

**Transcription of the speech of Ms. Anna Tibaijuka at the Opening Ceremony for
the Seminar Global and Local: Confronting the Challenges of Regional
Development in Latin America and the Caribbean**

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Globalisation and cities: A development challenge

Thank you very much President Iglesias, honourable Victor Formigoni, the President of our host today, and President Mr. Eduardo Frei, honourable Ministers and distinguished participants and guests, ladies and gentlemen. From my part it is with great satisfaction to be able to participate in this debate and discussion on the challenges of **regional development in Latin America and the Caribbean, in the context of globalization** of the economy, knowledge and cultural exchanges.

I would like to **thank Mr. Iglesias and your colleagues and staff** for extending me this invitation and, therefore, to make my little contribution.

- The **setting of this seminar** is also quite noteworthy, we are in a **country whose cities pioneered international trade** and exchanges, and we are witnessing current events that show us with sharp clarity the **impact of regional events on the global economy and political trends**. We can draw lessons from both aspects in devising strategies to sustain the development process of Latin America and the Caribbean.
- The Region of **Latin America and the Caribbean has still to realize its full capacity for participation in the global economy**. With over 8% of the world population, it shares just over 5% of the global trade on merchandises. Of this, more than half relates to trade with the United States of America and close to 15% to intra-regional trade.
- There is a clear **potential to develop further its global exchanges**, but equally important, **to maximize exchanges within the region**
- What is the role of cities and regions in this context?
- Our Agency, the United Nations Human Settlements Programme, UN-HABITAT, focuses its work on human settlements, cities, and how these are determinant on, and are affected by, national and global development processes.
- **Cities and regional systems** in the developing world, as well as in Latin America and the Caribbean, are **often perceived as negative expressions of inadequate development pattern**. Concentration of wealth and poverty, regional imbalances, weak governance structures and unsustainable use of resources frequently contribute to support these views.

- While it is **necessary to confront the causes at the root of this situation**, we also **have to seize the opportunities that they offer to trigger more dynamic and equitable development processes.**
- We have to face the fact that 80% of the population in the region will live in urban areas by 2015, and that 6 out of 10 of the poor will be in them. That in several cases the population will be concentrated in few large cities, with some extremes like the areas of Buenos Aires and Santiago de Chile that presently host over 40% of the population in their countries. But also, that some of these cities and national regions contribute up to 50% of the national product.
- The **rate of population concentration in urban has been slowing down in recent years**, this offers an **opportunity to catch up** in the race to improve existing conditions, and to embark on a concerted effort to build the basis for balanced local and national development and a more competitive position in the global economy.
- The most successful of the Italian cities developed over time **strong civic covenants, what we now translate into good governance.** This allowed them to build the infrastructure and services that enable them to prosper and be competitive.
- We consider the **strengthening of good local, city, governance as a key elements in building national competitiveness.** A drive for making effective on-going processes of decentralization and devolution of management and fiscal competencies should be at the core of national development strategies. Incentives and technical support mechanisms should be put in place for this purpose.
- In an era of national states, strong **local development strategies have to be harmonized with national policies and strategies.** Sectoral agencies responsible for **urban and regional development have to be given due priority and resources by economic planning agencies.** They need to develop a common language.
- As the consolidation of democratic processes in Latin America and the Caribbean is underway, there is fertile ground for a concerted effort in these areas.
- The development banks, the Inter-American Development Bank in particular, and specialized agencies of the United Nations like UN-HABITAT, have been collaborating with governments to achieve this goal.
- We have now reached an understanding with IADB to join forces in working towards a more competitive region than can provide economic development and social cohesion to its citizens.
- This partnership enables capitalizing on the capacity of UN-HABITAT for pre-investment analysis, normative work and technical and policy inputs with IADB's programme development and investment capabilities.

- We look forward to a fruitful and efficient collaboration in the future for the implementation of development programmes in the Region.