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PERMANENT MISSION OF THE FEDERAL
DEMOCRATIC REPUBLIC OF ETHIOPIA
TO THE UNITED NATIONS

866 Second Avenue, 3rd Floor • New York, N.Y. 10017

Statement

By

Azanaw T. Abreha

Representative of the Federal Democratic Republic of
Ethiopia

On Agenda item 54: Implementation of the Outcome of
the United Nations Conference on Human Settlements
(Habitat II) and Strengthening of the United Nations
Human Settlements Programme

At the

Second Committee of the 61st Session of the
United Nations General Assembly

New York

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Madam Chairperson,

At the outset, allow me to express my delegation's sincere appreciation to the Secretary -General for his comprehensive and informative reports on the agenda item "Implantation of the Outcome of the United Nations Conference on Human Settlements (Habitat II) and Strengthening the United Nation Human Settlements Programme." I would also like to thank the Under Secretary-General and Executive Director Ms. Anna Tabajuka for her introductory statement and for championing the cause of improving urban settlements.

My delegation associates itself with the statement made by the distinguished representative of the Republic of South Africa on behalf of the Group of 77 and China.
Madam Chairperson

In Ethiopia urbanization is taking place at a rate faster than population growth. Currently, only 16 percent of the country's total population or 11.7 million people live in urban areas. However, the urban population of the country is growing at a rate of about 4.3 per cent per annum or increasing by more than half-a-million people annually. It is projected that the total urban population of the country will almost double to 22 million by 2020.

The current low level of urbanization and its rapid pace imply both challenges and opportunities. The challenges emanate from the very high level of slum dwellers even at the current level of urbanization. The opportunities arise from the possibility of learning lessons and good practices from other developing countries in stemming and reversing slum formation by anticipating and planning for growing urban populations. As indicated in paragraph 6 of the Secretary-General's report low- or middle-income countries are starting to stabilize or reverse slum growth rates and did not wait to achieve important milestones in economic growth before addressing the needs of slum-dwellers. Ethiopia will therefore continue to work very closely with UN-HABITAT to address the challenges of the present urban slum-dwellers in accordance with MDG 7, targets 10 and 11 and its rapid urbanization.

Madam Chairperson,

Ethiopian urban centers are characterized by poorly developed infrastructure services, high rate of unemployment and incidence of poverty and slum-dwelling. The main reasons for the wide-spread presence of slums in urban Ethiopia include: inadequate basic urban infrastructure and services, poor housing quality, weak environmental linkage, and weak institutional capacity.

Given the urgency and the growing significance of the urbanization of poverty challenges, it is important to give the deserved attention and resource mobilization to reaching the Millennium Development Goals, including the target of improving the lives of at least 100 million slum dwellers by 2020 and more generally of finding practical and sustainable solution to the global fight against poverty. The Government of Ethiopia has identified “the emerging urban agenda” as a key component of Ethiopia’s Development Strategy for the next five years, **Building on Progress: A Plan for Accelerated and Sustained Development to End Poverty (PASDEP 2006-2010)**. Thus, the Government has integrated urbanization as one of the priority areas of development. We are cognizant that developing countries, particularly the poorest among them, can achieve the MDGs only if they manage to devote much greater resources with sound policies for the reduction of poverty and the improvement of the living conditions of their peoples on a sustainable basis.

To this end, and in relation to urban population, the Ethiopian Government has consistently promoted home ownership for low-income groups by making targeted subsidies and through the improvement and capacity building of local communities’ special skills and integrated housing development programmes. In this regard, the Government has made allocation in its annual budget to shelter provision, infrastructure development, policy formulation and capacity building.

Madam Chairperson,

The urban sector Millennium Development Goals Needs Assessment conducted in Ethiopia estimate that additional 2,250,831 housing units would be needed due to population growth or formation of new households between 2005 and 2015, which will be about 1,125,000 housing units during the PASDEP period or 225,000 units each year.

Out of the total 225,000 needed each year, the construction of 100,000 housing units will be financed by Government through Integrated Housing Development Program. This Program will be undertaken in large-and medium-sized cities for the middle and low-income households. The Financing mechanism will involve a revolving housing fund that will receive a percentage of the house purchase price from purchasers at the point of transfer and subsequently, a long-term repayment of capital and interest.

An estimated cost of four hundred million USD per year of a Government component excluding the repayment will be allocated for this purpose. The remaining 125,000 housing units per year will be provided by real estate developers, employers, housing cooperatives, and private house builders. The Government will also provide serviced land and public infrastructure for the housing.

Madam Chairperson,

The above initiatives and policy directions taken at the national level show the Ethiopian Government's renewed commitment to ameliorate the urban situation. In addition, the level of global attention that the MDGs currently received also provides a great opportunity for Ethiopia to proceed in the right direction and attract the support and the resources, both domestic and international, that are required to effectively address this challenge.

billion from now until 2020. There is a need therefore to enhance our concerted efforts to achieve that target.

In conclusion, Madam Chairperson, I would like to commend the partnerships that UN-habitat has forged with various stakeholders to achieve the targets of the Habitat agenda. In particular, we are encouraged by the partnerships with the African Development Bank and the Asian Development Bank. Such partnership is crucial for the achievement of the Millennium Development Goals. Ethiopia would like to seize this opportunity to invite UN-habitat and other partners to continue to support our efforts to tackle the challenges of urbanization in general, and in attaining the slum-upgrading and water and sanitation targets of the Millennium Declaration.

I thank you