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Briefing note  
**Alliance for Adequate Housing  
and Habitat in Paraguay**



Habitat for Humanity Paraguay (HFH-Py) in alliance with UnTECHO Paraguay, Faculty of Architecture, Design and Art of the National University of Asuncion, through the Research, Development and Innovation Center (CIDI), and Fabrica Social prepared this briefing note.

The purpose of the document was to synthesize the background and suggested recommendations from civil society related to the right to housing and adequate habitat to collaborate with the examination of the Paraguayan State during the Thirty-eighth Session of the Universal Periodic Review. This alliance seeks that everyone has the right to adequate housing and habitat, including access to basic services and other needs of the Paraguayan families. This publication summarizes the suggested recommendations. To access the full document, please visit [www.habitat.org.py/paraguay-epu](http://www.habitat.org.py/paraguay-epu)

If you have questions about the briefing note, please contact Mary Lechenuk, Executive Director of Habitat for Humanity Paraguay, [mlisnichuk@habitat.org.py](mailto:mlisnichuk@habitat.org.py)

## What is the Thirty-Eighth Session of the Universal Periodic Review?

The Universal Periodic Review (UPR) is a special procedure that involves a periodic examination of the human rights record of all 193 United Nations Member States.

The UPR is a major innovation of the Human Rights Council, and is based on equal treatment for all countries. It offers an opportunity for all States to declare what measures they have adopted to improve the human rights situation in their countries and overcome difficulties in the enjoyment of human rights.

The UPR also includes the ability to share best human rights practices from around the globe. Currently, there is no other similar mechanism.

## Suggested recommendations:

- Establish mechanisms that operationalize the Law for the Promotion of Housing and Urban Development and relate it with Paraguay's economic reactivation taking into consideration the new context of the COVID-19 pandemic.
- Promote the implementation of the National Housing and Habitat Policy and the reactivation of the National Housing and Habitat Committee.
- Promote coordinated and systematic strategies between the public and private sector to offer affordable financing to lower and middle income families.
- Provide resources to implement the Housing Guarantee Fund for families considered high risk by financial institutions.
- Adopt and strengthen policies regarding the integral improvement of human settlements that ensure land tenure processes, access to adequate public services, ensuring the participation of beneficiaries in the different stages considering their needs, capacities and their community organization.
- Prevent forced eviction through urban planning, strengthening existing programs within the Human Rights framework.

## Find out more:

During the second review by the UPR Working Group on April 12, 2016, 5 States recommended that Paraguay should put in place some type of mechanism that allows indigenous communities to protect and claim their rights, thus ending discrimination against these communities. No recommendation was made regarding access to affordable housing, the need to implement a housing policy at the national level, or the right to the city and a healthy environment as basic conditions for the development of Paraguayan society.

## Reactivation of the National Housing and Habitat Committee and implementation of the National Housing and Habitat Policy

In October 2016, Paraguay adopted at the UN Habitat III global summit the commitment to implement a national housing policy. Under this obligation, Decree No. 6043<sup>1</sup> was enacted establishing the National Housing and Habitat Committee (hereinafter NHHC). The NHHC is conformed by 67 public and private institutions<sup>2</sup>, and its objective is to serve as an auditor of the national policy related to housing and habitat.

In July 2018, it was issued the National Housing and Habitat Policy (hereinafter NHHP)<sup>3</sup>, its implementation is headed by the Ministry of Urbanism, Housing and Habitat (hereinafter MUHH). This policy contains the basic framework to formulate and implement plans, programs and institutional projects related to:

- Improving the quality of life
- Right to adequate housing<sup>4</sup> and a healthy environment<sup>5</sup>

The NHHP is supported by the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, Paraguay's National Constitution and is transversally oriented to contribute to the fulfillment of the Sustainable Development Goals (hereinafter SDG), the New Urban Agenda and Paraguay's National Development Plan 2030. This was a milestone in the fulfillment of the commitments assumed at the international level by the country in the context of the right to housing and habitat.

For the first time, a participatory policy was produced, including almost all sectors of Paraguayan society, articulated and legally recognized through the NHHC,

highlighting the main challenges and problems of housing and habitat in the country, and outlining strategies to face these obstacles with a view to reaching the SDG targets.

Unfortunately, the NHHP is not being executed in a consistent and articulated manner by the MUHH. There are activities effectively implemented that tangentially align with the NHHP, such as the publication by the Technical Planning Secretariat of a guide for the development of urban and territorial planning<sup>6</sup>, or the advancement of a draft law on land-use planning<sup>7</sup>. These actions are in some way aligned with the objectives of the NHHP, but there is no systemic and articulated implementation of the policy.

On the other hand, the NHHC has the institutional mandate to work in alliance with the MUHH in the process of implementing the NHHP<sup>8</sup>. However, the last meeting of the NHHC was held in March 2018<sup>9</sup>, which shows the lack of coordination and follow-up by the Committee to the NHHP implementation process. This has caused various civil society organizations to react by requesting the MUHH to reactivate the NHHC and implement the NHHP without achieving any success.

## Financing and affordable housing in Paraguay - Law for the Promotion of Housing and Urban Development

In July 2016, the Law for the Promotion of Housing and Urban Development was enacted<sup>10</sup>. With the following objectives: (i) Foster access to decent housing through a financing system aimed at middle-income families; and (ii) Promote housing as a determining structuring of urban development, with loans under preferential conditions for endeavors' (iii) and establish the referential framework for the formalization of the rental market.

In February 2020, Decree No. 3317 was approved regulating the Law for the Promotion of Housing and Urban Development and appoints an Advisory Commission of the National Housing System, made up of public and private institutions, as well as civil society organizations that will work together with the NHHC, however to this date this Commission has not been activated.

The objective of the Law, with regards to affordable housing, is not being effectively executed, due to two factors. First, the scarce availability of public financing through the National General Budget, and second, the meager coordination of these public policies led by the MUHH in its articulation with the main regulatory entities and actors of the financial system, such as the Central Bank of Paraguay (hereinafter CBP), the National Institute of Cooperativism, the Financial Development Agency, the National Development Bank, and the Private Financial Institutions. In this regard, the low articulation







and synergy have resulted in a gap to incorporate the financial sector into the affordable housing market and thus respond with financial products aimed at middle and low-income families. This inclusive approach to housing markets requires an analysis of the economic characterization of the population in line with the country's housing policies. According to statistical data, 38.1% of the economically active population has medium and low monthly income (approximately between USD 212 and USD 804). Whether they come from the dependent, independent, or micro-entrepreneurs workforce this requires an inclusive financial ecosystem in line with the public housing policies of the country.

There is an absence of established guidelines for the implementation of the Law, focused on the development of affordable housing to assist this segment of the population. According to Decree No. 3317, the loans will be available through a series of administrative resolutions published by the MUHH<sup>11</sup>. However, the existing demand does not meet the minimum requirements demanded by financial institutions. The financial policies and regulations and the resolutions of the MUHH conflict with the standards set by the CBP, which is the main governance body of financial institutions. This coordination is essential to transform citizens into viable credit subjects who are productive and economically active, but who do not earn enough or do not meet the stability guarantees required in mortgage loans.

In relation to the Housing Guarantee Fund that would benefit medium and low-income families with affordable financing, it is in force within the Ñapu'ã Paraguay Economic Recovery Plan<sup>12</sup>. However, it requires available resources for funding by the Paraguayan State. The objective is for it to act as an incentive to assist these segments, reducing the qualitative and quantitative housing deficit and reactivating the economy. Without it, it is very difficult for institutions to grant loans to this group. The articulation of the public and private sectors is necessary so that this fund has resources, allowing the fulfillment of the human right to adequate housing and habitat, and promoting economic reactivation throughout the construction value chain.





## Right to housing in settlements

According to data from the General Directorate of Statistics, Surveys and Censuses, by the year 2025 64.4% of the Paraguayan population will be concentrated in urban areas<sup>13</sup>. Most of the population is concentrated in Asunción and its metropolitan area, which has very high percentages of urban inequity. According to the results of the investigation, Survey of Precarious Settlements by TECHO Paraguay<sup>14</sup>, only in the cities that make up Asunción's metropolitan area there are 405 settlements, where more than 38,000 families live. Additionally, it is estimated that 20% of the population of Asunción lives in settlements located at the riverbanks of the Paraguay River<sup>15</sup>. These informal settlements are the largest in the country and the most complex from an urban, environmental and social perspective. These places are characterized by not having formal possession of property titles; they have precarious or partial access to basic services (water, sanitation, electricity, among others)<sup>16</sup>. Currently, living in an informal settlement is the extreme manifestation of inequality, where you cannot enjoy the prosperous city that promised development.

Planning and land-use regulation take a leading role to face the phenomenon of settlements. Land occupations, for the most part, are due to economic factors, which show the lack of public policies regarding housing and fair access to land. As of today, there are regulations related to the regularization of settlements in municipalities<sup>17</sup>, but this is not a priority. Therefore, many families choose to live in vacant or unused land, generating these informal settlements.

Additionally, with the arrival of COVID-19, we must ensure that all people can have a suitable place to live since housing has become the first line of defense against the virus<sup>18</sup>. At the national level, Law 6.524/2020 prohibited evictions until June 2020, but this measure has not been renewed. During this period, there has been documentation of evictions perpetrated by the Municipality of Asunción<sup>19</sup> and the Paraguayan State<sup>6</sup>.

There is a need for collaboration between the government, academia, and civil society organizations, using a comprehensive and evidence-based approach to support these communities, with alternative housing avoiding overcrowding and promoting access to water and sanitation, aiming to improve the quality of life of these persons living in vulnerable conditions.

<sup>1</sup> National Decree 6043. Available at (in Spanish): [https://www.presidencia.gov.py/archivos/documentos/DECERTO6043\\_4pag99r8.pdf](https://www.presidencia.gov.py/archivos/documentos/DECERTO6043_4pag99r8.pdf)

<sup>2</sup> National Housing and Habitat Committee. Available at (in Spanish): <https://www.muvh.gov.py/comitenacionaldelhabitat/>

<sup>3</sup> National Housing and Habitat Policy. Available at (in Spanish): <https://www.muvh.gov.py/sitio/wp-content/uploads/2018/07/PNVH-Digital.pdf>

<sup>4</sup> Right established in art. 100 of the National Constitution (1992). Available at (in Spanish): [https://www.oas.org/juridico/spanish/par\\_res3.htm](https://www.oas.org/juridico/spanish/par_res3.htm)

<sup>5</sup> Right established in art. 7 of the National Constitution (1992). Available at (in Spanish): [https://www.oas.org/juridico/spanish/par\\_res3.htm](https://www.oas.org/juridico/spanish/par_res3.htm)

<sup>6</sup> Presentation of Guides for Urban and Territorial Planning for Municipalities. Technical Planning Secretariat (10 July 2018). Available at (in Spanish) <https://www.stp.gov.py/v1/presentaron-guia-de-planes-de-ordenamiento-urbano-y-territorial-para-municipios/>

<sup>7</sup> Move forward with the study of a Land-use planning Legislation. Honorable Chamber of Senators (13 December 2019)

<sup>8</sup> Paraguay's National Report, UN Habitat (2016). Available at (in Spanish): [http://www.muvh.gov.py/comitenacionaldelhabitat/?post\\_type=archivoscnh](http://www.muvh.gov.py/comitenacionaldelhabitat/?post_type=archivoscnh)

<sup>9</sup> Paraguay's National Habitat and Housing Plan (in Spanish) <http://www.stp.gov.py/v1/wp-content/uploads/2019/02/Vol-6-PLANHAVI.pdf>

<sup>10</sup> Eight Session 15-03-2018 [https://www.muvh.gov.py/comitenacionaldelhabitat/?post\\_type=archivoscnh](https://www.muvh.gov.py/comitenacionaldelhabitat/?post_type=archivoscnh)

<sup>11</sup> Ley No. 5638

<sup>12</sup> Art. 6. Decree No. 3317 (10 February 2020)

<sup>13</sup> Economic Recovery Plan. National Economic Team

<sup>14</sup> Paraguay's National Report, UN Habitat (2016). Available at (in Spanish): <http://habitat3.org/wp-content/uploads/National-Report-LAC-Paraguay-Spanish.pdf>

<sup>15</sup> Study about precarious settlements. TECHO Paraguay (2015). Available at (in Spanish): <https://www.mapadeasentamientos.org.py/>

<sup>16</sup> Enfoque Territorial, 2016

<sup>17</sup> Paraguay's National Report, UN Habitat (2016). Available at (in Spanish): <http://habitat3.org/wp-content/uploads/National-Report-LAC-Paraguay-Spanish.pdf>

<sup>18</sup> Resolution 2289. Whereby it approves the settlement regularization program by Municipalities (Former Tekoha Program) <https://www.muvh.gov.py/marcolegal/resoluciones/resolucion2289%20regularizacion.pdf>

<sup>19</sup> Housing, the front line defence against the COVID-19 outbreak Available at: <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25727>.

<sup>20</sup> Evictions by the riverbanks of the Paraguay River. ABC Color (2020) <https://www.abc.com.py/este/2020/08/11/ejecutan-desalojo-en-la-zona-de-la-futura-costanera/>

<sup>21</sup> Liberate strip of minga guazu ABC Color (2020) <https://www.abc.com.py/este/2020/09/10/mopc-libera-franja-de-dominio-en-minga-guazu/Para acceder al documento completo, consulte en www.habitat.org.py/paraguay-epu>

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## Housing boosts five Sustainable Development Goals



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