



UN-HABITAT

United Nations Human Settlements Programme

**Address to the 2nd Committee of the 62nd session of the General
Assembly of the United Nations**

Agenda Item 55

**Implementation of the outcome of the United Nations Conference on
Human Settlements (Habitat II) and strengthening of the United
Nations Human Settlements Programme (UN-HABITAT)**

By

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Madame Chairperson,
Excellencies,
Distinguished delegates,
Ladies and gentlemen,

I am honoured to appear before you today, in my capacity as the Executive Director of the United Nations Human Settlements Programme, to update you on our efforts to fulfill our mandate, and to contribute to UN reform.

You have before you three reports. The first document, A/62/8 is the Report of the Governing Council of UN-HABITAT which held its 21st session in Nairobi earlier this year.

The second document, A/62/219 is the Report entitled “Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and the strengthening of the United Nations Human Settlements Programme” prepared by the Secretary General pursuant to General Assembly Resolution 58/226.

The third document, E/2007/58 is the report of the Secretary General on the Coordinated Implementation of the Habitat Agenda, which was presented to the substantive session of the Economic and Social Council of 2007 and transmitted to this Committee pursuant to decision E/2007/249.

Introductory remarks

Since I last had the honour to address this committee, considerable progress has been made in terms of the strengthening of UN-HABITAT to coordinate and monitor the implementation of the Habitat Agenda. Several important decisions and resolutions were adopted by the Governing Council of UN-HABITAT to this effect. I shall, however, limit myself to what I consider as two landmark decisions which provide concrete expression to many of the recommendations of this august assembly that date back to its 58th session.

Medium-term Strategic and Institutional Plan

The first landmark decision is of direct relevance to UN reform. The Governing Council of UN-HABITAT approved, at its 21st session in June this year, a Medium-term Strategic and Institutional Plan for 2008-2013.

This Plan is comprised of two main components: a strategic component and an institutional component. I shall provide a brief overview of each of these components.

Strategic component

The strategic component is driven by an ambitious vision and a robust road map for sustainable urbanisation. This vision is of a world where one out of every two women, men and children, who as of this year are living in urban areas, can gain access to decent housing, clean water and basic sanitation. It is also a vision of a world where humanity can engage in its social, economic and cultural pursuits without compromising the ability of future generations to do so. In an increasingly and rapidly urbanizing world, such a vision and road map are critical to the attainment of the Habitat Agenda and the Millennium Development Goals.

Is this vision a realistic and achievable one? I believe it is.

I believe it is realistic because the road map for the implementation of the Plan is guided by the principle of enhanced partnerships, and not by the capacities of the United Nations or of UN-HABITAT alone.

Over the next six years, UN-HABITAT will endeavor to fulfill a truly catalytic role to marshal the goodwill, the know-how and the resources of all spheres of government, of civil society, of international, regional and domestic financial institutions, and of the private and community sectors to focus sharply on the key determinants for sustainable urbanisation and inclusive urban development.

These areas are: pro-poor land and housing; participatory planning and governance; environmentally sound infrastructure and services; and innovative housing and urban finance. Work in these areas will be spearheaded by a Global Campaign on Sustainable Urbanisation to mobilise political will and commitment.

We have not been idle since the conclusion of the Governing Council. I have the distinct pleasure to inform you that these partnerships are already in the making. Examples include our collaboration with UNODC on urban crime prevention and safety which has been formally recognized and endorsed by the Commission on Crime. This will lead to joint activities on the ground to improve safety, security and justice for all, but especially for the one out of three urban dwellers who live in the world's slums. We are also working very closely with the World Health Organization (WHO) on addressing the issues of health in cities, particularly those affecting the urban poor. Our ongoing work with the World Bank within the framework of the Cities Alliance is also expanding as is our collaboration with regional development banks which has thus far resulted in over \$1.5 billion in follow-up investment in pro-poor water and sanitation.

In short, the vision of sustainable urbanization is an achievable one.

It is achievable because the Plan builds on the growing realization of the international community that urbanisation, despite all of its chaotic manifestations, represents a unique opportunity - a positive force - that can and must be harnessed to support economic growth and social advancement in a globalizing world economy. In this context we are proud to be associated with UNFPA which, building on our 2003 Global Report on Human Settlements titled the "the Slum Challenge" has in the 2007 State of the World's Population report focused on "Unleashing the Potential of Urban Growth". We are equally happy that in producing the Human Development Report, 2006 on Water, the UNDP took note of our triennial report, Water and Sanitation in the World's Cities: Local Action for Global Goals of March 2003, to further amplify and popularize our findings on the very sad state of affairs in urban slums on these issues. All this bears testimony to the fact that we work through partnerships and as grassroot actors will bring to the fore issues that can then be picked up by other partners to move action to greater scale.

***Institutional component
Distinguished delegates,***

On the institutional front, the Medium-term Plan aims to place UN-HABITAT at the forefront of reform. A key component of the Plan is management excellence where accountability, transparency, results-based monitoring and reporting will become not the exception but the rule.

Admittedly, given the rapid growth of our organization in the last 5 years, we do not have all of the requisite expertise in house. I therefore appeal to member States, in a position to do so, to provide us with

the additional resources, be they in-cash or in-kind, to help us implement state-of-the-art management processes and reform befitting our new status.

***Experimental Reimbursable Seeding Operations
Excellencies,***

Allow me to brief you on the second landmark decision that was adopted by the Governing Council of UN-HABITAT. I refer here to what is called the Experimental Reimbursable Seeding Operations - or ERSO for short.

As you may recall, this time last year, I had the opportunity to inform you that the Secretary General had promulgated a revised edition of the Financial Regulations and Rules governing the Habitat and Human Settlements Foundation.

The Secretary General's bulletin called upon the Governing Council of UN-HABITAT to operationalize these regulations and rules.

In its resolution 21/10, the Governing Council of UN-HABITAT empowered the agency to undertake experimental seed capital operations to facilitate the financing of pro-poor housing and urban development.

This landmark resolution enables the UN system, for the first time, to support the efforts of member States to scale up pilot slum upgrading and low-income housing initiatives through innovative financing mechanisms.

For the past thirty years we have focused our efforts on how to provide land, infrastructure and basic services, and affordable building materials. While our efforts have not been in vain, we have neglected the critical issue of access to finance.

The purpose of ERSO is not to establish a new financial institution, nor is it to create new debt instruments. Its objective is to work with existing financial institutions at the country level to lower the perceived risks associated with lending to the urban poor. It will do so by packaging a wide array of confidence building measures. These include policy advisory services, capacity building assistance, and credit enhancement in the form of guarantees that combine public investments, private capital, and the efforts of low-income households.

It is our hope that this facility will help overcome one of the long-lasting 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.

And with support from Members States, we should hit the ground running in this matter of mobilizing private sector finance to deliver decent housing for low income people. Under our slum upgrading facility pilot projects private sector banks have already agreed to give long term financing for low income women housing cooperatives in Tanzania and Kenya. The Government of China, City of Yangzhou is giving technical assistance to establish local construction firms capable of producing mid-rise buildings at low cost to enable the poor to remain close on prime land close to the Central business district. And last week, I signed an agreement with US private sector actors, namely, the Global Housing Foundation of California and Merrill Lynch in New York to kick-start affordable low income housing in the Latin

American region at large scale. Within the framework of the experimental re-imbursable seeding operations this landmark agreement entails the mobilization of resources for financing low income housing using mortgage loans given by domestic banks. Overtime these mortgage loans would be purchased by Merrill Lynch, which in turn would use its global distribution platform to syndicate that risk into the market. For every USD that UN-HABITAT can guarantee Merrill Lynch will provide 4 times the USD amount. The current agreement is predicated on UN-HABITAT guaranteeing up to USD 50 million with which Merrill Lynch would facilitate up to 200 million of financing from this global international financial institution. I can clearly state that we have now moved this organization into a different stage of operation, where it has to play its critical role of enhancing the supply of decent low income housing at scale, if we are to arrest the growth of slums.

*Climate change,
Excellencies,*

These landmark decisions are all the more significant as 2007 marks a turning point in human history. Indeed, for the first time, the majority of human beings are living in cities, and this process is accelerating. As I have expounded on previous occasions, this transformation has a direct bearing on the strategies we must adopt to attain the Millennium Development Goals. The urbanisation of poverty has arguably become the single biggest development challenge. We can no longer ignore the plight of 1 billion slum dwellers that live in life-threatening conditions. Nor can we hide our heads in the sand knowing that this figure is projected to reach 2 billion by 2030 if current trends prevail. We have both a moral and ethical responsibility to making our cities more equitable, more inclusive, and sustainable.

It is also an economic imperative that we fight urban poverty and squalor if we are to secure an urban safety and security. This year World Habitat Day focused on the challenges of urban safety and security. The theme “a safe city is a just city” says it all. Inequality breeds insecurity because it is based on institutional bottlenecks that prevent people to rise to their full potential. Invariably this breeds discontent and hostility could follow, putting society in danger. The Global Report on Human Settlements on Urban Safety and Security has also shown that apart from crime and violence, lack of secure tenure and huge vulnerability to natural disasters affects, to a great extent poor people than the rich. Resilience is highly correlated to income both within and between nations.

This brings me to the issue of how to address the challenges of climate change.

Indeed, it is no coincidence that climate change has emerged at the forefront of international debate at the same, and virtually at the same pace, as the world becomes urbanized. This is because urbanization brings about irreversible changes in our production and consumption patterns. How we plan, manage and live in our growing cities will determine to a large extent, the pace of global warming. With half of the world’s population living in cities, cities are already responsible for 75% of global energy consumption and 80% of green house gas emissions. Roughly half these emissions are caused by the burning of fossil fuels for urban transport; the other half comes from heating, cooling and running our buildings and homes.

We all agree that mitigation measures are urgently required. However, to date, the measures we envisage at the global and national levels have yet to be accompanied by concerted measures at the city and local levels. While we fine-tune carbon trading, we also need to take immediate actions to make our cities and towns more sustainable by re-visiting our land-use plans, our transport modalities, and our building designs.

At the same time, there is rising consensus that we must take immediate adaptation measures to reduce vulnerability. Here again, we have to recognize the need to plan our cities and settlements properly to prevent loss of lives and property. It is ironic to observe that the people and cities that are the most vulnerable to the impact of climate change are those who contribute least to climate change. The most affected today, and in the future, will be the world's urban poor – and chief among them, the 1 billion slum dwellers, the majority of them women and the children they support. For this reason, adaptation and mitigation are and have been part and parcel of our core mandate, that of improving our housing and urban development to reduce poverty and to make our cities and settlements safer, more sustainable and more resilient. Action in climate change be it adaptation or mitigation will have to take place at local level if it is to be sustainable and at a scale.

In summary, urbanization, urban poverty, and climate change are all linked, and cities and towns represent the nexus of the equation. 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 two-thirds 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.

This is also an opportunity for all of us - policy makers, planners and environmental specialists and citizens - to join forces and place cities and urban issues at the forefront of the sustainable development agenda, indeed of our respective national development agendas.

As you are all aware, ECOSOC is charged with monitoring and reporting on the outcomes of all major global conferences. I would like to submit, that the time has come, in this urban age, for us to place the urban agenda at the centre of our deliberations and to institute a task monitoring system to enable all of us to work as ONE to meet the challenges of rapid urbanization, urban poverty and climate change.

4th Session of the World Urban Forum

Allow me to end by informing you that preparations for the 4th session of the World Urban Forum have started. The forum will be hosted by the Government of China in the ancient city of Nanjing between 13-17 October next year. The theme is rural-urban linkages or how to secure balanced territorial development or what can be called “Harmonious Urbanization”. It my hope that Member States and all Habitat Agenda partners will prepare adequately for the WUF, and use the occasion to show case their best practices so that we continue to learn from each other in delivering the habitat agenda in this urbanized and globalized world.

I thank you for your kind attention.