

UN HABITAT

FOR A BETTER URBAN FUTURE

Statement by Mrs. Anna Tibaijuka,
Under-Secretary-General
and Executive Director of UN-HABITAT
at the ERSO agreements signing ceremony.
Nairobi, Kenya, 2 April 2009.

Excellencies,

ERSO partners,

Distinguished ladies and gentlemen,

It is my pleasure to welcome you to this signing ceremony. It marks the first step in our efforts to implement the Experimental Reimbursable Seeding Operations and other Innovative Financial Mechanisms to catalyze investments in pro-poor housing, related infrastructure and upgrading.

It gives me pleasure also to introduce our distinguished development partners in this endeavour: H.E. Mr. Nicolas Martin Cinto, Ambassador of Spain and H.E. Dr. Dafer Al Jalahma, the Deputy Housing Minister and the representative of the Kingdom of Bahrain. Unfortunately our third partner, the Rockefeller Foundation, is not able to be present today. Without your support this important ERSO initiative would not be where it is today.

Our latest research shows that sub-Saharan Africa today still has the world's highest proportion of its city dwellers living in slums. They constitute 62 percent of Africa's urban populations. That compares to 43 percent in South Asia, 37 percent in East Asia, 28 percent in Southeast Asia, 27 percent in Latin America and the Caribbean, and 15 percent in North Africa.

The primary function of the ERSO Trust Fund is to look at new ways and means of financing pro-poor housing and infrastructure, and slum upgrading. Our aim is to induce, encourage and enable existing local financial institutions to serve low-income market segments in a sustainable manner.

The intention is also to show national governments how this can be done and what the changes are required to government policies, strategies and/or business processes to help such initiatives go to scale.

Some of the innovative aspects in this approach include the blending of community savings, micro-credit, private capital and support from the government and municipal sectors to reduce the perceived risks of providing housing solutions for the urban poor.

I would like to end these brief opening remarks by saying that this is what the United Nations Habitat and Human Settlements Foundation was set up to do in 1972 as part

of the outcome of Stockholm Conference on the Human Environment. It has taken us some three decades to realize that our forefathers were not only right but also visionary in predicting the need for affordable housing finance systems. The current economic crisis, sparked off by a housing finance crisis, is a stark reminder that, in a globalised world economy, housing and urban development are not just local or national issues; they are issues of global concern that cannot be left to the marketplace alone.

But I stop here as I know each of my panelists may wish to address you and time is very tight if we are to take questions as well. It is my pleasure to welcome representatives from Housing Finance Kenya, Habitat for Humanity International, Azania Bank Tanzania, ARBAN Bangladesh and DFCU Uganda, to briefly outline the first generation of “ERSO” projects before we proceed with signing of the agreements.

Thank you