

*Mr. Davis Shea
2nd Plenary*

Distinguished guests, ladies and gentlemen,

On behalf of the United States Government, I am honored to be here today to address this impressive gathering of committed individuals and institutions at the Second Session of the World Urban Forum here in the beautiful city of Barcelona.

I extend the best wishes of Secretary Alphonso Jackson of the U.S. Department of Housing and Urban Development for a successful and enriching exchange of ideas and experiences.

I would also like to take this opportunity to thank the City of Barcelona, UN-HABITAT, and the Government of Spain for making this event possible. Congratulations to all those who have contributed their time and efforts toward the Forum.

The United States believes that an enduring commitment to the creation of an enabling environment is the key to sustainable growth and eradication of slums. This means continually striving to improve governance, establish the

rule of law, maintain transparency, secure property rights, combat corruption, and open markets.

Through our domestic and international experience, we have identified a number of ways to best achieve these conditions.

- First, democratic institutions and processes must be recognized and supported.
- Second, the private sector needs to be more effectively engaged in development by becoming actively involved in the marketplaces of the very poor.
- Third, capacity-building must be pursued, particularly in the area of governance.
- And, finally, creative partnerships must be formed that utilize the talents and resources of the private sector, non-governmental organizations, academia, and local government leaders.

Democratic Institutions

In January, leaders from the Americas, who were meeting in Nuevo Leon, Mexico highlighted the importance of democratic governance. They

committed themselves to the strengthening of and respect for the rule of law, the defense of human rights and fundamental freedoms, economic progress, well-being and social justice. Transparency and accountability in public affairs, the promotion of diverse forms of participation by our citizens, and the development of opportunities for all are fundamental to promote and consolidate representative democracy.

They further committed to foster a culture of democracy and development based on pluralism and the acceptance of social and cultural diversity.

They recognized that corruption and impunity weaken public and private institutions, erode social values, undermine the rule of law, and distort economies and the allocation of resources for development.

The United States applauds and shares these commitments to participatory democracy, transparency and accountability to the public. As President Bush put it, Freedom honors and unleashes human creativity. We urge Forum participants to support and utilize the democratic process to assist in addressing the challenges of urban poverty.

Capacity-Building

Human capacity building is also critical, and should be focused on promoting good governance, particularly at the local level.

This includes training municipal managers, working to improve security of tenure, and developing urban planning capabilities.

Additional efforts must be made to expand domestic capabilities to address the overlapping challenges facing developing countries. Success depends on local actors evaluating, planning, financing, and managing the complex infrastructure needed to deliver essential services.

Private Sector and Development

The resources of the private sector must be harnessed to meet the needs of the urban poor. We must do more to encourage the private sector to do business with the poor and enable the poor to join the formal economic system. Informal economies are not only inefficient, but are unjust. The private sector must be more involved in providing quality services, generating jobs, and creating wealth.

In the United States, we have found that the private sector is typically better suited to play the role of builder, developer, and financier, while the public sector plays a critical role in creating the enabling institutional environment necessary to attract investment, both domestic and foreign. In my own country, the overwhelming majority of affordable housing is developed, built, and financed by the private sector and not by our national government.

Partnerships

Finally, we have found that no one group has a monopoly on good ideas and worthwhile innovations, solving the problem of the nation's cities requires collaborative partnerships among all groups of society. As U.S.

Secretary of State Colin Powell has stated "Partnerships among governments, the private sector and nongovernmental organizations will be key to the success of our new approach to development."

Our commitment to creative partnerships is reflected in the U.S. participants here this week, which include local mayors, representatives of the private banking industry, members of faith-based and other non-governmental groups devoted to the creation of affordable housing and care for the

homeless, scholars from some of our country's leading universities, and representatives of a variety of federal government agencies.

Thank you for giving me opportunity to share some thoughts with you.

Again, the United States delegation looks forward to speaking and learning from you this week.