

**SPEECH BY HIS EXCELLENCY HON. MWAI KIBAKI, C.G.H., M.P., PRESIDENT AND COMMANDER-IN-CHIEF OF THE ARMED FORCES OF THE REPUBLIC OF KENYA DURING THE INAUGURATION OF THE 21<sup>ST</sup> SESSION OF THE GOVERNING COUNCIL OF UN-HABITAT, UNITED NATIONS HEADQUARTERS, GIGIRI, 16<sup>TH</sup> APRIL, 2007**

Mr. Chairman,

Excellencies,

The Executive Director, UN-HABITAT,

The Executive Director, UNEP,

Ladies and Gentlemen,

I am pleased to welcome all of you to Kenya for the 21<sup>st</sup> Session of the Governing Council of the United Nations Human Settlements Programme. This forum will be setting the policy for, and approve the work programme of UN-Habitat for the next two years.

I am glad to note that the theme for this Session is on sustainable urbanization with a focus on the role of local action for reducing urban poverty. Over the years, inadequate financing and lack of capacity for efficient urban planning have been cited as the greatest challenges to effective local action in our urban centers. I am therefore pleased to note that you will be laying emphasis on finance and planning, which are crucial to the sustainable development of our urban centers.

The theme of this Session also recognizes that the world is rapidly urbanizing. In the developing world in particular, urban populations are growing at an exponential rate, as young people migrate in search of better employment and economic opportunities in the towns and cities. Indeed, given the high rate of population movement from rural to urban settings, in the coming decades, the largest cities will be found in developing countries. The challenge for both national and urban authorities is to manage this growth sustainably.

Mr. Chairman,

As growing proportions of our people move to the cities and towns, we will face the problems of inadequate and affordable housing. This situation is expected to further compound the problem of the spread of informal settlements. Moreover, since such settlements are unplanned, the residents face serious difficulties including lack of proper sanitation, pollution, and absence of basic amenities such as water and electricity. They also lack social infrastructure such as schools, hospitals, and effective policing.

Furthermore, these unplanned settlements offer limited employment opportunities. The cumulative effect of these negative factors is that the migrants from rural to urban areas and their children, often experience even greater social and economic deprivation than that which prompted them to leave the rural areas in the first place. In addition, these conditions make unplanned settlements more vulnerable to crime and insecurity, and if left unchanged, could result in an enduring urban underclass with all of its attendant problems.

Besides slums, some of the challenges of rapid and unsustainable urbanisation include the inability of Local Authorities to provide adequate services to their citizens. For instance, many of our cities and towns face problems of securing and distributing sufficient supplies of clean water to the residents. Such cities also face serious constraints in ensuring effective solid waste management and proper

sanitation. The Local Authorities are often unable to finance and manage affordable housing schemes and efficient mass transport systems.

These shortcomings are often attributed to weak and poorly financed local governments. As a result, central governments have often found it necessary to intervene in order to redress the most critical deficiencies. However, such intervention measures are only temporary, and do not constitute lasting solutions. This is because central governments are often distracted by other diverse and pressing needs at the national level, and therefore cannot prioritise the needs of given Local Authorities.

Mr. Chairman,

I have raised these issues because Local Authorities in most developing countries simply do not have the required administrative, financial, and technical resources to effectively tackle the challenges facing our cities and towns. I am therefore pleased that your theme for this Session focuses on these issues. More importantly, it is clear that without the involvement of the city dwellers themselves, it will not be possible to correct even the most pressing problems facing our cities.

Such involvement is necessary to ensure that Local Authorities are held accountable by effective resident and business associations. Indeed, to have better managed and planned cities and towns in developing countries, we must develop strong and effective partnerships between local governments, the residents, and the businesses. Above all, urban Local Authorities must develop reliable sources of revenue to finance proper service delivery. These will include direct revenues from taxes and fees, as well as other revenues from instruments such as municipal bonds for investing in long-term infrastructure development. In addition, the Local Authorities must invest in attracting and retaining highly qualified staff who are able to plan for the current and future needs of their respective urban centres and implement such plans efficiently.

Mr. Chairman,

In Kenya, my Government has, jointly with UN-HABITAT and other partners, initiated a number of measures to address these challenges and to ensure a sustainable and proper process of urbanization. In this regard, my Government is focusing on policy, legislation, capacity building and infrastructure development. In particular, my Government is emphasizing public, private and community partnerships in addressing the challenges of urbanization.

We are paying special attention to the spread of unplanned settlements. Accordingly, my Government has prepared the **Kenya Slum Upgrading Strategy** as well as a complementary **Financing Strategy**. The strategy envisages the improvement of the livelihoods of approximately 5.4 million people living and working in unplanned settlements in urban centres throughout the country. Its implementation is estimated to cost more than **twelve billion U.S. dollars** over a period of 13 years.

We recognize that it is not possible to raise such a huge amount of money entirely from the government's own resources. My Government has therefore established the **Kenya Slum Upgrading, Low Cost Housing and Infrastructure Fund**. The Fund will pool resources from the Government and other development partners, the private sector and beneficiary communities in financing this long-term strategy. In the last two financial years, my Government has allocated about **7 million US dollars** annually towards implementation of this programme. We intend to double the amount in the coming financial year. Indeed, work on the construction of **600 housing units** is well underway at the Kibera decanting site. We are also carrying out water and sanitation interventions at Soweto village in Nairobi, as well as in Mombasa and Kisumu. A similar project will be implemented in Mavoko before June this year.

The Kenya Slum Upgrading Strategy also spells out measures that require to be undertaken to prevent the development of new slums even as we upgrade existing ones. Such preventive measures include

strengthening the management and planning capacity of Local Authorities, supply of sufficient quantities of housing for low income households in line with the rate of urbanization, provision of urban housing infrastructure, and improved security of tenure. Other measures to check the spread of slums include urban planning in squatter settlements, urban re-development initiatives and urban land banking to cater for the future development of low-income housing. The envisaged measures are outlined in the Draft Sessional Paper on National Land Policy that my Government intends to table during the current Session of Parliament.

Mr. Chairman,

The Government recognizes that Local Authorities have a central role to play in creating the appropriate environment for sustainable urbanization. My Government is therefore deepening local-level planning and financial reforms in Local Authorities. Some of the measures in place include introducing the Local Authority Transfer Fund, the Single Business Permit and Local Authority Service Delivery Action Plans. The Local Authority Transfer Fund enables the direct remission of 5 percent of the total income tax revenues collected by the central government to all the country's 175 Local Authorities, while the Single Business Permit initiative has vested Local Authorities with the sole responsibility for business licensing. Local Authority Service Delivery Action Plans, on the other hand, are designed to enable the consultation and participation of local people and communities in setting their development priorities. This will enable the citizens to participate in the budgetary process for Local Authorities and afford them a say in the way these institutions spend the taxes they collect from the people.

To further ensure that Local Authorities play their role effectively, my Government has prepared a Bill to amend the Local Government Act during the current Session of Parliament to provide for the direct election of **Mayors, Deputy Mayors and Chairmen** of County Councils. Other aspects of the same Act will also be reviewed to strengthen the management and resource mobilization capacity of Local Authorities.

Mr. Chairman,

The foregoing are some of the measures we are taking to address the challenges of urbanization and ensure that the process of urbanization is managed in a sustainable manner. I am confident that the exchange of ideas and best practices during your five-day deliberations will go a long way in improving responses to rapid urbanization across the world.

In conclusion, I wish to acknowledge the support that both **UN-HABITAT** and **UNEP** have continued to receive from UN member states and the international community. I wish to thank the UN Secretary General for elevating the United Nations Office at Nairobi to the level of other UN offices. I also thank the UN Secretary-General for his **February 2007** commitment to strengthen UN-HABITAT, including earmarking specific funds for the upgrading of the Kibera slum.

Finally, I invite all the delegates to take time out to visit other parts of this country and enjoy the true Kenyan hospitality.

With these remarks, it is now my pleasure to officially open the 21<sup>st</sup> Session of the Governing Council of UN-Habitat.

Thank You and God Bless You All.