



UN-HABITAT

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Commission on Sustainable Development
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**Interactive Discussion
On Sanitation and Human Settlements:
*Meeting Basic Needs
in Human Settlements***

**Statement by
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CSD-12
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Discussion on Human Settlements
Remarks by Mrs. Anna Tibaijuka, Executive Director, UN-HABITAT

Honourable Minister Borge Brende, Chair of CSD-12

Excellencies, Distinguished Delegates, Ladies and gentlemen,

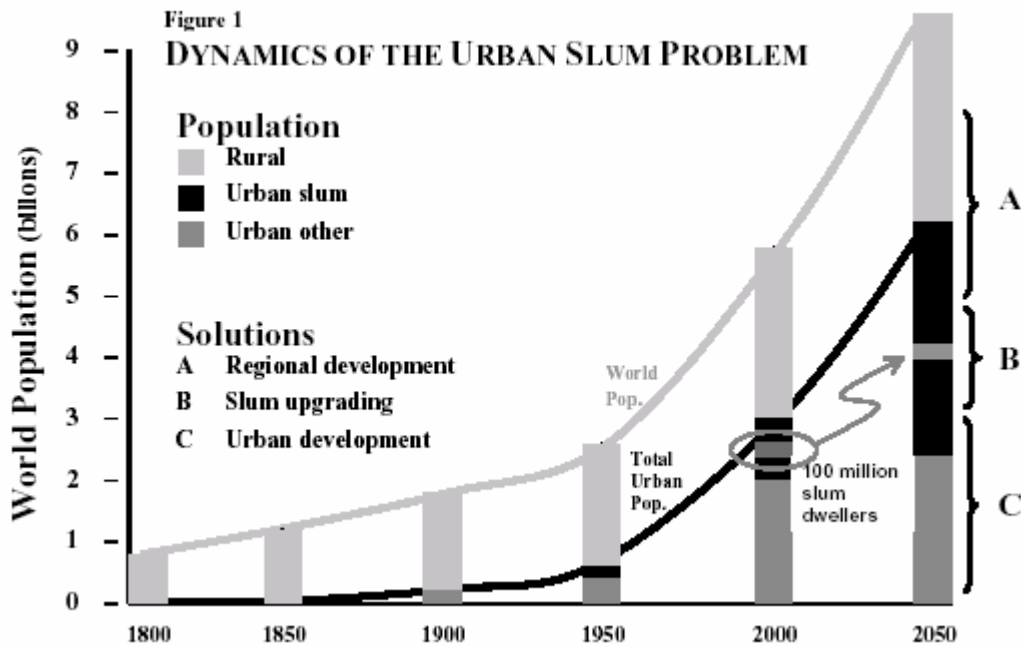
I am honoured and privileged to lead the discussion on Human Settlements in this segment of CSD-12, along with my distinguished colleague Mr. De Soto.

As I have stated before at other sessions of this Commission, Human settlements provide a concrete context for this action. The Struggle for achieving the Millennium Development Goals for water and sanitation will have to be waged in human settlements - in our cities, towns and villages. I would like to reiterate that human settlements development deserves equal attention in our discussions as water and sanitation related issues. This is because more than half the world's population lives in urban areas and most of the population growth will be absorbed in cities and towns of the developing countries.

Historically, urban issues have been marginalized in the development agenda. This fact is mirrored in the shortage of targeted funding, at all levels, for the implementation of the *Habitat Agenda*, the WSSD commitments and MDG goals related to water, sanitation and human settlements.

In a world of liberalized trade and finance, cities are focal points for investment, communication, commerce, production and consumption. They are magnets for immigrants and for others seeking a better life, as well as the locus of problems that result from these profound economic and demographic trends. The most alarming accompaniment to urbanization in this globalizing world has been the deepening of urban poverty and the growth of slums that now envelop nearly one billion persons worldwide.

The United Nations Millennium Declaration recognizes the dire circumstances of the world's urban poor, articulating Member States' commitment to improve the lives of at least 100 million slum dwellers by the year 2020.¹ As large as 100 million may seem, however, it is only ten percent of the present worldwide slum population, which, left unchecked, will multiply threefold to 3 billion by the year 2050 (see Figure 1).



Facing the growing magnitude of the slum problem thus requires a three-part, integrated strategy that is both corrective and pre-emptive:

- Slum upgrading:** physical upgrading of housing, infrastructure, environment; social upgrading through improved education, health and secure tenure; governance upgrading through participatory processes, community leadership and empowerment;
- Urban development:** stimulation of job creation through citywide advance land use planning, development and management of the revenue base, infrastructure improvement, amenities provision, city management and urban governance practices, community empowerment, vulnerability reduction and better security;
- Regional development:** reduction and diffusion of urbanization impacts through national urban policies and enabling laws that support secondary/tertiary cities, metropolitan governance and the planning/management of integrated urban-rural economic and lifeline systems that will result in balanced territorial development, stemming the tide of growth of mega-cities with huge populations and problems that they entail.

Excellencies and Distinguished Delegates,

The problem of slums is a dynamic one. At any point in time and in any one place it may present itself as a cluster of symptoms that might be dealt with sector-by-sector until the problem begins to dissolve. There are, however, economic, social and political forces behind urban poverty that cause slums to form at a rate that overwhelms every effort to fight them.

It is those forces that must be challenged and channelled, not just within the slums but also in the wider urban and regional context. Fundamentally, urban poverty and slums are

not just a matter of local improvement but of region-wide and national development policy, as well as international development support measures, to break the vicious circle tending to slum formation.

Clearly, improving the lives of slum dwellers requires much more than a reactive slum upgrading strategy, as critical as such a strategy is, for those already living in urban poverty.

To head off the expected growth of urban poverty and slums, there must also be a proactive strategy that creates the economic and social conditions for expansion of the urban middle class, the main exit from poverty, and that integrates urban and rural development planning to create a wider range of job opportunities throughout the national economy. In order to reduce poverty and inequality, policies need to address the main structural defects in both city and countryside, including: urban and rural insecurity of tenure and landlessness; unfair terms of trade between urban and rural areas; and insufficiency of income, resulting in part from lack of diversification of jobs in rural areas.

The quest for sustainable development is a quest to balance rural and urban solutions. In terms of human settlements, the strategy must be one to maximize the comparative advantage of each location in a hierarchy of places – from cities to towns to villages to hamlets – tied together functionally through investment in national infrastructure systems for efficient production and equitable and sustainable consumption.

The Way Forward

What then is the way forward? I see the following key lessons that have emerged from the review of experiences over the past two weeks:

1. Creating an enabling environment for sustainable human settlements

Security of Tenure and Urban Governance are two key elements of this enabling environment

Let me first take up the issues related to Secure Tenure. Today a significant number of people living in slums and informal settlements face daily threat of eviction. Often, these evictions are accompanied by severe violence, with victims on many occasions detained, arrested, beaten, tortured, and in some cases, even killed. Women and the children they support are undoubtedly those who suffer most from forced evictions.

A greater number of slum dwellers face the risk of eviction because they are tenants, more often than not, paying rents that are too high for the quality of services they receive from slumlords. Insecurity of residential tenure has many negative consequences. In addition to basic human rights, they are denied the right to participate in decision-making processes that impact on them directly.

Security of tenure not only promotes the rights and interests of the poor but also enhances rights and the roles of women in the sustainable management of settlements.

Good Urban Governance promotes accountable and transparent urban governance, which responds to and benefits all sectors of society, particularly the urban poor, and which works to eradicate all forms of exclusion. By supporting consensus-building between local governments and civil society, good governance helps establish priorities for socio-economic development. The governance tools presented at this CSD are a clear pointer to this.

2. Knowledge Management and Capacity building

Improving knowledge, skills and attitudes of local government officials and civil society partners is needed to ensure that the WSSD and MDG goals will be implemented at national and local level. Inclusiveness and transparency in management at the local level will be crucial to achieving the Millennium Development Goal for improving the lives of slum dwellers. Given the scale of the challenge, special efforts will be needed to expand the networks of capacity-building institutions and to maximize the dissemination and cascading of new methods and tools.

MDGs have to be localized if the global targets are to be met. That is why a discussion of water and sanitation from a Human Settlements perspective is a step in the right direction for local actions of our global goals.

3. Pro-poor Investments and Local Resource Mobilization

UN-HABITAT's recent estimates suggest that the cost of meeting the slum target is 184 billion dollars for improving the lives of 100 million slum dwellers and \$1300 billion dollars for proactive investments in land-development for the poor, so that new slums do not emerge. Clearly, there is not much point in improving slums, while new ones continue to emerge.

Increasing total overseas development assistance (ODA) is a necessary requirement for achieving Target 11, as well as a commitment by Member States to channel significant proportions of ODA to the urban sector. However, even in the best of circumstances, additional source of funding will be required. A doubling of ODA from \$5 billion to \$10 billion, for example, would contribute only 10% towards the cost of fulfilling Target 11. UN-HABITAT, upon instructions of the UN General Assembly, is in the process of establishing a Slum Upgrading Facility, to field test innovative, local, and pro-poor infrastructure and housing finance mechanisms to kick-start his process.

I would like to appeal to all governments to join our efforts in this struggle for capitalizing this financial instrument for shelter and development that has been discussed since the first UN conference on Environment in Stockholm in 1972. Doing nothing since then has led us to where we are now, with nearly One billion people in the slums.

UN-HABITAT has responded to General Assembly resolution 56/206, which devotes a full section to that issue and calls upon UNHABITAT to strengthen the United Nations Habitat and Human Settlements Foundation. Through this foundation, active collaboration of financial organizations and bodies within and outside the United Nations system will be promoted, with particular regard to the provision of seed capital and the financing of programmes and projects, as well as the development of innovative financing approaches. So capitalizing the Habitat and Human Settlements Foundation is thus vital.

Domestic capital is a potentially important but as yet under-supported and under-utilized source of finance for slum upgrading. For the head of household who cannot borrow sufficient funds to provide his or her family with adequate shelter (usually the largest investment a person will make in their lifetime), for the mayor and city manager who cannot predict how much revenue will be forthcoming from the State during a period in which community clinics must be built and staffed, for the local council that controls a budget too small to pay for both waste disposal and teachers' salaries, financing and credit are essential ingredients in any recipe for poverty reduction and sustainable urbanization.

It is important to seek out and develop mechanisms to mobilize domestic savings and capital, in order to improve the availability of affordable housing, decent shelter and infrastructure in developing countries and in countries with economies in transition. The financing gap for human settlements development must be closed. This gap, if left unresolved, is bound to constrain the delivery of Target 11 of the Millennium Development Goals, to improve the lives of at least 100 million slum dwellers by the year 2020.

Excellencies, Ladies and Gentlemen,

As we prepare to conclude this path-breaking CSD session, let us remember that as we engage in our deliberations here in this magnificent auditorium of the United Nations, a billion people are waiting out there in their ramshackle homes with the hope to see action – some concrete action - that could bring a positive change in their living condition. So, let us not forget the lessons that we have learnt here and let us resolve to translate these experiences, these lessons, into policies, programmes and partnerships that could bring us closer to the Millennium Development Goals and the Johannesburg Plan of Implementation. On my part, I will take the messages from this CSD session to the global meeting of Mayors in Paris next week. I will also ensure that discussions on conclusions of this CSD sessions are taken up at the World Urban Forum in September at Barcelona. I hope to see many of you there.

Thank you for your attention