The major outcome of the conference was the Bellagio Declaration – a statement of principles and call to action signed by all of the participants.

We, the participants in the Bellagio Housing Conference, having come from five countries — Kenya, Mexico, South Africa, Thailand and the USA—together affirm that sound, sanitary and affordable housing for all is central to the wellbeing of nations. Housing is indeed more than shelter: it is a powerful engine that creates opportunity and economic growth.

We affirm the following principles:

- **Housing as a sustained national priority:** Housing is a long term process that requires a stable policy framework and demands national priority attention.

- **Housing as an engine of social and economic development:** Housing brings significant benefits in terms of employment creation, domestic capital mobilization and social well-being in the face of the major challenges posed by population growth and urbanization.

- **Housing as an element of wealth:** Equity in housing is a basic source of personal and family wealth and can reduce asset poverty. Owning a home is a powerful incentive to save, work harder and commit to strengthening the community.

- **Housing as connected markets:** Well functioning primary and secondary housing markets should provide diverse housing opportunities and secure tenure forms for all. Reducing the gap between low income affordability and the cost of housing requires access to financial instruments that make demand effective. It also requires efforts on the supply-side to reduce the cost of land, basic infrastructure and housing construction.

- **Housing and government:** Government must play an active and appropriate role in enabling, regulating, facilitating and supporting healthy housing markets and housing finance systems. Enforceable property rights and the rule of law are prerequisites for well-functioning markets.

- **Housing and partnerships:** Strengthened and new partnerships between government, private sector and civil society are necessary to address housing challenges. Key ingredients of successful partnerships are role clarity, establishment of standards, sharing of risk and careful attention to appropriate governance.

Implementing these principles requires:

- **Setting goals and measuring success:** Goals provide focus for partnership efforts and allow the measurement of success. Other than the number of homes built or home loans made, success should also be measured in terms of increased private participation in financing housing and strengthened communities.

- **Risk sharing to expand the frontiers of housing finance:** Broadening finance to the low income and informal markets requires that all parties involved—the borrower, originator, financier and, where necessary, government—bear appropriate risk.

- **Appropriate funding and delivery systems and instruments:** Broadening finance to these markets also requires appropriate delivery systems and approaches. Microfinance is one such approach; it can be an end in itself to help low income people improve their housing situation, and it can also be a step towards accessing larger, longer term credit at lower cost.

**Upgrading informal settlements and slums:** The magnitude of slum formation in cities in the developing world warrants upgrading efforts through public-private partnership to foster security of tenure, affordable housing and basic services.

**Following from and as a result of the conference, we recommend:**

- At the global level: (a) establishing an ongoing forum for exchange of knowledge on access to housing and housing finance; (b) forming a global housing network to support pilot schemes, innovations, peer exchanges and standards in housing financial systems; (c) involving foundations and other international investors in discussions on housing with multilateral institutions.

- At a country level: (a) developing a common vision around housing and establishing forums of diverse public, private and civil society sector participants; (b) creating local capacity for knowledge leadership and research; (c) pursuing memoranda of understanding as appropriate; (d) self assessing progress by each country to organize housing efforts around the Bellagio Principles and implementing measures.

- Deepening the application of the Principles agreed upon here within our countries.

- Broadening the process initiated here as a pilot of four countries to include additional countries which subscribe to these Bellagio Principles.
• Dedicating further attention to and following up on the innovative products and risk sharing innovations discussed at Bellagio.

• Refining and further considering the partnership model and principles developed.

• Assessing our progress in two years, and again sharing updates and case studies of innovation in each of our countries.

We are grateful to the Rockefeller Foundation for conceiving and convening this event and to the Joint Center for Housing Studies at Harvard University and its team for facilitating the meeting.

The declaration was signed by all the participants.

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