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LATIN AMERICA AND THE CARIBBEAN REGIONAL PERSPECTIVES TOWARDS  
THE 13<sup>TH</sup>. SESSION OF THE UNITED NATIONS  
COMMISSION ON SUSTAINABLE DEVELOPMENT  
New York, Monday 11 April 2005

**POLICY RECOMMENDATIONS**

**Presented by Joseluis Samaniego**  
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**United Nations ECLAC**

His Excellency Ambassador John Ashe, Chair of the CSD 13, other members of the CSD 13 Bureau, member states of the CSD, representatives of other UN member countries, colleagues of the other regional commissions, representatives of other UN agencies and programs, representatives of major groups, ladies and gentlemen:

It is with great pleasure that I take this opportunity to address myself to the CSD in order to briefly present some ideas that we think should be considered in the decision making process of policies towards sustainable development in the issues of water, sanitation and human settlements.

These ideas are the outcome of two years of work since 2003, when the biannual cycle of the work of the Commission was established in order to analyze sustainable development issues with a review and a policy recommendation process. Many regional forums and meetings produced these outcomes which today we present and put under your consideration:

Regarding **water and sanitation** issues, currently in the region, only 50% of the population uses sewage facilities and 31% of the population has wastewater facilities in situ. Figures show that approximately 105 million people lack access to wastewater treatment. In 2001, only 13.7% of the region's wastewater received some form of treatment before being emptied into other bodies of water. The infrastructure investment required to overcome this deficit is estimated in US\$36 billion, representing 2% of the region's GDP according to Inter-American Development Bank (IDB) figures for 2002. However, these figures do not take into account the quality of services or the state of infrastructure maintenance.

Additionally, privatized water resources services are in crisis in the region as a result of poor regulation, unrealistic payment agreements, lack of provision for the poor, and poor control of price transfers. In addition, water allocation systems are rigid, thus blocking efficient reallocation of them.

We would recommend the following:

- **Implementing Integrated Water Resources Management (IWRM)** and efficiency plans, through **master plans** (not necessarily rigid, defined in terms of national economic, social and environmental objectives and requiring strong institutional set ups).
- **Managing competing uses** (which it is not easy): Competitions among existing and new uses must be solved through **water reallocation** (it could take place through market mechanisms, or in an administrative way. Markets are usually more efficient, but require careful regulation); competing uses need a substantive framework for **conflict solution**.

- **Enhancing Water Productivity:** stable and reliable system of water rights enhances productivity, creating trust to invest. Properly regulated water markets enhance productivity, facilitating efficient reallocation.
- **Meeting the financing challenge:** The ability to pay for services is contingent upon macroeconomic performance. The necessary condition to pay for services is good national economic performance. Without it, services are unaffordable, no matter what contracts and regulations say.
- **Enabling conditions that should be considered in order to improve water and sanitation services:**
  - To have efficient and very professional state water administration, organized at the national level, with regional delegations;
  - To have a stable system of water rights, protected under property provisions of the Constitution; which encourages investment in water related activities;
  - Water rates and purveyors revenues should not be tied to foreign currencies, preventing unsustainable processes;
  - To have a system of rate subsidies for the poor. If necessary cross subsidies must be used
  - Water policies should be coordinated and integrated with other sectoral and marketing policies in agriculture, mining, fisheries, etc.

Regarding **human settlements**, Latin America and the Caribbean (LAC) is the most urbanized region in the developing world, with an urbanization level rivaling that of many industrialized countries. The region's urbanization level rose from 71% in 1990 to 75% in 2000, at which time its urban population amounted to 380 million, as against 127 million rural inhabitants. Although urbanization processes slowed during the past decade, serious challenges continue to exist in the region's urban settlements:

- A scarcity of public services,
- Marked social inequalities in habitat conditions,
- Social and spatial segregation, inequity and poverty,
- Unemployment and increased economic vulnerability,
- Environmental degradation,
- Complexities at the governmental structures for the provision of urban environmental service,
- Pollution,
- Vulnerability to technological and natural disasters.

In two opportunities (2003 and 2004), in the frame of regional political Forums (MINURVI Forums), regional policy options and possible actions in the area of human settlements were debated and received political support.

The XII Meeting of Ministers of Housing and Urban Development of Latin America and the Caribbean (MINURVI) (La Paz, Bolivia, 5-7 November 2003), reaffirmed, in the framework of the commitments and goals agreed by the Heads of State of the Millennium Summit 2000, the commitment to prioritize poverty alleviation, expressed in different forms of social – spatial inequity, such as: segregation, differences in urban and rural quality of life, insecurity, vulnerability to disasters, access inequity and legal security of land ownership, housing and basic services.

The XIII Forum of Ministers of Housing and Urban Development of Latin America and the Caribbean (MINURVI), (San José, Costa Rica, 25 – 28 October, 2004), identified proposals for future actions and the guidelines for policies and programs based on the following strategies:

- a. Land production and improvement of access to land with emphasis on vulnerable populations.
- b. Provision of and access to basic services and infrastructure.
- c. Improvement of housing quality and building new housing.
- d. Improvement of public spaces and social infrastructure.
- e. Provision of spaces for the development of productive activities and generation of employment.

The following political recommendations that should be considered emerged from these meetings:

- **Improving the operation of land markets and allocating land for low-cost housing,** through the following instruments:
  - Creation of land reserves.
  - Use or re-use of vacant lots.
  - Reformulation of environmental/territorial parameters.
  - Increasing the transparency of the market.
  - Increased awareness among the population.
  
- **Housing the urban poor:** Trying to solve the problem through the market involves supply as well as demand problems.
  - As regards supply problems, the public sector's main role is to create an enabling institutional environment in order to avoid deregulated construction and ensure private-sector accountability.
  - On the demand side, Mortgage credit can help to solve the lack of effective demand due to the low-income levels of slum dwellers. The design of a subsidy policy becomes essential.
  
- **Upgrading urban slums.**
  - Includes a legal framework that permits intermediate tenure,
  - Expand tenure regularization programs to include privately owned land,
  - Include secure cadastres/property registries for both public and privately owned land;
  - Institute subsidies for registering deeds;
  - Increase oversight of tenure security processes so that they are not implemented in environmentally insecure or particularly high-risk areas
  
- **Scaling up microfinance schemes and promoting informal savings institutions to benefit a larger number of poor**
  - Fostering formal financial instruments and institutions appears to be a better option for Latin American countries, although there have been some successful experiences with the informal sector.

- **Integrating land-use planning, infrastructure development and transport planning,** through the following policies and instruments:
  - Enhancing the role of public spaces within land-use planning,
  - Integrating transport technology into an urban development model,
  - Making the city's main streets pedestrian-friendly.

The operating procedures for these policy options are:

- The use of high-capacity transport
  - The implementation of exclusive transport lanes.
- **Land-use planning and reducing vulnerability,** through:
    - Investment in prevention and mitigation of natural disasters;
    - Incorporation of urban vulnerability issues in land use planning instruments
    - Incorporation of participatory risk reduction planning and risk maps in regional (river basin) and national land use instruments, as well as risk reduction criteria in investment decision-making.