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STATEMENT **Short version**

On Behalf of the European Union

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21st Meeting of the UN HABITAT Governing Council

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1. Opening

Ms President, Excellencies, distinguished delegates, Ladies and Gentlemen.

I have the honour to speak on behalf of the European Union. This is a special honour for me, as for the first time at a Governing Council of UN-Habitat the Union comprises of 27 member states of Northern and Southern, Western and Eastern Europe. The candidate country former Yugoslav Republic of Macedonia, the potential candidate Serbia, and the EFTA country Norway, member of the European Economic Area, align themselves with this statement.

Let me first congratulate Your Excellency, Kumari Selja, Minister for Housing and Urban Poverty Alleviation of India, on your election as the President of this meeting.

On behalf of the European Union, I would like to extend my congratulations to the honourable Executive Director, Dr. Anna Tibaijuka, to the extension of her mandate, which was decided by the former UN Secretary-General last year. We are looking forward to continue our close cooperation with you and all staff members of the Secretariat of UN-HABITAT. The EU also congratulates Dr. Tibaijuka to her nomination as Director-General of UNON.

The EU appreciates that since the last GC the vacant post of the DED has been filled. We look forward to continuing the successful and constructive cooperation with Inga Björk-Klevby.

2. The urban millennium

This millennium will see an urbanized world. This implies both opportunities and challenges. Cities are the major driving forces for development. They fascinate people in search of the improved economic opportunities and varied options of urban life they offer.

However, poverty is on the increase in urban areas. Half of the world's poor already live in cities, 925 million of them in slums. And the main growth of many slum areas is now from within. Achievement of the **UN Millennium Development Goals** will depend heavily on whether or not today's urbanization can be turned into a sustainable process.

There should be no doubt about the central **responsibility of local and national governments** to tackle these challenges. They have to respond to the increasing demand for integration, participation and accountability. Responsibilities have to be shared, new forms and processes of governance have to be established for cities to continue to play their vital role as catalysts of social, cultural and political change.

The impact of **climate change** on the international agenda is increasing. This is an area with particular significance in the context of urban development and of urbanization. Cities are both originators and victims of climate change. Growing cities mean a risk of growing

environmental burden and climate change if they lack the necessary planning for infrastructure, transport and other services and have failed to consider rural-urban interdependence.

3. UN Habitat mandate/role

Deriving its mandate from the Habitat Agenda, adopted at the United Nations Conference on Human Settlements (Habitat II) in Istanbul 1996, UN Habitat is the normative advocate and focal agency for human settlement and pro-poor urban development in the UN. The EU underlines the goal of sustainable urban development which focuses on liveable, productive and inclusive cities, towns and villages and looks forward to working with UN Habitat to ensure the effective implementation and realisation of the strategic and institutional objectives.

For the EU, it is essential that UN-HABITAT's activities and future strategies be seen and further developed against the background of the ongoing global **UN reforms** at all levels as well as the overall framework of the global aid architecture. In this connection, we would welcome more information on how UN-HABITAT sees its involvement in the implementation of the One UN concept in the pilot countries selected so far.

UN-HABITAT has undoubtedly contributed to raising worldwide awareness of the importance of secure tenure and good urban governance to address the needs of the urban poor and in particular of slum-dwellers. Now is a very appropriate time to **define further UN-HABITAT's role** promoting a global, national and local perspective on urban development, building on and strengthening its core competencies.

The preparation of a Medium-Term Strategy and Institutional Plan (MTSIP) for the six-year period 2008-2013 represents a significant milestone for the organisation. The EU believes that the development of the specific focal areas for Habitat activity is a positive development and will help to target the organisation's activities more effectively. The EU looks forward to seeing these further developed to ensure that UN-HABITAT's role in the global institutional system accurately reflects UN-HABITAT's comparative advantages and emphasises its normative role.

The EU recognizes UN Habitat's new Enhanced Normative and Operational Framework as a step forward. However, the EU would like to stress that scope and pace of any envisaged expansion must be set against the back-drop of UN-HABITAT's catalytic role, comparative advantages, limited resources and institutional capacity compared with other agencies and institutions.

The EU is very much aware of the **need for housing financing** for poor groups. We think that UN-HABITAT should establish pre-conditions for housing financing for the poor. This entails helping local communities and national legislation to liaise with housing financing

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institutions on bankable projects. The EU believes that any strengthening of the UN-Habitat and Human Settlements Foundation needs to correspond to the role of UN-HABITAT within the international aid architecture.

4. Closing remarks

The European Union's appreciation for the work of UN-Habitat is expressed by voluntary contributions which significantly support the programme. In 2006, contributions from EU member states and the EU commission stood for almost 50% of the core budget and more than 40% of earmarked contributions.

Bearing in mind that the Habitat Partners and in particular the EU fully agree to the vision of the Habitat Agenda, I would like to highlight that the leading principle of all debates on concrete objectives and actions has to be partnership. We can only respond to the urgent challenges together and by promoting the best and promising means to fulfil the vision of the Habitat Agenda. In this regard, the European Union would like to strengthen its fruitful relationship with UN-Habitat based on partnership.