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THE CITIES WE NEED IN LAC COUNTRIES

Latin America and the Caribbean (LAC) is one of the most urbanised regions of the world, with 80% of the population living in cities and recent estimates forecasting an additional 13 million people emigrating to cities by 2030. This trend will aggravate the current deficit in infrastructure and services and will add to poverty levels in the growing slums of major cities. The uncontrolled growth of cities also puts more pressure on the environment, aggravating climate change threats and impacts.

The 2030 Agenda for Sustainable Development is intended to address the challenges brought about by urbanisation and to make cities inclusive, green, safe, and sustainably managed (SDG 11). These goals are to be achieved by, in particular: ensuring access for all to adequate, safe, sustainable, and affordable housing, transport and basic services; improving cities' waste management, air quality, urban planning and infrastructure to reduce their adverse environmental impact and improve their resilience to disasters; and providing universal access to safe, inclusive, accessible, and green public spaces, especially for the most vulnerable groups.

As part of its commitment to achieving **SDG 11**, the EU is supporting the sustainable urbanisation of urban and peri-urban areas in partner countries through a holistic development model, working across sectors (political, social, economic, energy, environmental and cultural) to address the challenges in an integrated fashion and improve the quality of life in cities. This integrated approach allows problems to be analysed, solutions to be identified and projects to be designed and implemented, considering the linkages that exist between different intervention areas.

In 2016 the UN adopted the **New Urban Agenda**, which sets global standards for sustainable urban development within the framework of Cities 2030. The agenda provides a clear road map for public and private decision makers to tailor programmes according to the SDGs. Its adoption

will require new urban rules and regulations, improved urban planning and design, and municipal finance, among others. The agenda ensures coherence and an integrated approach to policy making and reinforces participation and partnership platforms. Twelve partnerships have been defined so far in the fields of air quality, energy, climate change, the circular economy, digital, mobility, jobs and skills, housing, and poverty.

Through the Latin America and Caribbean Investment Facilities (LAIF and CIF), the EU is leveraging investments to support sustainable urban development. By combining EU grants with loans as part of a sustainable and integrated approach, LAIF and CIF are supporting urban mobility, water, sanitation and waste management improvements and affordable social housing, among others, in LAC cities. Moreover, given the vulnerability of cities to climate change and disasters, LAIF and CIF are helping build their resilience to minimise potential loss of life and livelihoods from future shocks.

The EU has also funded two main programmes to promote urban cooperation between European and LAC cities: the Urban European and LAC cities network (URBELAC), which has been running since 2011; and the International Urban Cooperation Programme (IUC), which began in 2016. Both projects promote partnerships between EU and LAC cities facing sustainable development challenges.

As a response to the issue of climate change in cities, the EU-funded EUROCLIMA+ is helping LAC better coordinate local and national actors through climate governance initiatives arising from national dialogues and is supporting projects that focus on sustainable and electric mobility, urban water, and energy. In addition, cities are encouraged to join the regional Global Covenant of Mayors, a component of the IUC programme, which facilitates alliances for urban climate projects in LAC.



Main challenges and way forward



The uncontrolled growth of cities in LAC is putting pressure on the environment. Improving investment projects through studies, financing and political support is a priority. Also, the requirement for sovereign guarantees by development banks should be diminished to work at subnational level.

The institutional weakness of local governments: there is a need to enhance local governments' management, staffing, self-sufficiency and coordination with regional and national authorities and access to finance so that they can improve their implementation of projects.

The need to innovate in the development of new sectors, such as health and digital services (particularly in the wake of the pandemic crisis), together with new financing instruments and vehicles. This will allow banks and the private sector to increase the financing required to build the cities we need.



Indicators



Number of projects:
19



Total number of beneficiaries:
6,999,731



Greenhouse gas emissions reduction:
20,350 CO₂ kt equivalent/year



Number of jobs created or supported:
49,120



Number of cities benefited in LAC:
40



Energy efficient homes:
61,000

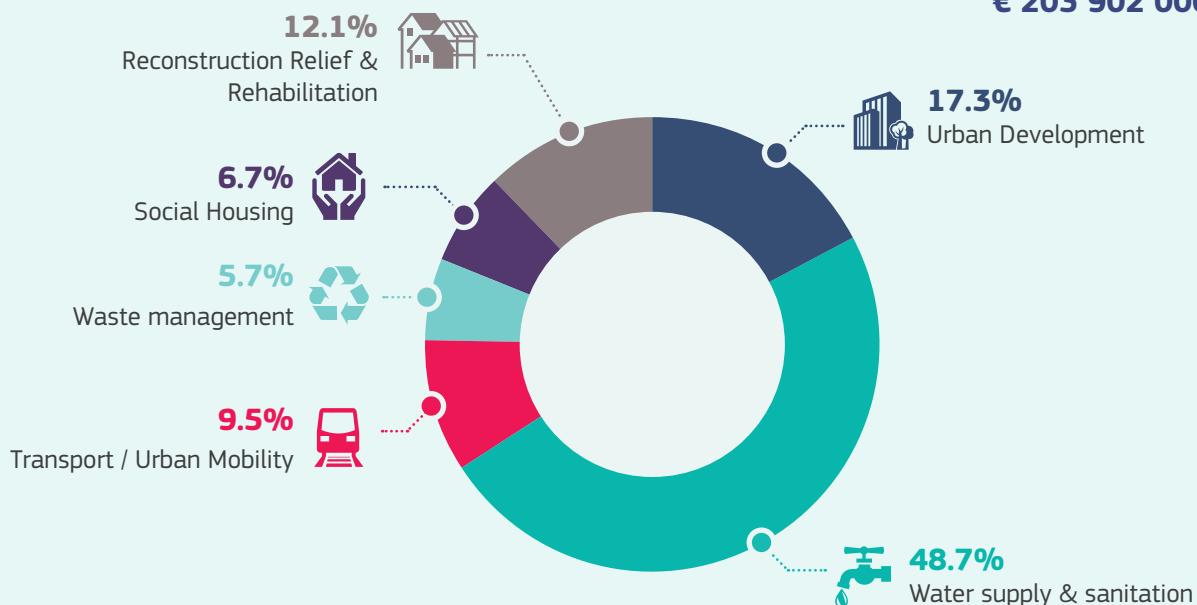


Users benefited from sustainable urban transport:
13,625,000



LAIF and CIF contribution per sector

Total contribution from LAIF & CIF:
€ 203 902 000



Bilateral and multi-country projects

<https://www.eulaif.eu/en/projects>

<https://www.eu-cif.eu/en/projects>

This fiche was prepared with the most recent information and data available from the banks under their contractual responsibility fully to inform LAIF promptly about the developments in the projects.