The United Nations Conference on Housing and Sustainable Urban Development - Habitat III - will take place in Quito, Ecuador, next October. It will bring together the international community to discuss and propose a New Urban Agenda for prosperous, inclusive and sustainable cities.

In 2015, the adoption of the 2030 Agenda for Sustainable Development, of the Sendai Framework for Disaster Risk Reduction 2015-2030, of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, and of the Paris Agreement of the 21st Conference of Parties of the United Nations Framework Convention on Climate Change confirms the commitment of the international community to sustainable development. It also offers a framework of reference for the work of the Habitat III conference and the adoption of the New Urban Agenda for the next 20 years.

As part of the process leading to the Conference, representatives from Latin America and the Caribbean will meet in Toluca, Mexico on 18-20 April 2016, to exchange views and experiences, as well as to articulate a common vision on the future of cities and human settlements, and on the tools needed to achieve it. The region will propose inputs to the formulation of a New Urban Agenda that should provide principles and tools for adequate housing and sustainable urbanization and guarantees the application of the Right to the City (as a collective and social human right). The Right to the City aims at ensuring that citizens are able to enjoy their cities appropriately, and governments enabled to meet the obligations necessary to create the conditions for the enforcement of this right. The Right to the City is aligned to the principles of sustainability, democracy, equity and social justice; it recognises the territory as essential for all people to fully exercise their rights and it ensures that social inclusion and sustainability are guiding principles for land use planning at different scales: national, regional, metropolitan, urban, rural and neighbourhood.

This meeting represents an invaluable opportunity to encourage more harmonious development in the region. Such development could see the potential of each country blossom in a sustainable manner (emphasizing on areas currently presenting the most deficiencies), and would recognize and strengthen urban-rural links. It could ensure that the city knows an orderly growth, so that urban space is continuous, connected and compact, through the efficient use of land and enough public spaces to make housing liveable. It could promote the development and consolidation of the built city, by facilitating its accessibility through the design of safe and affordable public transport, thereby improving the quality of life of all its inhabitants. It could promote universal access to basic services and housing, responding to the needs of each group of the population and ensuring access to an environment that is well connected and secure. Such an environment is a tool to access better opportunities.
80% of the Latin America and Caribbean region’s population lives in urban centers, which continue to face great challenges to establish themselves as engines of development, as spaces of opportunity that offer the optimal conditions for their entire population to exercise their rights. For these reasons, the region will have to discuss policy options to build and implement the following:

- Regional development policies to tackle inequality and deal harmoniously and productively with both urban and rural environments.
- Metropolitan governance schemes for the comprehensive and efficient management of conurbations.
- Adequately dense, compact and dynamic cities, ensuring the enjoyment, consolidation and quality of life in the built city.
- Adequate shelter for all.
- Social function of urban areas, as an instrument to finance and promote urban development in favour of public interest.
- Resilient and safe cities through a comprehensive management of risk.

This model of territorial management will have to build itself in a context that presents a great number of challenges:

- Latin America and the Caribbean continues to be the most unequal region in the world\(^1\), both between and within countries.
- In 2014, the 10 cities with the highest rates of homicides in the world were in Latin America\(^2\).
- Latin America’s geographical conditions, combined with a lack of risk management policies and efforts to tackle climate change adaptation and mitigation, make the region highly vulnerable to extreme events.
- The process of democratization is at different levels of consolidation in each country of the region, but these have in common that they need to continue strengthening governance institutions and the Rule of Law.

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\(^2\) Consejo Ciudadano para la Seguridad Pública y la Justicia Penal, A. C. 2014. “Las 50 Ciudades Más Violentas del Mundo 2014.” Consejo Ciudadano para la Seguridad Pública y la Justicia Penal, A. C. January 17. [http://www.seguridadjusticiaypaz.org.mx/lib/Prensa/2015_01_20_seguridad_justicia_y_paz-50_ciudades_violentas_2014.pdf](http://www.seguridadjusticiaypaz.org.mx/lib/Prensa/2015_01_20_seguridad_justicia_y_paz-50_ciudades_violentas_2014.pdf) (last access: 17 January 2016) San Pedro Sula (Honduras), Acapulco (Mexico), João Pessoa (Brazil), Distrito Central (Honduras), Maceió (Brazil), Valencia (Venezuela), Fortaleza (Brazil), Cali (Colombia) y São Luís (Brazil). Homicide data corresponds to universally accepted definitions of intentional homicide, murders or deaths caused by aggression (with the exception of deaths that took place as part of war operations or legally justified deaths - not in extrajudicial executions of offenders by law enforcement officials). No figures include attempted murder.
These four structural factors (which represent both the cause and result of the planning model that prevails in the region, which presents challenges in regards to regional development policies, metropolitan governance, the expansion and consolidation of cities, space management, shelter, mobility and resilience) will condition the urban agenda of Latin America and the Caribbean. It is also assumed that the discussion and the proposals to be debated in the meetings will include a focus on rights and inclusion.

The Declaration that will come out of this meeting will represent a fundamental input from the region to the New Urban Agenda, to be adopted during the Habitat III conference.

Structural characteristics of the region

Demographic structure

Overall, Latin America and the Caribbean is still a young region: 51% of its population is less than 30 years old. While the tendency is towards the gradual aging of its population, the current low dependency ratio represents an opportunity for the majority of countries, at least until 2030

This demographic opportunity involves specific challenges. The youth who join the economically active population require flexible housing options in dynamic and competitive cities, which must concurrently promote innovation, create opportunities and facilitate their employment. On the other hand, it is necessary to plan for the future of an aging population and to cater for its impacts through appropriate cities design and management: respectively in terms of social protection frameworks, universal access to quality public spaces and transport and adjustments in housing, among other public policies.

The migration dynamics of the region are also an important factor in demographic terms. In Latin America and the Caribbean there are sending, receiving and transit countries. This affects the functionality of cities, particularly in the case of migration flows from Central America to Mexico and the United States.

The urbanization process

Latin America and the Caribbean is the developing region with the highest level of urbanization. It features 68 cities with more than 1 million inhabitants and seven countries where more than 40% of its population lives in urban zones of such magnitude.

However, the region is fairly heterogeneous in this respect: 18 countries including Paraguay, Guatemala and Honduras still have more than 40% of its population living in rural areas, whereas more than 90% of the population in Uruguay, Argentina and Puerto Rico is urban. Furthermore, the number and size of cities in each country is also very diverse, depending greatly on geographical and other factors. Brazil, for example,

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3 United Nations, Department of Economic and Social Affairs, Population Division. World Population Prospects: The 2015 Revision. 2015. http://esa.un.org/wpp (last access: 21 January 2016). The dependency ratio (ratio of population [0-14 and 65 and over] / [15-64]) in the region is of 50 in 2015, is estimated to decline to 49.6 in 2030 and to rise again to 50.8 in 2035. In coming decades, the rate of population growth will remain positive but will still be decreasing.

4 Arsh, Adrienne. «Atlantic Council.» Urbanization in Latin America. s.f.
moved from having 12 cities between 300 and 500 million inhabitants in 1995 to having 24 in 2015, whereas countries like Uruguay and Jamaica concentrate either nearly or more than half of their urban population in just one city.

**Poverty and inequality**
Considering the limitations of its economic make-up, this is a region that in aggregate terms has generated wealth and improved the wellbeing of its population. 60% of the region’s GDP is created in the 198 cities of more than 200 million inhabitants and, in the last 25 years, poverty has been reduced from 48.4 to 28% of the total population. However, these numbers hide the profound inequality that exists in terms of income, opportunities and access to services both between people and between regions of the same country.

Between 2002 and 2013, the Gini coefficient was reduced from 0.54 to 0.48, with notable advances in Bolivia, Uruguay, Argentina, Brazil and Colombia; and yet Latin America and the Caribbean continues to be the most unequal region in the world. This condition affects especially the indigenous population. In Mexico, 81% of the indigenous population falls under the poverty line as opposed to only 18% of the non-indigenous ones; in Bolivia the numbers are of 64 and 48% respectively; and in Peru of 79 and 50%. Gender inequality is also a challenge: 30% of women in urban areas and 44% in rural ones do not have their own source of income, which increases their vulnerability.

There are structural factors in the region that exacerbate this inequality, many of which are present in both the character and the functioning of cities, such as in the access to shelter and service, in the transportation options available to the population and in the labour dynamics. Informality in labour and housing is a mutually reinforcing process,
which can create a vicious circle of exclusion. Households\textsuperscript{12} with unstable and low productivity jobs can be found in areas with low educational and health opportunities, which in turn negatively impacts opportunities for social mobility. This phenomenon particularly affects the women.

**Insecurity and violence**
In 2014, the 10 cities with the highest levels of homicides worldwide were in Latin America\textsuperscript{13}. The causes of insecurity and violence are complex and diverse: some are structural, like weaknesses in the rule of law, ruptures in the social fabric and economic exclusion, but others are derived from and exacerbated by certain urban models such as the proliferation of dormitory towns; the lack of connectivity; the spatial segregation of low income social groups; as well as lack in provision of services and basic amenities to the households.

This phenomenon has, in general, been tackled with reactive rather than preventive approaches. There have been weak efforts to tackle the effects of violence through stronger policing. For example, in 2014, there were 2.3 policemen per 1000 inhabitants in Rio de Janeiro, while there were 18 in the favelas\textsuperscript{14}. These measures are indispensable, but costly and difficult to replicate. The region now wishes to focus on the social prevention of violence and crime, as demonstrated by a few bold experiences in the areas of urban improvement, economic stimuli and community development in housing estates. Moreover, some countries have made efforts to reform their criminal justice systems and strengthen the rule of law.

**Climate change and vulnerability**
The region accounts for 31\% of the freshwater in the world\textsuperscript{15}. There are 41 sites considered world natural heritage\textsuperscript{16}. South America is home to nearly half of terrestrial biodiversity and more than a quarter of its forests. These figures show the natural wealth of the region. However, industrialization and urbanization have often had a

\textsuperscript{12} As per INEGI (Mexico) a household is a group of people (who may or may not be related) who live together in the same estate and have common spending. A person who lives alone also constitutes a household. This definition can vary from country to country.


devastating impact on the environment, even if the patterns of resources consumption, including energy, are still below those of developed countries.

The region has the highest rate of deforestation in the world\(^\text{17}\), and less than 15% of wastewater and only 2.2% of solid wastes are treated holistically\(^\text{18}\). The exploitation of groundwater, land degradation and soil erosion, combined with the lack of policies tackling adaptation and mitigation to climate change as well as the high consumption of energy in cities, increases the vulnerability of the region. It also threatens the life and the health of its people and of future generations.

Because of their location in low elevation coastal zones, 50% of Latin American cities with more than 5 million people are exposed to extreme weather events. In the past, more than 80% of the losses caused by natural disasters occurred in urban areas, and between 40 and 70% of the cases occurred in cities of less than 100 thousand inhabitants\(^\text{19}\). The frequency and intensity of extreme events will increase due to climate change, hence countries must prioritise this regional issue.

**Institutional weakness and urban governance**

The transition to democracy in the region has been a complex process and it is at different levels of consolidation among countries. Generally, however, the relationship between governments and citizens continues to be strained. Between 1995 and 2015, for example, the proportion of people who reported having 'some' or 'a lot' of trust in government fell from 44 to 33%\(^\text{20}\). This can be explained by how citizens perceive the political system in general, and the effectiveness of government in carrying out its duties.

One of the main trends in recent decades has been the decentralization of powers and resources from national governments to local institutions. This has yielded mixed results, since in many cases decentralization has not been accompanied by efforts to strengthen municipal institutions.

It is essential that local governments dispose of greater resources than their own sources of income; however, these often lack the technology and tools such as those that support modern and reliable cadastral systems. In addition, the lack of continuity and professionalism of civil servants and other political actors is reflected in poor urban management decisions that are costly and often difficult to revert.

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\(^{18}\) Inter American Development Bank. Dando respuesta a los desafíos de desarrollo urbano de las ciudades emergentes. [http://www.iadb.org/es/temas/ciudades-emergentes-y-sostenibles/dando-respuesta-a-los-desafios-de-desarrollo-urbano-de-las-ciudades-emergentes,6690.html](http://www.iadb.org/es/temas/ciudades-emergentes-y-sostenibles/dando-respuesta-a-los-desafios-de-desarrollo-urbano-de-las-ciudades-emergentes,6690.html) (last access: 22 January 2016)


SUGGESTED AREAS FOR DISCUSSION

**Regional development policies to mitigate inequality and promote harmonious and productive urban - rural linkages**

Inequality in the region is reflected in the evident concentration of wealth in certain territories. Reducing these gaps would require new planning models, in order to identify urban-rural systems as well as their productive potential, and propose the necessary measures to exploit said potential in a sustainable and effective way. Other solutions could include financing schemes and multilevel governance models to harmonize political will and resource allocation to the regions, as well as to ensure the proper management of long-term projects.

- How can wealth generation within countries be decentralized through territorial development policies?
- What are the optimal governance, information and financial policy instruments to promote integrated and sustainable regional development policies?
- How can urban - rural linkages be recognized and strengthened?

**Metropolitan governance schemes for integrated and efficient management of urban areas**

Increased growth of conurbations calls for the need of innovation in the design of metropolitan institutions and/or other governance arrangements. These must allow for planning, financing and management of urban development beyond the political and administrative boundaries of local governments. In national legislation on development and land management, issues related to metropolitan areas prevail as one of the main gaps and priorities in any modernization effort.

- What are the most successful examples in the design of metropolitan governance schemes?
- How to design and implement plans and long-term projects for the integral development of conurbations? And: what financial participation schemes may give them viability and sustainability in the long run?
- Which are the regulatory bases necessary for metropolitan governance?

**Dense, connected and dynamic cities: harnessing (?, consolidation and quality of life in the built city**

Attention to housing demand has led to a growth of cities that, in general, has followed an increasing pattern of low density, with negative impacts on municipal finance management, the productivity of its inhabitants, the city's social fabric and the environment, among others. The cities in the region need to strengthen their ability to anticipate possible scenarios of urban growth, to accommodate it without pushing urban boundaries beyond what is necessary.

It is fundamental to consolidate the built city and to address its various shortcomings, with particular emphasis on attention to neighbourhoods with high concentrations of poverty and marginalization, as well as areas of historical and cultural significance. Existing infrastructure should be modernised to support increased load in city centres.
This includes infrastructure for urban mobility and the mobilization of intra-urban, public or private land in the interest of the city.

- What kind of interventions a city may require in order to be able to sustainably accommodate a population of greater density?
- What are the critical criteria for socio-urban interventions to successfully improve neighbourhoods, violence prevention and urban regeneration?
- How can plans for urban regeneration and renewal be implemented without generating gentrification?
- What are the tools and processes necessary to move towards a smart and participatory management of urban services?
- How can the historical heritage of cities be preserved and the sense of community identity strengthened?

**Connected and accessible cities: a new culture of public space and mobility**

It is necessary that the scale and design of cities, as well as the allocation of public space, is designed considering the needs of the citizens, reducing travel distances and number, prioritizing public and non-motorized transport. The financial capacity to implement and maintain integrated transport systems allowing safe, comfortable, affordable mobility for all is surely a challenge in the allocation of public resources. This must be accompanied by measures to discourage the excessive use of private cars, eliminating the incentives and subsidies that promote motorized transport and deepen its social costs.

- How can new mobility paradigms be introduced in cities in the region?
- How can financing schemes be designed to build mass transport projects?
- What interventions aimed at improving and redistributing public space have the greatest impact on the city?
- What are the most effective tools to encourage the use of sustainable modes of transport?
- What kind of information and technologies enable better design of mobility policies?

**Adequate shelter for all**

An estimated 40% of households in the region still suffer some degree of housing deficit, mostly qualitative\(^{21}\). The region has a range of options to face this challenge, beyond the construction of new housing, so that the policy responds to the demographic characteristics and recognizes the dynamics shaping households. This must be reflected in the regulatory framework, with flexible schemes and adequate funding.

Alternative housing options may be more appropriate to the needs of specific population groups, such as rentals for young people and aged adults, as well as improved, expanded and incremental housing. Also, despite its scale, the self (or organic) production of

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\(^{21}\) Inter-American Development Bank. Department of Investigation (September - December 2011). Ideas para el Desarrollo en las Américas, Volumen 26. The region has a range of options to face this challenge, beyond the construction of new housing, so that the policy responds to the demographic characteristics and recognizes the dynamics shaping households. This must be reflected in the regulatory framework, with flexible schemes and adequate funding.
housing is a phenomenon that has been largely invisible to national policy-makers and has had little access to public resources and insufficient technical assistance to ensure its quality, access to services and legal security basis.

• How can housing programs be financed to cater the needs of people who do not have access to housing funds or traditional forms of credit?
• How can we promote affordable and well located social housing provision in cities?
• What strategies are needed to cater for the population living in marginalized communities in rural and urban areas?
• Which improvements to the normative and fiscal frameworks are required to trigger the potential of the secondary market of housing and rental?

The social function of urban land: instruments to finance and promote the development of the city in the public interest

Land management has been left to market forces, and this results in the existence of vacant lots (themselves subject to speculation), in low concentration land use, in a deficit of public spaces and of well-located and affordable land for low-income groups. Land value is not harnessed nor used as a tool to promote redistribution of wealth and social equity.

In order to form sound land policies, countries in the region require Geographic Information Systems (GIS), people and land registries, modern and reliable information and data. Additionally, it is necessary to integrate in the legal framework the basis needed to design effective instruments, as well as to meet the financing needs of urban development through the equitable distribution of costs and benefits.

• How can tax collection be made more efficient in the region’s cities?
• What is the regulatory basis necessary for the implementation of an innovative and effective land policy?
• How best to design tools to capture the added value to finance urban projects?
• How to promote the mobilization of urban land in favor of low-income population and the needs of the city?

Resilient and Safer Cities: integrated risk management

The region must come up with national and regional policies that tackle risk management comprehensively, taking into account its knowledge and reduction. It is necessary to generate relevant information to assess risk factors and a range of scenarios. This can then be translated into policy instruments such as risk management plans, management plans and other restrictions to the occupation of risky areas. Finally, there must be procedures in place to respond quickly and effectively to natural disasters, to minimize human and economic losses and to facilitate the rapid restoration of normalcy in towns after an extreme event.

• How can the latest technology be best harnessed and be made accessible for the prevention of risks?
• How can successful experiences in disaster response be best replicated and scaled up?
• How can the relocation of the population living in areas at risk be financed?
• What are the necessary institutional coordination mechanisms for risk management policy?