

Latin America and the Caribbean

Challenges, dilemmas and commitments of a common urban agenda



Executive summary

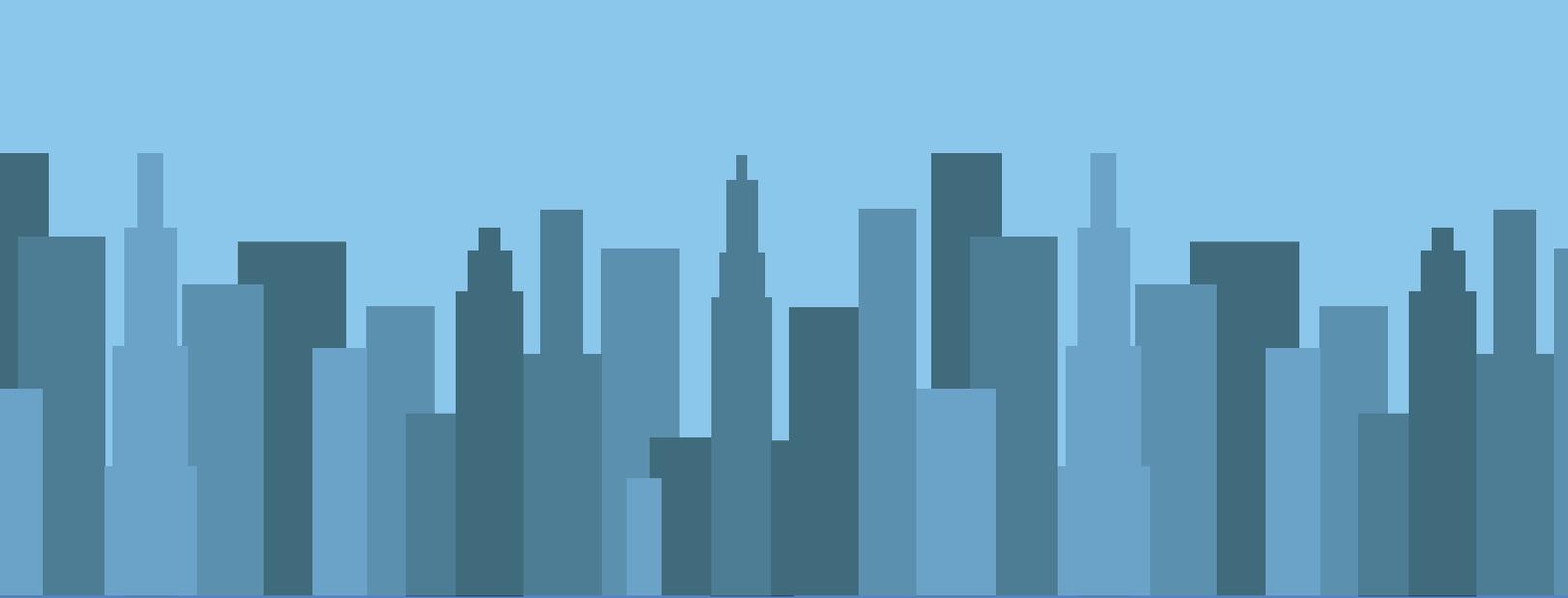
Forum of Ministers and High Authorities of Housing
and Urban Development of Latin America
and the Caribbean (MINURVI), 2016



UNITED NATIONS



UN HABITAT
FOR A BETTER URBAN FUTURE



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This document was prepared by the Forum of Ministers and High Authorities of Housing and Urban Development of Latin America and the Caribbean (MINURVI), with the collaboration of the Human Settlements Unit of the Sustainable Development and Human Settlements Division of the Economic Commission for Latin America and the Caribbean (ECLAC), the Regional Office for Latin America and the Caribbean of the United Nations Human Settlements Programme (UN-Habitat/ROLAC) and support from French cooperation. The aim of this document is to provide inputs to the preparatory activities being carried out in the region during the process of the Third United Nations Conference on Housing and Sustainable Urban Development (Habitat III), which will take place in Quito in October 2016.

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Content

Prologue	5
Chapter I	
Objectives and scope of the document	9
Chapter II	
Urban trends from Habitat II to Habitat III	11
The predominant trend of urbanization in a complex territorial framework	11
The urbanization process in Latin America and the Caribbean.....	11
Urbanization and Development	11
Opportunities and challenges of urbanization	11
Habitat III and inputs for the New Urban Agenda towards sustainable development	12
Urban National Policies and the New Urban Agenda	12
Chapter III	
Challenges of sustainable development in Latin America and the Caribbean	13
Inequality	13
Low Productivity.....	13
Informal employment.....	14
Low tax collection	14
Insufficient investment in infrastructure	14
Territory and regional integration	14
Social insecurity, crime and violence	15
Environment, climate change and resilience.....	15
Chapter IV	
Dilemmas of urban policies in Latin America and the Caribbean	17
Growth–Equality	17
Centralization-Decentralization.....	17
Income-Externalities	17
Expansion-Density.....	17
Ecosystem–Environmental Services.....	17
Inhabitant-Citizen.....	18
Chapter V	
Instrumental and crosscutting axes of the New Urban Agenda	19
Planning and design	19
Governance and institutions	19
Financing.....	19
Chapter VI	
Concepts for a New Urban Agenda	21
The city as a space for integration.....	21
The city and its territory as central to economic growth.....	21
The city as a place of multipurpose mega-infrastructure.....	21
The city as an open system	21
The city and its territory as a macro public good	21
The city as a center for local governance	22
The city, the environment and climate change.....	22
The city as a space of integration and gender equality.....	22
Chapter VII	
Regional Action Plan for Latin America and the Caribbean on sustainable urban development	23
Bibliography	25

Prologue

Commitments for an inclusive, participative, productive and resilient urban agenda

The Forum of Ministers and High Authorities of Housing and Urban Development of Latin America and the Caribbean (MINURVI) is the main authority for political agreements, coordination and regional cooperation in the areas of Housing, Habitat and Urban and Territorial Development.

Latin America and the Caribbean (LAC) is the most urban and unequal region in the developing world. In this sense, it represents an emblematic global case regarding urban matters. With regard to the next Conference on Housing and Sustainable Urban Development Habitat III, to be held in Quito, Ecuador, in October 2016, it is necessary to discuss the region's urban problems, challenges and public policy options. In this sense, MINURVI is one of the most experienced forums in LAC.

Policy makers and housing authorities face a wide range of issues that affect a large segment of the population. These problems are produced due to precarious living conditions caused by the lack of basic services such as water, sanitation and adequate housing, among others. This reality reinforces exclusion. Exclusionary processes like being located far from urban services, living in dangerous and unsafe neighbourhoods, or on marginal lands, commonly affect the most vulnerable parts of the urban population.

Urbanization is a key factor for sustainable development in Latin America and the Caribbean. Urban issues pose important challenges for the economic, social, environmental management of cities and urban areas.

While cities and human settlements are considered centres of opportunities and growth, they are also places where inequality, socio-spatial segregation, poor living conditions and environmental, economic and social vulnerabilities emerge. These conditions affect the welfare of a huge portion of urban residents. With this in mind, it is necessary to improve urban quality of life and contribute to urban integration and social inclusion, giving priority to the marginalized areas of the city.

Under this context, it is appropriate to reaffirm the necessity to include equity objectives into strategies, policies, and territorial and urban instruments for housing and habitat. In our General Assembly, held in August 2015 in Montego Bay, Jamaica, we pledged that the state must guarantee access to goods and services for all citizens through territorial and urban national policies that are based on social agreements in each country.

It is also necessary to reiterate the right to the city, including the full exercise of rights and of citizenship through integrated programs of social, housing, habitat and urban development. These programs should ensure access to various forms of funding for housing, neighbourhoods and cities, as well as satisfying conditions with regard to location, public safety, health, adequate coverage and quality of facilities for education, health, community participation and integration, recreation and common spaces. At the same time, these programs should ensure urban mobility and guarantee connectivity for all people to workplaces and service centres.

Cultural diversity is a fundamental value that is part of our regional identity. As such, any policy focused on improving the housing sector and the urban environment should respect, preserve and guarantee the participation of indigenous people, minorities and other communities.

Government administrations should have an efficient legal and institutional framework which allows them to guide the social, urban, and regional development towards improving existing

urban conditions for the entire population. Within this framework, public and private actors involved in urban development assume the commitment and responsibility of the role that they play in creating sustainable and inclusive cities.

High concentrations of urban-productivity and uncontrolled and low density urban growth characterize the region. As a result, policy for the housing and habitat sector needs to address, on the one hand, the housing deficit and the upgrading of marginalized zones (stock), and, on the other, planning for future growth with the intention of avoiding the increase of social debt (flow).

Given the tendency to focus on large urban centres, these policies should pay special attention to issues related to housing, the improvement of rural areas and medium-sized cities. The migration of people from regional areas to large urban centres generates serious problems for geospatial organization and increased demands put considerable strain on existing public services. In this context, it is essential for planning to adopt a balanced approach between the productive matrix and urban development. This represents one of the major challenges in the region. As a result, it is essential to encourage development models that address urban precariousness and facilitate the permanent relocation of migratory groups.

Rehabilitation programs for abandoned or/and unoccupied houses may become appropriate solutions to address the quantitative housing deficit and the integrated improvement of urban environments. Such solutions are not only expected to ensure universal access to decent housing, but also universalize access to "decent habitat", which involves basic public services, community facilities and quality urban infrastructure.

The Latin America and Caribbean region is exposed to various natural and manmade threats that are exacerbated by the social and spatial vulnerability of important groups of the population. These threats predominantly affect precarious settlements. In this sense, we must work towards improving both the social conditions and geographical factors associated with the location of such settlements in order to reduce the risk of disasters.

In this context, our challenges involve establishing an integrated approach to the critical areas of disaster risk reduction. This requires preventive measures through mitigation and adaptation, appropriate urban and territorial planning for human settlements, as well as, post-disaster emergency and resilience management.

The effects of climate change are principally evident across the region's small island developing States. These low lying coastal countries are particularly vulnerable to the negative impacts of climate transformations, especially those related to the increase in the phenomena of hurricanes, floods, landslides, droughts and rising sea levels.

Furthermore, the new environmental challenges recognised in the Paris Agreement (COP21) and the Sustainable Development Goals Agenda for 2015-2030, present two fundamental issues associated with urban development. Firstly, the need to mitigate and adapt to the effects of climate change by reducing energy consumption and greenhouse gases emission, and secondly, to protect the population by reducing vulnerability and disaster risks.

Under this context, MINURVI defines the following commitments as part of the urban regional agenda for Latin America and the Caribbean.

We have agreed to recognize: that the city and all human settlements must be a collective space for opportunities and quality public services; that all inhabitants have the right to access and participate in decisions that affect urban settlements; that the city is a place for exercising democracy where conditions improve the quality of life of individuals, families and communities and promote coexistence, diversity and cultural expression.

We are committed to driving a new urban agenda that incorporates goals and measures to advance economic, social and cultural equity, environmental and territorial development,

universal access to adequate housing and integral improvements of the urban environment. We must guarantee universal access to urban infrastructure, housing and quality public spaces, increase levels of sustainability, resilience and security in human settlements. This commitment extends to promoting governance systems that develop participatory and democratic mechanisms through the reinforcement of institutions, planning, territorial urban management and the incorporation of financing instruments.

Urban-territorial equity:

We must end structural poverty and promote an integrated approach between the economic, social, environmental and spatial dimensions of sustainable development throughout all human settlements. Encouraging development that enhances productivity, entrepreneurship, employment opportunities, prosperity and better living conditions.

We face the challenge of strengthening the framework that regulates urban and territorial development in order to ensure universal land access, reverse the tendencies toward socio-spatial segregation and promote gender equality and social inclusion.

The integrated approach adopted by Habitat:

We need to move forward on achieving universal access to housing on well-located land that is connected to urban and public services, social and cultural facilities that offers adequate protection against disaster risks. In order to achieve this, it necessary to devise housing policies that are connected with urban and territorial development policies. Such policies need to appropriately establish responsibilities and adequate instruments for the regulation of financing capable of guiding land use and management. Housing location is a strategic element for sustainable urban development.

Achieving universal coverage of quality basic services and public spaces and an enhanced urban mobility that promotes social integration are fundamental aspects of the integrated approach adopted by Habitat. With respect to digital communication and connectivity to innovative and smart technology, we should ensure guarantee access throughout the region. In particular, transport and urban mobility policies should be multimodal, interconnected and promote integration at the urban and metropolitan level. At the same time, public transport must be planned and implemented in a way that meets the different needs of men and women.

Given the demonstrated positive effects on urban regeneration and social integration and cohesion, our efforts should be focused on investments that revitalize urban infrastructure and equipment, through quality urban design, democratic public security policies, and safe, accessible and inclusive urban spaces. Specifically, consideration is required with respect to the participation and inclusion of women, youth, children, seniors and people with reduced mobility and with regard to the integration of spatially segregated and vulnerable areas of the city. In order to encourage spaces that foster coexistence, social integration and participation we must strengthen the capacities of local communities, build social capital and enhance network supports and urban life.

Sustainability, the environment and urban resilience:

By incorporating mitigation and adaptation procedures for climate change resilience into the planning and land management process, and implementing “reducing disaster risk cycle”, we can guarantee access to a healthy and safe environment, reduce vulnerability and plan resilient cities to confront the impacts of extreme natural events.

We need to establish sustainable urban and territorial development that protects natural resources, preserves natural and cultural heritage and works towards reversing the effects of environmental degradation.

We face the challenge of making sustainable investments in urban infrastructure for sanitation, solid waste collection and treatment and other basic urban services. Such investments need to consider reducing maintenance costs and enhancing efficient management that minimizes energy consumption and the use of natural resources. Along with decreasing greenhouse gases emission in concordance with the new environmental objective and the Sustainable Development Goals (SDGs) 2015-2030. In this context, our commitment is to generate alternative, renewable and clean sources of energy for cities, as well as to promote the reutilization of natural resources especially focusing on water.

Democratic governance, social participation and public investment:

We must establish systems of political representation and governance in cities and regions that promote the development of legal frameworks, mechanisms and institutions that guarantee the collaboration and coordination between different sectors and levels of government. Social participation enables a greater degree of social cohesion and allows for the exercise of citizen's democratic rights. At the same time, it grants transparency to the urbanization process and legitimacy to public decisions. This must be accomplished through both, public participation in all processes and in the access to information for decision making about planning and projects. In turn, it is essential that we ensure the connection, coordination, and cooperation between different policies implemented at the local, national or regional level, in conjunction with the private sector and civil society.

It is essential that we recognize public and private investments in cities and territories as “engines” of the economy, including urban management models that combine state interventions with business and community performance. Moreover, we must provide legal security for planning and management of projects and improve investment conditions for infrastructure such as habitat, amenities and housing.

It is imperative that we improve public territorial management by bringing together state actions in an integrated form at every level and recognizing the role, rights and responsibilities of local governments. In order to achieve this, we need to strengthen the capacities of local governments, providing them not only financial resources (which preferably are self-generated by the same sub-national entities), but also, human resources and technical and institutional capacities. Additionally, we need to establish the margin for public action in investment through fiscal instruments and land management that include the elimination of speculative practices and the promotion of shared responsibility between citizens and public administration regarding the financing of infrastructure in cities.

Cooperation in the region:

Most of the challenges highlighted in this document respond to global processes and common regional problems. For example socio-spatial exclusion, climate change, risk management, migratory processes and economic globalization. In order to overcome these challenges we must address them concurrently. There are a number of experiences that can serve as a basis for action. It is proposed to work on devising an action and cooperation plan that includes a regional diagnosis and analysis on current and local issues in terms of legislation, programs and policies associated with the planning and regulation of urban areas and territories. This process seeks to stimulate the exchange and diffusion of experiences among the different member countries in order to promote and move forward together towards a sustainable territorial and urban development.

Chapter I

Objectives and scope of the document

The document sets out three principal goals:

- To describe and analyze the processes and predominant urban trends in Latin America and the Caribbean in the last twenty years.
- To identify the main challenges and dilemmas faced by the region, emphasizing their urban dimension.
- To establish guidelines and outline responses to these challenges and dilemmas in urban public policy through a Regional Action Plan that is in accordance with the New Urban Agenda.

This document represents the Latin America and Caribbean vision regarding the New Urban Agenda and it will guide actions on urban development in the region for the next 20 years.

Here, we reaffirm the leading role of MINURVI in the current Habitat III preparatory process and in the commitments that will be made by countries in the region post-Habitat III and consequently, in the implementation of the New Urban Agenda.

Urbanization in the world and its regions 1990-2050

Region	Urban Proportion (Percentage of the population)			Average annual growth
	1990	2014	2050	2010-2050
World	43	54	66	0.9
Africa	31	40	56	1.1
Asia	32	48	64	1.5
Europe	70	73	82	0.3
Latin America and the Caribbean	71	80	86	0.3
America	75	81	87	0.2
Oceania	71	71	74	0.0

Source: UN DESA (2015).

Chapter II

Urban trends from Habitat II to Habitat III

The predominant trend of urbanization in a complex territorial framework

- The world and LAC in particular have experienced an urban transition characterized by the consolidation of the urbanization process.
- This transition involves a change in lifestyle and different consumption patterns, which has a deep impact on territories.
- Urban growth results in changes in land use (industrial, residential, or commercial) which affects the environment and the city's sustainability (less agriculture land).
- Although LAC urbanization will continue, it will be slower. Experts have called the "end of the urban explosion" in the region.

The urbanization process in Latin America and the Caribbean

- Currently, the urban population of the region sits at around 80% and is expected to increase by approximately 10% by 2030. It should be noted that these figures vary between the region's countries. While the majority of the region's countries have urban populations greater than 50%, some, like Argentina and Uruguay, reach over 90%, while Caribbean countries like Barbados and Trinidad have less than 33% of their populations living in urban areas.
- Trends show fast urbanization processes with low density expansion and a lack of planning.
- Importance of controlling megacities-cities with more than 10 million inhabitants-representing 14% of the urban population in the region.
- Medium-sized cities (300.000–500.000 inhabitants) are expected to experience strong growth.

Urbanization and Development

- Socio-economic development and urbanization are two closely related processes.
- A confirmed trend of companies and people relocating to urban areas.
- Cities, rich with infrastructure and services, provide platforms to support economic, technological, educational and productive activities in countries. At the same time, they allow businesses greater opportunities to specialize their services, increasing value and profitability.
- Urban growth in LAC is becoming more associated with financial capital, global services economy and real estate interests.

Opportunities and challenges of urbanization

- Cities are recognized for their potential to be nodes of transformation towards an inclusive and sustainable development.

- Urbanization processes generate both positive and negative externalities. Agglomeration and scale economies are examples of positive externalities in urban contexts.
- The natural growth of the urban population has influenced property markets and along with the weak urban planning and legislation, has resulted in high levels of socio-economic and spatial segregation in the region's cities. While some progress has been made, there exist significant gaps in the access and coverage of quality public and basic services across the region.
- The need for a more democratic and efficient management of the city's resources and services with greater levels of participation in planning.
- An important challenge for the region is ensuring the right to the city for all citizens.

Habitat III and inputs for the New Urban Agenda towards sustainable development

- Equality as the base of the New Urban Agenda towards Sustainable Development.
- Importance of sub-national and local governments.
- Development of urban planning at the national level.
- Support the objectives of sustainable development.
- Unique opportunity to address development challenges from an urban perspective that integrates rural areas at the local, national and regional levels.
- Align and strengthen institutional mechanisms with the objectives of Habitat III.

Urban National Policies and the New Urban Agenda

- The importance of developing National Urban Policies in the region is recognized.
- An Urban National Policy is a “coherent set of decisions” and a “process” toward achieving a common goal for long term urban development (UN Habitat 2014: 2). Key criteria includes: urban mobility, density, mixed spaces, social cohesion and distribution of land uses.
- Transversal challenges such as gender equality and environmental impacts are underlying factors that need to be addresses in the design, planning and implementation stages.
- It is fundamental that the process involves all urban stakeholders in the design, planning and implementation.
- Given that a National Urban Policy is generally formulated by a sectoral ministry, it is important to ensure that it is framed in an integrated manner that outlines a strategic path that can act as a roadmap for future development.
- The potential of the New Urban Agenda to enhance complementarities with regard to different public policy areas.

Chapter III

Challenges of sustainable development in Latin America and the Caribbean

While challenges are observed at the national level they are intensified in cities due to higher concentrations of population. Some of the major challenges that face the region's cities are:

- Inequality
- Low productivity
- Employment informality
- Low tax collection
- Insufficient investment in infrastructure
- Territory and regional integration
- Social insecurity, crime and violence
- Environment, climate change and resilience.

Inequality

Latin America and the Caribbean is recognized as the world's most urbanized and unequal region. Social and economic inequalities, largely the result of an extremely unequal income distribution, represent the main challenge currently facing the region. All the region's countries and major cities demonstrate elevated levels of economic inequality, extending well above measures of the Gini Coefficient 0.40.

The effects of these inequalities are particularly evident in Latin American cities in terms of access to urban services and benefits, with large parts of the population living without access to quality public services. The spatial expression of these inequalities presents socio-spatial exclusion and territorial segregation, both of which strongly characterize the region in both rural and urban contexts. Additionally, the effects of climate change are being and will continue to be experienced unequally throughout the region, with precarious or informal settlements increasingly vulnerable to risks.

From a social perspective, women, elderly people, indigenous peoples and afro-americans are the groups that suffer higher levels of inequality in terms of access to employment, informality, wages, pensions, health, education and decent housing in the cities of the region.

Low Productivity

Low productive in the region, particularly compared with other regions, presents another important challenge for the region's development. Despite the economic growth experienced in the last 10-15 years, which marked a favorable situation for international markets with regard to commodities, progress in productivity continues to be slow (OECD-CEPAL-CAF 2014). The economies in the region have grown as result of increases in demand for commodities rather than by increases in productivity.

Considering the global market, it is essential to diversify the productive matrix of the region's countries. At the urban level, there is a great need to promote investment in innovation and technology to facilitate greater productivity in the urban economy, encouraging agglomeration and economies of scale. Furthermore, the notable lack of training and professionalization of workers in the region needs to be addressed in order to improve low productivity levels in cities.

Informal employment

High levels of informal employment are another significant challenge facing the region, with an estimated 93 million people working in informal conditions. Levels of informality sit at around 38%-76% in the non-agricultural sectors. Around 70-80% of workers in the sectors of domestic services and construction are employed informally. Both the productive structure of the region's cities as well the institutional framework in many of the region's countries creates conditions that favor informal employment and self employment (CEPAL 2012).

Despite an improved participation of women in the workforce from levels recorded in 1990, still only around half of the region's women are employed. Women experience much higher rates of informality than men, particularly as a result of unremunerated domestic work or caring for dependents.

Informal workers lack basic social protection, have higher health risks, suffer from instability and insecurity from the uncertainty of a precarious employment market. Given the impact of informal employment over income inequality, exclusion from social protection and the negative effects of informality on local development, productivity and tax revenue, it is the interest of urban policy to combat this phenomenon effectively.

Low tax collection

While tax revenue has increased in LAC it remains low compared with Europe, Asia, the US or Canada. Levels of taxation in relation to GDP are still deficient and regressive. Weak fiscal institutions, informality and tax evasion tend to be the main causes for the poor revenue collections of Latin American and Caribbean countries. These factors seriously limit the ability of governments to increase public spending.

At the urban level, tax collection can be improved through the effective taxation of land use as well as through commercial or green taxes. Local tax systems are an important way to generate resources and create greater autonomy for spending at the local level.

Insufficient investment in infrastructure

Low investment in infrastructure reduces global competitiveness by slowing down logistics and establishing barriers to the flow of accumulated stocks. Insufficient levels of investment in infrastructure in the region are a key challenge that limits not only social development, in terms of inclusion and accessibility, but also economic competitiveness and environmental protection (OECD-CEPAL-CAF 2014). Infrastructure investment levels are well below level registered in South East Asia. Experts estimate that the investment rate has declined in the last 3 decades, blaming a reduction in public investment, a marginal increase in private investment and the retraction of multilateral financing. As a result, the infrastructure deficit in cities remains one of the main challenges for the region.

Future investment in infrastructure will need to consider demographic and social changes, particularly the aging population, new household composition and the inclusion of a gender perspective.

Territory and regional integration

The "territory" (or hinterland) is understood as a social construction, more than a geographically defined area or administrative boundary. It is essential to achieving sustainable urban development that the cities in the region are connected to their territories, given the important environmental services these areas provide. In today's global world, a city's development also depends on other national or international territories. As such it is necessary to work toward territorial and regional integration defining strategies to achieve "global territorial resilience".

Social insecurity, crime and violence

Social insecurity refers to the fear of physical and psychological risk situations that different social groups may experience. Social insecurity is a significant challenge that affects the social cohesion and wellbeing of the region's countries. At the regional level, there is a higher incidence of violent crimes than in other parts of the world.

Within the region, social insecurity primarily affects women, children, youth and elderly people. While women and girls are exposed to high levels of sexual violence and harassment in different contexts within the region, the lack of educational and employment opportunities sees youths recruited to gangs, drug trafficking or paramilitaries groups. Income inequalities and spatial segregation exacerbate the situation, manifesting through the instability of the labor market, precarious and dangerous urban environments and lack of social protection, food and healthy diets, family support networks and in the form of physical and symbolic violence towards groups based on gender, ethnicity, age or social class, amongst others.

Environment, climate change and resilience

A number of the causes of environment deterioration originate in urban areas, for example air pollution, water pollution, accumulation of waste, etc. Human actions have led to the increased average temperature of the earth's atmosphere, accelerating climate change and the proliferation of extreme weather conditions in cities.

In the face of these environmental challenges there exists opportunities to reduce vulnerabilities and increase urban resilience. While cities concentrate a number of negative externalities, they also provide the potential to develop well planned and managed urban agglomerations that facilitate greater eco-efficiency through the use of clean and renewable energy as much in infrastructure and housing as well as in mobility and transport. As such, mechanisms for planning and risk management, mitigation, adaptation, and urban resilience should be incorporated into each phase of the urban planning process.

Chapter IV

Dilemmas of urban policies in Latin America and the Caribbean

This chapter presents 6 critical dilemmas based on the experiences of region's countries and the region as a whole. These are:

- (i) Growth-Equality
- (ii) Centralization-Decentralization
- (iii) Income-Externalities
- (iv) Expansion-Density
- (v) Ecosystem-Environmental services
- (vi) Inhabitant-Citizen

Growth-Equality

Despite the economic growth experienced by the countries of the region and the decline in the average rate of extreme poverty, the benefits of growth are not being distributed equitably. To reverse this, discussions about the visions, perspectives and strategies for city development should be based on the concepts and policies associated with equality and inclusion, which constitute the principles of citizenship.

Centralization-Decentralization

The establishment of an entity or central institution that coordinates the urban development of the different territories that are part of a country or a region is a priority for both sustainable management and urban planning. However, at the same time, it is necessary to empower local governments and allocate more resources so that they can act with greater autonomy and are able to respond more efficiently to citizens demands.

Income-Externalities

Urban income is related to the generation, distribution and appropriation of the surplus value produced by the cities. Of equal importance is the ability to reduce costs produced by externalities due to the urbanization process. It is necessary to combine a green economy with decent employment and fair wages.

Expansion-Density

City expansion is a dominant trend in the region with direct implications on urban mobility systems, housing and access to services. Promoting the benefits of high urban densities through "a compact city model" is necessary for a sustainable urban development and leads to better territorial organization and urban planning, the revitalization of neighborhoods, urban planning and design at the human scale, mixed land uses, prioritization of public spaces, and a multi-modal and integrated public mobility and transport system.

Ecosystem-Environmental Services

A comprehensive ecological vision of urban areas requires the acknowledgement of the importance of the environmental services that territorial contexts provide to cities, as well as an understanding that cities have their own internal ecosystem dynamics. The conservation of green areas in urban and rural areas is considered today a key environmental challenge in the region.

Inhabitant-Citizen

This dilemma has a socio-cultural character that connects how individuals understand and act in the urban environment with new models of urban governance and citizen participation. The citizen's role in the city has changed from a passive one to a more active role in sustainable urban development.

The dilemma of highest priority, which has been central to the growth of the region in the last 20 years, has been to give urban residents a more dignified life through finding housing solutions, improved options for urban mobility and transport, better access to services and the reduction of urban precariousness.

Chapter V

Instrumental and crosscutting axes of the New Urban Agenda

This chapter is structured on the basis on an analytical framework that focuses on urban processes and public policy that consists of three principal axes. These same three instrumental axes are identified by UN Habitat (2014b) as the core elements needed in the formulation of the new generation of national urban policies. They are:

- Planning and design
- Governance and institutions
- Financing

Planning and design

- One of the main objectives of urban planning in LAC has been to provide housing solutions to its residents, with an emphasis on costs over quality and location of houses.
- It is necessary coordinate public and private responsibility in the design and land use planning of cities.
- The planning of cities should be reflected in a national urban policy. This helps to coordinate, harmonize and set specific criteria among the different sectors responsible for not only urban development but also national development.

Governance and institutions

- LAC countries are seeking new organizational structures and institutional relations as a base for an improved approach to urban planning and management.
- These organizations and institutions require solid legal frameworks and governance models that ensure the participation of all actors, both public and private, in decision making, in order to meet the challenges of the New Urban Agenda.
- It is necessary to avoid institutional fragmentation and create partnerships between different levels of government in order to improve urban development both at national and local level.

Financing

- Since the 1990s, the sources for financing housing and urban development (infrastructure) in most LAC countries have involved private investment mechanisms (banking, households and companies).
- As was recognized in the Abbis Adaba Action Agenda (2015b) with regard to the financing of urban development, there is the need decentralize financing in order to generate and strengthen the capacities of cities and local governments to produce responses to their diverse challenges. Highlighting the need for public finances, like debt management and municipal bond markets for the financing of local investments.
- Additionally, there is the need to better coordinate private and public funding with the communities themselves.

Axis				
	Planning and Design	Governance and institutions	Financing	
Dilemmas	Growth-Equality	Social mixed zoning. Innovation in social housing. Neighborhood management. Location of unwanted activities and establishments.	Control of illicit trade. Spatial reciprocity and territorial identity. Community management. Gentrification. Gender perspective.	Economic diversification. Investment attraction. Attraction of human capital. Transfers from central government.
	Centralization-Decentralization	An inclusive and extraterritorial legal framework Multiple level planning. Citizens proposals. Participation of public, private and other actors.	Multi-sector governance. Decision making at the local level. Community participation. Shared management plans. Coordinated institutions.	Coordinated transfers. Municipal taxes or rates for land use. Green taxes. Private-public alliances. Investment alliances.
	Rent-Externalities	Urban infrastructure and logistics. Employment and migration. Competitiveness development. Industrial parks/Clusters. Transformations of the urban economy.	Public-private partnerships. Innovation programs. Formalization of the labor market. Patterns of production, distribution and consumption.	Rural-urban territorial connection. Taxation based on externalities. Collection of capital gains taxes (plusvalías). Generation of endogenous resources.
	Expansion-Density	Demographic and household composition changes. The compact city connected with its wider territory. Transport, mobility and urban logistics plans. Systematic planning and management of cities.	Housing policy and policies for the management of urban migration. Land regulation and control over land use. Territorial planning instruments. Public transport planning and the right to urban mobility.	Decentralization of public finances. Public and private investment in infrastructure. Regional economic development. Housing subsidies. Territorial economic development.
	Ecology-Environmental Services	Urban-Rural territorial connection. System of protected urban areas and green areas. Urban biological corridors. Ensure long-term access to natural resources.	Environmental variables monitoring system. Environmental compensation mechanisms. Natural risk management at the territorial scale. Local institutions of emergency management	"Green" tax. Assessment of environmental services. Financing for the eco-efficiency. Social criteria to ensure the right to the territory.
	Inhabitant-Citizen	Inclusive planning and design. Housing and neighborhood improvements and upgrading. Design and use of public space as a participatory place. Recovery of public buildings.	Institutionalization of citizen participation/community participation. Legal framework for urban and territorial diversity Union of different visions based on territorial identity and participation. Multi-sector negotiations about the urban-territorial future.	Private donations. Financial empowerment of communities. Taxes and subsidies. Accountability.

Chapter VI

Concepts for a New Urban Agenda

The New Urban Agenda incorporates new elements of a shared vision about what cities and their territories are, what they should be, and how they can contribute to the development of countries and the region.

- The city as a space for integration.
- The city and its territory as central to economic growth.
- The city as a place of multipurpose mega-infrastructure.
- The city as an open system.
- The city and its territory as a macro-public good.
- The city as a center for local governance.
- The city, the environment and climate change.
- The city as a space of inclusion and gender equality.

The city as a space for integration

The city, integrated with its territory, can act as a mechanism for redistribution and inclusion. By regulating the use and access to scarce resources, managing positive and negative externalities and promoting equality for all sectors of society.

The city and its territory as central to economic growth

The city and its connecting territory remain the main centre of economic growth, with a concentration of fixed capital, skills, knowledge and the labor force. Cities provide the growth and policies that give sustenance to economic, social and environmental development of countries and regions.

The city as a place of multipurpose mega-infrastructure

The city is characterized by multipurpose mega-infrastructure that consists of spaces and networks that make possible the fundamental economic, social, territorial and environmental conditions necessary for sustainable development.

The city as an open system

The city can be understood as an open system, located in a territorial context that includes other human settlements such as rural areas, in between which there exists interdependent relations.

High and relatively stable levels of urbanization, high urban growth rates, increasing concentration of demands placed on cities, limited carrying capacities in the region's countries and territories, above all in Caribbean countries, are some of the main physical-spatial characteristics of the human settlements of the region.

The city and its territory as a macro public good

The city and its territory represent a macro public good based on a social pact. This pact is sustained by a shared responsibility and governance that promotes the inclusive participation of all sectors of society. The recognition of the city as a public good implies the need for new relationships between the state, the market and society. Within this context, the role of the state in urban development is legitimized by the national urban policy which is adaptable to the needs of sub-national governments. As such, it is crucial to understand the city as a social process that requires the participation of all citizens.

The city as a center for local governance

For a city to act as a center for local governance, its urban management must possess a predominately horizontal dynamic where decisions are based on both proposals provided by authorities as well as initiatives that emerge from the civil society. These circumstances allow citizens' ideas and initiatives along with actions undertaken by local government to have a catalyst effect that foster greater political coordination and a more efficient management of the opportunities offered by urban life.

The city, the environment and climate change

The city critically depends on a balanced relationship with the environment; it also presents a platform that offers important opportunities to effectively reduce the negative impacts of climate change. Given that the region is becoming predominately urban, these areas will encounter major risks if appropriate measures are not taken to adapt and mitigate the effects of climate change.

In order to diminish environmental risks, cities should apply urban policies that seek to achieve: (a) a balance between consumptions patterns and environmental services, (b) multi-level planning and inclusive regulatory territorial management, (c) access to institutions, justice and timely environmental information, y (d) the strengthening of a resilient citizen culture.

The city as a space of integration and gender equality

The city needs to be recognized as a space that fosters integration and gender equality where all women and men have the right to be involved in the construction of the urban environment. In this sense, an important challenge that the city governments face in the region is how to develop an inclusive and quality city and public space at the same time as better governing urban areas within a legal and institutional framework that guarantees the participation of all sectors of society in decisions concerning their city or neighborhoods.

Chapter VII

Regional Action Plan for Latin America and the Caribbean on sustainable urban development

The objective of this document has been to analyze in an integrated and relational way the challenges, dilemmas and commitments for urban development, habitat and housing policies in Latin America and the Caribbean. This final section of the document is aimed at establishing general guidelines for a Regional Action Framework for Implementation of the New Urban Agenda within the region, orientated towards sustainable urban development.

The Regional Action Framework aims to generate exchanges and produce collective knowledge that will inform future urban policies and concrete actions to make real improvements to the quality of life in Latin American cities. With the implementation of the New Urban Agenda arises the need to consider and ensure synergies are in place with the Sustainable Development Goals (SDG), the 2030 Sustainable Development Agenda and the commitments made in Paris (COP21) on climate change.

The Forum of Ministers and High Authorities of Housing and Urban Development of Latin America and the Caribbean (MINURVI) propose to design and implement a Regional Action Framework that focuses on analysis, debate and knowledge generation in conjunction with public policies on housing, habitat and urban development. This proposal centers in the three aforementioned instrumental axis: Planning and Design, Governance and Institutions and Financing. In turn, the Regional Action Framework will link the implementation of the New Urban Agenda in the region and through collaborative efforts at the territorial level will seek to foster cooperation and bonds between the countries that MINURVI represents.

The Regional Action Framework consists of a working methodology that will allow the region not only to debate and move forward the implementation of the New Urban Agenda, but also, to begin to pave the path towards Habitat IV. This methodology will be developed during face to face meetings with the objective of generating spaces of reflection and exchange at the sub-regional level. This is proposed to be generated on the basis of the following working dynamic:

1. A country will be selected from each sub region to host the relevant authorities from countries within each respective sub region.
2. The host country will identify a concrete public policy case that presents challenges related with one or more of the following axis: Planning and Design, Governance and Institutions and Financing.
3. The selected case will be shared and addressed collectively by the authorities of the sub region.
4. A document will be produced that compiles the lessons learned and overall learning attained during the process.

In other words, the proposed methodology will be based on group work between countries in the region in order to address habitat, housing and urban development issues that relate to one of the following three axis: Planning and Design, Governance and Institutions and Financing. The pooling of ideas, exchanges and discussions about practical cases and concrete situations seeks to share and conceive solutions and alternatives to the challenge proposed by the host country. The proposed document that is to be compiled at the conclusion of each meeting intends to serve as a source of inspiration for all state members of MINURVI as well as for the regional document that is to be presented by the Forum at Habitat IV, in addition to other events and occasions.

The Regional Action Framework will allow member states of MINURVI to understand, observe and analyze public policies and challenges associated with housing, habitat and urban development within Latin America and the Caribbean. Collaboration and collective learning will

make it possible to draw conclusions, identify the lessons learned and inside knowledge that will contribute to achieving sustainable development in the region, guaranteeing the implementation of the New Urban Agenda in the next decades and will begin MINURVI's work toward Habitat IV.

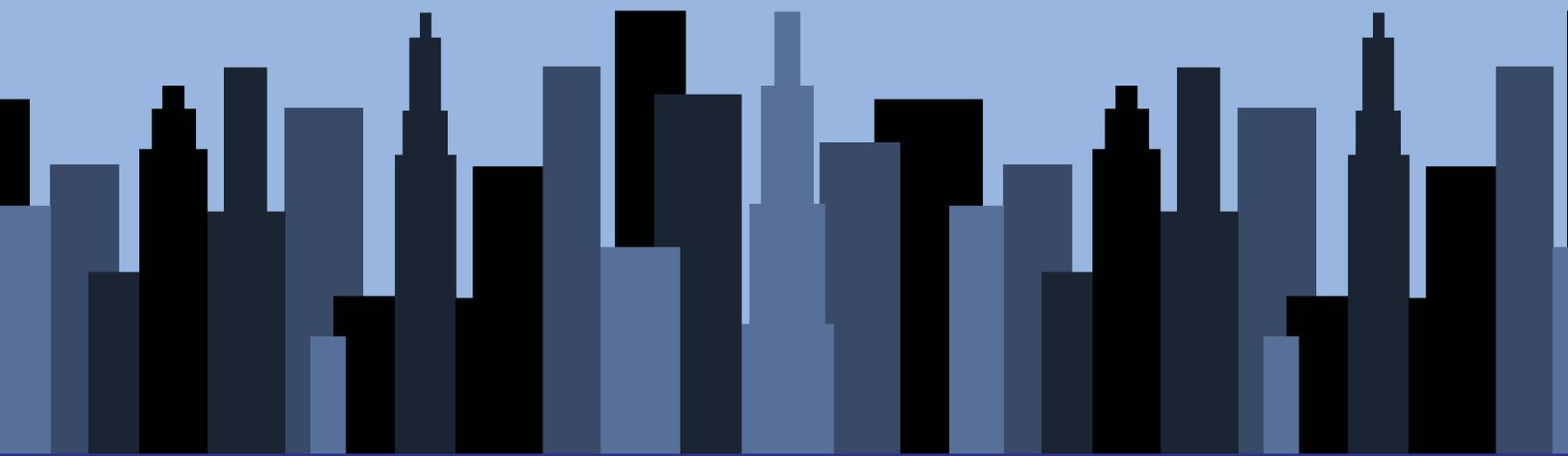
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