

Habitat for Humanity's recommendations to the EU on revising the European Consensus on Development and implementing the UN 2030 Agenda for Sustainable Development and Habitat III New Urban Agenda

Policy Paper

January, 2017

(1) Executive summary

The purpose of this paper is to draw recommendations for the new EU development framework, addressing the EU role in light of the global Agenda 2030 and the parallel global commitments including the New Urban Agenda¹ (NUA -- a global agreement passed recently at the Habitat III summit in Quito Ecuador), and responding to the global trend of urbanisation. Urbanisation has grown at an unprecedented rate and will continue, with people in cities to reach 70% of the global population by 2050. 95% of this growth is occurring in developing countries and is concentrated amongst the lowest income groups.²

Even before the SDG and NUA, the EU has already made strong commitments for cities. The EU rightfully called for "sustainable strategies to promote non-discrimination and break down the barriers that exclude various groups from access to resources and opportunities offered by urban development" for social inclusion and territorial cohesion, **with as "prerequisites", giving "special attention" to land access, neighbourhood upgrading, basic services and citizenship for slum dwellers, affordable housing, tenure and safety**³. This now must be implemented fully, ensuring that urbanisation creates opportunities for all, enabling inclusivity and equal access. The New EU Development Consensus must be aligned with the New Urban Agenda, committing to boost the potential of cities, and engaging to meet all the elements that this requires (as described in Agenda 2030's SDG 11 and the NUA). Therefore, these specific aspects must now receive explicit priority in the New EU Development Consensus:

- Adequate and affordable housing,⁴
- Land rights and security of tenure (especially for women),
- Monitoring the conditions and amount of people in informal settlements, access to basic services (water, sanitation, energy) and promoting comprehensive slum upgrading,
- Ensuring the resilience of cities, through comprehensive disaster risk reduction and management processes.
- Promoting integrated urban frameworks, policies and planning
- Promote livelihood opportunities in cities and human settlements⁵

The New EU Development Consensus is the time to reinforce the EU development policy acquis, and ensure that

¹ Draft outcome document of the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), Quito, 20.10.2016, A/CONF.226/4 <https://habitat3.org/the-new-urban-agenda>

² EC Communication: "Empowering Local Authorities in partner countries, for enhanced governance and more effective development outcomes", Brussels, 15.5.2013, COM(2013) 280 final: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013DC0280&from=EN>

³ EC Communication: "Empowering Local Authorities in partner countries, for enhanced governance and more effective development outcomes", Brussels, 15.5.2013, COM(2013) 280 final

⁴ Check the Housing Policy paper for Habitat 3 on Affordable Housing:

<https://www2.habitat3.org/bitcache/9b1d0fb05f402b3d4be4b2a2ce5975859cd3fe25?vid=587368&disposition=inline&op=view>

⁵ NUA para 56.

the EU's unique value added is further strengthened. The final consensus must be explicit and indicate a strong commitment to the following EU agreements:

- The EU must meet its previous commitments, including to the purpose of poverty eradication and Human Rights for its Development Cooperation, to Policy Coherence for sustainable Development and to reach promises about the amount of ODA to give.
- A Human Rights' based approach must be mainstreamed in all activities of the EU. The EU must further improve the promotion of good governance and participatory accountability, and must ensure development effectiveness principles are met by all actors and through all modalities.
- Promoting inclusion and addressing discrimination and inequality, in particular gender-related, is critical for all other commitments, and must be further accelerated.
- The EU must further promote and scale up its participation in inclusive multi-stakeholder partnerships.
- Furthermore, the EU must increase its engagement and support of CSO, recognise their critical role, including to lead partnerships, and ensure the effective and sustainable engagement of the Private Sector and Citizens, including vulnerable groups.
- The monitoring mechanisms for the global agreements require clear action result targets and indicators and the full implementation of an ambitious transparent global and EU system.
- Investment is needed for the related capacities in data management, knowledge creation, and participatory accountability.

(2) Introduction: Context: A new EU development Framework responding to Agenda 2030 (SDGs), and the New Urban Agenda (Habitat III)

The EU is on the verge of changing its development framework. The EC has already launched a proposal for the New Consensus on Development⁶ which should help to reach agreements by all EU Member States (MS) and institutions. Last year in 2015, the target date for the UN Millennium Development Goals (MDG) passed. Whilst reflecting on how to move forward in a more concrete and realistic way than perhaps the MDGs allowed, the global community has turned its focus to addressing unfinished business and looming global challenges by reaching landmark international agreements, the 2030 Agenda for Sustainable Development being the most inclusive and far ranging⁷. This has “re-cast the way the international community, including the EU, will work to achieve sustainable development and poverty eradication for many years”⁸. It must be implemented by the EU and its MS through internal and external actions, as the EU explicitly states. Therefore, EU policies must be adapted, taking into account changing global conditions and trends. This will require **“sustained EU efforts to promote a more just world, including addressing gender equality and women’s empowerment, inclusiveness (ensuring the needs and contributions of different groups are acknowledged), equality and good governance, accountability, human rights and non-discrimination [...] The implementation of the 2030 Agenda will require a multi-dimensional, integrated approach to human development. Implementation will also require us to address vectors of change, such as sustainable urban development”**.

The MDG only included a vague promise of “significantly improving” the lives of slum dwellers, (MDG 7 target D)⁹, whilst other MDGs did not separate or highlight urban issues or targets. Progress has been achieved in several areas (access to safe water and sanitation, and slums upgrading). However, the absolute number of people living in slums continues to grow (at 830 million today), with the vast majority being under 24 years old. In some countries with large MDG strides, inequality remains high and the most vulnerable were left out. Many countries continue to be unprepared and unable to meet the growing needs of urban residents. The scale of results has not been in line with the size of the global challenge and deficit.

In the Agenda 2030, with Sustainable Development Goals (SDG), a broader and stronger urban focus is found. In particular, SDG 11: “To make cities inclusive, safe, resilient and sustainable”, includes 10 targets covering a range of social, economic, environmental, resilience, governance and global support issues¹⁰. In addition, many other SDGs are relevant and important for urban areas. Most of the SDG targets must be implemented in cities in order to be achieved. Furthermore, SDG 1, to reduce poverty, 10 to reduce inequality, and 16 to ensure peace, justice and effective, accountable, inclusive institutions at all levels, include targets with direct implications for global urban priorities¹¹. SDG 17 “Revitalize the global partnership for sustainable development” is also a necessary condition to for the successful implementation of SDG 11

Other recent global agreements have critical implications for future change in urban areas, such as the Sendai Framework for Disaster Risk Reduction, the Addis Ababa Action Agenda and the COP21 agreements in Paris. Now,

⁶ EC Communication: “Proposal for a new European Consensus on Development Our World, our Dignity, our Future”, Strasbourg, 22.11.2016, COM(2016) 740 final

⁷ 70/1. Transforming our world: the 2030 Agenda for Sustainable Development, Resolution adopted by the General Assembly on 25 September 2015, A/RES/70/1

⁸ EC introduction text for the Consultation for the revised European Consensus on Development (see EC text within the responses):

https://ec.europa.eu/europeaid/un-2030-agenda-sustainable-development-public-consultation-revising-european-consensus-development_en

⁹ This target was subsumed under MDG 7 on “environmental sustainability”. The commitment was for at least 100 million persons, a very low target. It was surpassed, largely because of actions in China, and mainly through water and sanitation.

¹⁰ 10 targets of SDG 11: (11.1) By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums. (11.2) By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons. (11.3) By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries. (11.4) Strengthen efforts to protect and safeguard the world’s cultural and natural heritage. (11.5) By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations. (11.6) By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management. (11.7) By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities. (11.a) Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning. (11.b) By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels. (11.c) Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials.

¹¹ This is also explicit and well documented in the recent EC Discussion paper, <https://ec.europa.eu/europeaid/commission-discussion-paper-habitat-iii-prep-common-position-eu-3rd-un-conference-housing-and-en>

EU policy and urban commitments must take all these global agreements (including the NUA) into account coherently and at scale with the New Consensus on Development.

The global UN Summit Habitat III was meant to reinvigorate the global political commitment to sustainable urbanisation to reach global agreements, and to spur the implementation of a “New Urban Agenda” (NUA)¹² defining the urban priorities for the next 20 years. It was a unique opportunity to identify emerging challenges of cities, and discuss how they should be managed to fulfil their role as drivers of sustainable development. The resulting global framework for sustainable urban development was agreed to by UN Member States in September and formally adopted at Habitat III in Quito, Ecuador, in October 2016. Following closely on the adoption of the SDGs it provides more clarity about concrete urban priorities and targets, to shape their future implementation in cities, and motivates for successful achievement. All countries must be held accountable to these commitments, at the same level as the other recent global ones. Proper follow-up and review of the NUA must be done, to ensure its full implementation, to build on the potential strengths of cities, address their challenges and mitigate against their risks.

In preparation for Habitat III, the EC drafted a discussion paper, describing the integrated nature of the SDGs and the implications of urbanisation throughout the whole Agenda 2030, providing concrete suggestions and a shared vision for the EU and MS¹³. Detailed Council Conclusions¹⁴ followed, pointing to the importance of the NUA, to **be the “cornerstone” in the implementation of new frameworks** to all current agreements and the basis for a renewed global urban development framework. However, the Council Conclusions were weak in outlining the implications for External Development Cooperation¹⁵. The EU must continue the process of engagement in Habitat III, the NUA and SDG11, with clear and explicit commitments about its own implementation of the global agreements, not only in regards to EU cities, but also for EU external action. Now is a unique opportunity to harness momentum and take the initiative in proposing how cities should be managed to fulfil their role as drivers of sustainable development.

The content of the NUA is closely linked to SDG 11 and indirectly to many other SDG. The NUA also goes further, providing important details and priorities. The NUA repeatedly emphasises progressively realising **the right to housing for all**. Housing is highlighted throughout the NUA with strong language¹⁶. It calls for adequate and affordable housing, that is safe, accessible, and sustainable, preventing exclusion and segregation. The NUA recognises that a range of policies and options are needed, including support to the social production of habitat and incremental housing processes, economic incentives and housing finance. The NUA formalises the commitment to “support efforts to define and reinforce inclusive and transparent monitoring systems for reducing the proportion of people living in slums and informal settlements” (para 110). This is an important initiative, given the lack of current reliable data on the amount of people living in slums, and the known gap in service provision or slum upgrading to respond to the needs in informal settlements. The NUA has strong commitments about the security of land tenure, noting its importance for women, and to ensure effective administration systems¹⁷. The NUA promotes participatory

¹² Draft outcome document of the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), Quito, 20.10.2016, A/CONF.226/4 <https://habitat3.org/the-new-urban-agenda>

¹³ EC Discussion Paper: Habitat III - prep of a Common Position of the EU - 3rd UN Conference on Housing and Sustainable Urban development, 19.04.2016, 1/5/15 REV 5 <https://ec.europa.eu/europeaid/commission-discussion-paper-habitat-iii-prep-common-position-eu-3rd-un-conference-housing-and-en>

¹⁴ EU Council Conclusions on Habitat III: the European Union and its Member States' objectives and priorities for the 3rd UN Conference on Housing and Sustainable Urban Development. May, 2016 (8283/16). <http://www.consilium.europa.eu/en/press/press-releases/2016/05/12-conclusions-on-habitat-iii/>

¹⁵ The European Union's role in the New Urban Agenda: Policy discussion brief for the Habitat III global summit, Habitat for Humanity International on behalf of Cities Alliance Habitat 3 Joint Work Program, 2016

¹⁶ Relevant sections of the NUA: “We commit to promote national, sub-national, and local housing policies that support the progressive realization of the right to adequate housing for all as a component of the right to an adequate standard of living...while enabling participation and engagement of communities and relevant stakeholders, in the planning and implementation of these policies...” [Para 31]

“We commit to stimulate the supply of a variety of adequate housing options that are safe, affordable, and accessible for members of different income groups of society...” [Para 33]

“We commit to promote the role of affordable and sustainable housing and housing finance, including social habitat production, in economic development, and the contribution of the sector in stimulating productivity in other economic sectors, recognizing that housing enhances capital formation, income, employment generation, and savings, and can contribute to driving sustainable and inclusive economic transformation.” [Para 46]

“We will encourage developing policies, tools, mechanisms, and financing models that promote access to a wide range of affordable, sustainable housing options including rental and other tenure options...in order to improve the supply of housing, especially for low-income groups...this will include support to incremental housing and self-build schemes...” [Para 107]

“We will support the development of housing policies that foster local integrated housing approaches by addressing the strong links between education, employment, housing, and health, preventing exclusion and segregation.” [Para 108]

“We will support efforts to define and reinforce inclusive and transparent monitoring systems for reducing the proportion of people living in slums and informal settlements...” [Para 110]

“We will promote the development of adequate and enforceable regulations in the housing sector...” [Para 111]

“We will promote the implementation of sustainable urban development programmes with housing and people's needs at the center of the strategy...” [Para 112]

“We will support the development of appropriate and affordable housing finance products; and encourage the participation of a diverse range of multilateral financial institutions, regional development banks, and development finance institutions; cooperation agencies; private sector lenders and investors, cooperatives, money lenders, and microfinance banks to invest in affordable and incremental housing in all its forms.” [Para 140]

¹⁷ “We commit to promote, at the appropriate level of government, including sub-national and local government, increased security of tenure for all, recognizing the plurality of tenure types, and to develop fit-for-purpose, and age-, gender-, and environment-responsive solutions within the continuum of land and property rights, with particular attention to security of land tenure for women as key to their empowerment, including through effective administrative systems.” [Para 35]

age-and gender responsive approaches in all stages of planning, policy and evaluation processes, “rooted in new forms of direct partnership between governments and all levels of Civil Society (para 92). Community participation is particularly referenced in many parts of the NUA, especially in relation to housing.

“We will promote compliance with legal requirements through strong inclusive management frameworks and accountable institutions that deal with land registration and governance, applying a transparent and sustainable management and use of land, property registration, and sound financial system. We will support local governments and relevant stakeholders, through a variety of mechanisms, in developing and using basic land inventory information, such as a cadaster, valuation and risk maps, as well as land and housing price records to generate the high-quality, timely, and reliable disaggregated data...” [Para 104]

(3) Context: Key global trends influencing the future and requiring a change in Development Cooperation

Rapid/ Uncontrolled urbanisation

Rapid/ Uncontrolled Urbanisation is key. The urban population has grown at an unprecedented rate, by 20% in the past 50 years. The fast rate of growth is expected to continue, with urbanisation to reach nearly 70 % of the global population by 2050 (or the equivalent of over 2 billion more people in cities)¹⁸. It transforms the social and economic fabric of entire nations, societies and economies. Cities offer opportunities, as engines of growth, but also with a plethora of critical challenges, “making it one of the 21st Century’s most transformative trends”¹⁹. Urbanisation overlaps with poverty and has clear implications for the New Consensus on Development. Urban population growth is expected to continue and the UN estimates that by 2050, 66% of the global population will live in cities.²⁰ This growth is predominantly occurring in Asia and Africa in countries that are often unprepared and unable to meet the growing needs of urban residents. Paired with global population growth, urbanization could add another 2.5 billion people to our cities in the coming decades.²¹ 95% of this growth is occurring in developing countries and is concentrated amongst the lowest income groups.²² Many countries continue to be unprepared and unable to meet the growing needs of urban residents, and are often unable to keep pace with the housing, services, education, health and transport needs of ever larger communities crystalizing in and on the borders of cities. Urbanisation is linked to other vulnerabilities and gaps. Urban sprawl often results in less effective services and increased urban vulnerabilities and negative ecological footprint. Because of the sheer scale of urbanisation, and the associated land and housing crisis, governments are often unable to keep pace with the housing, services, education, health and transport needs of ever larger communities crystalizing in and on the borders of cities. In many poor countries, cities are in hazard prone areas, with a population concentration that also increases the risk of human and material loss in disasters. Cities are often the destination for migration and displacement due to conflict or humanitarian crises. The size and nature of urban areas is associated with increased insecurity and organised crime. To overcome all these prevalent challenges, and to ensure that all cities can harness and multiply the urban opportunities for all of their citizens, there is now an urgent need for global attention, political will, and concrete, forceful and collaborative commitments.

Increasing inequality

The continued growth of inequality is an overarching and critical global trend as well (in both urban and rural areas), with far ranging implications, including causes and consequences of urbanisation. Inequalities are frequent in cities globally, having caused an “urbanisation of poverty”, especially for women and youth. Urban social and spatial segregation often leads to the concentration of inequalities, exacerbated by large differentials in public services. This is worst in slums with most often a near total lack of water, sanitation, waste management, transport and security. But it is also evident to a lesser extent in other segregated areas of cities. Cities attract and worsen inequalities and vulnerabilities (e.g. migration, gender inequities, assets, land, disabilities), with an unequal burden of risk (economic, environmental, and security) leading to vicious cycles of vulnerability, need and disregard for rights. Many urban poor suffer from intersections between discrimination (due to age and/or gender) and multiple vulnerabilities (urban, poor, minority, disabilities, in a slum, which all worsen inequality, making it more difficult to overcome, and requiring more complex integrated solutions.

¹⁸ <http://www.un.org/en/development/desa/news/population/world-urbanization-prospects-2014.html>

¹⁹ Draft outcome document of the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), Quito, 20.10.2016, A/CONF.226/4 <https://habitat3.org/the-new-urban-agenda>

²⁰ <http://www.un.org/en/development/desa/publications/2014-revision-world-urbanization-prospects.html>

²¹ <http://www.un.org/en/development/desa/news/population/world-urbanization-prospects-2014.html>

²² EC Communication: “Empowering Local Authorities in partner countries, for enhanced governance and more effective development outcomes”, Brussels, 15.5.2013, COM(2013) 280 final

Growing slums

The absolute number of people living in slums continues to grow (130 million more in 20 years, or about 1 in 7 persons now), with the vast majority under 24 years old. **By 2030, nearly 1 in 4 people will live in a slum.** Their growth is due to weak urban planning, poor urban management, land regulation crises, real estate speculation and other factors. Slums or informal settlements are known for their lack of public and basic services, crowding conditions, precarious structures, insecure tenure (fear of evictions) and multiple social, economic, political, and environmental challenges.

Inadequate and unaffordable housing

Around 880 million people now live in inadequate housing in cities. At least two billion more people will require housing in urban and rural areas in 2030, due to the current housing deficit and the expected global population increase. This unprecedented housing challenge will only grow. Every country will need more options for affordable, adequate, and safe housing.²³

Barriers to land and tenure insecurity

Land tenure is a critical issue for food security, but it also has many implications for housing. Currently, 75% of the land worldwide is not legally documented, with negative repercussions for the poor and a loss of opportunities for development, particularly for women. This challenge is more complex in urban contexts. At least 1 billion lack secure land rights in cities globally, the majority women. In many countries, there is no formal land administration system or framework available or coverage is under 30%. There is no recognition of continuum of land rights and varied tenure options. The process of establishing a claim to land is complicated with lengthy delays or high fees (up to 20% of property value). This is typically even worse for women, who bear additional barriers, for example due to lack of funds, discriminatory practices, time limitations and safety concerns.

²³ Habitat III, United Nations Conference on Housing and Sustainable Urban Development, Policy Paper 10: Housing, 13.06.2016, A/CONF.226/PC.3/23

(4) Priorities for our future action: The role of the EU

a) Leadership and accountability: EU ambition and political will, with bold policy and rapid action is needed.

The EU has played an active role in the Agenda 2030 and SDG negotiations, and has pushed for an ambitious vision for the NUA. Now it is time to show with actions that these were not only words. Strong political will is necessary to ensure the New Consensus on Development is ambitious, integrated and comprehensive and that it is indeed a Consensus of all the actors. Urbanisation must become a priority. The agreements must be followed with concrete, ambitious, results-oriented and time bound actions. This includes fully implementing the New Consensus on Development, the Agenda 2030, and the other recent global agreements, particularly SDG 11 and the entire NUA. This will require robust monitoring systems (in the EU and globally) with consequences. It will require critical funding and means of implementation. All EU actors must be held accountable for their actions vis-à-vis these promises. A strong, comprehensive, integrated and forward looking new Consensus on Development would be an important tool to ensure aligned coherence and coordination among the EU and the MS. It should also keep development as one of the highest EU priorities. The EU and MS must also continue to be transparent and to be held accountable to their commitments and priorities.

b) Coherence: EU policy must be coherent and upheld

The EU role in development cooperation is critical, with a non-negotiable focus on poverty eradication and Human Rights²⁴. The EU has affirmed at the highest level its “commitment to promote all human rights, whether civil and political, or economic, social and cultural, in all areas of its external action without exception” and the integration in EU policy and global agendas²⁵. This must be continued.

The EU must speed up the full implementation of ODA promises made repeatedly by the EU institutions and MS. Recent EU agreements, formalised in Council Conclusions, must be maintained and implemented to their full extent, such as CSO-LA, Development Effectiveness and the various Council Conclusions in the preparation for the Agenda 2030 and SDG²⁶. Any missing elements of these EU agreements must be included in the New Consensus for Development.

Policy Coherence for Development (PCD) is another previous commitment that is non-negotiable. PCD is a critical principle, mandated by the Lisbon treaty. The EU must strongly increase its efforts and its results in PC for Sustainable Development, across all EU policies, including by monitoring and reporting on all dimensions of development. Aid Effectiveness principles, from Paris to Busan, including transparency, must be applied to all actors involved in development cooperation, through any modality (including the public sector). The EU must be transparent about the areas where progress is needed and speed up efforts to improve.

As the Agenda 2030 is universal, and the NUA applies also to the EU, important adaptations must also be made internally, and monitoring must be increased. Policies must be coherent and actions must be integrated. In regards to urbanisation, the EU has started important steps with the European Urban Agenda as a “key delivery instrument”

²⁴ As agreed in the Lisbon Treaty of the European Union. Article 208 of the Lisbon Treaty; and more recently in Council Conclusions. EU joint response for SDG (see note 12 above) p 6; “Policy Coherence for Development is a legal commitment to take development cooperation objectives into account in policies that the EU implements which are likely to affect developing countries. This means both addressing possible negative impacts of domestic policies on third countries and fostering synergies across economic, social and environmental policy areas.”

²⁵ Council Conclusions on “A Rights-Based Approach to development cooperation, encompassing all human rights.” Council of the European Union, Brussels, 19 May 2014.

EC Communication: Action Plan on Human Rights and Democracy (2015–2019) “Keeping human rights at the heart of the EU agenda”, Brussels, 28.4.2015, JOIN(2015) 16 final

https://ec.europa.eu/anti-trafficking/sites/antitrafficking/files/joint_communication_on_human_rights_and_democracy_en.pdf EU Communication

²⁶ The Roots of Democracy and Sustainable Development: Europe’s Engagement with Civil Society in External Relations, COM(2012) 492 final: eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0492:FIN:en:PDF; Council Conclusions on The Roots of Democracy and Sustainable Development (CSO) October 12, 2012 www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/132870.pdf and EC Communication: “Empowering Local Authorities in partner countries, for enhanced governance and more effective development outcomes”, Brussels, 15.5.2013, COM(2013) 280 final, EC communication on Resilience, Action Plan for Resilience in Crisis Prone Countries (2013–2020), and Council Conclusions: https://ec.europa.eu/europeaid/policies/fragility-and-crisis-management/resilience-and-linking-relief-rehabilitation-and_en EU Common Position for the Fourth High Level Forum on Aid Effectiveness (Busan, 29 November – 1 December 2011), Council conclusions: 3124th FOREIGN AFFAIRS Development Council meeting Brussels, 14 November 2011 http://ec.europa.eu/europeaid/policies/eu-approach-aid-effectiveness_en; http://ec.europa.eu/europeaid/policies/european-development-policy/2030-agenda-sustainable-development_en (see Section: Key Documents)

of the SDG 11 and NUA²⁷. The EU must address its cities and pockets of poverty, making them productive, green, resource efficient, resilient, inclusive, safe, and with good governance. The EU has a history of strong urban policies (e.g. for housing or social cohesion). The EU should also learn from other successes around the world, even from LDC (e.g. participatory governance, and people-centred innovations). Internally, in the EU, the social, economic and environmental aspects must also be balanced. Homelessness and housing inequities between generations have increased. The financial crisis, repossessions and mortgage debt have become critical, with constrained mortgage lending. This has disproportionately affected minority households and first-time homeowners, who have been unable to take advantage of the subsequent low prices and interest rates. The mortgage debt (as a % of GDP) rose dramatically. As governments have invested less in social housing, there is a shortage of affordable housing for new households, particularly acute in major city centres. In new MS, there are major challenges of energy efficiency in housing²⁸. These issues must be addressed. Multi-stakeholder solutions will help.

While also addressing those left behind in the EU, a strong EU external action must be further reinforced. The rest of this paper will focus on the External Action of the EU, which, in regards to urbanisation, is much further behind.

c) Urban focus and funding: The EU must immediately begin to adjust its actions to the global challenge of urbanisation and the related global agreements.

For the external EU agenda, the current response is far from the level needed to meet the rapid changes of the global trend of urbanisation. The EU must lead by example, aligning its funding, support, data collection, review mechanisms and incentives.

Funding increase for cities, and better tracking of all EU urban investment, must reach the level of importance and urgency of the trend. Urban solutions currently receive between 1% and 4% of EuropeAid and EDF (1% for Long Term development). Slum upgrading receive less than 0,1%; and yet they will include up to one fourth of people in living cities in the coming decades.

There must be an urban sector, with clear tracking of funding and results. There must be a significant increase in funding for this sector, with a boost to urban system strengthening and governance, and long term investments for urban social issues, inequality and resilience (slum upgrading, housing improvements, improved land tenure, access to basic services, disaster management, advocacy), and territorial approaches (for the key links between cities and their rural surroundings). The Council Conclusions for the SDGs recognise the need “to adequately mobilise the flow of ODA and other sources of financing which go to cities and other local and sub-national authorities...”²⁹. Clearer tracking of investment and results are needed, disaggregated and analysed across contexts, to help ensure this promise. The EU must therefore have an urban sector, prioritised by the EU and other actors, and track its funding and its effects.

d) Integration

Inter-connections must be facilitated, with the integration of responses to the current global trends and challenges and global agreements (including the NUA, Paris, Addis Ababa Action Agenda on financing for development, the Sendai Framework for Disaster Risk Reduction, the Busan Partnership for Effective Development Cooperation, and the New Deal for Fragile States). Development policy and funding must intentionally seek a balanced integration of economic, social and environmental dimensions. This is critical for effectiveness for those who have been left out. The economic benefits of growth and development are not automatic. Caution is needed to ensure a healthy balance between economic goals and social and environmental objectives,, and to prevent or mitigate economic barriers or factors that worsen the situation of the poor.

²⁷ EU Council Conclusions on Habitat III: the European Union and its Member States' objectives and priorities for the 3rd UN Conference on Housing and Sustainable Urban Development. May 2016 (8283/16). <http://www.consilium.europa.eu/en/press/press-releases/2016/05/12-conclusions-on-habitat-iii/>

²⁸ Policy Discussion Brief for the European Commission on housing in EU member states, Habitat for Humanity International Europe, Middle East and Africa, June, 2016

²⁹ “Council conclusions on a transformative post 2015 Agenda” and on “A New Global Partnership for Poverty Eradication and Sustainable Development after 2015” (for the SDGs and Agenda 2030), (p.15), Council of the European Union, Brussels 26 May 2015 <http://www.consilium.europa.eu/en/press/press-releases/2015/05/26-fac-dev-council-conclusions-global-partnership/>

(5) Priorities for EU future action: Non-negotiable Key focus areas

Even before the SDG and NUA, the EU has already made strong commitments for cities. The EU rightfully called for “sustainable strategies to promote non-discrimination and break down the barriers that exclude various groups from access to resources and opportunities offered by urban development” for social inclusion and territorial cohesion, **with as “prerequisites”, giving “special attention” to land access, upgrading, services and citizenship for slum dwellers, affordable housing, tenure and safety**³⁰. This must now be implemented fully, ensuring that urbanisation creates opportunities for all, enabling inclusivity and equal access. Therefore, the following specific aspects must now receive explicit priority in the New EU Development Consensus

a) Adequate and affordable housing

We call on the EU to reaffirm the commitment by UN MS in the NUA, to the right to housing, ensuring it is high on EU agendas. It is essential in fostering safe, resilient and sustainable cities. Informal and formal housing conditions play a huge role in well-being (e.g. health, jobs, income, education, safety).³¹ Inclusive approaches must be supported (fair housing policies, increasing quality and quality of affordable housing, water and sanitation and energy services, including for special needs groups, and better housing management). A range of options is necessary to ensure housing that is safe, affordable, accessible for the lowest income groups and marginalised, including regulations, and governments' subsidies, housing governance and management, support to CSO and market incentives. On the family level, nearly ½ of the urban housing deficit is due to the high cost of homes, the lack of access to financing and eligibility requirements that exclude a large portion of the poor. In LDC, most renters are in the informal housing sector. Having typically no written contract, or legal mechanisms to protect their rights and landlords' rights, prevents their economic viability. The needs of both house ownership and renting must be addressed in policy improvements and programmes.³²

Housing options are closely linked to access to affordable and inclusive financing. The EU should also provide more support to micro-credit (enabling fair and accessible interest rates and support for the poor and the groups that serve them), bottom of the pyramid social entrepreneurship and global south entrepreneurs. Support for innovations with Micro-credit and Social Enterprises, can be vectors of change, with huge impact, high financial investment' returns, and catalysing new sources of funding and actors. Currently, there is little EU support and the modalities are a barrier.

b) Improved access to land and security of tenure

Secure land leads to investment in homes, communities and families, and full citizenship (e.g. access to ID cards, municipal services, credit, collateral and a home-based business, inheritance). Many factors prevent the poor from claiming to the land they occupy, such as, high costs, illiteracy, bureaucratic barriers, lack of knowledge of procedures. Solutions include strengthening the customary system, supporting community mapping, planning, clarifying and negotiating claims, filling system gaps or helping transition from informal to formal systems and reforming tenure regulations or laws. Forced evictions and land speculation must be prevented. A variety of forms of tenure along the continuum must be recognized, with context-specific, age and gender-responsive solutions. Support is needed for strong inclusive management frameworks and accountable institutions that deal with land registration and governance. Most government decision-making bodies lack a sense of urgency. Some laws and regulations discriminate against the most vulnerable and there are often underlying deeply-rooted discrimination systems (e.g. based on gender). Thus women, indigenous communities, and migrants often lack access to property and may be unable to assert legal rights. Legal frameworks must be changed intentionally to embed equity of access to crucial resources. In many countries, by custom or law, property is not jointly owned by husband and wife so when the husband dies, women and their children lose assets, inheritance or relief compensation. Security of tenure and an improved legal process for acquiring property improves shelter assistance and the potential for long-term

³⁰ EC Communication: “Empowering Local Authorities in partner countries, for enhanced governance and more effective development outcomes”, Brussels, 15.5.2013, COM(2013) 280 final

³¹ <http://unhabitat.org/more-than-four-walls-and-a-roof-adequate-housing-a-human-right-that-can-unlock-many-others/>

³² Check the Housing Policy paper for Habitat 3 on Affordable Housing:

<https://www2.habitat3.org/bitcache/9b1d0fb05f402b3ddbe4b2a2ce5975859cd3fe25?vid=587368&disposition=inline&op=view>

development after crises. The EU should promote and ensure access to land and improved tenure security for housing and urban development, starting by revising and completing its Land policy, including urban contexts, slums and land for housing (adding to the current rural and agriculture perspectives on land tenure).

c) Resilience building and integrated risk management

Resilience building and integrated risk management are essential.³³ Nearly 200 million people per year are affected by natural disasters. Secure land rights are often an obstacle to reconstruction. To draw links with the Sendai agreements, strong emphasis should be put on the comprehensive management of risks, including the complete cycle from risk prevention to response, with integrated age and gender responsive policies. The EU can encourage resilience building to ensure that negative coping mechanisms do not thwart these efforts, and for “building back better”. Natural disasters tend to disproportionately affect the poorest and most marginalized groups, slum dwellers, those who lack secure tenure and especially women, who often cannot make housing improvements to protect against natural disasters such as mudslides, flooding or droughts. To avoid future eviction or permanent displacement, unregistered residents may refuse to evacuate during disasters, risking their lives in the attempt to hold on to their land. Those with home-based businesses and living in poorly constructed housing can be severely set back by disasters. Because the poor often lack documented tenure rights to land and housing, disasters often bring new threats to their underlying claims. Land may be lost through post-disaster land-grabbing and rural-urban migration. To mitigate these compounded challenges, it is important to prioritise and rapidly scale up the improvement of housing conditions, protection from natural elements, hazards and disease, access to basic services (including garbage disposal), secure tenure, gender responsive land rights, the prohibition of housing discrimination and forced eviction; and the upgrade of slums supporting incremental housing processes.

d) Upgrading slums

Upgrading Slums must be a priority. The EU must take the view of the positive contributions of the informal economy and slum dwellers as well as governments’ responsibilities. Context-based approaches are needed, upgrading neighbourhoods, preventing evictions, and facilitating housing, tenure, access to basic services, security, social protection, access to economic opportunities, and social inclusion. The World Bank argues that increasing the availability of appropriate, affordable housing to slum dwellers would be the most important and potentially impactful way to prepare cities for climate change.³⁴

e) Integrated urban frameworks and pro-active planning

Integrated urban frameworks, policy and pro-active planning and management are needed to harness the benefits of cities. A legal framework must link housing, social, environmental and economic systems. There must be an integrated approach recognizing that each of these spheres intersects with the other, with full coordination among sectors and levels and appropriate distribution of roles and resources between levels. Housing must be embedded in urban plans and sector policies (e.g., for housing near social networks and jobs, for services, land use, transportation, limiting forced evictions and speculation).

The EU must enable integrated urban policy frameworks that ensure non-discrimination and decrease inequalities, mainstreaming a Human Rights-based approach (HRBA) and gender equality (e.g. equity in access to services, security, economic and environmental, rights), fostering ecological and resilient cities, resource efficient and innovative, protecting the environment, minimizing environmental impact, and providing green spaces. It is through urban frameworks that cities can become positive contributions for development. There are many examples pointing to the need for improved integrated urban planning. The lack of an integrated housing framework has worked against density and has, instead, contributed to urban sprawl and segregation. The lack of attention to transit-oriented housing development contributes to high carbon footprint for transportation, accounting for 23% of total energy related CO2 emissions. The urban poor have poorly constructed shelters in unsafe locations, highly

³³EC communication on Resilience, Action Plan for Resilience in Crisis Prone Countries (2013-2020), and Council Conclusions: https://ec.europa.eu/europeaid/policies/fragility-and-crisis-management/resilience-and-linking-relief-rehabilitation-and_en, Sendai Framework for Disaster Risk Reduction, <https://www.unisdr.org/archive/43289>

³⁴UN and the World Bank. (2010). Natural Hazards, Un Natural Disasters: The Economics of Effective Prevention. Washington, DC: UNISDR.

vulnerable to environmental degradation and lack financial resources to improve their housing or adapt them to be energy-efficient.

A territorial approach will be most useful given mutual influence of rural and urban areas. In an appropriate and effective territorial approach, cities and human settlements “act as hubs and drivers for balanced sustainable and integrated urban and territorial development”, recognising the strong mutual influence and strengthening economic, social, resilience and environmental links between urban, peri-urban and rural areas ensuring the well-being and development for all (e.g. ecology, economic value chains, the holistic management of risks and global public goods such as water, etc.). This will require coherence between rural and urban development policies (such as pollution, water use, waste, agriculture value chains, etc.).³⁵

Cities can promote growth and economic strength if managed through a guiding policy framework ensuring the rights of all citizens. Healthy frameworks include attention to economic development (foreign investment and procurement). But related to those, there must also be accountability systems, building the capacity of LA, ensuring their work within partnerships and addressing inequality, so that there is access to prosperity and economic opportunities for all. Cities must foster economic growth with permanent local platforms to increase the creation of decent jobs, protect livelihoods and sustainable consumption, with a focus on job opportunities for women and the most vulnerable. Ensuring equal rights can also be smart economic policy (for example because women spend more on family food, medicine, and education). Housing is at the nexus, connected with the local economy, and also related to social cohesion, equity, urban ecology and governance. Effective and efficient housing policies can expand and increase employment (e.g. in the building sector). Improved construction skills enable participation in the formal and informal market, and improvements on one's own home (with effects for disaster mitigation, ecology and home businesses). Housing programs and slum upgrades can foster local economic development and neighbourhood revitalization. The proper location of housing programs and slum improvements can improve the urban economy and labour markets, housing, land tenure and disaster prevention and economic development (e.g. social enterprises for habitat production). Conversely, the spatial inequality produced by uncoordinated housing policies and poor and weak urban planning systems produces new poverty traps and more challenges (severe job restrictions, high rates of gender disparities, deteriorated living conditions, social exclusion and marginalization, and high incidence of crime). Isolated slum areas mean that residents endure longer commuting times and higher transportation costs. The EU must step up and proactively work so that integrated urban frameworks ensure equity and positive urbanization.

f) Promoting equality/ equal access and opportunities

Inequalities must be addressed much better by the EU, explicitly and throughout all sectors and policies, using all means (investment, diplomatic pressure, incentives and support). The EU has rightfully joined the global community to strive to “leave no one behind”. This must now be reinforced in all policies and practice. Previously, the EU has committed to promote all human rights, “in all areas of its external action without exception” and to a HRBA, thus requiring a focus on inclusion, non-discrimination, on women's rights, gender equality and the empowerment of women.³⁶ The New Urban Agenda asks for a “people-centred, age and gender responsive urban development, ...empowering... communities, while enabling their full and meaningful participation”.³⁷ Unfortunately, inequality is still growing in cities. Despite the poverty traps created (as described earlier), in 2011, only 1/3 of the countries under UN review had taken actions to reduce social-spatial disparities in cities.³⁸

g) Gender equality and empowerment

Gender equality, rights and empowerment are very important to fully address inequality. Globally, systemic issues such as inadequate laws and their inequitable implementation, social stigma, cultural attitudes and the lack of resources, result in women being denied their rights to and benefits, for example to land, affordable financing, access

³⁵ EC Communication: “Empowering Local Authorities in partner countries, for enhanced governance and more effective development outcomes”, Brussels, 15.5.2013, COM(2013) 280 final

³⁶ EU Strategic Framework on Human Rights and Democracy
https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/131181.pdf

³⁷ Draft outcome document of the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), Quito, 20.10.2016, A/CONF.226/4
<https://habitat3.org/the-new-urban-agenda>, para 15.c

³⁸ UN-Habitat (2011). State of the World's Cities 2010/2011. Bridging The Urban Divide. London: Earthscan.

to safe water and adequate sanitation, and to clean energy for cooking and heating.. Many more men than women can claim the land they occupy. As women's rights are limited, so is their ability to use their land for economic or social gain (losing the many benefits of land, with repercussions on household spending, DRR and avoiding or reducing family violence).³⁹

f) Minorities and indigenous people

Minorities and indigenous people also face discrimination (e.g. exposed to harm when cities expand to engulf their ancestral lands, or in forced evictions). Most **Refugees, displaced, migrants and special needs groups** (e.g. persons with disabilities, older persons, youth and children, orphaned, affected by HIV) lack affordable and adequate housing and public services (water, sanitation), live in precarious conditions or slums, and have few economic opportunities and increased risks. The lack of secure tenure hampers their opportunities to overcome poverty and to thrive economically, and denies them the right to adequate housing.⁴⁰

i) Holistic, integrated approaches are best to overcome inequality

As the status of those left behind is systematically undermined in many ways, changing one aspect of the systems accomplishes little. Strong, fair and appropriate institutions (formal and customary) are needed to develop, implement and enforce policies. Strong coordination also is needed among organizations (e.g. land administration, land use, infrastructure investments). Gender responsive strategies must be included in all development by all actors (e.g. lending, legal assistance, access to the legal system, advocacy for sound policies and institutions). Communities, including traditionally disenfranchised groups, must have a role in decision-making, planning and governance (even from slums, displaced or homeless). They must be included in processes and institutions that address their rights (e.g. land tenure, housing, water and sanitation, disaster risk management). **Inclusive cities are needed**, ensuring access to primary health, decent and affordable housing, WASH and other services, education, social protection, right of assembly, security and economic rights, and resilient cities.

To enable these goals, the EU must be intentional. The EU must prioritise, invest, and provide incentives for **policy reform, participatory advocacy, accountability and capacity building**. Policy reform requires capacity building about rights and how to access them, and how to advocate effectively. Monitoring systems, institutional building and public accountability must be strengthened. Governments and public institutions need increased capacity and resources for improved management, governance, data and statistics, transparency, evidence-based decision-making and partnership collaboration. Local Authorities have capacity gaps for urban policy, planning, implementation, accountability, facilitating participation and ensuring funding.

³⁹ Shelter Report, Habitat for Humanity 2016, [Level the Field, Ending Gender inequality in Land Rights](#); see also UN-Habitat. (2007). Policy Makers Guide to Women's Land, Property and Housing Rights Across the World. Also check: <http://solidgroundcampaign.org/blog/its-time-recognize-rights-women-%E2%80%93-kibera-and-all-kenya>

⁴⁰ According to the Geneva Charter on Sustainable Housing

(6) Means of implementation: Financing and modalities

The EU must remain a global leader, keeping and meeting its ODA commitments, repeatedly endorsed by Councils. MS should provide timetables for the full implementation of their commitments. ODA should be strictly used for poverty eradication and Human Rights.

The EU can use ODA more strategically, to ensure, first, that critical long term investments are made for urban social issues, inequality and resilience. The Council Conclusions for the SDGs state explicitly that “the EU and its MS recognise the need in particular, to adequately mobilise the flow of ODA and other sources of **financing which go to cities** and other local and sub-national authorities...”. As described earlier (see 3(c)), the current EU funding for cities or slums is abysmally small. And yet urban growth is astoundingly rapid, especially in LDC and disproportionately affecting the poorest... Funding for affordable urban housing, improve land tenure security, DRR, access to basic services (water, sanitation and energy) and slum upgrading must be increased significantly.

A variety of sources of finance should be mobilised and scaled up to maximise impact. To realise the SDG housing target alone, an estimated \$929 billion is needed to improve the housing of people already living in inadequate housing in cities.⁴¹ The current available global resources are woefully insufficient. Combining multiple solutions (land, finance, and construction) with multiple partnerships (governments, private sector, civil society and donors) will close the affordable housing gap and enable funding for other critical priorities. Additional ODA should also focus on integrated approaches, at the nexus of environment, social and economic sectors, to help overcome silos, enable innovations, and address complex challenges of current global trends such as urbanisation, territorial links and inequality.

Modalities

The private sector (PS) must provide a much larger contribution to international and country development budgets, through fair and rightful taxation, CSR and charitable giving. CSO, Local Authorities (LA) and the diaspora have proven to be effective in mobilising private sector contributions and should be considered by the EU as partners to catalyse PS engagement. In all cases of EU partnering with the PS, the EU should ensure that the PS bears part of the risk, adds value, and that the final results enable inclusive and equal by low-income families, including vulnerable groups. **ODA should always prioritise strategically what is most needed in light of the SDG and other global commitments**, and to overcome inequality. The EU provides some support through blending, with a view to leveraging additional resources. Loans should not add undue burden, hurt the most vulnerable (e.g. resulting in cuts in services), or the environment. In addition, partnerships with CSO should be considered for value added in loans or blending, for example to increase support of micro-credit and social enterprises with a high return on investment potential. Domestic resource mobilisation will require institution building, capacity building, better data management, and strong oversight to increase transparency, decrease corruption, and diminish capital flight and tax evasion. Land registries must be well managed, as this is also a source for local taxation.

The EU adds value in a variety of countries, disadvantaged, MIC and emerging economies (for example promoting State responsibility, policy reform, accountability). All countries have a role to play (to further the impact on SDG, model good practices, and partner with other countries for mutual learning and impact). The EU should not limit its remit to categories of countries based on GDP criteria. Although the EU should rightly focus on Least Developed and Fragile Countries, still, engagement with and support of Middle Income Countries (MIC) is important and necessary, especially to ensure overcoming inequality, strong Disaster Risk Management, institution building, effective governance, accountability and advocacy. In each type of country, the EU should pay attention to differentiated actors, the role they can play and the impact they can reach, to partnerships, and to the wisest proportions of investment for each. The EU should prioritise funding and strong support through CSO and LA, especially in the MIC, with a focus enabling policy change and social accountability. This has already happened successfully, for example for broad regulatory system changes for land tenure and other social rights. These results

⁴¹ See the Housing Policy paper for Habitat 3 on page 4:

<https://www2.habitat3.org/bitcache/9b1d0fb05f402b3ddb4b2a2ce5975859cd3fe25?vid=587368&disposition=inline&op=view>

have sustainable repercussions, addressing inequality, and helping countries to make significant strides, to be able to wean from ODA. The EU should always have a well-planned transition phase, building up local resources and management capacity. For the strengthening of institutions, local procurement is paramount, benefiting from context-specific expertise and cost-effectiveness, and ensuring more local spread of knowledge.

All modalities (including direct or sector Budget Support, support or incentives for LA, the PS or trade, should be thoroughly monitored for PCD, development cooperation effectiveness principles, impact and sustainability. The country strategies must be up to date. EU Country priorities must be based more on evidence and on genuine, comprehensive, participatory processes. They must include the work on the Country Road Maps with broad CSO participation. Going forward, the priority areas in each country should always include important **cross-cutting areas** (e.g. governance, gender, and the relevant priority sectors to achieve inclusivity), and responses to major global changes (urbanisation especially), **in addition** to the 3 priority sectors of EU focus. This is critical to ensure that these cross-cutting and influential aspects receive the necessary investment and attention in all contexts. Although the EU-MS joint programming is positive, this should not impede or reduce the appropriate local ownership and for coordination with all the important local stakeholders (including parliaments, local authorities, academia and CSO). The EU and MS must also be very cautious to overcome donor orphans and donor darlings.

(7) Means of Implementation: Partnerships and Key Partners

a) Multi-stakeholder partnerships

“An important feature of the new Agenda is that all governments, developed and developing, will need to work with a wide range of stakeholders (including the private sector, civil society and research institutions) to improve the transparency and inclusivity of decision-making, planning, service delivery, and monitoring and to ensure synergy and complementarity”⁴² The success of global agreements and of the EU development policy will depend on collaboration by all stakeholders and on multi-stakeholder partnerships, because of the complex multiple dimensions of the challenges and trends, the need for integrated responses, and the need for the mobilisation of the resources and capacities of all actors. Partnerships can also increase support for capacity building and involvement in implementation, and improve coordination, thus raising effectiveness further. Multi-stakeholder participation in ongoing policy dialog and accountability processes is needed for healthy governance and policy coherence. The active involvement of a wide range of stakeholders in dialog, to monitor the implementation of commitments and the effective use of resources “demonstrates the transformational potential of an inclusive monitoring process on behaviour and levels of ambition”⁴³. People Public Private Partnerships should be considered as the most effective way to implement both Agenda 2010 and NUA. Participatory social audits and monitoring of services (often with strong CSO participation) have proven effective to ensure the best use of all resources and financing, track progress on commitments and find innovations and solutions. Multi-actor dialog is most effective if this participation is structured and regular.

Thus, the EU must continue and increase its focus on partnerships and scale up their role, with a wider and more innovative view of multi-sector partnerships. As emphasized Addis Agenda, the EU joint position for the SDG rightfully calls for going “beyond traditional channels of cooperation, ... to promote more effective and inclusive forms of multi-stakeholder partnerships, operating at all levels”⁴⁴ All stakeholders should have a place in the final decision-making of development cooperation’ commitments, targets, implementation coordination and monitoring systems, as for the Busan Partnership. All actors should be held accountable for the same principles of Development

⁴² EC introduction text for the Consultation for the revised European Consensus on Development (see EC text within the responses):

https://ec.europa.eu/europeaid/un-2030-agenda-sustainable-development-public-consultation-revising-european-consensus-development_en The SDGs and the NUA both focus on the role of partnerships and what each sector can bring to the table. *SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development*

⁴³ This has been exemplified by the global Busan Partnership for Effective Development Cooperation and the EU’s Structured Dialog and subsequent engagement with CSO and LA.

⁴⁴ “Council conclusions on a transformative post 2015 Agenda” and on “A New Global Partnership for Poverty Eradication and Sustainable Development after 2015” (for the SDGs and Agenda 2030), (p.15), Council of the European Union, Brussels 26 May 2015

Effectiveness, impact and sustainability.

There should be more openness to a variety of modalities, including those led by CSO and other development partners. The EU must broaden its understanding of PS actors, CSO/LA alliances, and CSO roles in public institution building. CSO can also leverage or acquire financing, including sizeable engagement by the private sector.

b) CSOs

CSOs fill many roles, reaching the most vulnerable and ensuring inclusion in the most difficult places. In complex and fragile contexts, CSO have taken on roles that States and LA were not able or willing to cover. They have helped to increase access and navigate public services. In addition, CSO have provided viable affordable alternatives to the public and PS (in micro-finance, the creation of micro-enterprises and income generation opportunities, and in solving housing, WASH, energy efficiency and land tenure needs).

CSO and Citizen engagement in governance, accountability and policy change is of utmost importance for sustainable impact. The participation and partnership of CSO is a key part of the development process, as emphasised in the HRBA. CSO should be included in decision making processes and have a formal part of the implementation (e.g. fair participatory housing and land tenure policies and systems, formal and customary, and disaster risk management). In planning, participatory processes increase ownership, inclusivity, voice and understanding of their needs and the willingness to commit their additional resources and energies. CSO are increasingly involved in promoting and ensuring good governance, accountability, policy reform and public institution reform. Ongoing dialog with a range of actors enhances coordination and improves policies and results. Accountability processes lead to reduced waste and loss, more appropriate use of resources and higher impact. In many countries corruption and discriminatory legal and regulatory systems hinder the proper management of public goods and the implementation of policy, laws and global agreements.

c) Citizens

Citizens must also be included in participatory processes, including the most vulnerable and marginalised themselves. Development can then benefit from local knowledge and solutions, and empower the disadvantaged to have a voice and be active citizens. Communities know their needs and should be able to define their future. The priorities of citizens and communities must be included, especially women, youth, the poor, and vulnerable, and the groups supporting them.

The role of CSO has been demonstrated and agreed by the EU Council Conclusions and through global agreements. The EU must now recognise this value added, and CSO must be prioritised in actions that demonstrate coherence with the level of the commitments on paper and the importance of roles that are played by CSO and LA. Therefore, firstly, the funding allocations for CSO must increase accordingly. Despite some welcomed increases in financing in recent years, the proportion of EU funding for these actors is minuscule in comparison to the entire EU budget. This gap overlaps the abysmally small allocations for urbanisation needs. This must change. The EU should dedicate a greater proportion of ODA to CSO directly or to partnerships led by CSO. Secondly, the EU should increase its collaboration with CSO, and promote partnerships catalysed by CSO (including CBOs, diaspora, foundations, the media, academia and faith-based organisations).

The EU has already committed to broadening its funding and partnership modalities, this must now be scaled up. One of the greatest added value of EU development cooperation, in comparison with other ODA donors, is the EU's recognition of the role of CSO and promotion of their inclusion and Enabling Environment. The EU has advanced in ensuring the participation of CSO and LA building on the Structured Dialog, developing the strong Communications and Council Conclusion, with capacity building for EU delegations, promoting the role of CSO and LA with partner governments, with CSO Road Maps, encouraging national structured dialogs and with the Policy Forum for Development. These steps are important and must continue and be further strengthened. However, the EU can and must do more.

d) Local authorities

Local Authorities (LA) play an important and legitimate role. They should look out for the wellbeing of their residents, ensure their protection and rights. They should facilitate multi-stakeholder coordination and dialog and the inclusion of CSO and especially the most vulnerable. In many countries, decentralisation steps have strengthened LA and municipal autonomy. But LA face several barriers. They often lack the legal, regulatory and procedural mandates and resources (with subsidiarity and decentralisation), to enable them to play their role. They also often lack the capacity or the will for development, or to facilitate dialog with local and international actors. They have large capacity gaps: human, institutional and technical capacity; abilities for cross-departmental coordination and stakeholder involvement, the abilities to unlock local financial resources, to ensure fair and legal domestic taxation, and to access and manage external financing. They must be given the mandate, policy framework and resources for their role. Their capacity must be built, and they must be held accountable for their role in development, and a transition must be facilitated before they can fully play their role effectively.

e) Private sector

The Private Sector (PS) can support development, create jobs, and invest in the communities. But their role must be carefully monitored and balanced. The PS must play a positive role to enhance economic opportunities for the poor, addressing transparency, labour conditions, health and safety at work, access to social protection, environment, efficiency and upholding the rule of law. Authorities must ensure fair resource generation and access to services that stimulate economic benefits for all.

Much larger PS' contributions to international and country development budgets is possible (including taxes, CSR and charitable giving). The EU should consider partnerships to catalyse this engagement. CSO, LA and the diaspora have proven to be very effective in mobilising private sector contributions, with concrete projects that are relevant to their sector or employees, and ways for them to engage directly (some companies send their employees as volunteers for a week for team building and direct contributions in house construction for the poor). For example, the various Habitat for Humanity network organisations worldwide have succeeded in mobilising a strong proportion of its annual budgets from the private sector, including from numerous businesses based in poor countries. The range of actors include cement, construction and construction material businesses, household appliances and furniture businesses, hotels, banks, property developers, tourist operators, insurance companies, and money transfer and investment companies, ranging from small and local to corporate, multi-national and Fortune 500. Their contributions have been in funding, loans (for micro-credit), collateral, gifts in kind to the NGOs, and to beneficiaries, and material and tools for construction, vocational training, construction material production, and social enterprises. In addition, many PS Foundations have become involved. Much more could be done if the EU forms partnerships with CSO to mobilise the private sector.

The PS can also be a development actor. A broader view of the definition of the PS is needed, beyond corporate or international and including also a range of entities or initiatives such as social enterprises, the informal sector, cooperatives, micro and small businesses. As one positive example, that should be encouraged, we support the strong link between housing, economic development and "social habitat production", and the contribution of the sector in stimulating productivity in other economic sectors. We recognise "that housing enhances capital formation, labour productivity, income, employment generation and savings, and can contribute to driving inclusive economic transformation at the national, sub-national and local levels".⁴⁵

When the PS is an partner in development (both local and international), especially if receiving EU incentives, caution should be taken, to ensure PCD, and the exclusive focus on poverty eradication, within the principles and definitions of the SDG and international rights and agreements, and "Do no Harm". Some PS actors have had detrimental effects. In other cases, the PS' actions are less effective or sustainable than could be achieved by other actors. Outcomes must also be ensured, as well as proper local roles and regulation to safeguard the common good (such as for example for security of tenure). The PS will have "to engage in responsible investment, sustainable trade, inclusive business models and other strategies as part of its core business to enhance economic opportunities for

⁴⁵ Draft outcome document of the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), Quito, 20.10.2016, A/CONF.226/4 <https://habitat3.org/the-new-urban-agenda>

the poor and thereby achieve development aims”.⁴⁶ It will require addressing issues of transparency, labour conditions, health and safety at work, access to social protection, environment, efficiency” and upholding the rule of law. Ensuring economic opportunity for all will again require the reinforcement of all Authorities, so that they can play a catalytic role and ensure the healthy balance between growth and inclusion and rights. A territorial approach can help for urban/rural links, for value chains and mutual market opportunities, if managed properly and within broader principles and Rights.

If there is to be any support or incentives from the EU to mobilise the PS, then it is critical that principles and commitments of **Effective Development Cooperation** apply to the PS to their full extend, including transparency, accountability, local ownership, and results-based programing or value for money (with external independent verification). The PS should only be engaged with the support of EU contributions (loans or subsidies) if they are demonstrably providing impact, where most needed, filling gaps, for example for inequality, and working in partnerships.

(8) Development Effectiveness, Accountability and Keeping track of progress

The EC introduction to the consultation on the New EU Consensus on Development must be recognised for its emphasis that “there is a need for a renewed emphasis on the quality of development cooperation, including existing commitments on aid and development effectiveness made in Paris, Accra and Busan* and through work with the Global Partnership for Effective Development Cooperation⁴⁷. This emphasis must be kept and mainstreamed in the new EU development framework. The EU should use a variety of instruments to incentivise change and Development Effectiveness, including soft diplomacy, diplomatic pressure, global or regional public review systems.

Transparency

Transparency and public reviews keep governing bodies accountable and reduce corruption, bribes and fees that further burden the poor. Participatory social auditing, budget monitoring, advocacy and other forms of citizen engagement have shown great success and require priority support. The EU must promote and strengthen these actions even more, proportional to their influence on impact.

Good governance

Good governance, participatory and inclusive planning and management is key, (including LA, CSO and citizens, even the most marginalized). People-centred, community based responses are best.

The EU must hold all of its partners to meet the Development Effectiveness commitments. Partner governments receiving Budget Support must demonstrate their monitoring and progress on the commitments, including creating an Enabling Environment for CSO, transparency, efforts to reduce corruption and enable accountability, as well as on their efforts for good governance. The Private Sector, LA, IO and other donor or emerging economy partners, benefiting from EU incentives or support (even if the support is to catalyse their contributions), should also have to demonstrate concretely the level of Development Cooperation Effectiveness, as well as impact and cost-efficiency.

⁴⁶ EC introduction text for the Consultation for the revised European Consensus on Development (see EC text within the responses):

https://ec.europa.eu/europeaid/un-2030-agenda-sustainable-development-public-consultation-revising-european-consensus-development_en

⁴⁷ See [Paris Declaration on Aid Effectiveness and the Accra Agenda for Action](#) and the [Busan Partnership for Effective Development Cooperation, EU Common Position for the Fourth High Level Forum on Aid Effectiveness \(Busan, 29 November – 1 December 2011\), Council conclusions: 3124th FOREIGN AFFAIRS Development Council meeting Brussels, 14 November 2011](#) http://ec.europa.eu/europeaid/policies/eu-approach-aid-effectiveness_en

Capacity building

Continuous capacity building about development effectiveness is necessary, among all the different EU actors, partner countries at all levels, and all other stakeholders. Peer exchange, learning and South/South partnerships will also be important, if they ensure development effectiveness, global commitments and PDC. The EU should promote, support, build capacity and fund data gathering, evaluation and monitoring mechanisms for all actors. The EU should strongly support all initiatives and programmes to increase CSO and citizen participation, their role in accountability and social auditing processes.

Follow up system and measuring implementation

The EU must contribute to the global follow-up and review process for the 2030 Agenda. Keeping track of progress in a systematic and transparent way is essential for delivering the SDG. The EU must contribute towards a Sustainable Development Goal monitoring system at global, regional and national level. As the systems are being formalised (in the development of the SDG monitoring system, as well as the system for the NUA and other recent global agreements), we must ensure the most ambitious and strategic monitoring tools. The EU should promote the most useful and meaningful targets, indicators and means of data collection, instead of the easiest. We must learn from past experiences. Data collection enabled the positive spur of the MDG. There were gaps in progress when important elements were not included in the definition of the indicators or measurement, or standards were too simple and attainable and left out vulnerable groups.

For Development Cooperation Effectiveness indicators, as well as for the monitoring and review mechanism for the latest agreements (Agenda 2030 especially, but also Paris, Sendai, the NUA, and Addis) the EU should agree to, promote, and implement meaningful, measurable, time-bound, action oriented result targets, indicators, methods of measurement and timelines for measurement and comparison. There must be global timetables, regular reports and reviews, which carry political weight and enable comparison, tracking and peer encouragement between countries and cities. Flexibility and voluntary commitments should not enable some countries to avoid measurement and accountability. The EU can show the example and use every possible means to incentivise the use of these ambitious targets, indicators and reporting. Systems must be well funded and supported by strong capacity building.

Once the system is agreed, the EU must use the system to its fullest extent. The EU must lead by example, adhering to the highest standards, monitoring comprehensively, being transparent, demonstrating results and sharing lessons learned. The EU must promote its use globally to ensure that the agenda 2030 and NUA stay on track, gaps are remedied rapidly, and all actors can be held accountable to their commitments. There must be a healthy transparent global governance and mechanisms, and inclusive, transparent national monitoring systems, with multi-stakeholder participation.

The EU should step up its use of evaluation findings for decision-making and reporting. There should be an aggregation and analysis of results of EU Development Cooperation, across countries, global regions, sectors, instruments and modalities, to compare the findings adequately, provide full transparency on the effect of various modalities, and to learn lessons about factors influencing or deterring impact. This analysis and reporting should include EDF support, funding for Technical Assistance, blending and loans, as well as Aid for Trade or support of the Private Sector. Evaluation findings should be transparent and used for future Country Strategies, and for the prioritisation of allocation to various modalities and sectors. Findings of the SDG results (of all stakeholders) must influence funding, strategies and decision-making, to ensure to address gaps and overcome inequality, and to consider incentives to catalyse successful change in difficult areas. The EU should also use the progress findings to feed into all of its interactions with partner governments, using all available instruments of encouragement and incentive to facilitate progress and address serious gaps or failures.

Analysis and reporting should disaggregate data, at minimum by gender, as non-negotiable, given the EU's various commitments to that effect over the past 10 years, and the EU's promotion of disaggregated data in international Forums. Ideally, it should also be disaggregated by age category, and major vulnerability factor (persons with disabilities, living in slums, refugees or displaced, etc.)

Data support, research, follow-up and review with disaggregated data are crucial and urgent. As previously

committed by the EU, there should be strong support and financing, for partner country data collection, statistics, analysis, reporting, evaluations, and review system' building and management. As the EU and UN Secretary General have recommended⁴⁸, without considerable strengthening of the data collection and analysis abilities world-wide, it will be difficult to track and effectively implement the SDG, and even more difficult to analyse innovations and complex solutions to strong trends or challenges. In addition, Global and regional data repositories should be further developed.

The follow-up systems must be inclusive, with ownership and participation of all actors (citizens, CSO, LA, parliaments, knowledge institutions and audit or oversight institutions, and donors and other IO), for learning, to increase political will, and to enable focus on the most needed actions and policies, and the best use of resources, ensuring more impact. Global governance mechanisms are needed (for all agreements), and must be operationalized with well-financed and well defined inclusive participatory accountability measures.

Accountability of all partners

All actors partnering with the EU must be accountable for the resources received (from EDF/Budget support, Private Sector and IO (for all modalities), with the same level of scrutiny, including for cost and development effectiveness, and impact, with results used for meta-analyses, comparisons and decision-making. Citizen, CSO and LA participation in participatory accountability is key for impact, efficiency, to decrease loss and corruption, for creative solutions, and is a useful part of the development process. The EU should provide incentives for this at the global, EU, national partner and local levels (by supporting the Enabling Environment, accountability capacity and processes, and by giving incentives to LA and governments to enable and use the results of accountability). To facilitate this, the EU will need to increase its support to all evidence gathering, evidence using, policy-making and accountability processes (including data management capacities and tools, efforts to include more stakeholders especially the most excluded and vulnerable beneficiaries, and to increase their capacity participatory accountability, social auditing, budget monitoring, monitoring global commitments and international review and reporting mechanisms).

⁴⁸UN, A road to dignity by 2030: Synthesis report of the Secretary General on the Post 2015 Agenda. December 4, 2014. <https://sustainabledevelopment.un.org/majorgroups/post2015/synthesisreport>

About Habitat for Humanity International

Driven by the vision that everyone deserves a decent place to live, Habitat for Humanity is an international NGO that helps individuals and families achieve the strength, stability and self-reliance through decent and affordable shelter. With a presence in nearly 70 countries, our work includes incremental housing support services; basic services such as water and sanitation, security of tenure, resilient and sustainable construction; inclusionary financing; community development; and advocacy. Habitat advocates changing laws, policies, systems and attitudes to eliminate barriers to housing in order to create a world where everyone has a safe, decent and affordable place to live. Worldwide since 1976, Habitat has helped more than 9.8 million people meet their affordable housing needs in Africa, Central and Eastern Europe, Middle East, Asia and Latin America. In Europe HFH has programs and offices in Bulgaria, Germany, Hungary, Ireland, The Netherlands, Poland, Portugal, Romania, United Kingdom, Slovakia and in FYR Macedonia. Habitat for Humanity is member of both CONCORD and VOICE.

Habitat for Humanity led a global expert working group (the Housing Policy Unit) on housing and represented civil society in the primary platform for stakeholder engagement – the General Assembly of Partners – for Habitat III and the New Urban Agenda. Habitat for Humanity directly engaged with UN decision-makers, including in the formal negotiations in New York City, driving media impressions and mobilising a global network to take action. Habitat for Humanity had also a leadership role in the World Urban Campaign, and the Global Land Tool Network (all referenced for their valuable contributions in the NUA, para 128.). Habitat for Humanity is also member of the Cities Alliance Habitat 3 Joint Work Program.

Habitat for Humanity launched a global campaign for access to land for shelter in 2016 called Solid Ground. The Solid Ground campaign focuses on 4 sub-themes: security of tenure; gender and property rights; slum-upgrading; disaster resilience. Check the Solid Ground dedicated website at: <http://solidgroundcampaign.org/>

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This Policy Discussion Brief was developed by **Caroline Kroeker-Falconi** for Habitat for Humanity International as a contribution to the response to the EC consultation on the Proposal for a New European Consensus for Development, and the subsequent dialog to reach a consensus.