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Subject: HABITAT III: The European Union and its Member States' objectives and priorities for the 3rd UN Conference on Housing and Sustainable Urban Development

- Council conclusions (12 May 2016)

1. Delegations will find in the annex the Council conclusions on the European Union and its Member States' objectives and priorities for the 3rd UN Conference on Housing and Sustainable Urban Development, as adopted by the Council at its 3462nd meeting held on 12 May 2016.

Council conclusions**HABITAT III: The European Union and its Member States' objectives and priorities
for the 3rd UN Conference on Housing and Sustainable Urban Development**

1. These conclusions set out the key objectives and priorities of the European Union and its Member States for the 3rd UN Conference on Housing and Sustainable Urban Development (HABITAT III, 17 – 20 October, Quito), which will establish a global New Urban Agenda.

Guiding principles

2. Habitat III and the resulting New Urban Agenda should be one of the cornerstones in the implementation of the new multilateral frameworks agreed in 2015: the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, the Paris Agreement on Climate Change and the Sendai Framework for Disaster Risk Reduction. Sustainable urban development will play a key role in achieving the 2030 Agenda for Sustainable Development and Habitat III should give an important impetus especially to the Sustainable Development Goal (SDG) 11 calling for "cities and human settlements" to be "inclusive, safe, resilient and sustainable", but also to other relevant goals and targets across the 2030 Agenda.
3. The Habitat III Conference should aim at meeting the objectives defined in UN General Assembly Resolution A/RES/67/216, "to secure renewed political commitment for sustainable urban development [...] addressing poverty and identifying and addressing new and emerging challenges". The Outcome Document (the New Urban Agenda) should be "concise, focused, forward-looking and action-oriented" and should make concrete suggestions on how to address the challenges raised by urbanisation and urban demography and turn them into opportunities that will support sustainable development in its economic, social and environmental dimensions.

4. The New Urban Agenda should be universal and transformative as it should be fully aligned with the principles of the 2030 Agenda for Sustainable Development. It shall be the basis for a renewed global urban development framework. It should also be underpinned by a rights-based approach, encompassing all human rights. It is therefore important that this agenda is implemented in an integrated manner on a global, national, sub-national and local level by Member States, local authorities and stakeholders with the support of the UN system, including UN regional economic commissions and UN Habitat.
5. This New Agenda should capitalise on lessons learnt from previous Habitat conferences, but should also offer responses and solutions to developments and challenges since the Habitat II Conference: unprecedented rapid growth of urban areas, but also urban depopulation in other areas; economic concentration in urban areas; climate change impacts; increased stress on human health and natural resources and biodiversity; the lack of sustainable housing and buildings; geographical and social inequalities and patterns of exclusion; increased insecurity and violence; environmental degradation; the lack of food security; specific needs of displaced persons and migrants.
6. We note that other processes may feed into the EU and its Member States' objectives and priorities for Habitat III, in particular the upcoming Urban Agenda for the EU. We consider that the European Urban Agenda could become a key delivery instrument of the New Urban Agenda.

We welcome the European Commission's discussion paper on "Preparation of a common position of the EU and its Member States" as a working document reflecting the objectives of the EU and its Member States for the New Urban Agenda, based on the shared commitment to reaching the overarching goal of sustainable urban development while taking into account the principles of subsidiarity.

Objectives: Four strings of action for the New Urban Agenda

7. The EU and its Member States consider that a holistic, integrated and place-based approach to urban development, together with a long term vision, is necessary in order to promote well-managed, liveable, socially inclusive and safe, resilient, resource-efficient and environmentally sustainable as well as economically prosperous cities of all sizes, as well as developing the capability to achieve them. The EU and its Member States recall the need for this approach to take into account the diversity of cities and their wider territorial context and to promote urban-rural linkages in partnership with rural development and agricultural policy in view of strengthening territorial cohesion. Thereby, sustainable urban development also provides a paramount contribution to poverty eradication worldwide. Furthermore, the recognition of the central role of culture, the preservation and promotion of cultural and natural heritage¹, alongside the availability of public space which is a fundamental condition for participation and ownership of all for the achievement of these objectives, are part of this approach.

In this respect, the following should be key building blocks of the New Urban Agenda:

- i) **Promoting inclusive and safe cities:** We encourage addressing urban poverty and exclusion, taking to account its spatial dimension, by identifying, tackling and preventing the root causes and effects of inequalities, urban poverty and conflicts through regulation of labour markets, access to employment, education and skills, inclusive and participatory decision-making and planning, equal access to affordable and adequate housing, safeguarding and promoting tenure security as well as ensuring protection against forced evictions, personal welfare and fostering civic engagement, food security, transparent and efficient delivery of basic services including water, sanitation and energy, sustainable mobility and public and green spaces. The New Urban Agenda should address the specific needs of persons and groups in a marginalised and vulnerable situation, including persons with disabilities, displaced persons and migrants. It should also aim at tackling all forms of discrimination against women, and give specific attention to gender equality and women's empowerment, including in the planning and development of the city, in order to harness the potential of women as actors of change.

¹ Considering in particular Council Resolution No. 2001/C 73/04 on architectural quality in urban and rural environments (OJ C 73/6, 12.2.2001).

ii) Promoting green and resilient cities: We encourage recognising that environmental sustainability is fundamental to ensuring the prosperity and well-being of all people within planetary boundaries by sustainably using natural resources including arable soil and by fostering the systemic transition towards a carbon and resource neutral society. To this end, cities should focus on resource-efficiency, inter alia, through effective land management, integrated spatial planning, the prioritisation of urban renewal, low carbon design and steering tools in order to reduce urban sprawl and strengthen the “multiple use of space” principle, while enhancing and developing professional design capabilities. We also highlight the importance of sustainable production and consumption patterns, the need to improve air quality, promote affordable, sustainable, accessible low carbon transport and mobility including through smart and public transport, as well as green private sector development and sustainable entrepreneurship at all levels, ensuring sound management of wastes, minimise hazardous chemicals, as well as to promote local renewable energy solutions and a circular economy. We prioritise climate change adaptation and mitigation in support of cities' resilience to floods, heat waves, water scarcity, droughts and natural hazards. We encourage the use of green and blue infrastructures as nature-based solutions, in addition to preventive infrastructure and integrated territorial and spatial planning in order to generate ecosystem services that improve human health and benefit biodiversity, as well as prevent climate change related disasters and reduce energy use. Urbanising coasts and deltas in this respect are facing extreme and specific tensions because of the combination of socio-economic and environmental dynamics.

- iii) Promoting prosperous and innovative cities: We encourage strengthening the endogenous potential of cities for providing a good quality living environment for all, including for young populations, by supporting local economic development, promoting innovation, including social innovation, inclusive economic growth and decent work for all, while respecting the environment and strengthening equality and social integration. This requires a responsible business environment conducive to attracting investment, access to smart multiple ICT solutions and clean technology, in line with the smart city concept, transparent and predictable policies and regulations. This also necessitates access to infrastructure facilities, in particular business centres, educational and research facilities and markets. We encourage the formalisation of the informal economy. Enhancing growth across socio-economic sectors should go hand in hand with measures to improve urban resilience, the transition towards the circular and green economy, reduce food loss, and promote a sustainable urban metabolism aiming to reduce urban inequalities and develop rural-urban partnerships.
- iv) Promoting good urban governance: We encourage developing and strengthening legitimate, effective, responsive, accountable and transparent local and national governments that follow inclusive, evidence-based and participatory decision-making processes promoting multi-actor approaches. This requires rights-based legal and decentralisation policy frameworks at national level, in accordance with the principle of subsidiarity. Such policy frameworks should ensure a clear division of powers and competences and both enable local authorities to effectively implement national policies and involve them as policy makers in their own right, so that they can assume their role as key actors in sustainable urban development. To this end, local authorities, particularly through their representative local government associations, and citizens must be involved and consulted at all stages of the policy cycle, from planning to implementation, in a well-designed system of multi-level governance, thereby contributing to deepening democracy. We also encourage that cities are planned and managed beyond administrative boundaries taking into account the functional urban area and building on urban-rural linkages.

Local authorities, in cooperation with civil society organisations, are better placed to manage the vulnerability to a range of natural and man-made risks and shocks and the transition towards sustainable cities.

Good urban governance requires sound municipal finances. This may include financial decentralisation, where appropriate, for the sub-national level facilitating local authorities' access to financial resources, including strengthening own source revenues. Effective and transparent budget management and procurement have to be strengthened, as well as local authorities' capacities to mobilise more efficiently the various sources of financing.

We encourage fostering capacity building, including through the creation, stock-taking, dissemination and exchange of knowledge. To this end, peer-to-peer, in particular city to city cooperation contributes to beneficial long term partnerships that can facilitate a shared engagement. In this regard, we support the development and use of simple benchmarking and monitoring tools to help local decision-makers to identify cost-effective solutions.

Implementation for the New Urban Agenda

8. The New Urban Agenda will need to include a coherent, efficient and inclusive follow up and review mechanism, contributing to the follow up and review system to be agreed for the 2030 Agenda for Sustainable Development. The implementation of the New Urban Agenda will be measured, monitored and reviewed based on the relevant set of indicators to measure SDG implementation. We acknowledge that this framework should be flexible and open to changes and modifications based on methodological improvements and data availability.

The follow up and review process of the New Urban Agenda should build on existing platforms and processes where these exist and avoid duplication. Consistent with the principles established in the 2030 Agenda, all relevant stakeholders, in particular local authorities, will need to be closely associated and involved, in line with the principles of subsidiarity, proportionality and multilevel governance. The process will contribute to the 2030 Agenda for Sustainable Development, by supporting the thematic reviews of progress on the Sustainable Development Goals in the High-Level Political Forum, and to the implementation of the Sendai Framework and the pledged Intended Nationally Determined Contributions.

The EU and its Member States consider that data collection and indicators are both essential at national and local level to monitor progress achieved and decide on adjustments of implementation. The generated data should be transparent, openly accessible and disaggregated as appropriate to capture existing inequalities and efforts to promote inclusive development. Moreover, to support good urban governance, we encourage the localisation of these indicators.

9. The EU and its Member States acknowledge that implementing a comprehensive New Urban Agenda requires support of all means of implementation, at all levels.

Indeed, equivalent to the implementation of the 2030 Agenda, Habitat III will need to be implemented through a mix of interventions: enabling and conducive policy environment; developing capacity to deliver; mobilising and making effective use of domestic and international public finance; mobilising the domestic and international private sector; stimulating trade and investments; fostering science, technology and innovation and vocational education.

The EU and its Member States support the effective engagement of local authorities in the implementation of the New Urban Agenda, of related Sustainable Development Goals and of the 2030 Agenda, including through their access to all public and private sources of financing as set out in the Addis Ababa Action Agenda, including to adequate flows of Official Development Assistance (ODA) and frameworks that facilitate blending ODA with loans.

10. We engage to prepare and implement the New Urban Agenda with the active involvement of local authorities and their associations, and civil society, including multi-actor institutional arrangements and partnerships, non-governmental organisations, private sector representatives, and other stakeholders.

Next steps

11. The EU and its Member States reiterate their commitment to a successful outcome of Habitat III Conference that will lead to the formulation of a global New Urban Agenda effectively responding to the challenges and opportunities offered by the cities of the 21st century. For this purpose, the EU and its Member States will continue to develop and update common positions and engage in an effective and unified manner in the ongoing international negotiations.
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