanization.

The Blair Commission for Africa, of which I was a member, highlighted urbanization as the second greatest challenge confronting the continent after HIV/AIDS.

These kinds of international, regional, and local political institutions help create legitimacy for change; more importantly, they provide a locus for interventions. If our campaigns of advocacy and awareness do not translate into action, we will have failed.

There are signs of hope. We see more best practices everyday showing what measures can be taken to improve housing conditions for the urban poor. Many cities in East and South Asia are beginning to reduce the share of their people living in urban poverty. Though many civil society partners have contributed to this improvement, a common trait has been the critical role of central government and local authorities. Their political will has spurred increased investment in making cities and towns socially more inclusive, economically more vibrant and ultimately, more sustainable.

As an African, living in the world's fastest urbanizing continent, I am aware that we need to persuade everyone - from presidents to policymakers - of the urgency of urban issues.

Norway is an exemplary ally in this process. Your Storting, your political

leadership, your civil society organisations and your academic institutions have all shown interest and commitment in addressing this challenge in partnership with UN-HABITAT.

Ladies and Gentlemen,

Turning challenges into opportunities.

Allow me now to turn to opportunities. But before I do so, allow me to recognise that Norway was the first country to ratify the Kyoto protocol with Gro Harlem Brundtland bringing the sustainable development paradigm to the fore with her internationally acclaimed “Our Common Future”. Climate Change is now recognized as one of the defining challenges of the 21st century. Global warming, the risk of rising of sea levels, ever frequent and stronger tropical cyclones, and inland flooding have now

become significant issues in public debate and media coverage.

Global Warming

The effects of global warming will put cities at great risk. With ongoing climate change, we are entering a new era of urban vulnerability. The rapid pace of urbanization and concentrated living patterns in towns and cities will significantly increase the overall risk factors facing urban areas. The most affected today, and in the future, will be the world's urban poor – and notably among them, the 1 billion slum dwellers.

There is no doubt that local authorities will be the front-line actors in finding local answers to these global challenges. There are no “one-size fit all” solutions and each local authority will have to assess its own risks and vulnerability and plan accordingly, whether in coping with

rising sea levels, cyclones, droughts, flooding, or environmental refugees. It is obvious that local authorities, especially in secondary cities in developing countries that are growing the fastest, will be the most severely tested by these challenges. These cities, despite their rapid growth, contribute a minimal share to global greenhouse gas emissions. Yet, they are the cities that are most at risk in terms of feeling the impacts of climate change.

Until now, few comprehensive examples of mitigation and adaptation at the local level exist. However, cities worldwide are alerted to take action. This is an opportunity for all of us - policy makers, planners and environmental specialists - to join forces and place cities and urban issues at the forefront of the sustainable development agenda. Adapting to climate change will require that we revisit our planning laws and bylaws, our building

standards, our energy supply systems, our infrastructure and transportation planning. This is an excellent opportunity to re-examine how we manage and plan our cities. It is an opportunity to re-think many of our policies that have made cities the single biggest source of green house gas emissions in the North, while at the same time, excluding up to 70 percent of the urban population from decent living standards in the South.

In essence, reducing the vulnerability of cities to the effects of climate change should and needs to be seized as an opportunity to improve the living conditions of the most vulnerable segments of our urban populations.

Housing Finance

How can we do this when cities are already overwhelmed by existing problems?

A key to finding a lasting solution is affordable housing finance. In today's world, nobody is expected to pay for their housing solutions through savings alone. We rely on various forms of housing finance from the conventional mortgage to other forms of credit to meet our housing needs. Yet the 1 billion slum dwellers in the world today are excluded from most forms of finance. We have been struggling for over three decades to address the issues of cost of land and infrastructure, cost of building and construction. We have neglected the most important factor that determines access to decent housing. This factor is the cost of money.

Last April, the Governing Council of UN-HABITAT approved a four-year period for developing Experimental Reimbursable Seeding Operations, or ERSO. This provision allows the Habitat and Human Settlements Foundation to

provide credit enhancement for slum upgrading and low-income housing. The objective of ERSO is to mobilize domestic capital. It builds on ongoing experiences in leveraging public expenditures in infrastructure and services, the private real estate sector, and the efforts of slum dwellers themselves to find win-win solutions. The role of UN-HABITAT is to package technical assistance and policy reform with seed capital to enable housing cooperatives and women's groups to access housing finance. It complements micro-credit, which is largely limited to short-term loans, by providing longer-term finance for land acquisition.

It is our hope that this facility will help overcome one of the last remaining barriers to urban poverty reduction - to enable and empower the urban poor to do what most wealthier people do everyday, namely to leverage their savings and assets

to create wealth through housing and to become true stakeholders in society.

In closing, I wish to thank the Government of Norway, which has maintained its role as a leading donor for UN-HABITAT. Besides contributing to the Slum Upgrading Facility and the Water and Sanitation Trust Fund, Norway has provided support to our Global Land Tools Network, Gender and Youth programmes and has supported the establishment of a youth fund. I hope that the Government of Norway will also extend its support to our Human Settlements Foundation's initial phase.

In conclusion, I am very optimistic that with the continued support and guidance of the Government of Norway and with partners such as the NTNU, UN-HABITAT will be able to play a key catalytic role in alleviating urban poverty and promoting sustainable urbanization.

Also, let me take this opportunity to congratulate NTNU for organizing this forum and I would like to extend to you, Ladies and Gentleman, an invitation to the next World Urban Forum in Nanjing in October 2008, where the theme will be Harmonious cities.

I thank you for your kind attention.