



UN-HABITAT

United Nations Human Settlements Programme

**Address
to the
Second Committee of the 60th session
of the General Assembly of the United Nations**

Agenda Item 53

**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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Mr. Chairman,

Excellencies, Members of the Second Committee of the General Assembly,

I am honoured to appear before you today, in my capacity as the Executive Director of the United Nations Human Settlements Programme (UN-Habitat), to address this august assembly and to update you on our efforts to fulfill our mandate.

In front of you are three reports. The first document A/60/8 provides the outcome of the 20th session of our Governing Council, held in Nairobi at the headquarters of UN-Habitat, from 4 to 8 April 2005. This document is presented to you as part of our ongoing reporting mechanism as requested under GA Resolutions 32/162 and 56/206.

The second document A/60/168 is the Secretary General's 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/2005/60 is the report of the Secretary-General on Coordinated implementation of the Habitat Agenda, which was presented to the substantive session of the Economic and Social Council of 2005 and transmitted to this Committee pursuant to decision E/2005/298.

Introductory remarks

Mr. Chairman, Excellencies,

The 20th session of the Governing Council was the second session since the upgrading of UN-HABITAT to a full-fledged Programme by the GA in December, 2001. An unprecedented number of resolutions were adopted by the 20th session of the Governing Council. This fact alone can be seen as an indicator of the growing importance Member States accord to a variety of human settlements issues as articulated in the Habitat Agenda, and re-defined in the framework of the Millennium Development Goals. The issues discussed by the Governing Council all point to the need for the international community to focus on the critical issues of rapid urbanization and the urban poverty crisis that has come to accompany it, the water and sanitation challenge in many cities and towns, the adequate shelter crisis manifested in ever growing slum formations, housing and shelter finance challenges, land and property rights and lack of secure tenure for informal settlements and slum dwellers, as well as the need to improve urban safety and security. A number of these aspects adopted in the resolutions of the Governing Council were recently re-emphasized in the 2005 World Summit Outcome. For this reason, and with your permission Mr. Chairman, I will focus on those issues that are common to the report of the Governing Council, the Secretary General's Report, and the 2005 World Summit Outcome.

Today, well over 50 percent of the world's population already lives in cities. The vast majority of these people live on less than one dollar a day and are hungry. *One third of them lives in slums without access to safe drinking water and sanitation, overcrowded in shacks made up of temporary building materials that cannot withstand the slightest challenge from nature, such as a light storm or heavy rainfall, and without secure tenure so risk eviction of authorities often without notice.* Most slum dwellers are under the age of 25 and have no serious prospects for meaningful employment. The combination of these factors makes the urban poor the most disempowered group in terms of poverty and access to health and education, and the most vulnerable group in terms of HIV/AIDS and other diseases. And, their number is growing everyday. They represent our collective failure to come to terms with rapid urbanisation and the consequences of globalisation.

Attaining the Millennium Development Goals will depend increasingly on the ability of governments and their local authorities and civil society partners to come up with concrete solutions to make our cities and towns more equitable and inclusive. And Mr. Chairman, allow me to reiterate once again that we should be rest assured that our battle for the MDGs will be either won or lost in our cities and towns.

Accelerated Implementation of the Water and Sanitation and Slum Upgrading Targets of the Millennium Declaration

Mr. Chairman, Distinguished members of the Second Committee,

I have the pleasure of informing you that since I last addressed this august Committee, UN-HABITAT has further developed and put into action two initiatives designed specifically to support the attainment of the slum upgrading and

water and sanitation targets of Goal 7 on environmental sustainability of the Millennium Declaration. These two initiatives are the Slum Upgrading Facility (SUF) and the Water and Sanitation Trust Fund. Both these initiatives respond to various GA and Governing Council resolutions calling for the strengthening of the Habitat and Human Settlements Foundation and for expanded working arrangements and partnerships with international and regional finance institutions, the private sector and local government in support of the attainment of internationally agreed development goals.

The Slum Upgrading Facility is in its design phase. With initial funding of USD 20 million from the Government of the United Kingdom and Sweden the SUF has, since October 2004, become operational in 15 cities in Africa and Asia. The Facility is being designed to work with governments, people living in slums and local financial institutions to mobilize investments for slum upgrading. The objective of the Facility is to develop, test and apply new and innovative means of financing pro-poor urban development with a strong emphasis on the mobilization of domestic capital. It combines technical assistance and seed funding to broker public-private-community partnerships and create innovative financial packages involving community savings, micro-finance, public expenditures and private investment for pro-poor slum upgrading and urban infrastructure development. . The first credit guarantee pilot scheme is being implemented in Tanzania with women housing cooperatives established under the project. Under this scheme, a high leverage ratio has already materialized in the tune of tune of 1:4. Thus, for every 1 USD dollar equivalent guaranteed by the SUF, a commercial bank has agreed to give loans of USD 4 to the low income borrowers supported by the project. This is very promising and indicates a huge potential ahead.

The Water and Sanitation Trust Fund has so far attracted funding to the tune of USD 50 million from the Governments of Norway, Canada, Netherlands and Sweden. Its main focus is to help mobilize international finance and investment in pro-poor water and sanitation. It does so by combining normative, advocacy, monitoring and operational activities to prepare bankable projects, facilitated by a judicious mix of grants and loans. The Trust Fund has thus far been able to leverage over US \$1 billion in matching grants and loans to improve water and sanitation in informal settlements in more than 30 cities in Africa and Asia. As part of our work to reduce rapid urbanization and formation of large metropolis and mega-cities in least developed countries, the Trust Fund is also working to support Quick Impact Initiatives to achieve the MDG water and sanitation targets in secondary towns within five years in two trans-national water basins of critical environmental importance in the LDCs. These are the Lake Victoria region in East Africa, involving 15 urban settlements and 1 million people in Kenya, Tanzania and Uganda, and the Greater Mekong River Basin covering 12 urban settlements and half a million people in Cambodia, Laos PDR and Vietnam. China and Thailand are also participating in the Mekong Delta project as supporting middle income neighbouring countries.

As per the recommendations of the Governing Council, both these initiatives are being undertaken in close collaboration with the World Bank Group, the African and Asian Development Banks, and key bilateral donors. Both these initiatives demonstrate that it is indeed possible to mobilise a wide range of partners to raise domestic and international capital to realise the water and sanitation and slum upgrading targets of the Millennium Declaration. They underline the critical contribution by, and the importance of working with, local authorities and civil society organisations, as re-iterated in paragraph 173 of the 2005 World Summit Outcome. They remain, however, demonstration initiatives and, as such, need to be scaled up significantly within the next five years in order to accelerate the implementation of these targets on a global scale. The initiatives are also focusing not only on achieving the MDGs water and sanitation targets and slum upgrading within 5 years, but also ensuring the sustainability of the achievements made with donor support. As such, capacity building and management of municipalities and upgraded neighbourhoods, as well as water and sanitation services by the communities is given great emphasis.

On this note, Mr. Chairman, let me express my gratitude to the Governments that have headed our call and are supporting these important pilot initiatives. I wish to appeal to all others in a position to do so to also come forward and give us support, so that we can render meaning to the good intentions of implementing the Habitat Agenda and MDG Goal 7 on environmental sustainability.

Facing the Slum Challenge and Mainstreaming the Habitat Agenda

Mr. Chairman,

The Governing Council, in requesting the Executive Director of UN-Habitat to strengthen its normative and advocacy role and activities, has recognised the critical need for governments and their local authorities and civil society partners to mainstream the urban poverty agenda. The 2005 World Summit Outcome provides us with a unique opportunity to do so. It calls for all Member States to adopt and implement Comprehensive National Development Strategies by 2006. These Strategies can only be comprehensive and effective if they include the urban dimension of

poverty. Two years ago, I presented some of the conclusions of the 2003 Global Report on Human Settlements, entitled "The Challenge of Slums". The most dramatic finding of this report was that the slum population of the world is projected to grow from the current figure of one billion people to two billion people by 2030. This implies that one in four people may be living in slums by 2030. The 2005 Global Report on Human Settlements entitled "Financing Urban Shelter" released in September this year, reveals that pro-poor investment in housing and human settlements is woefully inadequate to meet present needs, not to mention the prevention of future slum formation. This conclusion finds its parallel in a cursory analysis of Poverty Reduction Strategies, Common Country Assessments and of the World Bank's Country Assistance Strategies which reveals a singular lack of attention to the urbanisation of poverty. Mr. Chairman I regret to say that over 5 years that I have been Executive Director of UN-HABITAT, I have noted that it is difficult to impress upon policy makers at all levels of government, and even in international forums the importance of the urban development crisis. Despite their importance, urban planning, housing and shelter issues simply slip between the cracks and are hardly reflected and discussed. For this reason, UN-HABITAT has appointed and placed Habitat Programme Managers in UNDP offices to work closely with United Nations Country Teams and national governments to mainstream the slum challenge and issues of sustainable urban development in the United Nations Development Assistance Framework, Common Country Assessments and PRSPs.

Mr. Chairman, in line with this, UN-HABITAT encourages all governments to support the normative and operational activities of UN-HABITAT at country level by working with Habitat Programme Managers to promote slum upgrading, affordable shelter and housing finance and sustainable urbanization. Support to the financial viability of the Habitat Programme Managers through multi-year contribution would also strengthen the long term sustainability of the Programme. Presently 30 HPMs have been appointed in 30 countries with priority to LDCs. As per the recommendations of the Governing Council, UN-HABITAT's presence at the country level will be assessed and evaluated in view of its integration into the medium-term strategic and institutional plan.

Regional Ministerial Conference on Housing and Urban Development

In order to promote an exchange of experiences and best practice between countries and regions, UN-HABITAT has supported Africa and Asia to emulate the good practice of their Latin American colleagues and establish ministerial conferences on housing and urban development. I am pleased to inform this Committee of the establishment of the African Ministerial Conference on Housing and Urban Development (AMCHUD) under the auspices of the African Union. The first Conference was generously hosted by South Africa and held from 31 January to 3 February 2005 in Durban. This biennial forum, formally endorsed by the African Union at its annual meeting in Libya in June 2005, will serve as the regional consultative mechanism for achieving the aims of the Habitat Agenda and in accelerating the attainment in Africa of the internationally agreed development goals. Consultations for the establishment of the Asian and Pacific Ministerial Conference on Housing and Urban Development (APAMCHUD) are under way with the respective governments. It is hoped that this will be finalized in 2006. The Governing Council has further requested that UN-HABITAT facilitate and encourage the exchange of experiences between the African Ministerial Conference on Housing and Urban Development (AMCHUD) and the High-level Authorities of Housing and Urban Development in Latin America and the Caribbean (MINURVI). The latter recommendation, together with a similar high-level meeting planned for Asia in 2006, will hopefully contribute in a significant manner to the implementation of paragraph 30 of the 2005 World Summit Outcome on South-South co-operation.

World Urban Forum

In terms of overall advocacy, I am also pleased to inform you that the Government of Canada and the City of Vancouver will be hosting the 3rd session of the World Urban Forum next June. Distinguished delegates may I recall that Vancouver was the site of the first United Nations Conference on Human Settlements held 30 years ago in 1976, which led to the establishment of the United Nations Centre for Human Settlements two years after. This Forum, which has grown in importance and attendance since its inception in 2001 will no doubt contribute to raising the awareness of the urban agenda amongst a wide range of representatives from government, local authorities and civil society. The principal theme of this 3rd session of the World Urban Forum is on sustainable urban development.

Mr. Chairman, I would like to acknowledge, with gratitude, the great support we are receiving from the Government of Canada in preparing for WUF 3. Next week in London, I shall be joining the Commissioner General for the World Urban Forum appointed by the Government of Canada to launch the Habitat Jam on the BBC. Mr. Chairman, the Habitat Jam is an exciting and unprecedented global 72-hour internet event to take place between 1-3 December, 2005, as part of preparations for the 3rd WUF. It is a joint initiative of the government of Canada, IBM and UN-HABITAT. During the JAM, people from all walks of life will contribute their ideas and expertise, pioneering a new form of global problem-solving on urgent and controversial issues facing a rapidly urbanizing planet. The World Bank has

availed to its extensive video conferencing facilities around the world to facilitate the participation of slum dwellers in discussions on the internet from different parts of the world.

Global Campaigns

I am also pleased to report to this committee that UN-Habitat's Global Campaigns on secure tenure and urban governance have been instrumental in the adoption of robust slum upgrading programmes and pro-poor urban development by more than 15 countries in Asia, Africa, Latin America and the Caribbean. The Governing Council, while acknowledging the progress and inroads made by these two campaigns, called specifically for UN-Habitat to further strengthen and ensure an adequate level of funding for these Campaigns in order to realize sustainable, equitable and inclusive urban development and achieve internationally agreed development goals and the Habitat Agenda.

Monitoring

Mr. Chairman,

Despite these and other advances, the "Challenge of Slums" remains a truly daunting task. It will require a system-wide and concerted effort in mobilising awareness, political will and resources. While MDG Goal 7, target 11 calls for "the improvement of living conditions of at least 100 million slum dwellers by 2020", this target represents, in effect, a drop in the ocean compared to the true scale of urban poverty and the impact of rapid urbanisation. UN-Habitat continues to pursue aggressive monitoring through the development and application of key urban indicators and the documentation of best practices. With regards to best practices, I am pleased to announce that UN-Habitat and Dubai Municipality will be organising in December 2006, an international conference on the Transfer of Best Practices for the Attainment of Millennium Development Goals. A major focus of this Conference will be on South-South and triangular cooperation. This Conference will also be the occasion to commemorate ten years of existence of the Dubai International Award for Best Practices for Improving the Living Environment which has served as the spearhead of a robust and comprehensive knowledge base in support of the implementation of the Habitat Agenda.

On the indicators front, UN-Habitat continues to expand its data collection methods and procedures in partnership with national bureaus of statistics and various UN agencies to better inform urban policy. A new set of trends and their underlying issues will be released next year with the 2006 State of World's Cities report at the 3rd World Urban Forum. I can, however, already share with this august committee that many of these indicators will provide yet another set of compelling arguments for mainstreaming the urban poverty agenda. It is therefore critical, in my humble opinion, that this committee give due recognition to the "urbanisation of poverty". There is an urgent need for member states to establish their respective slum upgrading targets and to assess the trends in future slum formation, as these trends are on the verge of dwarfing rural poverty in all of its dimensions.

Rights-based approach to housing

Distinguished delegates,

The eradication of urban poverty and the realisation of the Habitat Agenda goal of "shelter for all" can only be realised if we recognise the "right to the city" by the urban poor. Slums are, by definition, informal settlements. As such they are considered illegal and therefore do not benefit from the basic infrastructure and public services. Slums represent, nonetheless, the stake of the urban poor in society. The objective of UN-Habitat's global campaigns and normative work on human settlements can be summarised in one simple concept: transforming the tenuous stake and social capital represented by slums into a tangible and recognisable asset that will allow the urban poor to extricate themselves from the vicious cycle of poverty. It is in this spirit and in line with the directives of the Governing Council and the Commission on Human Rights that UN-HABITAT and the Office of the High Commissioner for Human Rights continue to implement the joint "United Nations Housing Rights Programme" (UNHRP). It is my sincere hope that this seminal work will inform and be informed by the system-wide efforts in implementing paragraph 101 of the 2005 World Summit Outcome on human rights, cultural rights and rights to development.

Humanitarian Affairs

Mr. Chairman,

The world witnessed in 2005 a series of disasters that have resulted in the dramatic loss of human life and property and the displacement of entire communities. Many of those who have survived have lost their homes, their belongings and

their source of livelihood. While the response of the international community has been generous and, in most cases, prompt, the scale of destruction has highlighted two key questions: how can we prevent such devastation in the future, and what can we do to help the victims restore their livelihoods and their homes in a sustainable manner? The answer to both these questions lies in large part on sustainable human settlements planning and management. Prevention can be greatly enhanced through the adoption and enforcement of more appropriate land-use planning and building codes. The rapid restoration of homes and livelihoods, on the other hand, is more complex and difficult to achieve. It requires that humanitarian relief operations be conceived from the very start as a bridge to development. The number and plight of internally displaced persons (IDPs) living for extended periods of time in situations of prolonged dependency argue in favour of more sustainable solutions that combine short-term emergency efforts with the longer-term development agenda. UN-Habitat's combined capacities as both a humanitarian and development actor and its long-term commitment to the relief-to-reconstruction continuum has led it to develop, in collaboration with its partners, a conceptual framework and operational guidelines entitled "Sustainable Relief and Reconstruction", a contribution that was formally noted by the UN-HABITAT's Governing Council earlier this year.

A first milestone in this recognition of UN-HABITAT's value-added input in the humanitarian sector was the invitation in April 2004 to participate as a member in Executive Committee of Humanitarian Agencies (ECHA) followed by invitations to participate in the Inter Agency Standing Committee (IASC) Working Groups in Geneva. In the past months, UN-HABITAT has been participating actively in the work of the IASC within the context of the Humanitarian Response Review. UN-Habitat is committed to assuming a stronger role and responsibility, in accordance with its mandate, in strengthening the United Nations' collective response to shelter, land and property challenges in post-disaster situations and to further the implementation of paragraph 111 of the 2005 World Summit Outcome pertaining to internally displaced persons. However, UN-HABITAT is not a full member of the IASC yet. This raises our concern in operationalizing the policies agreed at ECHA level and most importantly in mobilizing resources for the humanitarian activities of the organization, so that we can deliver our mandate as the only agency mandated to work on shelter policy. I would like to appeal to this body to assist us overcome this problem on non-membership in the IASC which is proving a big bottleneck to our work in the humanitarian field.

Commission on Sustainable Development

Mr. Chairman,

UN-HABITAT successfully supported the preparatory process leading up to and including the Thirteenth Session of the Commission for Sustainable Development. At its Twentieth Session in April 2005, the Governing Council deliberated on the elements of CSD 13 pertaining to water, sanitation and human settlements – the three pillars of sustainable development. These deliberations resulted in Resolution 20/20, "Thirteenth Session of the Commission on Sustainable Development" as well as the Summary of the Chair of the Governing Council. Subsequently, the Executive Director presented the Summary of the Chair to the delegates of the Commission at the high-level segment also in April 2005.

The Commission embraced the core message of the Governing Council to integrate water and sanitation into a broad-based framework on human settlements. It acknowledged the significance of the urban dimension of poverty reduction, recognizing the need for a multi-sector, multi-actor, integrated approach to human settlements development. Further, the Commission advanced understanding on the strategic links between sustainable human settlements and sources of energy, the central theme of the upcoming Fourteenth and Fifteenth Sessions of the Commission.

Mr. Chairman I am also pleased and grateful to point out CSD 13 paved the way for the World Summit to emphasize the importance of slum prevention, as we upgrade existing slums. With 1 billion people already in slums and given the rapid rate at which new slums are growing, it was visionary and a break through when in para. 56 (m) of the World Summit outcome, the need for slum prevention was stated. I believe this will now add impetus to our work in urban planning at country level, well aware that in all matters, prevention is better than cure.

Distinguished delegates,

Allow me to address an issue that has been at the forefront of many of your deliberations for the past few months, namely the issue of institutional and management reform. As you are well aware, UN-Habitat's mandate and structure were reviewed and upgraded by General Assembly Resolution 56/206 dated 21 December 2001. The rapid growth and expansion of UN-Habitat's work programme and budget led me to ask for an in-depth evaluation by the Office of Internal Oversight services. Both the Committee for Programme Coordination and the Governing Council echoed the key findings of the evaluation report, calling for a well-focused strategic and institutional plan, greater coherence between normative, operational, advocacy and monitoring activities, and the broadening of the UN-Habitat's funding

base. UN-Habitat has since embarked on a systematic strategic planning exercise to result, by 2006, in a Strategic and Institutional Plan. The Plan is expected to include proposals for the introduction of new and improved management instruments to ensure a high degree of cohesiveness between normative, monitoring, advocacy and operational activities, more transparent administrative procedures to ensure efficient use of human, technical and financial resources, and the “branding” of UN-Habitat to enhance its funding base. The plan is expected to provide a results-based vision of what UN-Habitat expects to achieve by 2012 in support of the implementation of the Habitat Agenda, with a particular focus on the slum upgrading and water and sanitation targets of the Millennium Declaration.

I am happy to report that UN-HABITAT has been working closely with the Controllers’ Office on the financial rules for the United Nations Habitat and Human Settlements Foundation and the Controller has assured me that we shall be able to finalized and promulgate these rules by the end of the year, in line with the OIOS and CPC recommendations.

Funding

Mr. Chairman,

I wish to thank all member states that have made voluntary contributions to UN-Habitat. Besides the recent contributions to the Slum Upgrading Facility and the Water and Sanitation Trust Funds mentioned above, the Governing Council has approved an overall budget and work programme of USD \$166 million for 2006-2007, representing a significant increase over the previous budgetary cycle. Despite this notable progress, both the Secretary General and the Governing Council remain concerned with the narrow funding base and lack of predictable multi-year funding for UN-Habitat to effectively carry out its mandate and to be pro-actively responsive in supporting member states. Similarly, earmarked contributions continue to outstrip non-earmarked contributions, creating serious imbalances in the implementation of UN-Habitat’s work programme. These challenges remain major obstacles to the realisation of our common objective for greater coherence between normative, operational, advocacy and monitoring activities, and I would like to join the Secretary General in appealing that the need for stable, predictable funding be echoed in your deliberations and decisions. I have circulated for your information trend in financial support to UN-HABITAT over the last 5 years that I have been leading the agency. You will notice that funding has increased 4 fold from USD 16.5 million in 2000 to USD 85.2 million in 2004. I wish to thank all those donors who have come to support our work and my team. However, we are not quite out of the woods yet. Most of these funds as the table shows come from just a number of countries as the table shows. I wish to present to this august assembly that in the context of the current reforms of the UN, there is a case for UN-HABITAT to operate on the principle of voluntary assessed contributions as is the case with our sister agency, UNEP.

Mr. Chairman, distinguished delegates,

Allow me to conclude on a joyful note. I am pleased to announce that the Secretary General has appointed Mrs. Inga Björk-Klevby of Sweden as the Deputy Executive Director of UN-Habitat. Mrs. Björk-Klevby’s training as an economist and her outstanding career in various senior advisory capacities to the World Bank, the IMF, the African and Asian Development Banks, and as current Ambassador of Sweden to Côte d’Ivoire, Burkina Faso, Guinea, Liberia and Sierra Leone, will provide a most timely contribution to the strengthening of UN-Habitat. Her longstanding experience with fund raising, fund management and disbursement, budget preparations, debt relief and capital-increase negotiations are ideally suited to this post and the post of Deputy Administrator of the Habitat and Human Settlements Foundation. In her capacity as board member of several multilateral institutions, Ambassador Björk-Klevby, also brings with her a complement of timely experience in institutional management and reform. I trust you will all join me in welcoming Ambassador Björk-Klevby on board.

On my part, I believe as a team we now can finally embark on the long standing challenge of reviving the Habitat and Human Settlements Foundation as per decision of the World Summit Outcome in its Paragraph 56 (m).

Thank you for your kind attention.