

International Conference

**Co-organized by Veolia Environment Institute
and Agence Française de Développement (AFD)**

***"Reconciling poverty eradication and quality of the
environment: what are the innovative solutions?"***

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SPEAKING NOTES

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**TOPIC: POVERTY ERADICATION AND QUALITY OF THE ENVIRONMENT
IN URBAN AND PERI URBAN AREAS**

Monsieur Antoine Frérot, Président Directeur Général de Veolia Environnement,
Monsieur Dov Zerah, Directeur Général, Agence française de Développement
Mesdames et Messieurs les parlementaires,
Mesdames et Messieurs les élus des régions et départements,
Mesdames et Messieurs les maires et représentants des autorités locales,
représentants des institutions, chercheurs et experts,

Tout d'abord, je voudrais remercier l'Institut Véolia Environnement et l'Agence Française de développement de me convier à cette conférence internationale et me donner l'opportunité de m'exprimer sur ce sujet Important aujourd'hui.

La réduction de la pauvreté urbaine est au coeur des préoccupations du programme des Nations Unies dont je suis en charge depuis octobre 2010.

Permettez moi maintenant de continuer en anglais afin de mieux articuler mes propos.

The world is undoubtedly entering a new urban era. And with this new era comes a new challenge: the challenge of "*sustainable urbanization*". The combined impacts of rapid urbanization, climate change and globalization are resulting in increasing inequalities, which pose enormous challenges.

In brief, we are in a situation of *unsustainable* urbanization.

THE SLUMS

We are faced with a truly daunting challenge: the growth of slums in most regions of the world. Today, about 1 billion people live in the slums.

The proportions are unequal with the following figures:

- Sub-Saharan Africa 62% of the total.
- South Asia 43%
- East Asia 37%
- Latin America and the Caribbean 27%

Slums and urban poverty are not just a manifestation of a population explosion and demographic change, or even of the vast impersonal forces of globalization. Slums must be seen as the result of a failure of housing policies, laws and delivery systems, as well as of national and urban policies.

URBAN POVERTY

While the title of the conference is about poverty eradication, I believe that in today's context, it is safer to talk about poverty alleviation, as addressed by the UN Millennium Development Goals. The MDG Goal 1 is to halve, between 1990 and 2015, the proportion of people whose income is less than US\$1 a day. Today, we are far from achieving this target that is about extreme poverty.

Extreme poverty is this invisible threshold under which persons are trapped which has been translated into the \$ 1 a day measure. However, beyond the crude one dollar measure, extreme poverty is also *deprivation of resources, capabilities, choices and security*. Recent data shows that out of every six humans is currently deprived of the most basic amenities such as water, sanitation, security of tenure, durable housing and sufficient living space. There is clear evidence from research that slum dwellers are more likely to die early, suffer from malnutrition and disease, be less educated and have fewer employment opportunities than any other segment of the population. These conditions are overcrowded living space, poor security, lack of access to potable water and sanitation, lack of garbage removal, and contaminated food.

While living under a certain threshold a day maybe acceptable in remote villages, it is not the case in large cities. Urban poverty is largely under-estimated. In cities, land prices are higher in large cities, determined by the proximity to certain locations and services, in turn have a direct impact on access to shelter, in the form of rents or housing and land values. Transport costs, energy, water are also higher, while wages are generally higher than in other areas.

IMPACT OF CLIMATE CHANGE

Going back to the environmental challenges, the most worrying challenge of rapid urbanization is the impact of climate change. Everywhere the urban poor live

along beaches vulnerable to flooding, on slopes prone to landslides and near polluted grounds. If sea levels rise by just one meter, many major coastal cities - Buenos Aires, Los Angeles, New York, Lagos, Mumbai, Kolkata, Dhaka, Shanghai, and Tokyo - will be under threat.

We know that the rapid pace of urbanization significantly increases the overall vulnerability of urban areas to natural disasters. Urban areas will be more vulnerable to disruptions from extreme events, especially in developing countries, where the combination of structural poverty, deteriorating and substandard infrastructure, high population densities, and the concentration of commercial and industrial activities amplify the problem.

IMPACT ON THE POOR

In the present scenario, the urban poor are the most vulnerable as, everywhere the urban poor live in places no-one else would dare set foot. People living in slums are the prime victims of climate changes.

Also, around 40 percent of the world's population lives less than 100 km from coasts – within reach of severe coastal storms. In effect, close to 100 million people around the world live less than one meter above mean sea level. More and more people are gravitating towards fast growing coastal cities. But coastal erosion, rising sea levels, saltwater contamination, and potentially more powerful storms, can put these already threatened environments under further stress. Small island states will be part of the most affected areas such as the Caribbean islands, where more than half of the population lives within two kilometers of the coast.

Increasingly, disasters affect communities far beyond the areas of geographic impact as regions are linked in new ways. In particular, cities are the natural destinations for the victims of rural environmental disasters. As desertification increased under the effect of global warming, entire arid regions where nomadic cultures prevail may lead to an additional influx of people to cities. These “environmental refugees” will add to already existing urban slums and increase the vulnerability of cities. Large informal settlements with more vulnerable

people will pose enormous challenges to cities at risk, particularly coastal cities such as Lagos, Mumbai or Rio de Janeiro.

Urban communities are likely to see their services declining, particularly their access to clean water, their electricity supply, the waste management and transportation systems. For the slum dwellers, that will mean a additional weakening of their livelihoods. Basic services, particularly water, contribute a great deal to their survival capacity.

FUTURE DIRECTIONS

As such, it is particularly critical to ensure a minimum level of basic infrastructures in neighborhoods at risk. In cities and part of cities, particularly the slums, that are likely to be affected by climate changes, investments will be required in order to consolidate infrastructures, particularly water systems, drainage, sanitation and power systems, protect solid waste landfills. Coastal cities will require specific heavy investments such as sea-surge protective barriers, dams, flood barriers and Tsunami-prevention facilities.

Also, new approaches to planning will need to be envisaged in order to take new climate change constraints into account. Additionally, new risk assessments need to be in place as well as early warning systems, preparedness and evacuation plans. In informal settlements, secure tenure and regularization becomes a key element for cities at risk in order to ensure the consolidation of shelter on safe sites.

The cost of climate change related to disasters will be just tremendous and will increase as disasters become more severe. As such, disaster-related interventions and investments will add a significant burden on urban economies. For the least advanced economies, infrastructure expenditures will be virtually impossible to meet.

Solutions have to be found in order to assist the least developed countries at risk to meet the costs. For the advanced economies, urban disasters may mean new business opportunities and economic stimulation. However, for the developing countries, disaster might just weaken them further. In order to generate results,

disaster management activities should take into account communities and their resilience and focus on local investments.

CITIES ARE PART OF THE SOLUTION

Urbanization contributes to climate changes that will also affect cities significantly, particularly vulnerable areas such where the urban poor are more at risk. At the same time, cities will be where solutions are more likely to be found. Direct sources of global emissions in cities include energy generation, motorized transport, industrial use of fossil fuels, and burning of biomass. Others include electrical energy for public lighting, business and household consumption.

Cities can contribute to the mitigation of global greenhouse gas emissions by reducing the volume of CO₂, methane, and other gases. This can be done through specific interventions that should possibly also generate revenues for further urban investments. For instance, mass transportation can be promoted and coupled with the use of fuel-efficient vehicles and environmentally friendly fuels. Also, improved building materials can reduce energy loss and improve heating in buildings.

How we plan, manage and live in our growing cities determines, to a large extent, the pace of global warming. This is because up to three-quarters of global energy consumption occurs in cities, and an equally significant proportion of greenhouse gas emissions that cause global warming come from urban areas. Roughly half of these emissions are caused by the burning fossil fuels for urban transport; the other half comes from energy to heat or cool our buildings and to run our appliances. These are the hallmarks of our built environment and our quest for quality-of-life in urban places. Indeed, climate change and urbanization are virtually inseparable. This is why we need to focus on sustainable construction and settlement patterns, and energy-efficient buildings when erecting new developments or retrofitting existing buildings.

In order to achieve the positive development of cities, those shall combine the optimal densities and land use, effective urban networks and patterns that allow

efficient mobility for people between offices, homes and services, for business to operate, for investment to be cost-effective.

Investing in cities can be part of the solution if we use the right densities for instances. As you know, the cost of infrastructure network expansion is highly sensitive to population density. For the exact same infrastructure, in both urban and rural spaces, the capital cost declines with density. At the highest density, the cost of a bundle of high-quality services is \$325 per capita; for medium-density cities, it is \$665; for the rural hinterland \$2,837; and for isolated areas \$4,879. Population density affects also the availability to pay for such infrastructure. In rural areas the cost of a high quality infrastructure bundle is 10 to 20 times the annual household budgets so unaffordable. This ratio falls steeply in urban areas, where the cost of the bundle is one to three times the annual household budget.

Simply, cities need the right planning for investment to take place. Ultimately, it is about quality of life in urban areas.

In order to address the tremendous challenges in front of us in many countries, with the growth of slums and costly and uncontrolled urban sprawl, environmental issues must be tackled within a broad framework of urban development. This broader framework includes a holistic approach to participatory governance, urban planning and management, and the harnessing of ecologically sound technologies. In order to do so, there is a need to work and cooperate with all urban actors, be governments, local authorities, communities and the private sector. This should involve influencing policies, carrying out operational activities, capacity-building, monitoring and partnership building; at the regional, national and local levels.

UN-HABITAT works and cooperates with all urban actors and our experience in working with governments, local authorities, communities and the private sector all over the world provides several important insights. Its work involves influencing policies, carrying out operational activities, capacity-building, monitoring and partnership building; at global, regional, national and local levels.

THE PRIVATE SECTOR

Since we are here today with a large presence of the private sector, with Veolia as the host, I would like say a few words about the role of the private sector in our endeavor.

For you, members of the private sector, dysfunctional cities mean insufficient conditions to run your business, less productivity, in turn affecting economic development. You therefore have a major stake in addressing urban issues.

At this stage, we can safely say that urbanization challenges are getting too complex and resource-driven to be addressed by the public sector alone. It has become clear that the private sector is more equipped to deal with the complexity of those challenges, but also more ready to harness the benefits of the tremendous potential of cities.

First of all, the private sector is more centered on economic performance than the public sector. Secondly, the private sector is more adaptable, able to change according to new realities and demands. It is more prepared for proactive investment and mechanisms that allow for continuous improvement of staff, processes, and approaches.

This is what we need in order to address urban challenges, their complexity and the increasing need for adaptation given the environmental and economic conditions. The other stakeholders need to learn a great deal from you.

While we do not pretend to have all of the answers, I do believe that our work on the ground has allowed us to ask some of the right questions and is showing the way forward.

Thank you for your attention.