NATIONAL URBAN POLICY
LATIN AMERICA AND THE CARIBBEAN REPORT

UN-HABITAT
FOR A BETTER URBAN FUTURE
NATIONAL URBAN POLICY:
LATIN AMERICA AND THE
CARIBBEAN REPORT
NATIONAL URBAN POLICY: LATIN AMERICA AND THE CARIBBEAN REPORT

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I am very pleased to present the State of National Urban Policies Report in Latin America and the Caribbean, an insightful assessment of urban policies in one of the most urbanized regions of the world. The report constitutes a valuable source of information, based on case studies conducted by UN-Habitat on the state of national urban policies in Latin America and the Caribbean regions.

The New Urban Agenda, the outcome document of Habitat III, along with Agenda 2030 for Sustainable Development, recognizes the transformative power of urbanization as a positive force potentially underpinning profound social, political and economic transformations.

The New Urban Agenda emphasizes the leading role of national governments in the definition and implementation of inclusive and effective urban policies. National Urban Policies are also highlighted as an instrument for governments to integrate sectoral policies, engage a wide array of stakeholders, and define a shared and inclusive urban vision, to facilitate and enable sustainable urban development at all levels.

The purpose of this report is to gain an enhanced understanding of how governments in the region have addressed the transformation and expansion of their cities, and more specifically, assess how national urban policies have been developed, highlighting their challenges, successes and innovations. The Latin America and Caribbean region is particularly interesting for this study, as its recent rapid and privately managed urban transition has now generated acute challenges, such as limited mobility, a growing housing deficit, and urban/rural and intracity inequalities.

The region has now embarked on a second urban transition, attempting to actively reverse unsustainable urban development patterns. While this shift is recent and urban challenges remain considerable, it is remarkable in its political commitment and creativity. This new approach to urban policy introduces a number of exciting conceptual and methodological innovations including the reflection on the definition of good urban living, the constitutional guarantee of the rights of urban dwellers, extensive citizen participation adding democratic legitimacy to a solid legal framework, and a variety of policy and financial instruments to ensure implementation of urban principles.

The report is part of a series of five regional reports assessing the state of national urban policies that complement the Global State of National Urban Policies Report, conducted in collaboration between UN-Habitat and the OECD. These studies are timely, as they follow up on Habitat III and Agenda 2030 for Sustainable Development, and accompany the Second International Conference on National Urban Policy, held in Paris, France in May 2017.

I believe that this series of regional reports contributes to building empirical knowledge on the National Urban Policy process and will provide useful insight for academia, policy makers and practitioners to embark on an urban paradigm shift towards sustainable development.

Dr. Joan Clos
Executive Director, UN-Habitat
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Background

Latin America and the Caribbean has completed its urban transition. With more than 80 per cent of its population living in urban areas, it is now the most urbanized region in the world, characterized by the emergence of large metropolitan areas and networks of cities and home to vibrant urban cultures. However, this rapid process of urbanization of the past half century outpaced governmental policy responses, and had dramatic impacts, such as environmental degradation, and exacerbated socio-economic and territorial inequalities.

Initial policy responses to this urban explosion focused on the urgent priority of housing provision, with limited success in keeping up with increasing needs. Meanwhile, other issues exacerbated further, such as congestion and air pollution caused by the growing use of individual cars, and increased social inequalities in the access to amenities and services, a growing divide illustrated in the urban fabric by expanding informal settlements against gated suburban communities.

These extreme consequences raised awareness of the multidimensional challenges of urbanization, and the region is now at a crucial turning point to face them. Regional processes of stabilization of urban demographic growth, economic recovery, and return to democracy, indeed converge to enable a “second urban transition” (UN Habitat, 2012) focused on quality of life, in a redefined model of more compact, better integrated and connected, socially inclusive and climate-resilient cities. To achieve this, countries of the region are developing a “new generation of national urban policies” (UN-Habitat, 2014): more integrated and cross-sectoral policies that acknowledge the complexity of the urban matrix, involving multiple and overlapping sectors and networks that shape urban development and the experience of urban inhabitants.

Purpose of the Study

Given the intensity of the urbanization process and of its challenges in the region, understanding how urban policies have attempted to address them is of particular interest. This report aims to provide an overview and an assessment of the state of national urban policies in the Latin America and the Caribbean region, providing a comparative analysis of policy processes and mechanisms put in place, highlighting best practices but also obstacles to achieving sustainable urban development.

Drawn from the observed “new generation of national urban policies”, the concept of National Urban Policy (NUP) is defined by UN-Habitat as “a coherent set of decisions derived through a deliberate government-led process of coordination and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development for the long term” (UN-Habitat, 2014). It has been recognized as a primary governmental tool to coordinate sustainable development agendas such as Agenda 2030 and the New Urban Agenda, and specific national urban development paths.

This report is part of a series of five regional reports that consider the state of NUPs at a regional level; which itself complements the Global State of National Urban Policy Report, prepared by UN-Habitat and the Organization for Economic Co-operation and Development (OECD).

Key Findings

The process of national urban policy development in Latin America and the Caribbean is characterized by innovative and committed efforts towards addressing social inequalities, in line with the larger process of strengthening democracy and the emergence of a strong and progressive civil society activism.

In terms of legislation, this commitment is illustrated by the constitutional enshrinement of urban rights, such as the right to the city, or to housing, in certain countries. This constitutional guarantee also ensures the alignment of legislations and regulations to these principles, and grants them a binding character, such as for Municipal Land Management Plans.
Similarly, urban governance is often characterized by a high involvement and participation of stakeholders in the definition and implementation of an urban vision, at different territorial scales. The more civil society is involved, as opposed to private sector actors, the more inclusive and socially beneficial urban policies tend to be.

Countries in Latin America and the Caribbean should follow examples such as Brazil and Ecuador in taking advantage and engaging their strong and politically active civil society in defining and monitoring urban visions and priorities. In this way, the national urban policy process can participate in strengthening the democratization of policy-making.

Moreover, the transition from a sectoral focus on housing to more comprehensive and integrated national urban policies is also reflected in institutional arrangements, with the establishment of new national institutions responsible dedicated to urban policies, such as the Ministry of Cities in Brazil.

At the subnational level, new forms of governance are also emerging in metropolitan areas that better manage the functional territorial scope and economic weight of agglomerations of cities than traditional city boundaries.

However, the lack of capacity of subnational governments often remains an obstacle to the successful implementation of national urban policies at the local level. These should be strengthened, with the sufficient capacity and resources to fulfil their responsibilities. More specifically, the development of metropolitan areas should be further acknowledged as a tool for cohesive functional spaces, and be provided adequate planning instruments and governance mechanisms for their political management.

National Urban Policies in the region are supported by a diverse and innovative range of institutional, policy, regulatory and fiscal instruments to ensure their implementation, particularly concerning public interest objectives, such as social housing provision and curbing urban sprawl.

A recurrent oversight in the normative content of National Urban Policies, however, is the consideration of urban-rural linkages and exchanges for a truly integrated territorial development. Other challenges in the region are the persistence of the most extreme socio-economic inequalities, traffic congestion and a continued urban sprawl despite a slower urban population growth.

Housing remains a dominant challenge for countries in the Latin America and the Caribbean region. The sector should be prioritized but integrated in national urban policies as a cross cutting issue, with relevant considerations in terms of urban planning, legislation, governance and finance. In this way, housing construction can also drive help urban development towards more compact, better integrated and connected, socially inclusive and climate-resilient cities.

For instance, housing construction should be conditioned to mixed use planning, sustainable design and construction, the prioritization of regeneration of inner-cities and upgrading of informal settlements rather than new peripheral constructions. Moreover, housing strategies should be adapted to the context, size and circumstances of municipalities, and within them, target spatially the most vulnerable areas. Housing should also be financed in partnership between public agencies and private developers.
1

INTRODUCTION
1.1 Background

As the world population is expected to double by 2050 and concentrate primarily in urban areas, and particularly with the urban population of developing countries set to double as soon as 2030, this exponential process of urbanization has increasingly been recognized as a crucial issue to be considered in order to facilitate global sustainable development.

Urbanization is an undeniable precondition for development, bearing the potential of increased wealth and well-being, as well as more efficient use of national resources. However, if left to develop in an uncontrolled manner, it can also worsen socio-economic inequalities and exclusion with rising unemployment, slum proliferation, spread of diseases, and environmental degradation. As the implications of these challenges and opportunities exceed urban boundaries, so too should their political management. “Cities are too important to be left to their own devices” (UN-Habitat, 2014b, p13), and consequently, urbanization has been acknowledged globally as an agenda priority, and should be recognized nationally as a governmental responsibility.

Recent global policy developments have indeed cemented cities as key sites where economic, social and environmental challenges must be confronted. The 2015 Sendai Framework for Disaster Risk Reduction and Paris Agreement on Climate Change, for instance, both acknowledged the particular vulnerability and responsibility of cities towards climate change and its associated risks. In that same year, the Agenda 2030 for sustainable development dedicated one of its 17 sustainable development goals to cities, with the SDG 11: “Make cities inclusive, safe, resilient and sustainable.” Finally, confirming this focal position of cities, the first major intergovernmental conference following such sustainable development milestones, the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) was held in 2016, and led to the adoption of the New Urban Agenda, advocating for proactive policies to leverage the dynamics of urbanization as instruments of sustainable development.

This new priority of managing urbanization within intergovernmental agreements and frameworks indicate and call for an increased responsibility of national governments in adapting, implementing and monitoring these global imperatives. Countries of the Latin American and Caribbean region are not exempt from these transformative effects of urbanization, and must therefore adapt their policies to the specific urbanization trends, challenges, opportunities and priorities of the region.

The Latin American and the Caribbean region has indeed become urbanized in just half a century. This rapid shift has brought major transformations in society, economy, culture and policies. As cities grew, they made more evident decades of absence of policies for urban and rural development, and a clear urban and rural divide, with the emergence of a new specifically urban culture - diverse and changing.

The increasing rate of urban expansion outpaced policy and planning responses. Market, financial and real estate dynamics became clear expressions of cities inequality and inequity. The reality of this inequality is particularly apparent in the contrast between planned areas and those that have grown without control and lacking an adherence to regulated norms.

However, the emergence of urban policies in response to such challenges has been associated to processes of democratization and increased well-being. In Brazil, for example, the social process towards urban reform has emerged after decades of dictatorships; in Colombia, after the 1991 Constitution; in Ecuador, it was promoted in the wake of the 2008 Constitution and incorporated the right to the city; in El Salvador, after the peace agreements in 2009. These new winds of democracy in the region led the redesigning of cities with quality of life as a core objective.

This recent process of urbanization in the region exhibits seven key trends:

1. Urbanization steadily supported by population growth;
2. Growing middle class and a percentage decrease in poverty and inequality;

3. Economic growth, although this remains uneven among countries;

4. Increase in trade within the region such as South-South trade links;

5. Accelerated growth in access to mobile technology platform;

6. Large cities redirecting their mobility policies toward mass transit to work to enhance the environmental sustainability of big cities; and

7. Advances in national urban policies, decentralization and urban planning within the city systems.

Countries that faced the largest urban expansions, such as Brazil, Mexico, Chile, Colombia and Ecuador, experienced the most exacerbated challenges in their metropolitan areas. These countries are therefore the most advanced in the process of transformation from a traditionally sectoral policy approach to more comprehensive strategies designed to solve such complex and interrelated urban issues.

The first form of policy responses to urbanization concentrated primarily on housing and land management. These initial policies, consisting of institutional and fiscal instruments elaborated in the region to address the housing situation, ultimately, in many cases, led to significant budgetary deficits. Urban planning itself - land use plans, master plans and instruments of smaller scale - began in the early 1990’s. However, the inhabitants of the large cities rapidly began to face other urban issues in their daily lives: increased transport times and decreased mobility, limited access to social services such as education, limited walkable access to free public spaces, poor air quality and noise in certain areas of the city, and exclusion as an expression of poverty and socio-economic inequality.

The realization of the multifaceted nature of urban issues led to a turning point from housing and land management policies towards more comprehensive urban development policies. This shift was made possible by 3 sets of conditions:


2. The creation of new institutions for urban development, usually above the entities in charge of implementing management tools for housing (for example, Ministry of Cities in Brazil; Ministry of Urban Development and Housing of Ecuador; Secretary of Agrarian, Territorial and Urban Development, SEDATU of Mexico), and governance based on citizen participation, for which Brazil is the most accomplished example.

3. The implementation of management tools for the execution and funding of land management and urban development plans (for example, compensations schemes, building rights, regulation of urban capital gains, bond issues for urban development projects, among others).

This transformation in urban policies is not exclusive to the Latin America and Caribbean Region, and in fact has been observed across the world. This phenomenon was described as a “new generation of national urban policies” (UN-Habitat, 2014): the emergence of more integrated and cross-sectoral policies that acknowledge the complexity of the urban matrix, involving multiple and overlapping sectors and networks that shape urban development and the experience of urban inhabitants.

1.2 Aims and objectives

The purpose of this report is to gain an enhanced understanding of how governments in the region have addressed the transformation of cities; and more specifically, provide an assessment of National Urban Policies (NUPs) in the Latin America and Caribbean Region. NUPs have been recognized as a primary governmental tool to coordinate the global urban agenda and specific national paths to sustainable development. NUPs were for instance the subject of one of 10 Policy Units in the preparation leading to Habitat III, and the accompanying policy paper recommended that they
be used as an instrument of implementation for the SDGs. The New Urban Agenda has identified them as a “driver of change”: a tool that can harness and capitalize on the complex forces of urbanization to participate in sustainable urban development.

NUPs are indeed an instrument for governments to take advantage of their position, perspective and resources to direct urbanization towards more sustainable patterns. They provide a framework for increased vertical and horizontal coordination, creating an enabling and cooperative institutional environment. Traditionally sectoral policies impacting urbanization are coherently articulated into a comprehensive strategy, for which a wide range of relevant instruments - spatial, regulatory, legal and fiscal – can then be coordinated. Similarly, stakeholders are mobilized and engaged at all levels of government, but also from the private sector and civil society, as, while NUP development is led by the national government, it relies on the input and participation of many other actors. This engagement of stakeholders also requires a clear and transparent definition and distribution of responsibilities, as well as the assessment and building of the necessary capacities to carry them out. Finally, the process itself of NUP development brings value, as it ensures a more efficient and capable governance structure; and leads to a truly shared and inclusive urban vision for the country.

Given the significant speed and rate of urbanization in Latin America and the Caribbean, and the challenges associated with it, understanding the various policy processes and mechanisms that are being used in the region to work to address the urbanization processes, and most importantly, how NUPs can further help address the challenges of urbanization and leverage its opportunities is of particular relevance.

A study of this scope has no recent comparison in Latin America: it encompasses various aspects: a review of NUPs in twenty countries of the region, as well as an in-depth analysis of 5 major case studies to highlight the specific mechanisms of each phase of the NUP cycle. A general reflection is then conducted about the state of NUPs in the region, obstacles encountered and best practices that emerged, and finally, recommendations for the future towards the implementation of urban oriented SDGs and the New Urban Agenda. This report is part of a series of five regional reports that considers the state of NUPs at a regional level, which itself complements the Global State of National Urban Policy Report, prepared by UN-Habitat and the Organization for Economic Co-operation and Development (OECD).

### 1.3 Methodology

This report conducts a regional analysis of urban policy processes in the Latin America and Caribbean region. To do so, the report reviews the policy frameworks of twenty different countries, with a deeper analysis for five of them: Mexico, El Salvador, Colombia, Ecuador and Brazil. The analysis is based on UN Habitat’s three-pronged approach: planning, governance-legislation and finance-urban economies. The structure of the study provides insight into how the urban policy processes progressed and the kinds of variables that were taken into account during the national urban policy process. The methodology used in this study is based on a comparative analysis:

- Document reviews in each of the 20 countries with a key focus on policies, laws, strategic plans and programs, to understand their approach in the development of national urban policies.
- Interviews with two experts per country and expanding the documentary base in 5 countries, representing the 3 sub-regions:
  - North America (Mexico)
  - Central America and the Caribbean (El Salvador)
  - South America (Colombia, Ecuador and Brazil).

### 1.3.1 Definition and Approach

UN Habitat defines a National Urban Policy as “a coherent set of decisions derived through a deliberate government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development
for the long term” (UN-Habitat, 2014). However, the analysis of national level urban policies for each of the twenty countries revealed that few countries in the region had a “National Urban Policy”, which fulfilled the substantive and formal criteria of the UN-Habitat definition. The analysis of the policy landscape in each country was therefore broadened to existing policies and laws at the national and local levels which, taken together, can be understood to form an implicit national urban policy framework: national strategic plans, national development plans, territorial planning legislation and legislation on housing, etc.

It was deemed necessary, therefore, to undertake as thorough a review of the urban policy environment in each country as possible, including sectorial urban policies, as opposed to undertaking an analysis of one document in particular. In this way, understanding of other developmental agendas of national and local governments, such as land use planning, mobility, poverty, environmental quality, and safety, were considered necessary to understand the network of different public policies approaches for urban areas in that country. For example, housing is an important sectoral theme in all urban plans and policies and the role of housing as the main engine of urban development is undeniable. Undertaking a national urban policy analysis without considering housing policies would leave out the heart of the reflections on the public policy processes that are helping governments in the region face a housing shortage that reaches more than 360 million people.

1.3.3 Study limitations

We acknowledge several limitations of the study, which may be overcome in the future: the first is the existence of other countries in the region that contribute to the diversity of experiences and processes and would merit more in depth analysis. Some of such cases include Cuba and Puerto Rico, for their unique political models; Chile, which represents the particularity of a high-income country with efficient institutional and funding instruments; Uruguay for its scale, and its particular governance model (cooperative); and finally, Panama, for its process of rapid urbanization with high investment capital and institutional changes.

Another aspect to be analyzed in more depth in a future study is the interrelationship of urban – rural development within the three prongs of urban development, as identified by UN Habitat. In this regard, finding documentary information proves challenging. This limitation originates from the sectorial separation of public policies between rural and urban development, when in reality the two domains are closely interlinked. In the present study, the environmental component of the urban–rural linkages are addressed in a general way. Therefore, it is not delving into the proposals that have been emerging to recover the urban – rural connection in development policies, and which should be part of national urban policies.

This issue is important, because the interdependence is indisputable: cities require environmental goods and services, from water to food; while the local economic development of rural areas finds its opportunities in the agglomeration markets of the cities. In both ways, the environmental sustainability of cities and rural areas are interdependent. The biodiversity of ecosystems is not only at risk because of the urbanization of its spaces, but because of the waste from the cities or the risk of contamination of watersheds and coastlines. Rural poverty is a push factor propelling population towards cities. The lack of specific and comprehensive information on this important aspect in the study reflects the continuing policy gap in urban and territorial planning about urban-rural linkages.

1.3.2 Data collection and analysis

In the five countries selected for in-depth analysis, structured interviews with two experts of policy and planning processes were undertaken. The purpose of the interviews was to understand the process in the view of the main perceived challenges and impacts achieved following the development and implementation of urban policies.

The documents, resources and statistical data used for the analysis can be consulted in the reference chapter at the end of this report.
2

SURVEY OF THE REGION AND MINOR COUNTRY CASE STUDIES
2.1 Overview of Urbanization and National Urban Policies in the Region

2.1.1 Urbanization trends in the Region

The Latin America and the Caribbean Region has 600 million inhabitants, with a trend of internal migration from rural areas to the city, and residential mobility between cities and their regions, enabling the emergence of metropolitan areas and city systems. Conurbations with agglomeration economies are the largest contributor to the Gross Domestic Product (GDP) of their respective countries. Although cities produce most of the GDP, economic inequality is evident in the region, with clear contrasts within cities between modern, prosperous neighborhoods offering a high quality of urban life, and marginalized areas characterized by high concentration of poverty and social exclusion.

The Latin American and the Caribbean region still has a long way to overcome inequality and socioeconomic inequities. However, there is evidence of a decrease of poverty and inequalities, which elevated parts of the vulnerable population into middle-class. This evolution participates in a virtuous circle: as economies grow, states capture higher incomes and strengthen their institutions and governance systems, as well as further the process of decentralization, bringing urban policy-making closer to citizens.

Urban culture in the region is characterized by diversity and plurality of expressions and ways of life that can coexist. This standard, which begins to be promoted largely by national urban policies and urban agendas, corresponds to models of cities which are regionally integrated, friendly, equitable, compact, and dense, less exclusive and unequal, safe, connected, with public spaces, and environmentally sustainable.

Some Latin American countries initiated urban planning in the first half of the twentieth century, and have incorporated land management instruments. Key among them are Mexico, Venezuela, Brazil, Chile, Uruguay and Argentina. In the last 25 years, the Spanish regulatory framework has been used as a model, and countries have taken steps in land use plans and recently in land management tools.

The ease of communication and information in Latin America and the Caribbean has allowed an accelerated South-South transfer of experiences in urban policy and planning.

*The process of urban development in the region can be summarized in seven primary trends:*

1. More city dwellers: The population growth steadily maintains the urbanization process (ECLAC, 2012), mainly defined by rural to urban migration.

2. Growing middle class and percentage decreases of poverty and inequality: It is estimated that the middle class grew from 100 to 150 million people in the last decade (Ferreira et al., 2013). The different ways of measuring poverty, including a multidimensional method that includes access to social services, show a decrease of 1 percentage point per year. Moreover, the GINI scale, measuring inequality, shows a slight improvement in income distribution.

3. Economic Growth: Differentiated growth is evident and on average all countries grew, showing a relatively low impact of the financial crisis of 2008. Taxation in relation to GDP (OECD, ECLAC, CIAT, 2012) shows a growing trend currently reaching an average of 20.7 per cent, far from developed countries ranging from 32 per cent to 40 per cent.

4. Increased regional commerce: According to the World Trade Organization (WTO, 2014), South-South trade is growing and intensifying, in contrast to North-South trade.

5. Greater technological connectivity: An accelerating trend of growth in mobile connectivity and mass access to technology platform.

6. Sustainable mass public transport: Regarding urban development and mobility the major metropolitan areas of Latin America have risen to the challenge of reducing individual car use, thus decreasing both air pollution and noise, and mortality from transport accidents (CAF, 2011).
7. Planning towards city systems, decentralization and urban legislation: The region shows a trend of increased administrative and economic decentralization, with urban regulations conferring more responsibility to municipalities for urban and territorial planning and management.

2.1.2 National Urban Policy Development in the Region

The process of formulating national urban policies in the region is recent, occurring within the last 15 years. Brazil and Chile have been pioneers in the region, and Mexico, Ecuador and Colombia are among the countries that have made most progress in this process. Even so, national urban policy documents are still under development and debate in some countries, such as Ecuador.

The process of developing national urban policies reveals the following key regional aspects:

1. Virtually all countries have policies, governance-legislation and financing instruments frameworks regarding housing. At the same time, urban planning occurs through land management, although this is not mandatory. The laws of land management and development, or related regulations of land use, usually contain an urban development policy with a clear vision and emphasis on planning. An example of this is Venezuela and its fairly detailed and recent housing and land management legal framework. Puerto Rico also has types of legislations that are equivalent to urban policies, mainly borrowed from the US regulations.

2. Development Plans also incorporate elements that may resemble national urban policies. The Katun 2012 - 2032 plan of Guatemala (Government of Guatemala, 2014), led by SEGEPLAN (General Planning Secretariat) has certain characteristics consistent with a national urban policy, given its duration and long term horizon.

3. Policies and planning at the metropolitan scale are crucial to the successful implementation of national urban policies in the region. The Lima Metropolitan Strategic plans or PLAM Lima (1990 -2010), and Callao 2035 - which was left at the technical formulation stage, with a fairly strong adherence to the new urban agenda- are crucial to national urban policies. Other examples include the Master Plan of Greater San Jose (including municipalities such as San Jose, Cartago, Alajuela and Heredia) for the Central Valley of Costa Rica, which can be considered as a metropolitan urban policy, due to the planning instruments it contains.

4. In the region, an entity responsible for urban development is not usually explicitly set or institutionalized, and therefore this responsibility is often divided between national bodies for planning, and entities responsible for housing issues.

2.1.3 Varying approaches to the central issue of housing

A central issue within the region is housing policy, as the housing deficit remains considerable. Housing is approached and defined institutionally in varying ways in the region. This mainly is due to the fact that in the last 50 years, housing in Latin America and the Caribbean has been addressed in three types of sectorial arrangements:

1. Housing as an independent sector: in which case there are dedicated ministries, e.g. in Costa Rica (Ministry of Housing), or in Panama (Ministry of Housing and Land Management). In these cases, the resulting urban policies relate to housing and territorial development.

2. Housing and urban development subordinated to economic development: Housing is then addressed by Ministries of Economic Development, as in the Dominican Republic. Colombia and Mexico had until recently used this model, with the National Housing Authority of the Ministry of Economic and Social Development of Colombia, and in Mexico, housing was the responsibility of the
Social Development Secretariat (SEDESOL) before creating the Secretary of Agrarian, Territorial and Urban Development (SEDATU). In these cases, the equivalent urban policies relate to housing and socio-economic development.

It should be noted that housing in these policies is integrated as part of policies to combat, eradicate or eliminate extreme poverty, as a way of ensuring the respect of human rights. The regional trend towards multidimensional measurement of poverty entails effective access of all of society to the Universal Protection System. With about 80 per cent of the population in the region living in cities, except Central America (59 per cent); and Honduras and Guatemala, with less than 50 per cent, poverty is concentrated in the cities.

In this context, comprehensive policies to address urban poverty tend to incorporate important elements of urban policies, social inclusion and equity, investment programs and in some cases, of income redistribution, as well as access to food, health, education, transportation, income, housing, public spaces, sanitation, culture and recreation. Examples include the Zero Hunger campaign in Brazil, Chile Solidarity Program, and Missions in Venezuela.

3. Housing subordinated to infrastructure, like in El Salvador with the Ministry of Public Works, Transportation, Housing and Urban Development; Guatemala, and the Ministry of Communications, Infrastructure and Housing; and in Peru with the Ministry of Housing, Construction and Sanitation. In these cases, the equivalent urban policies relate to housing and infrastructure of public works.

With these examples, it is clear that the institutional transformation to Ministry of the City (Brazil), Ministry of Urban Development and Housing (Ecuador), Secretariat of Agrarian, Territorial and Urban Development (Mexico) and the Ministry of Housing, City and Territory (Colombia) are a consequence of a more comprehensive and holistic conception of urban development.

2.2 Minor Case Studies

This section presents an overview analysis of national urban policies from 20 countries within the region, in the last 10 years.

ARGENTINA

With an urban population of over 38 million, Argentina is 91.8 per cent urbanized (2015 estimates, UN-Habitat, 2016), and has a population density of 16,022 inhabitants/km² (Data.worldbank.org, 2017). The country has a total area of 2,791,810 km² and borders with Bolivia, Paraguay, Chile, Brazil, Uruguay and the South Atlantic Ocean.

The current National Policy and Strategy for Development and Land Management (Government of Argentina, 2016a), is covered in its different dimensions in the Territorial Strategic Plan (PET) Argentina 2016. The purpose of this Plan is to support development that is “socially equitable, regionally balanced, and environmentally sustainable” (Government of Argentina, 2016b).

Notably, urban policy in Argentina contains elements that correspond with Latin American trends relating to planning, governance and urban economy. These elements are expressed in the text of the policy through the strengthening of cultural identity, promoting local economic development, living in a sustainable environment, democratic participation in land management, as well as improving the quality of personal and collective life.

The policy stands out in its commitment to elements of the New Urban Agenda, namely the strengthening of a polycentric system of urban development by seeking to:

- Balance the supply of technological, social and institutional resources, which have historically been concentrated in large cities and provincial capitals.
- Promote investment in infrastructure needed for the development of productive activities, generating local and regional employment.
• Promote the development of regional sub-centers that complement the main cities in the offer of health, education, culture and housing endowments.

• Design new platforms and tools for planning and management, capable of adapting to the needs of different urban scales.

Argentina’s NUP recognizes the duty of the State to guarantee urban justice - improving the conditions of popular habitat - through a fair redistribution of burdens and benefits of urbanization.

BOLIVIA

Bolivia has an urban population of about 7.5 million inhabitants, for an urbanization level of 68.5 per cent (2015 estimates, UN-Habitat, 2016). The country has a total land mass of 1,098,581 km², and a density of 10.051 inhabitants/km² (Data.worldbank.org, 2017). Territorially, it borders Brazil, Paraguay, Argentina, Chile and Peru.

The Ministry of Housing and Basic Services, established in 1997, formulates public policies on participatory urban planning in the decentralization process, such as management of land ownership and programs oriented to housing solutions. The country has public policies on decentralization, environmental zoning and housing. So far, these policies have not been integrated into an explicit national urban policy, however with the support of the Swedish International Development Cooperation Agency, UN Habitat is currently providing technical support to the Government of Bolivia for the development of an explicit National Urban Policy.

With regard to public policies for property management aimed at addressing housing challenges, the State, through the Ministry of Housing and its Department of Housing and Human Settlements, seeks to propose policies and regulations for the planning and managing of human settlement.

Through the policy, the state has a role in the technical regulations, which in the framework of participatory planning, provides planning and land management instruments to the decentralization process in two aspects:
1. Regulations of the planning of human settlements: participatory urban planning, spatial planning of human settlements, regulations for housing developments.

2. Improvement of urban functions: revitalization of central urban areas, environmental aspects in urban design, as well as management of municipal works and services.

Considering the principles of the New Urban Agenda, it is noteworthy that decentralization of urban planning is articulated through the Participatory Municipal Planning System (SISPLAN). In urban planning, the process encompasses topics such as spatial ordering of human systems, environmental aspects in urban design, revitalization of central urban areas, human settlement systems in the municipalities, departmental networks of community facilities, treatment of processes of metropolitan areas and participatory urban planning.

Furthermore, Law 247 of June 2012, “Law for the Regularization of Property Rights on Urban Real Estate for Housing” (Government of Bolivia, 2012) promotes a process of legalization and titling of urban neighborhoods. Resettlement processes and the transfer of state property for these actions are also provided.
In another section of this report, further analysis of the process of National Urban Policies of Brazil will be carried out. Following is a general overview of its Urban Policy.

Brazil has an urban population of about 174.5 million inhabitants, representing 85.7 per cent of its total population (2015 estimates, UN-Habitat, 2016). The country has an area of 8,514,877 km², and a density of 24.84 inhabitants/km² (Data.worldbank.org, 2017). It borders with French Guyana, Suriname, Guyana, Venezuela, Colombia, Peru, Bolivia, Paraguay, Argentina and Uruguay.

Brazil has a framework of urban policy that guides national development in accordance with both the regional urban development trends, and the new agenda for sustainable urban development.

The urban policy framework of Brazil is enshrined as a Chapter in Articles 181 to 183 of the 1988 Constitution. In 2001, the “City Statute” (Government of Brazil, 2001) was promulgated. This law focuses on urban development within the municipalities, and the regulatory framework and management tools supporting its implementation. The Statute “establishes rules of public order and social interest, which regulate the use of urban property in favor of collective safety and welfare of citizens, and environmental balance” (Government of Brazil, 2001, article 1).

The City Statute “aims to order the full development of social functions and of urban property” by highlighting the following guidelines:

- Guarantee the right to sustainable cities, understood as the right to urban land, housing, environmental sanitation, urban infrastructure, transportation and public services, work and leisure, for present and future generations;
- Ensure democratic governance through participation;
- Promote cooperation among governments, private initiatives and other sectors of society in the urbanization process, serving social interest;
- Encourage, through city planning, the spatial distribution of population and economic activities so as to avoid and to correct distortions of urban growth and its negative effects on the environment;
- Offer community facilities, transportation and utilities;
- Integrate urban and rural activities;
- Adopt sustainable production and consumption patterns;
- Ensure a fair distribution of burdens and benefits generated by the urbanization process;
- Align financial policy instruments and public spending to the objectives of urban development; and
Promote the protection, preservation and restoration of the natural and built environment, and of cultural, historical, artistic, landscape and archeological heritage (Government of Brazil, 2001).

_The City Statute also has the following dimensions:_

- A new political and legal framework for urban legislation, particularly on the social function of the city and urban property. In this regard, it proposes tax instruments on urban land in consolidated areas, encouraging compact cities and discouraging urban sprawl;

- A series of management tools for municipalities that enable sustainable urban development. This scope reflects the three-pronged approach of the New Urban Agenda: the relationship between planning, legislation, and urban economy; and

- The democratic management of cities, comprising instruments for regularization of developments in public and private land.

_As mentioned above, it is worth noting that the City Statute contains a wide range of urban management tools for municipalities:_

- National, regional and state economic and social development plans;

- Planning of metropolitan regions, urban agglomerations and micro-regions;

- Municipal planning, especially Master Plans, parcels management, environmental zoning, multiyear plan, annual budget, participatory budget management, sectoral plans, economic and social development plans;

- Tax and financial mechanisms, such as taxes on land ownership, contribution for improvement, incentives and tax benefits; and

- Legal and political instruments, innovative and decisive for management, among which are administrative easement for expropriation, preservation of buildings and urban infrastructure, creation of conservation units, creation of special areas of social interest, granting the right of use, special use concession for housing, leasehold, right of precedence, onerous concession of the right to build and of change of use, transfer of the right to build, urban operations consortiums, land regularization, technical and legal assistance for communities and disadvantaged social groups, and popular referendums and plebiscites.

In terms of urban governance, the National Council of Urban Development was established as an operative and consultative body within the Presidency of the Republic; this council articulates the different levels of the Presidency, the Ministry of the City, and municipalities, for the formulation and implementation of urban policy in Brazil.
CHILE

Chile has an urban population of 16 million inhabitants, for an urbanization level of 89.5 percent (2015 estimates, UN-Habitat, 2016). It has a density of 24.08 inhabitants/km² (Data.worldbank.org, 2017) and borders with Peru, Bolivia and Argentina.

Chile has three territorial policies, which are integrated and complementary: the National Policy for Regional Development, the National Urban Development Policy, and the National Rural Development Policy. The Ministry of Housing and Urbanism of Chile is responsible for the formulation and monitoring of the National Urban Development Policy.

The context for the formulation of the policy is characterized by significant strengths:

- Chile has the highest GDP per capita in Latin America since 2002 to present (about USD13,000) and has known a sustained growth.
- The country reduced its quantitative housing deficit from 949,000 in 1990 to 495,000 in 2011 (UNDP, MINUVI, 2013b, p 26).
- In terms of basic services, cities meet the highest standards, achieving 99.8 per cent coverage in quality drinking water, 96.1 per cent in sewerage, and 94.2 per cent in wastewater treatment in 2013, with a projected 99 per cent for 2015 (UNDP, MINUVI, 2013b, p 42).

However, the challenges for the National Urban Policy are:

- Decreasing inequality. Recent studies indicate that inequality in the country is higher than in all of the OECD countries and also higher than Mexico (Stats.oecd.org, 2017)
- Protecting the urban / architectural heritage (typical areas, landmarks, historic preservation areas and buildings of historic preservation).
- Improving urban mobility. Urban mobility presents challenges as in the last 25 years the fleet has tripled reaching about 3.5 million vehicles, an increase of 68 per cent in a decade.
- Improving the timing and processes in implementing urban planning instruments.
- Strengthening the management of natural volcanic and tsunami risk. This supposes measures of urban governance and of planning and land management instruments for resettlement, emergency and reconstruction.

The main objective of urban policy is “Sustainable Cities and Quality of Life.” Key thematic areas include social integration, economic development, environmental balance, heritage and identity.

A substantial budget increase for urbanism has been accommodated to help in the initial implementation of urban policy. The budget increase is also allocated in the urban agenda of the Ministry of Housing and Urbanism on issues of:

- Urban Governance:
  - New National Urban Development Policy
  - New institutional structure
  - Institutional framework for urban parks
- Urban Planning and Legislation:
  - Promotion of a legislative agenda
  - Instruments of territorial planning
  - Strategic urban plans for 200 cities
- Urban Economy:
  - Heritage conservation
  - Management of urban works and urban projects

Regarding social integration, urban policy gives an important character to public goods as it establishes “the components, features and minimum standards of quality and coverage for urban public property: public space, connectivity, mobility and access to transportation, parks, urban safety equipment, telecommunications, sports, culture, health and education” (UNDP, MINUVI, 2014, p 23)

As for territorial planning instruments, the urban policy also adopts an environmental approach, stating that they must be formulated:

- Considering the natural systems of the planned territory and their load capacity, with focus on hydrographic basins, and recognizing biodiversity and ecosystems as environmental assets.
• Incorporating rules and special plans for sea, lake and river and coastlines, canals and wetlands, including the treatment of channels as hallways or urban walks that “introduce” nature in the city, contributing to regulate the climate and safeguard biodiversity. (UNDP, MINUVI, 2014, p 42

Regarding economic development, other standards such as “incorporate into the evaluation systems of social profitability of public projects all the variables that affect such profitability, including intangible aspects associated with urban areas” have been included. Additionally, Identity and Heritage are emphasized as aspects to value, protect, and manage. In terms of urban governance, the central aim is to obtain an integrated and decentralized decision-making system on urban and regional development matters.

The concept of integrated planning is based on “territorial plan” and in this sense, complements the regulations of uses and constructions with transportation systems, natural systems, roads, utility networks, urban forestry, landscape elements, water resources management, waste management and use of urban underground.

COLOMBIA

Further analysis of the process of National Urban Policies in Colombia will be carried later in the report. The following is a general overview of its national urban policy.

With an urban population of 37.8 million inhabitants, Colombia is 76.4 per cent urbanized (2015 estimates, UN-Habitat, 2016). The country spreads over an area of 1,141,748 km², and has a density of 43.8 inhabitants/km² (Data.worldbank.org, 2017). Its land borders Panama, Venezuela, Brazil, Peru and Ecuador, while its sea is bordered by Panama, Costa Rica, Nicaragua, Honduras, Jamaica, Haiti, Dominican Republic and Venezuela.

Over the past 20 years, Colombia has been making important strides towards a national urban policy that is endowed with institutionalism and key management tools. In 1994, a Development Plan Organic Law was created, followed in 1997 by the Land Management and Development Law, which provided the framework for the creation of nearly 1,100, Basic Plans and Land Management Plans (LMP) by municipalities.

The 2011 Law 1454 is the Organic Law of Land Management (Government of Colombia, 2011), through which the standards for the political and administrative organization of Colombia’s territory, and the guiding principles and instruments for territorial development, are established. In 2013, the Land Management Law was approved and its implementation recently started, characterized by a vision of integrated urban development, driven by mass transport, with urban connectivity understood as a central factor in productivity and competitiveness, as well as a factor of social inclusion. It is implemented with the help of zonal planning with considerations of environmental sustainability and land management, and endowed with financial
management tools for their development. One can speak of a significant step from planning to land management instruments.

The 2013 Law 1625 on the Regime for Metropolitan Areas (Government of Colombia, 2013) dictates standards to provide metropolitan areas with a political, administrative and fiscal regime, which, within the autonomy recognized by the Constitution and the Law, serves as a management tool to perform their functions.

In parallel of this legislative process, National Government Guidelines were elaborated, involving various national agencies for the implementation of the national urban policy (Government of Colombia, 2004); and urban institutions were consolidated with the creation of the Ministry of Housing, City and Territory. This national process also has local and regional expressions with the institutional renovation of institutes and public companies oriented to urban and housing development.

The national urban policy is based on the document of the National Council for Economic and Social Policy (CONPES), which is a coordination of the Council of Ministers and the National Planning Department. The guidelines of the national urban policy consider the situation of the urban centers and the evolution of urban development policy, and elaborate proposals and strategies to improve the management of urban development in the country. It is aimed at “consolidating cities that are more compact, more sustainable, more equitable and with the ability to manage and finance their own development” (ibid.).

Based on the mandate of the National Development Plan 2010-2014 (Government of Colombia, 2010) of establishing a long-term policy to consolidate a System of Cities, and with the powers granted by the Organic Law on Land Management (LOOT) (Government of Colombia, 2011), the National Planning Department (DNP) formed in 2012 with the Mission of the System of Cities: “composed by a team of national and international experts supported by UN-Habitat. In the development of the Mission entities of the Government, unions, associations and federations, universities, research centers, international organizations and multilateral banks participated. The mission produced a technical document with a complete analysis and diagnosis of the urbanization process in Colombia, based on 17 thematic studies, which also includes a proposal of characterization of the System of Cities, and policy guidelines structured from the six strategic priorities defined by the Mission” (Government of Colombia, 2014b).

In this framework, the Mission of the System of Cities was originally a technical product and was not planned to have a policy document. Eventually, it was turned into a public policy document: CONPES 3819 (Government of Colombia, 2014a). Much of the technical document of the Mission could be integrated into the CONPES 3819, which was approved on October 21, 2014.

The document recognizes that Colombian cities have had an unbalanced growth: informal urbanization and slums represent 16 per cent of the 5 major cities of the country, developable land is growing scarce, and sprawl leads to depopulation and decay of the inner city.

In terms of policy, it recognizes “a difficulty in formulating regional policies and effectively linking urban development to economic and social development of the country”. As a change in vision, Colombia proposes Urban Development Management, stating that “densified cities are desirable to the extent that it stimulates the concentration of activities, reduces commuting between residential areas and urban services...
and employment, promotes the reuse of existing infrastructure and structures, promotes the use of public transport and other alternative means, reduces the stress on the little land urbanization and avoids the sacrifice of conservation areas” (Government of Colombia, 2004). This approach is in line with the trends in Latin American urban development and the urban agenda for sustainable urban development.

Measurements crossing the NBI (necesidades básicas insatisfechas), or unsatisfied basic needs) with urban density illustrate the need for a national urban policy with a focus on environmental quality (ibid, p 13).

Environmental quality is linked to planned density (controlled heights and public spaces proportional to them); public pedestrian spaces (both in the built city and in the expansion); infrastructure for alternative means of transport articulated in an integrated system; public access to bodies of water; functional residential areas with social facilities; and private sector participation in the development of urban operations.

The national urban policy includes the following strategies:

1. Promoting urban renewal and re-densification. In addition to a tax exemption, it provides housing subsidies for renovation or re-densification, urban land with a re-densification program oriented at municipalities to create Urban Management Laboratories, resources for real estate management, appraisal methodology for renovation and re-densification, public services with the participation of the service providers, funding for recovery of historic centers, and policy for property rental.

2. Improving the conditions of slums: overall improvement of neighborhoods and massive land titling.

3. Promoting mechanisms for generation, improvement and sustainability of public spaces: technical assistance programs and support projects of public space in the cities, public space management plans in cities and accessibility within the framework of the disability policy.

4. Improving mobility in cities: technical assistance to cities, promotion and support of integrated mass transportation systems, and in cities of less than 600,000, technical assistance for setting the road plan.

5. Preventing and mitigating urban environmental risks: incorporation of evaluation and risk reduction in planning instruments.

6. Improving the quality of urban expansion areas: strengthen the program of real estate banks in cities and the promotion of integrated urban operations.

The institutional and regulatory setting seeks to “ensure that the public service of urbanism is fully assumed by local governments” in accordance with territorial development legislation and environmental legislation on issues of sanitation and solid waste.
COSTA RICA

Costa Rica has an urban population of 3.8 million inhabitants (2015), for an urbanization level of 76.8 per cent (2015 estimates, UN-Habitat, 2016). Its territory spans 51,100 km², with a density of 95.1 inhabitants/km² (Data.worldbank.org, 2017). It borders Panama, Nicaragua, Colombia and Ecuador.

The National Urban Development Plan of Costa Rica “is based on the orientation of national urban development and growth in coordination with rural development and environmental conservation and protected areas, and the issuance of general guidelines (mainly in Gran Área Metropolitana GAM) of short, medium and long term, that guide and regulate urban growth in its regional dimension, integration of centers, its urban economy, institutional strengthening and community participation.” (Government of Costa Rica, 2013, p. I-32)

This Costa Rican approach is attuned with Latin American trends and the New Urban Agenda, highlighting the significance of the environmental dimension, integrated in regional dynamics.

The PLAN GAM 2013 (ibid.) includes different approaches to urban development policy in Costa Rica, with a strong emphasis on regional linkages and dense urban centralities.

From the standpoint of the New Urban Agenda, the governance of this plan can be identified as interagency coordination, through the National Council for Urban Planning and the Secretary of the National Urban Development Plan. The leadership in the formulation process has been in the Vice Presidency of the Republic, the Ministry of Housing and Human Settlements and the National Institute of Housing and Urbanism.

In terms of urban planning, the Plan seeks to link regional planning with local regulation plans, in addition to providing guidelines and orientations, both indicative and binding to articulate large urban infrastructures, industrial, service and transportation networks, agricultural protection zones, biological corridors and eco-systemic structure of regional and national interest.

The PLAN GAM for Costa Rica focuses on the following crosscutting issues: law and citizen participation; landscape continuity and identity; climate change and carbon neutrality adaptation; risk management; territorial management instruments, and strengthening of public management.

**The linkage between national and regional planning in the GAM framework for Central America is relevant, as it considers the following factors and documents:**

- The regional competitiveness of Central America, exhibiting a higher growth trend, 2.6 per cent in the cities in the range of 100,000 to 500,000 inhabitants. The main aspects of competitiveness are found in:
  - The Mesoamerica Project: “the project seeks cooperation among countries’ to expand and improve their capabilities in the implementation of projects” in eight areas: transport, energy, telecommunications, competitiveness, health, environment, risk management and housing (Proyecto Integración y Desarrollo Mesoamérica, 2015)
  - The Central American Commission for Environment and Development of the Central American Integration System (SICA), with their Environmental Plan for the Central American Region “PARCA”. The Commission encourages “a new model focused on implementation and enforcement, inter-sectoral agendas, processes and ongoing programs, agendas and work plans based on the approach of SICA’s subsystems, and investments in sustainable development with a special emphasis on environmental governance “ (SICA, 2005).
  - The Mesoamerican Biological Corridor as a hub of sustainable development for the region.

1 The countries concerned are Belize, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Dominican Republic.
• Land Management and Sustainable Development in Central America (ODETCA)

• The Central American Land Management Agenda (CCVAH, 2011). It is one of the strategic tools of the Central American Council of Housing and Human Settlements, CCVAH. The Council has also formulated “The Guiding Principles of Land Management Agenda”

• The Land Management National Policy. Costa Rica has formulated and is implementing this policy, based on three areas: a) quality of habitat, b) environmental protection and management and c) territorial competitiveness (Government of Costa Rica, 2012a).

• The National Urban Development Plan, which, in line with the New Urban Agenda, considers cities as a crucial arena to foster environmental sustainability and economic profit, as well as social well-being, as it also demands that infrastructure and services must serve all areas and their inhabitant (Government of Costa Rica, 2013).

• The National Climate Change Strategy which was passed in 2009 and was complemented by its Action Plan in 2012, proposes a model of low-carbon development. The actions are aimed at public transport, energy, water resources and agriculture (Government of Costa Rica, 2012b).

• The National Risk Management Plan, focusing on a model of sustainable development (Government of Costa Rica, 2010).

• The National Transport Plan, focused on public transport such as financing of roads, railways, ports and airports (Government of Costa Rica, 2011).

Costa Rica is equipped with a series of planning instruments which are applied in the metropolitan area, which hosts 50 per cent of its population and accounts for 78 per cent of its exports. Costa Rica's national urban policy is aligned with the New Urban Agenda through its emphasis on dense centralities, integrated urban planning, development of compact city, rehabilitation of deprived urban areas, lower consumption and efficient land use and other natural resources, local management of transport and energy, combating social exclusion, unemployment and poverty.
CUBA

Cuba has an urban population of 8.6 million inhabitants (2015), and is 77.1 percent urbanized (2015 estimates, UN-Habitat, 2016). Its land area is of 110,860 km². Its density of 110.3 inhabitants/km² (Data.worldbank.org, 2017) is the highest in the Caribbean region. Its marine territory borders the United States, Bahamas, Mexico, Cayman Islands, Jamaica and Hispaniola.

In Cuba, urban policy is not centralized in a single document or a particular institution, but it is part of a comprehensive action of the State in planning and governance of the territory. The core elements of an urban agenda in Cuba are comprised in the Land Management and Urbanism General Plan (Government of Cuba, 2013).

Additionally, the National Institute for Physical Planning provides basic guidelines for urban development. With the support of Andalucía (Spain) Development Cooperation Agency-AACID technical advisory services will be provided by UN Habitat, in support of the development of a National Urban Policy for Cuba.

The National Institute for Physical Planning of Cuba states that land management and urban planning support the organization of the economic and social policy of land, also taking into account the environment.

The Land Management and Urbanism General Plan is designed with a primary objective to offer solutions on land use and in the proper allocation of production activities and services. This process in Cuba has a new national approach since the late 1980s due to a paradigm shift in the socialist countries.

From the standpoint of the New Urban Agenda, planning and governance have evolved towards the municipalization of physical planning. This process, besides adjustments to the national public structure, led in 1997 to the approval of the Institute of Physical Planning and its “Guide for the Elaboration of the Land Management and Urbanism General Plan of the Municipality” (Government of Cuba, 1997) which captures the governance and urban planning approaches that guide Cuba today.

The objectives of the Plan focus on land use with a priority on economic and social activities; in developing the socio-spatial structure of municipal territory and of settlements in line with economic, social and environmental development of the territorially balanced city; protecting and rehabilitating the existing cultural and environmental heritage, natural and built public spaces with significance for cultural identity.
Further analysis of the national urban policy processes in Ecuador will be provided later in the report. Ecuador has an urban population of 10.3 million inhabitants (2015), for an urbanization level of 63.7 per cent (2015 estimates, UN-Habitat, 2016). Its territory is an area of 283,561 km², and its population density is 65.9 inhabitants/km² (Data. worldbank.org, 2017) and its land borders Colombia and Peru.

The contents of Ecuador's national urban policy are aligned with the process of political and institutional changes that the country has seen in recent years. The National Development Plan of Ecuador, “National Plan for Good Living 2013-2017” (Government of Ecuador, 2013) contains the core principles of the Government Plan, including: equity, the cultural revolution, the territory and the urban revolution, the agrarian revolution, and the knowledge and excellence revolution. The principle of territory and urban revolution - which comprises the Land, Habitat and Housing Law - is consistent with the components of the New Urban Agenda. With a holistic approach, it emphasizes objectives of productive, equitable and inclusive cities, planned and sustainable cities, friendly cities and cities of knowledge.

It is worth noting that Ecuador has created a National Decentralized Participatory Planning System which influences the orientations of urban policies at the local level. In addition, the Development Plan provides a National Territorial Strategy which aligns national, regional and local planning: Article 3 of the Development Plan provides that development and land management plans of Autonomous Decentralized Governments observe the guidelines and directives of the National Territorial Strategy and those of the respective Zonal Agendas.

The National Territorial Strategy, contained in the National Plan for Good Living, is central to the design of urban policy, it states that priority sectors are related to the development of roads, energy and connectivity; endogenous development; the rights of nature and environmental quality; urban development and universal basic and public services. The National Territorial Strategy and the Zonal Agendas were built based on four priorities: human settlements, environmental sustainability, transformation of the productive matrix and closing gaps.

The national development policy introduces new dimensions in measuring the concept of good living, which include: productive diversification and economic security, universal access to higher goods, social equity, social participation, cultural diversity and sustainability.

As for urban economy, the government promotes “strengthening the social and solidarity economic system in a sustainable way”, and defines “economic stability as the highest level of production and employment in the context of fiscal sustainability, external, monetary and biophysics” (ibid., Goal 8). The State intends to ensure the sovereignty and efficiency of the strategic sectors for industrial and technological transformation.

Complementing these policies is also the Land, Habitat and Housing Organic Law, which ensures that the land policy of each local government is implemented from the definition and regulation of the use, occupation and management of land, in response to a particular model of territorial development (Government of Ecuador, 2012a). It also “guarantees the relationship between housing, services, space and transport, equipment and urban land management; regulates the National System of Land Registry and allows the development of habitat policies, plans and programs and of universal access to housing” (Art. 375 of the Constitution of Ecuador).
Below is an overview of the El Salvador national urban policy. Further details and analysis are discussed later in the report.

El Salvador has the smallest territorial land mass in Central America, with 20,040 km² and an urban population of 4.2 million inhabitants, for an urbanization level of 66.7 per cent (2015 estimates, UN-Habitat, 2016). Its density is very high: 306 inhabitants/km² (Data.worldbank.org, 2017). It borders with Honduras and Guatemala.

National urban policy components for El Salvador are comprised in its National Territorial Management and Development Plan (Government of El Salvador, 2004), overseen by the Environment and Natural Resources Ministry, as well as the Ministry of Public Works through its Vice-Ministry of Housing and Territorial Development. The accompanying Territorial Planning and Development Law transferred the leadership of this subject to the Presidency of the Republic, for which an adjustment in the governance of urban policy is expected (Government of El Salvador, 2011).

The National Plan incorporates a focus on urban economy by proposing that it bases its material progress in the development of modern productive activities that allow sustained improvements in the conditions and standards of living of the population, while it proposes as a general objective, to achieve full incorporation of the territory and its natural and human resources to the process of modernization and sustainable development of the country, in terms of sustainability, environmental security and competitiveness, in order to achieve common good and improvement of the quality of life of the population (Government of El Salvador, 2004).

The Plan has features of the New Urban Agenda as it states that the “dimensions that influence the territorial policy are social, economic, environmental, urban, infrastructural and institutional” (ibid.). The Territorial Management and Development Plan also provide tools such as:

1. Urban planning and legislation: priority uses; regionalization for land planning and management; strategic guidelines for the creation and development of the Cities System.

2. Urban governance: definitions of the institutional and legal framework for the implementation of the proposals are highlighted.

3. Urban economy: locations of main economic activities are identified at the national level with major supporting infrastructure of production and social development.

In a perspective of planning in the regional context, El Salvador proposes to "exploit the country’s position in the context of territorial and economic integration in Central America and develop the role of a directional, logistic and service center in a market that will present a rapid process of integration”, to promote territorial infrastructure and the system of the cities and take advantage of the macro-economic and financial stability.

Six programs outlined in the Plan guide concrete actions for implementation. These are the Institutional Strengthening Program for the implementation of the Territorial Policy; the Housing and Urban Development Program; the Infrastructure Systems Program; the Program for Sustainable Use of Natural and Cultural Resources; the Environmental and Biodiversity Conservation Systems Program; and the Natural Hazards Management Program.

In the city systems approach, structural proposals for cities stand out, including: unique structural projects for urban development and renewal, creation of economic activity parks, and creation of roads in cities.

Risk management is also a structuring part of the national policy in the perspective of the National Plan, for which progress is being made in the formulation of the National Risk Management Policy and Risk Management Law, as well as adjustments to the institutional system and adaptations to seismic and construction regulations.

The approval of the Territorial Planning and Development Law in 2012 captures part of National Territorial Management and Development Plan, while determining new responsibilities in the governance of urban development in two instances.
1. The new role of municipalities in terms of approving land management plans in harmony with the Land Management Department Plan, while enabling micro-regional plans that are based on regional realities and dynamics.

2. The Presidency of the Republic undertakes the task of a new national structure with organizations for regional and local participation, it defines both the National Policy and the National Plan for Land Management and Development arising from the articulation of Departmental and Micro-Regional Plans.

On issues of housing, it has formulated a Housing and Habitat National Policy, led by the Vice-ministry of Housing and Urban Development with the participation of more than 80 public, private and social institutions, as well as with technical support of UN-Habitat.

GUATEMALA

Guatemala has an urban population of 8.3 million inhabitants, for an urbanization level of 51.6 per cent (2015 estimates, UN-Habitat, 2016). Its land area is of 108,889 km² with a density of 154.7 inhabitants/km². It borders Mexico, Belize, Honduras and El Salvador (Data.worldbank.org, 2017).


The system of Development Councils, complementary to Municipal Development Plans and Land Management Plans, has empowered municipal governments to
assume a decentralized role in the management of urban development, maintaining a perspective of departmental and regional development (through Regional Planning Areas).

Regarding governance processes and management tools, the plan creates a land management unit responsible for administering and controlling the land owned by the municipality; creates Public Space Defenders, in charge of verifying compliance with design guidelines; and starts a program for the permanent record of urban indicators and of the development of the housing market.

The ‘Guatemala 2020’ Plan proposes the following public sector policies for the territory:

1. Promote an urban culture based on respect and coexistence, minimizing socio-spatial segregation, promoting road interconnectivity and mixed land uses;

2. Promote equitable access to land and public services, particularly by influencing on the land market through buildability indicators;

3. Preserve the environment and natural resources, discourage sprawl;

4. Encourage subdivisions, constructions and uses in accordance to the potential of the land by its location;

5. Promote clear, concise, prescriptive and incentive-based urban regulatory frameworks;

6. Improve the efficiency in the administration and control of the territory, effectively responding to the needs of residents;

7. Promote and consolidate the competitive advantages of the central city, while generating new niches of urban competitiveness; and

8. Maintain a continuous, transparent and proportionate collection of the single tax on property.

**HONDURAS**

Honduras has an urban population of 4.6 million inhabitants, with an urbanization level of 54.7 per cent (2015 estimates, UN-Habitat, 2016). It has an area of 112,492 km², and a population density of 77.5 inhabitants/km² (Data.worldbank.org, 2017). Its land borders Nicaragua, El Salvador and Guatemala.
Honduras has elements of an explicit national urban policy as expressed in different set of policies and regulations. Key among them are the Land Management Law, with a recent tool for regional and urban planning (Government of Honduras, 2003); and the Housing and Urban Development Policy (Government of Honduras, 2004).

The Housing and Urban Development Policy incorporates governance requirements such as the improvement of the institutional framework mainly in the steering role of the housing sector policy; housing finance hinged to the private sector, including the finance of expansion plans; human settlements risk management, and technologies oriented to affordable housing. It also proposes strategies to improve property tax for local authorities.

The Housing and Urban Development Policy has a series of programs to stimulate the land market and access to land, which includes the following measures and instruments: Municipalities Law creating land commissions, reviewing expansions of urban perimeters (Government of Honduras, 1990); support for urban land management companies; land information system; and land regularization.

As for urban economy, the Policy proposes growth in metropolitan areas that responds to a regional integration plan. It also proposes new financial instruments that are oriented to housing finance and mortgage market.

**MEXICO**

Below is an overview of the Mexico National Urban Policy. Further details are discussed later in the report.

Mexico has an urban population of 99.2 million inhabitants for an urbanization level of 79.2 per cent (2015 estimates, UN-Habitat, 2016). Its land area is of 1,964,375 km², with a population density of 65.6 inhabitants/km² (Data.worldbank.org, 2017). Mexico borders the United States, Belize and Guatemala.

The National Urban Development and Housing Policies of Mexico, presented by the President of the Republic in 2013, are led by the Secretary of Agrarian, Territorial and Urban Development (SEDATU). Its implementation demands that policy instruments are used at the Federal, State and Municipal levels. National Urban and Housing Policy responds primarily to one of Latin America’s marked trends: mass rural-urban migration, provoking a change of course in the housing policy to curb the unsustainable pattern of residential sprawl.

The previous model of extended and low density cities promoted urban vacant and speculative land practices, high costs in providing services, low quality and poor maintenance of infrastructure, poor urban mobility and uncompetitive cities, due to the lack of mixed land uses, lower labor productivity because of human resource transfers, higher transport costs, poor quality of life due to poor services, asset impairment
due to remoteness and eventual abandonment, family disintegration and high crime incidences, less social cohesion and destruction of agricultural land (Government of Mexico, 2014a and 2014b).

The National Urban Development Policy states that “the model of urban development should be an engine for growth” (Government of Mexico, 2014a), for which it considers four strategies oriented towards competitive, productive and sustainable cities:

1. Control the disorganized expansion of urban sprawl
2. Consolidate cities
3. Reduce the delay in provision of housing and rehabilitate existing housing stock
4. Promote efficient and sustainable mobility systems

Planning, housing policies with urban containment perimeters, and urban economy are integrated in the National Urban Housing Policy of Mexico, as it “guides housing policy with a sustainable urban logic, which derives from a model of compact and competitive cities”, and promotes “linking housing production to employment offer, both in volume and in their location” (Government of Mexico, 2014b.)

The concept of compact cities is clear in the policy as it encourages the use of intra-urban land, high housing density in the centers, the improvement of infrastructure services, urban facilities and public spaces, recovery of centers and historical landmarks, and strengthening of the social networks of communities. In its implementation, emphasis has been placed on programs such as Habitat, Recovery of Public Spaces, Urban Consolidation Housing Rescue Program (PROCURHA), and Modernization of Cadastre and Public Land Registry.

The particularity of Mexico in terms of vacant housing requires incorporating comprehensive measures of rehabilitation, improvement, replacement and new offers of quality and sustainability.

As for the promotion of sustainable and efficient mobility systems, it proposes the following actions:

1. Design programs to discourage car use.
2. Promote the use of mass transportation
3. Apply strategies of non-motorized transport: bicycles and pedestrian
4. Prioritize investment in mass transportation that is sustainable and appropriate to the reality and needs of each city.

The Public Spaces Recovery Program incorporates elements of Safe Cities that UN-Habitat and other international organizations have advocated for. Through this, urban crime and violence is reduced through the rehabilitation of public spaces.

The National Urban Development and Housing Policies’ complementary social actions, such as the Habitat Program, incorporates the improvement of infrastructure in areas of urban poverty, under a scheme of partnerships, and in this process, includes comprehensive actions such as the National Crusade against Hunger, which seeks to reduce poverty and social exclusion.

The National Urban Development and Housing Policies also provide different treatment for cities of less than 15,000 inhabitants, for which it orients programs such as Habitat that conducts social and physical interventions in areas ranging from municipalities, to neighborhoods and historic centers declared as World Heritage by UNESCO, for which specific resources are allocated.

In terms of urban economy, another key component, coherent with larger Latin American trends and the agenda of sustainable urban development, is the improvement of municipal revenue flows for urban development. While Mexico has important capital gains management tools, it has proposed to make property taxes a significant source of revenue.

In sum, the Urban Development and Housing National Policies of Mexico aim for substantial changes in the patterns of urban growth to align with the trends of urban development in Latin America and the Caribbean, and emphasizes central themes of the New Urban Agenda in terms of governance, planning and economic mechanisms that are geared towards human, competitive, compact, dense, green and connected cities.
NICARAGUA

The country has an estimated urban population of 3.6 million inhabitants, for an urbanization rate of 58.8 per cent (2015 estimates, UN-Habitat, 2016). It has an area of 129,494 km² and a density of 51.1 inhabitants/km² (Data.worldbank.org, 2017). Its land borders Honduras and Costa Rica, while on sea it borders Honduras, Costa Rica, El Salvador and Colombia.

The central aspects of a national urban policy in Nicaragua are found in the 2002 General Land Management Policy (Government of Nicaragua, 2002). The policy is linked to the National Strategy for Sustainable Development and the Action Plan for the Implementation of the National Population Policy and the National Decentralization Policy.

The National Strategy for Sustainable Development emphasizes land management at the municipal level for increased productivity. It responds to the decision to reorient the process of urban concentration from the capital and its surrounding area to secondary towns, while still realigning the productive activities, adequate spatial distribution of the population and the ordering of human settlements system. It also identifies protected areas towards implementing plans that allow sustainable management, including the overall development and management of natural resources and the environment (Government of Nicaragua, 2001).

The General Land Management Policy aims to “guide land use in a sustainable manner: including natural resources, prevention and mitigation of natural disasters, strengthening the administration of the State in the territory, inter-institutional coordination and management of the autonomous regional and municipal governments and civil society in terms of Land Management” (Government of Nicaragua, 2002).

In this context, its specific objectives are linked to the New Urban Agenda in the following fields:

- National and urban economy: ensuring an organized and balanced economic development in the territory, “technically influencing and guiding so that natural migration of the population develops in an orderly manner and contributes to economic and social development of the country,” the sustainable use of natural, productive, labor and social resources, “ensuring a comprehensive and harmonious development of the productive activity, based on the diversification of production.” Government of Nicaragua, 2002, p 10)

- Urban Governance: reorganizing the administrative system of the State, the “administrative, political, economic and social decentralization,” strengthening the administrative-political territorial structure, strengthening the legal justice system and strengthening citizen participation in land management. The Policy assigns specific responsibilities to Ministries and national institutions for implementation (ibid., p 11)

Of particular importance in the context of urban governance is a program on decentralization and de-concentration of Managua, aimed at achieving a metropolitan system that orders the growth of Managua and promotes the development of secondary and intermediate cities. This plan has action plans for 5, 10, and more than 10 years. The policy proposes a series of technological and scientific developments, regulatory, planning, administrative and institutional instruments, and the National Council for Sustainable Development coordinates its implementation and monitoring.
Panama has an urban population of 3.6 million inhabitants, for a 66.6 per cent urbanization rate (2015 estimates, UN-Habitat, 2016). It has a land mass of 78,200 km², and a density of 54.2 inhabitants/km² (Data.worldbank.org, 2017). Panama borders Colombia and Costa Rica.

The Territorial Planning Law of Panama (Government of Panama, 2006) defines the regulatory framework for land management for urban development, and contains core elements of national urban policy of the country.

This law facilitates sustainable development and is used as a basis for urban land management “in recognition of the social and environmental function of property, with the prevalence of general interests over the particular, and the convenience of an equitable distribution of benefits and obligations, as well as in the guarantee of private property” (ibid., art. 3). The recognition of the social and environmental function of property represents an advance for rights in this urban regulatory framework.

In terms of urban governance, the Law appoints the Ministry of Housing and Land Management as the leader in the sector, particularly with regard to the formulation and implementation of the land management for urban development policy.

In terms of implementation, it is responsible for developing national and regional land management plans with their technical standards and procedures, and coordinating state entities.

Urban land governance and management at the municipal level is also defined by a law prescribing the need to “develop and approve land management and urban development plans at the local level within their jurisdiction” (ibid., art. 8), in addition to directing municipal agreements and regulating citizens’ participation.

Regarding urban planning, the Ministry of Housing and Land Management is responsible for planning, guiding and facilitating the creation of new urban centers, as well as encouraging the strengthening of municipal and inter-municipal planning and urban management institutions. Urban planning is done...
through an integrated system of hierarchical plans at: national, regional, local and partial levels. These plans must address ethnic and cultural diversity, and should also recognize pluralism.

Planning and urban governance are articulated through the creation of an urbanism authority called Municipal Planning Board, formed by local public actors and the Ministry of Housing and Land Management, civil society, the Panamanian Society of Engineers and Architects, the faculties of Architecture at the University of Panama and other universities present in the province.

Panama’s urban economy is globalized, with an international financial center (Panama City) and a regional trading center (Port of Colon City with the world’s second largest free trade zone after Hong Kong). These two urban developments along the Panama Canal axis are complemented by the sustainable development opportunities of the country, such as agriculture, tourism and environmental conservation, made possible by its wealth and cultural diversity.

The importance of Panama City as the main urban center of the country makes it a focus of planning and urban development. Notably, urban development of Panama City points towards the following key themes in the Panamanian urban agenda:

1. Urban Economy and Competitiveness: there is significant progress in mass transportation, with an integrated transport system, including the metro, articulated buses and pedestrian areas in sectors of the historic center, in addition to its connection with a pier that connects the city. Panama City has been promoting its commercial dynamics, encouraging partial plans for multiple uses that provide the logistic conditions for business. The recovery and revitalization of the old city has generated positive development for its heritage, real estate and economy.

2. The model of a green, human, compact and competitive city: although it has known an expansion of industrial, logistics and residential areas, various sectors of the city have high densities, with tall buildings of more than 60 stories. The revitalization of the old city has allowed residential, commercial and heritage recovery, with urban standards for local and foreign private capital investments.

3. Nation-City Urban Governance: Panama City has a governance framework that complements the action of the Mayor with a high presence of the National Government in planning, urban development projects, investment and development.

In this context, Panama City, the country’s largest urban agglomeration in rapid development, is aligned to Latin American trends of densification, giving rise to a compact, productive and competitive city.
Paraguay has an urban population of 4.1 million inhabitants, with an urbanization rate of 59.7 per cent (2015 estimates, UN-Habitat, 2016). It has a land area of 406,752 km²; resulting in a very low population density of 16.9 inhabitants/km² (Data.worldbank.org, 2017). It borders Argentina, Bolivia and Brazil.

Article 166 of the Constitution of the Republic of Paraguay states that municipalities “within their competence, have political, administrative, and regulatory autonomy, as well as independence in the collection and expenditure of their financial resources.” In 2010, the Municipal Organic Law (Government of Paraguay, 2010) granted them a series of competences related to urban governance, planning and economy of their territories.

In this context, the Municipal Organic Law enhanced the role of municipalities in matters of planning, urbanism and land management, citing “the planning of the municipality, through the Sustainable Development Plan of the Municipality and the Urban and Land Management Plan” (ibid., art. 12a). In addition to the regulation and control of the land use and occupation system, the regulation controls the real estate subdivisions regime, the system of public and private construction, including all aspects of alteration and demolition of buildings, mechanical, electrical and electromechanical structures, acoustic, thermal or flammable, and the establishment, maintenance and updating of a municipal land information system.

Municipalities have a number of responsibilities, geared towards boosting the urban economy, including provision of technical assistance services and promotion of micro and small businesses and entrepreneurship, planning, formulation and implementation of municipal projects for sustainable development, participation in the formulation of the national, regional, and local policy and strategy for economic, social and environmental development and the formulation of employment plans and programs in coordination with the relevant national authorities.

In terms of public infrastructure and services, the municipalities take on construction and maintenance, the provision of potable water and sewerage services, regulation and provision of sanitation services, collection, disposal and treatment of waste, and the regulation, organization and management of supply centers, markets, slaughterhouses and local fairs.

As for urban productivity, with key emphasis on public transport and transit, municipalities are responsible for the planning, provision, regulation and supervision of the public transport services of passengers and cargo.

In terms of environment, they are involved in the preservation, conservation, rebuilding and improvement of significant natural resources, and the regulation and control of standards and patterns to ensure the environmental quality of the municipality.
For urban culture and heritage, which to an extent contributes to the urban economy, the municipality has key roles in the preservation and restoration of cultural, archaeological, historical or artistic heritage, and of sites with environmental or scenic value, the creation of an inventory of heritage buildings and sites with cultural, archaeological, historical, or artistic and environmental value.

The Organic Law also endows the municipalities with financing instruments for urban development, including:

1. Taxes: property tax, construction levies, sub-division of real estate, transfer of ownership of real estate, and on public passenger transportation, among others.

2. Special Revaluations costs for cadastral modifications of lots and reconstruction works of buildings or other improvements.

As for policy instruments, municipalities are supported by two main documents: the Plan of Sustainable Development of the Municipality and the Urban and Territorial Management Plan (Government of Paraguay, 2012).

1. The Sustainable Development Plan is a technical and municipal management instrument that defines objectives, strategic lines, programs and projects in the social, economic, environmental, institutional and infrastructure areas, aimed at achieving social equity, economic growth and ecological sustainability in the municipality. The Sustainable Development Plan will have as basic content a social plan, a business plan and an environmental plan of the municipality.

2. The Urban and Territorial Management Plan, is a technical and municipal management tool where territorial objectives and strategies are defined in accordance with the Sustainable Development Plan.

PERU

The country has an urban population of 24.4 million inhabitants, with an urbanization level of 78.6 per cent (2015 estimates, UN-Habitat, 2016). It has an area of 1,285,216 km² and a population density of 24.8 inhabitants/km² (Data.worldbank.org, 2017). It shares borders with Ecuador, Colombia, Brazil, and Bolivia.

The National Urban Development Plan 2006-2015 “Peru Territory for All” (Government of Peru, 2006) contains guidelines for a new model of urban management for sustainable development in the context of globalization, which is based on the existence of “a direct relationship between competitiveness and human development.” The Ministry of Housing, Construction and Sanitation is in charge of its implementation with keen interest to respond to the increasing urbanization, with about 80 per cent of the population in 2015 living in urban areas.

The Plan presents an integrated approach between urban and rural areas, implementing the process of political decentralization and economic deconcentration and harnessing the huge national potential with the development of regional markets. The basic premises of the guidelines of the urban policy are:

1. Consolidation and development of the National Urban System as a tool for land management process, decentralization and national competitiveness.

2. Consideration of the role of the market in articulating the development process and economic growth of the cities.

3. The need to promote cities as catalysts of economic development from their conversion into competitive ones.

4. The democratization of urban functions with participatory urban management.

5. The building of a sustainable urbanization process.
6. The incorporation of urban development policies in the fight against poverty, with the concurrence of the public and private sectors and the unitary treatment of the urban-rural space.

A “New Vision: Globalization, Competitiveness and Territory” incorporated in the National Urban Development Plan (ibid., art. 1.2), arises from a diagnosis of the urbanization process in the twentieth century, as characterized by a lack of economic support, complications in settlement patterns, physical vulnerability of settlements, weakened institutional capacities and scattered urban management, and limited vision and regulations focused only on housing and real estate development.

This New Vision integrates components of the New Urban Agenda along its three main dimensions:

1. Urban planning:
   - Analysis of intra-regional migration trends and flows: to better identify the causes of the urbanization trends and human settlement patterns.
   - Hierarchy of System of Cities: integrated in clusters at national and macro-regional levels, and promoted through differentiated policies based on “characteristics of each system, including the economic system, population size, settlement patterns, poverty levels and levels of internal articulation with functional hierarchy of its clusters.”

2. Urban Economy:
   - The policy states that “the country needs to incorporate its cities into a more integrated urban system as nodes of articulation of global production chains. The main challenge however, is the compatibility between increased competitiveness, productivity and indicators of urban-territorial attractiveness, with the improvement of the quality of life of its inhabitants.”

3. Urban Governance:
   - Inter-sectorial process of urban development and land management into a new regulatory and management model.
   - Restoration of democracy in 2001 was followed by the reconstruction of the country’s institutional systems: State Policies, Organic Law of Municipalities, creation of the Ministry of Housing, Construction and Sanitation, creation of the Strategic Planning System and the National Center for Strategic Planning, and the new environmental standards.

The National Urban Development Plan includes four principles: Governance and Governability; Connectivity, networks and flows; Specialization, Production and Innovation; and Sustainability and Competitiveness.
These principles guide the following objectives of urban development in five-year phases with determined budgets and goals for implementation: reduce regional urban and intra-urban disparities (in housing, facilities, urban services); consolidate and integrate the supply of suitable urban land, basic infrastructure and transport; develop special housing programs; promote programs aimed at historical and cultural heritage; increase urban connectivity; create productive urban corridors; and achieve sustainable water management.

Peru’s national urban policy is consistent with the regional trends in Latin America and the Caribbean, but with unique variations on key issues such as governance, planning and urban economy.

**PUERTO RICO**

With an urbanization rate of 93.6 per cent, for an urban population of 3.4 million inhabitants and an area of 9,104 km² (2015 estimates, UN-Habitat, 2016), Puerto Rico’s population density is very high: 384.5 inhabitants/km² (Data.worldbank.org, 2017). Its maritime boundaries are with the Dominican Republic and the Virgin Islands.

The Planning Board within the Governor’s office of the Commonwealth of Puerto Rico is responsible for a series of urban plans and instruments, which constitute a robust framework for urban governance, planning and economic policy.

The analysis of Puerto Rico’s urban policy is based on two documents: the Comprehensive Plan for Strategic Sustainable Development and the Affordable Housing Project in Puerto Rico (Government of Puerto Rico, 2010).

The Comprehensive Plan for Strategic Sustainable Development was formulated in 2010 and is based on three principles: competitive economy, healthy environment, and improving the quality of life. Puerto Rico seeks to serve as a strategic meeting point for business between the United States and Latin America. In this context, the plan articulates its development goals along the following axes:

1. **Economic Development Goals**: Sustained economic growth and sectoral development.

2. **Urban Development Goals**: Physical infrastructure deployed for competitiveness and environmental infrastructure on natural resources.
   
   a. Puerto Rico intends to invest in an infrastructure network that includes efficient public, road, air and maritime transport and is powered by renewable energy sources. There is also a focus on efficiency in the production, reuse, and recycling of resources aimed at lowering the costs of services for citizens and industry.

3. **Social Development Goals**: human beings are placed at the center of development for communities that are safe and healthy. Housing is also incorporated under the Social Development goals.
   
   a. Affordable Housing is the object of a specific policy aligned with the standards for supply of land, construction materials and policy on financing.
DOMINICAN REPUBLIC

Dominican Republic has an urban population of 8.4 million inhabitants, and is 79 per cent urbanized (2015 estimates, UN-Habitat, 2016). Its territory is of 48,442 km² and a population density of 220.4 inhabitants/km² (Data.worldbank.org, 2017). It shares a border with Haiti.

The Organic Law of the National Development Strategy 2030 of the Dominican Republic (Government of the Dominican Republic, 2012) incorporates the core aspects of national urban policy. The Ministry of Economy, Planning and Development, created in 2006 is the governing body responsible for planning, management and formulation of sustainable development towards economic, social, territorial and institutional cohesion.

The Organic Law of the National Development Strategy raises, among its crosscutting issues, territorial cohesion to promote a more balanced territorial development by providing infrastructure, services and capabilities, regional development and competitiveness strategies to seize the regional diversity with the assistance of local governments.

Urban planning objectives are to:

1. Integrate the dimension of territorial cohesion in the design and management of public policies, including:
   a. Single Planning Regions
   b. Land Management Plan
   c. Territorial Cohesion Fund

2. Reduce urban-rural and interregional disparities in access to services and economic opportunities:
   a. Develop concentrated rural settlements
   b. Increase social spending, as well as infrastructure in regions that facilitate urban-rural integration.
   c. Promote the orderly densification of large urban centers
   d. Promote the development of intermediate cities
   e. Promote a balanced spatial distribution of economic activities

3. Promote sustainable development in border areas

4. Provide access of the population to economic, safe and dignified housing with security of tenure.

Urban governance intends to “promote local, provincial and regional development through strengthening planning and management capacities of the municipalities, the participation of stakeholders and coordination with other government bodies” (ibid., Specific Objective 1.1.2). The strategy also aims to strengthen the institutions that are part of the National System for Disaster Prevention, Mitigation and Response.

As for urban economy, the strategy proposes to turn the country into a regional logistics hub, taking advantage of its geographical location. Under the land management plans and single planning regions, the role of urban centers and the financing instruments for economic development have been incorporated and designated for implementation.
URUGUAY

Uruguay has an urban population of 3.2 million inhabitants, and an urbanization level of 95.6 percent (2015 estimates, UN-Habitat, 2016). With a land area of 176,215 km², its population density is of 19.6 inhabitants/km² (Data.worldbank.org, 2017). Uruguay borders Brazil and Argentina.

The Land Management and Sustainable Development Law (Government of Uruguay, 2008), enacted in 2008, is part of the overarching framework that incorporates the key aspects of the national urban policy. The law declares land management for public interest and designate areas where the Republic exercises its sovereignty and jurisdiction. Land management in Uruguay is an essential responsibility of the state, providing mandatory provisions for plans, projects and actions of public institutions.

Public policy in Uruguay recognizes the “territorial rights and duties of individuals” (ibid., title II) at the center of its approach, including respect for the public interest, and set within the framework of rights and guarantees established in the Constitution of the Republic, such as the right to participate in procedures for the development of land management tools, access to information on the territory held by public institutions, and the right to the common and general use of road networks, pedestrian circulation, banks of watercourses, and free and recreational zones - all of them public- and non-discriminatory access to facilities and services for public use, in accordance with existing regulations, guaranteeing it to people with disabilities.

The Law defines the powers and instruments of planning, participation and performance. In this framework, sustainable land management includes: the definition of sustainable development strategies, land use and management based on social, economic, urban environmental objectives, the establishment of criteria for the location of economic and social activities, the identification, definition and administration of areas under special protection regime due to their ecological, heritage, scenic, cultural and environmental importance, the identification of risk prone areas, and the definition and consolidation of strategies of the human settlements system.

Among the guiding principles are instruments for management of the urban economy:

1. Equitable distribution of burdens and benefits of the urbanization process between public and private actors.
2. The recovery of higher real estate values generated by land management.
3. The reconciliation of economic development, environmental sustainability and social equity with objectives of inclusive, sustainable and cohesive development of the territory, combining a balanced spatial distribution of the uses and activities and the optimization of existing infrastructures and services.
4. The development of strategic objectives with social and economic solidarity content, which are compatible with the conservation of natural resources and cultural heritage, and the protection of rural areas of productive interest.
5. Creating conditions for equitable access by all citizens to a decent quality of life, public facilities and services, as well as housing.
6. The protection and promotion of cultural heritage and set of assets in the territory, environmental, scientific, educational, historical, archaeological, and architectural values.

In terms of governance, the following instruments and competences are distributed across scales:

2. Regional level: Regional Strategies.
   a. Interdepartmental level: Interdepartmental Plans of Land Management and Sustainable Development are the instruments that provide structural and detailed planning.
3. Departmental level: Departmental Guidelines, Departmental Ordinances, and Local Plans. The
Departmental Ordinance of Land Management and Sustainable Development is the instrument guiding and overseeing urban planning and management within the departmental jurisdiction.

4. Municipal level: Municipalities are assigned the responsibilities of “land use categorization, implementation of land use and sub division regulations, urban development, construction and demolition, conservation, soil protection and territorial police and the development, adoption and implementation of instruments established by this law “(ibid., Chap. III, Art.14).

The Law also raises a number of provisions on housing and land under the land management and sustainable development framework, including the reservation of land for affordable housing in accordance with the Five-Year Housing Plan.

Finally, Uruguay’s urban policy is complemented by measures for citizen participation in the different levels of territorial planning. In comparison to Latin America and the Caribbean, urban policy in Uruguay benefits from robust management tools, and stands out in its role in regional planning and territorial control.

VENEZUELA

Venezuela has an urban population of 27.8 million inhabitants, and is 89 per cent urbanized (2015 estimates, UN-Habitat, 2016). It has an area of 916,445 km² and a population density of 35.7 inhabitants/km² (Data.worldbank.org, 2017). The country borders Colombia, Brazil and Guyana.

The country’s urban policy is articulated in the Organic Law for Planning and Land Management approved in 2007 (Government of Venezuela, 2007). The Law aims to “establish the provisions that will guide the general process for Planning and Land Management, in accordance to ecological realities and principles, criteria, strategic objectives of sustainable development, including citizen participation and also underpins planning for endogenous economic and social development of the nation” (ibid., art. 1).

In terms of urban governance, the Law gives ultimate authority to the President of the Republic and the Council of Ministers, and creates a hierarchy of responsibilities at the national, state, municipal and metropolitan levels.
A National Land Management Commission - with inputs from the public through citizen participation - prepares the National Land Management Plan, while the State Land Management Commissions prepares the State Land Management Plan.

Urban planning at the territorial levels includes the following instruments:

1. National Plans: The National Spatial Plan, Sector Plans of Land Management, Land Management Plans for Protected Natural Areas and of Special Use

2. Regional and state plans: Regional Land Management Plans, and the state plans for Land Management.


4. The Special Plans.

The Law also provides financial instruments for urban management, including the “Regime of Land Property Derived from Urban Management Plans” (ibid., art. 116). The Land Regime comprises the following functions: determining land use consistent with the public interest and social and urban function of property, ensuring the maintenance of an appropriate density, imposing fair distribution of burdens and benefits of the plan between affected owners, and acquiring construction land for public interest developments.

The Urban Land Law of 2009 (Government of Venezuela, 2009), incorporates other elements of urban policy, mainly related to housing management. It regulates the holding of unused urban land, suitable for the development of social housing and habitat programs, in order to establish the foundations of urban development and the progressive realization of the right to adequate housing in urban areas.

The National Urban Transport Policy (Government of Venezuela, 2001) on the other hand provides a vision consistent with trends in the region. Among them are the introduction of alternative transport modes, transport education campaigns, public transport, and facilitating conditions for pedestrians.
3
MAJOR COUNTRY CASE STUDIES
**3.1 MEXICO**

**3.1.1 Background conditions and evolution of the policy over time.**

The Constitution of the United Mexican States of 1917 made reference in its articles to decent and sanitary housing, and recognize family heritage as a legal tool for the protection of property. In February 1976, several articles of the Constitution were modified, leading in May to the adoption of the Human Settlements Law as the first regulatory framework for urban development policy. Since then, constitutional amendments to Article 115 (1983) and Article 27 (1992), the issuing and updating of the Federal Housing Act (Government of Mexico, 2006) and the new General Law on Human Settlements (Government of Mexico, 1993) have continued to shape the existing legal framework. Currently, the Constitution of the United Mexican States, the General Law on Human Settlements, and the Housing Law, constitute the fundamental components of its national urban policy.

The right to housing was fully recognized in the constitution in 2012. Mexico, characterized by rich cultural diversity, incorporated specific right to housing for indigenous villages and communities (Constitution of Mexico, art. 2)). It also links housing to the country’s productive sector through financial contributions for housing solutions for workers (ibid., art. 123). The United Mexican States National Housing Fund has similarities with the National Savings Fund of Colombia and the Social Housing Fund of El Salvador. Moreover, just like Colombia, Ecuador and Brazil, recent changes in the constitutions and the crisis related to urban sprawl have precipitated a paradigm shift from an urban management model centered on housing towards more comprehensive urban policies for sustainable urban development.

Mexico has about 127 million inhabitants, projected to reach 133 million by 2020 (Databank.worldbank.org, 2017). Its National Urban System is formed by a group of cities of 15,000 inhabitants or more, which amount to 710 cities. Of these, 59 belong to metropolitan areas concentrating 63.8 million inhabitants, 78 conurbations with 5.1 million inhabitants, and 247 urban centers containing 12.2 million people. The most populous metropolitan area is the Valley of Mexico, home to 20.1 million people.

Population growth in Mexico occurred in the context of weak urban planning. In December 2014, an Operations Committee for Developing Tools for Territorial Planning of the National Housing Council indicated that: of the 710 municipalities in the National Urban System, only 431 (60.7 per cent) have an urban development plan or program, and only 242 (56 per cent) are registered in the Public Registry of Property which gives them legal validity. Furthermore, when reviewing plans and programs updates, it was noted that only 21.6 per cent were formulated between 2006 and 2014, while the dated back further, meaning that they still lacked legal soundness, and enforcement capacity.

In the absence of strong urban policies, private developers played a central role in urban development in the past four decades. The extended city model that emerged from this arrangement is now recognized as fundamentally unsustainable and is in crisis. Large Mexican cities have the lowest density in Latin America and the Federal Government has initiated institutional political and legislative changes to ensure an urban development paradigm shift towards compact, connected, integrated and inclusive cities. The country is therefore at an essential moment of reformulation of its national urban policy.

In terms of national governance, a first change was defining a new governing body to lead the new process of urban development: the Secretary of Agrarian, Territorial and Urban Development (SEDATU). SEDATU is the federal agency in charge of land use planning and integrated urban development, as well as the agricultural centers of the country.

Article 115 of the Constitution confers autonomy to the municipalities on issues concerning urban development. Within the context of metropolitan governance, they have created several national and regional entities (such as the Environmental Committee of the Megalopolis) and legislation at state levels, including the Metropolitan Coordination Law of the State of Jalisco.

In terms of urban legislation, the Government of Mexico, through the SEDATU and through an extensive consultation process, has established the principles of national urban policy in the National
Urban Development Programme 2014-2018, and within the National Housing Programme 2014 – 2018 (Government of Mexico 2014a and 2014b). These instruments contain a comprehensive vision of the cities that Mexico seeks to develop and the necessary tools to achieve them.

In Mexico, more than half a million homes are built annually. This has huge impacts on cities and urban development. This is largely facilitated by public institutions (CONAVI and INFONAVIT), supported by the Federal Housing Law (Government of Mexico, 2006), and diverse financial instruments with long-term resources, serving different sectors of the population. With extensive experience and knowledge, the private sector is also quite instrumental in the housing production and infrastructure development.

The Mexican trust funds model for financing urban territorial development is similar to Colombia’s Territorial Financing Institutes. Some regional trusts in Mexico are FIDENROESTE, FIDENORESTE, FIDCENTRO, FIDERCO and FIDESUR. These trusts elaborate development policies for each region and manage federal and state resources devoted to promoting economic and social development projects SEDATU also has the National Trust Fund for Popular Housing (FONAHPO) for financing the “Decent Housing” programs, while CONAVI finances social housing nationwide, with both urban and rural coverage.

3.1.2 Current policy goals and objectives

In an effort to achieve sustainable urban development, the Mexican public urban policies, implemented through SEDATU have six set of objectives:

1. Controlling the expansion of urban areas and strengthening cities to improve the quality of life of its inhabitants.

2. Consolidating a model of urban development that generates welfare for citizens, ensuring social, economic and environmental sustainability

3. Designing and implementing regulatory, fiscal, administrative land management tools.

4. Promoting a sustainable mobility policy that ensures the quality, availability, connectivity and accessibility of urban travel.

5. Avoiding human settlements in high risk areas and reducing the vulnerability to natural disasters of the urban population.

6. Consolidating the National Regional Development Policy with a focus on local context and economic potential.

3.1.3 Methods of implementation, including policy instruments, resources committed and institutional arrangements

At the federal level, the National Urban Development Programme 2014-2018 (Government of Mexico, 2014a) proposes “Controlling urban sprawl and consolidating the cities to improve the quality of life of inhabitants,” which has allowed the elaboration of instruments aimed at consolidating and promoting housing solutions to inner cities.

The implementation of the National Urban Development Programme was ensured at the city level by conditioning access to public resources and the provision of federal subsidies to the respect of its guidelines.

Studies and interviews with experts show that one of the instruments that have shown greater effectiveness in holding back the growth of cities and promoting compact and integrated cities is conditioning the approval of federal subsidies to the application of the Perimeters of Urban Containment (PUC). PUC define three contours: U1, U2 and U3.

1. The first contour (U1) defines those areas where employment opportunities are concentrated; recognizing the relation between urban planning and urban economy that the new urban agenda establishes. It considers the centers of the cities as primarily economic.

2. The second contour (U2), defines consolidated urban areas, where infrastructure and urban services of water, sewer and electricity have cover more than 75 per cent of the area.
This contour has a similar purpose as the transformation that Land Management Law of Colombia made, equating the urban perimeter criteria to service coverage.

3. The third contour (U3) delimits areas of future growth of cities (buffer of between 500 and 900 meters, depending on the size of the city).

The location of housing development projects within the PUC, together with indicators related to the existence of a suitable urban environment, were included as parameters for allocation of resources within the Operating Rules of the Program of Financing Schemes and Federal Subsidy for Housing.

Another promising tool towards integrated and compact cities is the promotion of new housing programs seeking to take advantage of the existing housing stock. The federal government estimates that 6 million households, i.e. about 20 per cent of the country, present processes of deterioration and loss of value. Programs promoting improvement, multi-story housing, and increased use for rent are part of this objective to reduce sprawl. To achieve this, Mexico created a National Register of Territorial Reserves, RENARET (2013). Its function is to inventory existing homes and land for possible development (land reserves) within cities and direct funding for housing there. This exercise has shown there is urbanized land and available capacity for densification within cities to achieve more compact, integrated, inclusive and connected cities.

One of the main challenges faced by the new national urban policies is the coordination of governance with various pre-existing programs, which often requires a transition period. Mexico has sought the convergence of resources and the coordination of various programs, such as the Habitat program, the Public Spaces Rescue Program (PREP), the program for Urban Reserves Consolidation (PCRU), the Reorganization and Rehabilitation of Homes Program (PRRUH), and the Support Program for Residents in Asset Poverty Conditions to Regularize Irregular Settlements (PASPRAH). This coordination has been achieved through six steps: 1) identify and prioritize actions, 2) identify geographical areas of operation, 3) target resources, 4) promote the appropriation of public space by citizens; 5) establish accountability mechanisms between different levels of government and with citizens and 6) ensure that the actions are not carried out in areas of risk.

As for territorial planning instruments of national urban policy, there has been significant progress in the last three years, enabled by the National Development Plan 2013-2018 (Government of Mexico, 2013) and the powers granted to the Federal Government, the Planning Law, and the Housing Law. The following programs have been formulated:

- Agrarian, Territorial and Urban Sector Development Program 2013-2018
- National Urban Development Program 2014-2018
- Regional Development Program of the Center
- Regional Development Program of the North
- Regional Development Program of the South-Southeast

Funding for urban development and housing, and public budgets of the past decade have had a significant increase in Brazil, Ecuador, Colombia and Mexico.

3.1.4 Nature and extent of stakeholder involvement

In Mexico, multiple actors have been involved in decision-making regarding the capital, Mexico City, exceeding 20 million inhabitants; and the 59 metropolitan areas in the country.

The determining actors can be grouped in the following categories:

1. In Government, the head of the urban development policy is the Ministry of Agrarian, Territorial and Urban Development (SEDATU)\(^2\). The role of SEDATU on national urban policy is to guide urban development in the country.

\(^2\) In the case of Mexico, there is a peculiarity: there are no Ministries as such, therefore its equivalent are the Secretaries. This is an important distinction because the concept of “Secretary” for the rest of the region has a different character in the structure of the State.
SEDATU has a national office at State level creating a relationship with the ‘Governors as relevant political actors in regional and local programs.

2. Public entities in partnerships with the private sector. This collaboration is one of the determinant factors in the management and implementation capacity in housing and urban development in the country. The main financial actors are presented in the table below:

3. The private construction sector, working closely with the Mexican Chamber of the Construction Industry, which has a major influence in public policies and legislative framework.

4. Social organizations representing environmental and housing activist movements.

For decades, the Mexican social and popular movement advocating for the right to housing and the city has had many expressions and claims. It is in fact an actor with influence in the national and international legislation. These organizations have been active in Habitat I, II and III.

Environmental movements, mainly in Mexico City influenced the discussions that led to changes in urban policies of the capital 25 years ago, and maintain a role of monitoring, oversight and recommendations.

5. Academia: State Universities (Autonomous Universities). There is one in each state, providing research and knowledge, including various urban observatories, such UNAM of Mexico with its research centers, and the UNANL in Nuevo Leon. Private sector universities in different parts of the country such as the Monterrey Technological University also contribute to the reflection on issues of urban and local development.

<table>
<thead>
<tr>
<th>FINANCING</th>
<th>HOUSING SOLUTION</th>
<th>TYPE OF EMPLOYMENT</th>
<th>INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking credit</td>
<td>Mostly complete housing</td>
<td>Formal</td>
<td>High and middle</td>
</tr>
<tr>
<td>Credit INFONAVIT/ FOVISSSTE</td>
<td>Mostly complete housing</td>
<td>Formal with affiliation</td>
<td>High, middle and low</td>
</tr>
<tr>
<td>Credit SHF (SOFOLES, SOFOMES y CAJAS DE AHORRO)</td>
<td>Mostly complete housing</td>
<td>Formal without affiliation</td>
<td>Middle and low</td>
</tr>
<tr>
<td>Subsidies CONAVI</td>
<td>Complete housing, expansion and improvement</td>
<td>Formal with and without affiliation</td>
<td>Low</td>
</tr>
<tr>
<td>FONHAPO</td>
<td>Mostly complete housing and expansion</td>
<td>Informal</td>
<td>Low and very low</td>
</tr>
<tr>
<td>SEDESOL</td>
<td>Improvement</td>
<td>Informal</td>
<td>Low and very low</td>
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</tbody>
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3.1.5 Evidence of policy impact and effectiveness

In Mexico, the previous urban development paradigm – essentially building housing anywhere where the land was cheap regardless of connectivity – caused a deep crisis. However, the influence of the new policies formulated as a response to this crisis is evident in the strength of the current sustainable urban policy discourse, and the implementation tools, mainly financial, that support it.

Housing remains critical in urban development, which is why the impact of the new urban policies - for cities that are compact, connected, integrated and inclusive - on the various existing housing programs is relevant to observe, and is manifest in the development of effective tools.

In Mexico, the process of strengthening the institutional framework for financing significantly increased since 2001, with the creation of the Federal Mortgage Society (SHF). In the same year, the National Commission for Housing Development (CONAFOVI) was created, and later in 2006 was transformed into the National Housing Commission CONAVI. CONAVI has had a significant role in housing policies and programs, with impact on urban development, thanks to its ability of involving the private sector in housing development with public support. The synergy between CONAVI and the National Fund for Popular Housing, FONHAPO has yielded significant results in housing for popular sectors and lower-income households. The State also made a reengineering of the financial products and equity placement reaching 70 per cent of mortgage loans.

If Mexico manages to effectively increase its urban density, it is estimated that the cost of construction of road infrastructure and the provision of services such as drainage, water and electricity could be reduced up to 67 per cent, transport costs could be reduced to 47 per cent and CO2 emissions by up to 41 per cent (Centro Mario Molina, 2014).

Mexico’s new approach to urban development could also be particularly impactful in climate change issues related to mobility and transport. The Ministries of Environment in coordination with Transport, based on the development of the constitutional provision of the right to the city, have incorporated specific guidelines, with measurable goals, on climate change and urban mobility actions in the past 5 years. The guidelines for actions towards climate change should be incorporated into the development plans of each of the municipalities, and urban mobility measures clearly tend to shorten travel times, incorporate non-motorized transport and reduce emissions of gases, as well as reduced noise in the urban environment.

3.1.6 Overall assessment of the policy’s strengths and weaknesses

One can assert that Mexico was slow to achieve an urban paradigm shift, and only carried out structural changes in its urban development model and therefore in national urban policy when the housing crisis became untenable. However, we must recognize that the change has had a fast implementation through the creation of a new federal ministry, SEDATU, and strong institutions endowed with resources and finance management tools such as CONAVI and INFONAVIT, among others.

The new national urban development policy of Mexico is currently in a consolidation phase. In a country of 130 million inhabitants and a territory close to 2 million km², a paradigm shift from the previous city model that has been built over the
past decades is a lengthy process. Formulation, operational structuring as well as implementation of the new policy require time.

Management instruments for urban development finance, as well as housing development shifted the focus of resources towards new policies and programs that transform the previous trend of urban development. This change means going from scattered to compact cities, from disconnected neighborhoods to inclusive cities.

However, some civil and academic voices still call for greater results on key issue for the new urban development policy, including efficiency in the new land management plans and the implementation of land management instruments.

The Autonomous University of Mexico (UNAM) has indicated that in the country, land management has not been effective for risk management, as vulnerability of certain populations. The national projections indicate that about 34 per cent of households in the country would be classified as irregular. Of 300,000 new homes integrated in urban areas annually, approximately 41.7 per cent are forced to occupy land illegally.

### 3.1.7 Relationship to any national spatial framework or equivalent policies

The need for a focal shift towards compact, connected, integrated and inclusive cities is recognized unanimously in the country. Gradually, various public and private actors understand that changes are needed to link to the new city model trends toward sustainable urban development.

Other legislative documents related to urban development have therefore undergone a review and updating process, to be aligned with the principles and design of the new urban policy. Currently, several urban issues, such as public spaces, access to adequate social and community facilities, and economic inclusion are more emphasized in national public policies.

### 3.2 EL SALVADOR

#### 3.2.1 Background conditions and evolution of the policy over time,

El Salvador has been considered in this study because of its small size (20,000 km²) and its relatively small population of more than 6 million inhabitants, contrasted with a very rapid urbanization rate. These characteristics are representative of a range of countries in Latin America, particularly in Central America and the Caribbean. It reflects the dynamics of countries that are in the initial stages of national urban policy development, influenced by a history of housing policies and programs.

The responsibility is held by the Vice-Ministry of Housing and Urban Development, with the exception of its main metropolitan region, in which Planning tasks are handled by the Planning office of the Metropolitan Areas of San Salvador since 1987.

In this context, the Vice-Ministry of Housing and Territorial Development has made and oriented land use plans and delivered authorizations of parceling and construction permits in the remaining 158 municipalities. This centralized situation, of planning and urbanization permits, is similar to several other countries in the region, including Panama. The recent trend in these countries, however, is the decentralization of such responsibilities to municipalities. In El Salvador, this shift was started by the adoption of the Territorial Planning and Development Law (Government of El Salvador, 2011), whose principle of decentralization has already been applied in some intermediate cities.

The first land use plans of El Salvador, and particularly the metropolitan area of San Salvador, were made in the early 90s and have been updated in the past three years. Other management plans for other regions and municipalities have been under the responsibility of the Vice-Ministry of Housing in coordination with the Ministry of Environment and Natural Resources (MARN).
The weakness of these set of plans however, lies in their enforceability. The new Territorial Planning and Development Law (ibid.) gives a mandatory character to plans that are made at the level of municipalities, groups of municipalities, department; and to the National Territorial Planning and Development Plan (Government of El Salvador, 2004) to be implemented in coherence with a future Planning and Territorial Development National Policy. While that new urban policy framework is consolidated, plans are still easily modifiable by developers and builders.

In terms of urban governance, lack of mandatory compliance with the plans, through the activities of illegal developers, estate and land owners on the edges of cities, have generated close to 40 per cent of irregular urban properties within urban growth, both in terms of housing developments and in the property deeds of their owners. This situation is characterized by the breach of the minimum standards of public services, road connectivity and public spaces, and effective planning. In El Salvador unlike Colombia, it is not considered a crime linked to fraud if actors promote illegal urbanization. A Land Subdivision Law (Government of El Salvador, 2012b) approved in El Salvador in 2012 has accelerated regularization, and aims at regularizing 300,000 urban properties in the in the coming years.

Finally, the regional level is also influential in urban policies in El Salvador. The country is for instance an active member of the Central American Integration System (SICA), and in the Central American Social Integration Secretariat, which depends on the Central American Council for Housing and Human Settlements (CCVAH). In 2014, Central American governments: Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, and the Dominican Republic, agreed on the Central American Strategy for Housing and Human Settlements. Its latest update has a strong focus on urban development and has become a reference document on urban development policy at regional level.

In this context, the Central American Bank for Economic Integration (BCIE) has aligned its policy on housing and urban development (VIDHAS Program). Moreover, in the last three decades, the BCIE has been the bank that has given the most loan resources to countries in Central America. The approach of the Central American Strategy and the alignment of BCIE can therefore have significant impacts on sustainable urban development in the countries of the region in the coming years.

### 3.2.2 Current policy goals and objectives

**Currently, goals and objectives towards a national urban policy are articulated by two main processes:**

- the Territorial Planning and Development Law (Government of El Salvador, 2011) with the objectives to:
  - Formulate the national policy of urban land management and development.
  - Formulate urban land management and development plans in 262 municipalities.
  - Formulate at least 14 departmental urban land management and development plans.
  - Developing regional or micro-regional urban land management and development plans.
  - Formulate the National Urban Land Management and Development Plan.

- Housing and Habitat Policy (2015) process. In 2016, the Government of El Salvador led by the Vice-ministry of Housing and Urban Planning as lead agency in the sector, has aimed:
  - to submit to the National Assembly the draft Law on Housing and Habitat. Review and approval is expected between 2016 and 2017.
  - to adapt the instruments of housing management, including housing subsidies and credit models to the new housing and habitat national policy.
  - to establish an interaction between the Vice-ministry of Housing and Urban Development (VMVDU) and multilateral banks for loans of US$170 million from the IDB and CABEI, bound for housing subsidies and studies of urban development.
3.2.3 Methods of implementation, including policy instruments, resources committed and institutional arrangements

Financing of urban development is done through national budgets. It is noteworthy that there are some municipal experiences in implementation of normative financial instruments through improvement of taxes. Among examples are the cases of Nuevo Cuscatlán applying densification taxes, San Salvador developing an instrument of efficient management i.e. a partial development plan for improvement of an urban sector (Zona Rosa) and issuing an ordinance for improvement taxes for 10 years for 2000 premises.

Public housing finance institutions respond with limited resources to the scale of the country’s housing deficit, which is of over 87 per cent (Government of El Salvador, 2007). With an estimated growth of around 30,000 homes per year, Social Fund for Housing (FSV) and the National Fund for Popular Housing (FONAVIPO), second-tier banks, are the most important entities in the country’s housing loans, financing a range between 5,000 and 10,000 homes in the last decade.

According to the World Bank, El Salvador is the Latin American country with the lowest banking rate, at about 10 per cent. The commitment of the private banking sector to urban development and housing loans is very low. They also have not designed products and services of any significant impact. The low presence of private banks in addressing the housing sector affects the growth of the housing deficit in the country. Multilateral banks, present in the region, provide governments with loans intended as instruments of housing subsidies towards investments in urban development. BCIE, the bank with greater allocation of resources to the countries in the region, is present in El Salvador and offer credit for national housing subsidies.

In terms of public resources to finance urban development, El Salvador is very weak. This is mainly due to absence of property taxes. Thus, the country has very little to reinvest in municipalities development. The average tax revenue in Latin America is of 20.7 per cent (OECD, ECLAC, Inter-American Center of Tax Administration, 2012). El Salvador is at 15 per cent, which is below the average of the continent. It is also worth noting that the average value added tax in Latin America is close to 3.5 per cent, while that of El Salvador it exceeds 7 per cent, indicating that tax policies of the past 25 years in the country burden the low-income sectors.

3.2.4 The nature and extent of stakeholder involvement

In El Salvador, there are five types of stakeholders actively involved in urban development:

1. Public sector:
a. The governing body responsible for the urban development policy is the Vice-Ministry of Housing and Urban Development (VMVDU) under the Ministry of Public Works (MOP).

b. For procedures of subdivision permits, urbanism and construction, responsible entities are VMVDU, the Ministry of Environment, the Secretary of Culture (for properties with heritage value) and public utilities entities. Because of decentralization, the main public body for the 14 municipalities in the metropolitan area of San Salvador is the Planning Office of the Metropolitan Area of San Salvador (OPAMSS).

c. Public entities created for the process of legalization and land registry are the Institute for Property Legalization (ILP) and the National Registry Center (CNR).

d. Public funding institutions are the Social Housing Fund and the National Popular Housing Fund (FONAVIPO).

2. Social sector: Social organizations have had an important role in social housing in recent decades. The Salvadoran Foundation for Development and Minimum Housing (FUNDASAL) and Habitat for Humanity are among the organizations providing public, private and international donor resources on social housing: investments that exceed the government’s direct contribution to housing. In the last five years, popular housing organizations have been organized through the Popular Housing National Council (CONAPO), which is achieving significant levels of dialogue with the State in the formulation of public policies and laws related to social housing.

3. Private Sector: contractors also play a key role in the definition of public housing policies. Several unions including the Salvadoran Chamber of Construction (CASALCO), the Association of Engineers and Architects (ASIA) and the Association of Architects of El Salvador (CADES) have a large impact on urban housing policy. On the other hand, the private producers of construction materials, such as cement (e.g. Holcim), dedicate resources to support designs, materials, training initiatives, among other public-private partnerships aimed at social housing and urban development.

4. Illegal developers: Illegal developers have been a determining factor in the form of cities and the poor quality of housing and urbanization in the country. Their strong presence in the sector is due to the fact that their activities are not punishable by law, unlike in other countries in the region.

5. Multilateral banks: Multilateral Banks have played a key role in public financing for urban development and housing. The Inter-American Development Bank and the Central American Bank for Economic Integration (CABEI) are among the outstanding examples in the country.
3.2.5 Evidence of policy impact and effectiveness

The process of urban development and public housing policy in El Salvador has been dynamic in the last 6 years. Compared to other countries in the Central American region, El Salvador has taken important steps towards a national urban policy.

The elements of the new approach adopted are:

1. Urban governance and legislation:
   a. The Housing and Habitat Policy has public and private ownership due to the participatory methodology used in its formulation.
   b. National government studies towards the policy formulation and the creation of the Ministry of Housing and Habitat are key requirements for strengthening urban governance.

2. Urban legislation:
   a. The Regularization Regulation (Government of El Salvador, 2012a) has enabled the regularization of 60,000 urban lots of low income areas.
   c. The Housing and Habitat Law is under development, having evolved as a complementary action to the Housing and Habitat National Policy.

3. Urban finance
   a. The Vice-ministry of Housing and Habitat has begun reviewing its policies for housing finance, creating instruments appropriate to the new policy for the Social Fund for Housing (FSV).
   b. The terms and amounts of housing subsidies are under review. Part of this process has been to raise these changes with the Multilateral Banks, IDB and CABEI for possible funding.
   c. In addition to improvements in houses and urban infrastructure, comprehensive improvement programs of neighborhoods have contributed to the economic inclusion of these sectors to the opportunities of the urban environment.

3.2.6 Overall assessment of the policy’s strengths and weaknesses

In the regional context of Central America, El Salvador’s progress in public policy and regulatory framework for urban development and housing are remarkable.

The strengths of the urban development policy contained in the document of the Housing and Habitat Policy are:

1. Its participatory formulation process was participatory, which has resulted in ownership by large sectors once it was approved. For two years, it was operated by a policy manager group, consisting of eight entities of civil society, academia and the private union sector. The process was also supported by the Vice-Ministry of Housing and Urban Development and UN-Habitat.

2. The participatory and consultation process of the Housing and Habitat Policy allowed incorporating various proposals from public, social and private sectors. Its contents are broad and comprehensive, while it has an emphasis on social housing.

3. The Housing and Habitat Policy was introduced to the country by the President of the Republic, illustrating a strong political commitment at the national level.

4. Its concerted development process also earned international recognition at the Dubai Habitat Award of 2015.
Weaknesses in the implementation of the national urban policy have to do with the slow application of the Territorial Planning and Urban Development Law.

1. The proposed new institutional structure representing municipalities, governorates and the national level, to be led by the Technical Secretariat of the Presidency, has not materialized.

2. Consequently, the Land Management and Urban Development National Policy, as well the various plans that derive from it, have not yet been formulated.

3. Territorial Management and Urban Development Plans are still not mandatory. This is a weakness for planned urban development.

3.2.7 Relationship to any national spatial framework or equivalent policies

The National Urban Policy in the case of El Salvador it is composed of land management and urban development (laws and plans), and housing and habitat (policy and regulations).

There are two additional public policy issues which contribute to the national urban policy:

1. The guidelines and regulations for land management and planning of the Ministry of Environment and Natural Resources (MARN). These guidelines directly affect subdivision, planning and construction permits.

2. The Land Subdivisions Law (Government of El Salvador, 2012b), which was created to address the situation of irregular possession of more than 300,000 urban lots of 1.3 million in the country, which were allotted by illegal developers. The incidence of this law is high in urban policy because it recognizes the reality of the country and seeks to incorporate these sectors to the legality of urban development.

3.3 COLOMBIA

3.3.1 Background conditions and evolution of the policy over time

In the last 60 years, Colombia has experienced rapid urbanization. In 1951, the urban population accounted for 39 per cent of the total population and in 2010 it had reached 76 per cent. In the same period, it increased from 6 cities with over one hundred thousand inhabitants to 41, and while there were no cities of over one million in 1951, 4 cities currently exceed that amount, among them Bogota with more than 7 million inhabitants.

National Planning Projections (Government of Colombia, 2014, p 8) suggest that by 2050 the population living in urban centers will reach 52.6 million inhabitants (an increase of about 20 million), equivalent to 86 per cent of the total projected population. From this projection, it is estimated that by 2050 the country will have 69 cities with more than 100,000 inhabitants and seven more with over a million inhabitants.

In the case of Colombia, the evolution towards national urban policy is recent. The 1991 Constitution recognizes in its Article 51 the Right to Adequate Housing. This inclusion has allowed a significant advance in the process of developing the national urban policy in the following aspects:

1. Urban planning: the Land Management Law (Government of Colombia, 1997) led more than 1,100 municipalities to adopt mandatory Land Management plans between 1999 and 2006. In 2011, the Organic Law of Land Management (LOOT) (Government of Colombia, 2011) complemented by the Public Policy of System of Cities (Government of Colombia, 2014) provided planning and territorial management instruments at the sub-regional and regional levels.
2. Urban governance: national institutions dealing with housing and urban development went from the Housing Direction of the Ministry of Economic Development in early 2000, to the Ministry of Environment, Housing and Land Management from 2003 to 2010, to the newly created Ministry of Housing, City and Territory. In this transformation, a shift in focus towards a more comprehensive policy of urban development is evident.

3. Urban financing: There is a trend of budget increase, both in housing and in infrastructure. Financing instruments have been a constant in urban planning laws, and in the recent LOOT and in the Policy of Systems of Cities, planning, organization of regional governance and access to funding sources are properly integrated.

4. Urban legislation: the economic and social right to housing evolved into a fundamental right of protection of life. This was brought about by two considerations:

   a. The population displaced by internal conflict. State Council considered that the failure to protect civilians in their lives and property by the state, forces them to restoration. Key components of restoration of rights to housing have been included. This covers about 4 million people who lost their properties by forced displacement or by armed conflict. The state estimated 5 million hectares as the amount of land lost by small farmers under pressure by an alliance between illegal drug armies, landowners and right-wing politicians.

   b. The population inhabiting in high-risk areas. The resettlement of populations living in high-risk areas is an obligation to the State. Public officials must take preventive measures in cities and homes that are in high-risk areas. Government officials liable to criminal penalties in proven cases of damages caused by negligence.
Since 2011, the urban legislation and the Ministry of Housing, City and Territory regulate and standardize the National System of Cities, which focuses on metropolitan and regional visions of urban development, in accordance with the trend of urban policy in the region. Moreover, Land Management was strengthened in 1997 (Government of Colombia, 1997) with the introduction of mandatory Land Management Plans at municipality level.

The 2011 Organic Law of Land Management (LOOT) (Government of Colombia, 2011) and the policy document CONPES 3819 of System of Cities (Government of Colombia, 2014) have strengthened the regional approach to urban planning with the concept of the System of Cities. UN-Habitat has been an adviser to the Directorate of National Planning (DNP) on this subject.

The institutional transformation towards national urban policies, and particularly the decentralization process which has transferred a framework of competences and resources to municipalities, also applies for territorial planning. Major cities have institutional entities of urban renewal and transformation, including those with real estate and land banks roles and those responsible for housing and resources to promote it. Processing of urban planning and construction permits have become the most efficient in the region, obtained in less than 90 days, which has had an impact on the dynamics of urban growth in recent years in large and medium cities.

### 3.3.2 Current policy goals and objectives

One of the main objectives of Colombia’s national urban policy is the integrated planning of its urban agglomerations through the System of Cities.

From a territorial perspective, the map below (ibid.) shows systems of cities which the national urban policy considers a priority for interventions in integrated planning.

A second objective of the national urban policy is to create new instances of governance to support this System of Cities and follow the trend of regionalization of urban growth. In this sense, the 1625 Law (Government of Colombia, 2013) sets forth guidelines on Metropolitan Areas and the Organic Law of Land Management (Government of Colombia, 2011) incorporates the following options for organization of several municipalities for regional governance:

1. Associations of Local Authorities: Municipalities, Departments Districts, and Metropolitan areas associations.
2. Metropolitan Areas
3. Planning and administrative Provinces -PAP
4. Planning and Management Regions -RPG
5. Administrative and Planning Regions -RAP
6. Association of Regional Autonomous Corporations
7. Strategic Alliances for Economic Development with neighboring countries
8. Economic Strategic Alliances

**Finally, the goals of national urban policy are also closely related to the different actions of the Ministry of Housing, City and Territory, including:**

1. Urban Planning: to promote the review of the 1150 plans, schemes and basic schemes of land management corresponding to each of the municipalities, as most of the plans were made in the past decade and reach the end of their validity. Their renewal constitutes the second generation of LMPs with mandatory character in Colombia.
2. Urban-regional planning: there are 6 constituted metropolitan areas out of 18 metropolitan areas identified in 2015. For the new national urban policy, the goal is to ensure that these 18 regions acquire the character of new local governance, complementary to the existing municipalities.
3. Urban governance and legislation: the recent Ministry of Housing, City and Territory should be strengthened and develop policy instruments to carry out its extensive responsibilities.
4. Housing for instance remains a central issue of its administration. The Program of 100,000 was a priority goal that was achieved in 6 years. While the result is politically important in public opinion, the social housing deficit in the country
continues to grow at about 130,000 homes per year. The government’s goal is to promote more management tools to stimulate housing provision, especially social and middle class housing.

5. Financing for urban development: the role of the National Planning Department (DNP) enables the articulation between the integrated planning of cities and regions, with access to resources from the national government.

a. In housing, the growth of public resources for social housing has increased by 20 times in the last 15 years. Most of these resources are aimed at providing social housing for people displaced by internal conflict, high risk areas, extreme poverty and subsidizing interest rates for middle classes.

3.3.3 Methods of implementation, including policy instruments, resources committed and institutional arrangements

National urban policy is the responsibility of the national government. Its main components are comprised in the documents by the National Council for Economic and Social Policy (CONPES). National development planning laws are prepared every four years, in accordance with the presidential term. The territorial planning laws at the municipal, metropolitan and national levels are the responsibility of the legislative assemblies. The regulation of laws is the responsibility of the Executive power in ministries and institutions nationwide.

In Colombia, there has been progress in the process of administrative decentralization towards municipalization. Among the core competencies of the municipalities is planning and governance of their territory. Therefore, the implementation of national urban policies relies fundamentally on the functions and powers of the municipal authorities. This is the reason for the requirement of land management plans at the municipal level.

Municipalities, depending on their size, population and institutional capacity, have multiple public institutions for urban development and housing. Some examples are the Institutes of Urban Development, industrial and commercial enterprises, Popular Housing Banks, institutions with roles of land banks and development of areas of expansion, urban renewal companies, territorial financing entities, utilities companies, among others.

In Colombia, financial resources for urban development come from different levels of government: municipal, departmental, and national.

The main source of funding for municipalities is property taxes. They also have the possibility to apply local regulations for urban development which allows the collection of capital gains, compensation fees, buildable rights and valuation revenues.

The departments have few sources of income. Both governorates and municipalities receive transfers from the national government and direct investments for their urban development.

High cost urban infrastructures in municipalities, such as bridges, roads for mass transit, subways, metro-cables, require the coordination of municipal, departmental and national resources.

Some governorates and the national government have financing entities for territorial development, providing funds as public development banks to municipalities and governorates for such investments.

In the context of the current national urban policy, the processes of regional organization of municipalities is encouraged by greater access to resource transfers from the national budget.

Law 388 (Government of Colombia, 1997) gave a binding character to the Land Management Plans. The Law stated that from 1999 they should be approved for a period of 12 years. From 2013 onwards, they have expired and have required the review of new LMPs for each one of the 1,150 cities of the country. New approaches to urban development and progress in management tools are being incorporated in this new generation of LMPs.

The goal of the national government with its national urban policy is making progress with the 1,150 LMPs and incorporate them for the first time in the country’s 32 departmental plans, and reach in the medium term at least 18 regional land management plans for each of the regions identified in the policy of system of cities.
As for financing instruments, Colombia has elaborated different instruments of land management in 2010 and has regulated norms of capital gains and urban standards for height compensation. (Example: Decree 562 of 2014 of the Municipality of Bogotá). In addition, mechanisms such as that of valuation, used for decades, remains an efficient and known instrument to finance urban infrastructure. The State also has institutions to finance territorial development for municipalities and public entities (Financiera de Desarrollo Territorial FINDETER / Territorial Development Finance, FINDETER). Several regional governments also have institutions for territorial funding with resources allocated to urban development (e.g. IDEA of Antioquia, InfiValle of Valle del Cauca, etc.).

As for housing finance, Colombia has more variety of targeted subsidies from the State, including free housing modalities. The experience of the Family Compensation Funds with the use of para-fiscal resources of the employers, towards the population of public and private sector employees, combining subsidies and loans, is a good reference point of efficiency and impact on housing and urban planning in the national and regional level.

The private financial sector, except for the addition of subsidies to interest rates which has increased the supply of housing to low-income and middle classes, private banking has little presence in the access to credit for the poorest segments of the population. Interest rates of the Colombian private banking system are among the highest in the continent.

The most important public bank for housing is the National Savings Fund (Fondo Nacional del Ahorro) with the highest credit coverage for low-income sectors, over private banks as a whole. The balance on supply and finance of housing, against the growth of the deficit remains negative. Policies and programs against urban and rural qualitative deficit are weak and thus the resources devoted to them are insufficient.
3.3.4 The nature and extent of stakeholder involvement

In Colombia, there are five types of stakeholders actively involved in urban development:

1. Public Sector:
   a. The leader of urban development policy is the Ministry of Housing, City and Territory. The Ministry applies specific guidelines from the National Planning Department (DNP) as policies issued by the CONPES, which the Cabinet of Ministers is part of, in addition to laws arising from the Congress. The Ministry of Housing, City and Territory produces a significant amount of regulations for the implementation of regulatory frameworks and national policy.

   b. For planning and building permits, in Colombia the municipalities of less than 100,000 inhabitants issue the permits through Municipal Planning. The cities of over 100,000 inhabitants have this service administered by a private figure called Urban Curatorship. The Curatorship manages the permits, strictly following environmental and constructive regulatory frameworks established by the competent government agencies, as well as technical requirements established by the public services companies.

   c. Colombia has strong banks to finance both housing and urban and urban-regional development infrastructure. The Financial Institution for Territorial Development (FINDETER) stands out for infrastructure, as does the National Savings Fund (FNA) for housing. There are also territorial development finance institutions at the departmental level, such as IDEA of Antioquia, InfiValle in Valle del Cauca, InfiBoy in the department of Boyaca, among others. In the municipalities, several cities have public funding agencies such as the Special Housing Fund of Cali and similar figures in other cities.

2. Social Sector:
   a. Family Compensation Funds are determinant entities for housing policy. They are private entities at the departmental level that operate with funds from contributions that public and private companies in the country make for every formal job they hire. The contribution from companies is four per cent of their payroll. Its social role in various fields such as health care and education to its members is of great impact; particularly on social housing.

      The national government does not allocate housing subsidies to people in the formal sector of the economy, as these are addressed by the Family Compensation Funds. For more than a decade, subsidies provided by the Family Compensation Funds were 3 times higher than those granted with the national budget. The influence on policy they exert through housing subsidies is regulated by the Ministry of Housing, City and Territory.

   b. National secondary level organizations of popular organizations have been the National Federation of Popular Housing Organizations (FEDEVIVIENDA) with emphasis on neighborhood improvement, and the National Federation of Popular Housing (FENAVIP) in new housing, which together grouped over 100,000 homes.

   c. In the last 10 years, organizations of displaced persons claiming the right to restitution of the State in land and housing, mostly urban, played a decisive role as actors of social expression and dialogue with the State at different levels.

3. Private Sector:
   a. Private constructors play a key role in defining public policies. Among the unions with incidence on urban policy, are the Colombian Chamber of Infrastructure, and the Colombian Chamber of Construction (CAMACOL).
b. The financial sector is a strong actor in the country and provides financial services to the private sector for the development of urban infrastructure, as well as for housing for middle and high income sectors.

c. Fiduciaries are financial managers of urban development and housing projects. Virtually all projects create a trust scheme, an effective tool to ensure that housing projects do presales until achieving breakeven point, before starting the largest investments. The model has proved successful as an anti-cyclical tool to avoid high impacts of economic crises at the national or international level. It arose from a crisis of the Colombian financial sector in the late 1990’s, in which about 200,000 Colombian families lost their homes, thousands of construction companies went bankrupt, and the state saved banks with capital.

3.3.5 Evidence of policy impact and effectiveness

The national urban policy evolved from a narrow focus on housing policy towards a broader emphasis on planning and the sustainable city model. Evidence of this shift is in the establishment of a new institutional framework for governance.

Law 388 (Government of Colombia, 1997), prescribing that LMP takes effect in 1999, was implemented relatively quickly. In 2002, they had reached 60 per cent of municipalities, and in 2006, 1,100 municipalities had a LMP.

Colombia is an example of good alignment of urban governance and urban planning instruments. Simultaneously with the approval of Land Management Plans in each of the municipalities, a mechanism capable of speeding up the process for urbanism and construction permits was created. This placed Colombia as the Latin American country in which urbanism and construction permits are obtained with the greatest agility.

The existence of houses in high-risk areas forces municipalities to take preventive measures. In such cases, preventive action (risk management) must be taken, to respect the fundamental right to life, connected to the economic and social right to housing. Economic and criminal responsibility at an institutional and personal level for officers, pushed the implementation of programs to resettle citizen of high-risk areas, and increased resources and subsidiary instruments.

The effectiveness of the steps taken in the new urban development policy still cannot reverse the growing trend of the housing deficit, particularly social housing. In this area, the government will work on new instruments and public institutions, as did Mexico and Brazil, to achieve more significant progress. Mexico builds more than half a million homes a year, while Colombia builds about a third of this. and in terms of social housing its flagship project builds 20,000 annually.

3.3.6 Overall assessment of the policy’s strengths and weaknesses

In terms of urban legislation and planning, the main strength of Colombia’s national urban policy in the last 20 years lies in the development and strengthening of legislative and regulatory instruments for urban planning and management, and is illustrated in the progress of the following plans:

1. Land Management Plans (LMP) have been elaborated in cities for 12 years, and now have mostly been reviewed and renewed for an equal period, ending between 2025 and 2030.

2. The second generation of LMPs place more emphasis on compact, connected, integrated and inclusive cities. They also incorporate specific management instruments applicable to different territorial realities.

3. Development Plans, laws which are formulated at the beginning of each governmental term, have seen an increase in regulations specific to urban development.

While those instruments are effective in the management and planning of urban areas, urban-rural development planning, such as
the stimulation and promotion the economic opportunities of agglomerations of cities, remains overlooked. There are only some isolated instances of urban-rural planning: through the Ministry of Agriculture, supported by the Food and Agricultural Organization (UN FAO), and planning tools for rural-urban development designed by the Hermitage Corporation of Colombia3; but no systematic and integrated consideration of urban-rural linkages in policy.

In terms of governance, the strength of the national urban policy process has been the adaptation of national institutions to new challenges. The creation of the Ministry of Housing, City and Territory is an illustration of the shift towards a holistic view of urban development. At the municipal level, urban governance structures and management tools have also been adapted.

As for financing for urban development, a key strength of is the alignment of public national resources to the strengthening of municipal and regional governance and responsibilities. Governmental commitment to provide access to finance for local territorial development has increased, with FINDETER as a key actor in the process.

However, sufficient financing still remains a challenge, particularly in terms of infrastructure and housing:

1. While the new urban policy identifies means for urban infrastructure financing through investment planning, the implementation process is still slow.

While investment in urban development has increased along with national economic growth, significant investments in integrated systems of mass transport in cities remain insufficient.

Colombia’s infrastructure and connectivity platform is still lagging, an issue that is also reflected in connectivity within the cities.

The low investment in rural infrastructure and services platforms, directing agricultural and environmental resources to urban centers, also explains the weakness of urban-rural development planning.

2. As for housing, even though the national budget was increased, the housing deficit was not reversed. The national urban policy, implemented by the municipal governments, is also very limited in its financial offer for the low-income population.

While the program to build 100,000 houses between 4 and 6 years, as well as subsidizing the interest rate on middle-income population is a significant commitment, social housing deficit still outpaced its capacity fivefold. Although results are seen, bolstered by an investment in public relations and marketing, it has not sufficiently strengthened public policy for social housing, nor ensured multiple mechanisms of financing for a larger coverage of the population.

Moreover, the Colombian private financial system does not cater, except for marginal exceptions, to low-income sectors. Public banks, primarily the National Savings Fund (FNA), have entered this sector with great dynamism. It is necessary that more instruments and new institutions expand the financial assistance for social housing.

3.3.7 Relationship to any national spatial framework or equivalent policies

The national urban policy in Colombia is supported by public policies of urban development and planning (Documents CONPES and laws of Development Plans emanating from the Congress every four years), as well as planning regulations incorporating various financing management tools (Laws of Congress and the Executive Decrees, as regulations of the Ministry of Housing, City and Territory).

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3 Hermitage Corporation of Colombia is a nongovernmental organization that has designed econometric and georeferencing models for territorial and community development planning of rural areas and populations. Their methodological models have been recognized by FAO and UN-Habitat as useful tools for governments of the region in rural and urban development.
There are two policies and regulatory frameworks that are related to and complement the national urban policy:

1. Environmental policies and planning, in particular concerning the integrated management of water resources. They are covered by the CONPES policies, as well as Laws of Congress and Executive Decrees headed by the Ministry of Environment. There are also regulations of environmental corporations in the regions and of municipal environmental agencies in medium and large cities.

2. Measures and regulations on intangible, architectural and historic cultural heritage are included in the CONPES policies, Laws of Congress and Executive Decrees headed by the Ministry of Culture. There are also regulations of entities in charge of culture and heritage in governorates, medium and large cities.

3.4 ECUADOR

3.4.1 Background conditions and evolution of the policy over time

Ecuador is the first and only country in the continent that has so far incorporated the right to the city in its Constitution. It is also the first in the region to recognize at the constitutional level the Right of Nature and “the right to a safe and healthy habitat, and adequate and decent housing, regardless of the social and economic status” (Constitution of Ecuador, art. 30). A comprehensive approach to urban development also appears in the recognition of the rights of “the young […] as strategic development actors in the country and guarantees education, health, housing, recreation, sport, leisure, freedom of speech and association” (Constitution of Ecuador, art. 60).

Ecuador, like Brazil and Colombia has transformed its urban planning, governance, legislation and financing frameworks in the years following constitutional changes. The main authority for urban policy is the Ministry of Urban Development and Housing (MIDUVI), and in 2011 the country created the Sub-Secretariat of Habitat and Human Settlements.

Ecuador has been making structural changes in the design and approach of sustainable urban development. The process was initiated in 2008, with guidelines for urban development within sectors of national planning, generating the first strategy of the organization of cities, called “National Territorial Strategy”. Ecuador also issued in 2009 the Organic Code of Territorial Organization, Autonomy and Decentralization (Government of Ecuador, 2009). Similar to the decentralization in Colombia, it incorporates financing instruments and transfers powers and responsibilities to regions and municipalities for urban development.

To finance urban policy, Ecuador applied a similar pressure as Colombia used to complete the LMDP: condition public investments to the creation of plans by the regions and municipalities. The Organic Code of Planning and Public Finance of Ecuador became the management tool to align local-regional planning and domestic investment in 221 municipalities, 24 provinces and 880 urban and rural parish boards in the counties. In parallel, guidelines for the productive framework of the National Development Plan were changed, identifying regional potential and directing resources for local economic development.

3.4.2 Current policy goals and objectives

The last decade in Ecuador has known economic growth driven by a variety of development models, in which communities played a central role.

In this context, the transformation of national urban policy presents the following characteristics:

1. The planning of urban development has integrated regional and rural development, leading to urban and rural economic growth.

2. City planning has been linked to funding mechanisms for renewal, re-densification, planned incorporation of expansion areas,
and overall improvement of marginalized urban areas. Major cities have begun the process of urban renewal and re-densification. Some of these actions have been linked to the recovery of old towns and areas of tourism and cultural activity.

3. Citizen participation in planning has become a feature of recent governance in Ecuador. This goal, included in the Good Living Government Plan, resulted in the appropriation by the citizenship of the proposals for the development of their cities.

It is likely that this commitment to citizen participation in city projects is explained by a desire to ensure a stable and strong democracy after a period of interrupted governments and coups d’état.

Inter-agency coordination of public entities has also shown progress: the Ministry of Transport has issued measures for urban mobility; the Ministry of Environment has issued guidelines on climate change and its incorporation into development plans; and the Ministry of Urban Development and Housing (MIDUVI) has acted on land registers for greater land control, guidelines and training in land management plans; resulting in 90 per cent of municipalities (199 of 221) adopting a Land Management and Development Plan (LMDP).

Another goal achieved is the implementation of the Organic Code of Planning and Public Finance of Ecuador (Government of Ecuador, 2012b), which efficiently linked regional-urban planning with the allocation of investment resources from the national budget.

3.4.3 Methods of implementation, including policy instruments, resources committed and institutional arrangements

Governance in Ecuador has been aligned with the National Development Plans focused on the guiding concept of Good Living (Government of Ecuador, 2013). In the current Development Plan, Chapter 6, devoted to regional systems, introduces nine transversal zones for sustainable urban development. This crosscutting approach has forced public institutions to practice collaborative and coordinated governance.

In terms of urban planning, Ecuador mandates the creation of Land Management Plans at the municipal and metropolitan levels. One of the major outcomes is the Metropolitan Land Management Plan of Quito (Municipal District of Quito, 2012) recently issued by the Metropolitan District of Quito, which confirms the recent trend in regional development and increasing role of metropolitan areas in national urban policies.

Quito thus joins Lima - with its Metropolitan Plan 1990-2010 - and is preparing a new one for the next 20 years. Other noteworthy metropolitan plans include that of the Metropolitan Area of San Salvador (also from the 1990’s and recently updated), and the Master Plan for Metropolitan Area of San José in Costa Rica.

Since 2009, Ecuador has expanded its strategic framework of urban legislation and initiated a broad discussion of the draft “Organic Law on Use and Management of Urban Land”. This discussion has taken place with all the Ministers in an instance called “the hexagon” (2011) and has been under review for approval in the National Assembly since 2014.
3.4.4 Nature and extent of stakeholder involvement

In Ecuador, we can identify three groups of actors directly involved:

1. Public Sector

The Ministry of Urban Development and Housing is the governing body of the national urban policy. In recent years, coordination between ministries, called by the government “the hexagon”, has enriched public policies, including those related to urban planning and development.

The issue of Ecuador’s migration abroad is relevant. In the first decade of the century, the Bank of the Migrants (Banco del Migrante) and a governance structure was created to take care of the Ecuadorian population abroad and return programs. Today it is a public entity that has channeled remittances to national investment in urban economies and housing.

2. The social and community sector

Civil society has played an important role in public consultations on the national urban policy, particularly on the draft “Organic Law on Land Management, use and management of urban land”.

The Ecuadorian population abroad has an association. Migrant associations have established with the government a role of consultation and input into public policies oriented to co-development and dignified return. Co-development has promoted investments from Ecuadorians abroad in economic ventures, mostly urban and housing.

3. The private developer and financial sector:

The private sector has had an increasing trend in its activity from 2010 to the present.

After the transition to a dollarized economy, after an initial period of speculative price increases, the economy stabilized and led to low interest rates, increasing access to credit for the population. In this context, the financial sector is actively involved in supporting the private sector in infrastructure development.

3.4.5 Evidence of policy impact and effectiveness

The effects of national urban policies are evident in the measures undertaken by various ministries. For instance, in the past 5 years, the Ministries of Environment and Transport have incorporated specific guidelines, with measurable goals, on climate change and urban mobility actions, based on the constitutional provision of the right to the city:

1. The Ministry of Transport has issued urban mobility measures that have impacts on the integrated transport systems in major cities and have shortened the times of commute.

2. The Ministry of Environment has issued guidelines on climate change and its incorporation into development plans. This aspect has the effect that the various plans have identified flood zones, landslide areas, and seismic areas, even some municipalities have developed micro-seismic maps. Another issue addressed in the planning for the possible rise in sea level. This territorial identification of potential impacts of climate change has become a tool for territorial risk management.

Other relevant results related to urban development concern housing.

1. In 2006, the deficit of social housing was one million homes. By December 2015 the deficit was reduced by 50 per cent with the construction of 500,000 units in 9 years. Costs announced by President Correa to end the social housing deficit in the country are of US$9 billion dollars while bonds or resettlement allowances of high risk areas reach US$13,000 per household.

2. Housing policies on resettlement programs of high-risk areas, have yielded in excellent results, and contributed to this dramatic reduction of the housing deficit.
3. The Ministry of Urban Development and Housing (MIDUVI) has worked on cadastres for greater land control, guidelines and training in land management plans, currently reaching 90 per cent of municipalities (199 of 221) who have a Development and Land Management Plan (PDOT).

3.4.6 Overall assessment of the policy’s strengths and weaknesses

The decision to include the Right to the City in the 2008 Constitution is one of the greatest strengths of Ecuador’s national urban policy. It has indeed strengthened the power of citizenship with binding measures introduced for its effective exercise. It even introduced the recognition of an urban culture, as part of this right.

For the Ecuadorian citizens, knowing that they are entitled to the city, has led to a stronger recognition of the needs of education, health, transport, employment, recreation and housing, understood as inherent to the right to the city. This has had a profound impact on citizen demands for redistributive and city policies that provide quality of life, understood as a constitutional right. The Development Plan for two presidential terms has conceptualized it as “Good Living”.

The implementation of the national urban policy vision for urban-regional planning has been dynamic and efficient. The introduction of nine areas of sustainable development is an example of effective planning with coordinated sectorial investments, which have had measurable results of economic and social growth.

Integrated linkage between urban and rural development are indeed one of the highlights of the Ecuadorian national urban policy. It recognizes the differences between its regions and proposes customized interventions. As mentioned, the Organic Code of Planning and Public Finance of Ecuador became the management tool for local-regional planning and national investment in the 221 municipalities, 24 provinces, and cantons with their 880 rural and urban parish boards.

Another noteworthy aspect is the speed of the formulation and passage to the implementation of its urban development regulations. Compared to the rest of the region, the regulatory changes for the period 2008 to 2013, have had a short-term application. In 2015, all the regulations have been put into action.

Housing policy, governed by the same institutions as those of urban development, is dynamic and responsive to the different demands of the population. Ecuador’s housing deficit has declined dramatically over the last 10 years. Between 2007 and December 2015, the deficit of social housing has decreased from about 1 million to half a million homes.

As for weaknesses, the process of debates and changes of the draft “Organic Law on Land Management, use and management of urban land” has been quite slow. Despite the fact that it was completed in 2010, civil, governmental, and now legislative discussions in Congress have been going on six years without reaching approval. The contents of this law are of central importance to the progress of national urban policy in the country.
3.4.7 Relationship to any national spatial framework or equivalent policies

The national urban policy in Ecuador consists of first, newly strengthened governance, with the Ministry of Urban Development and Housing; second, a regulatory body of legislation for planning; and third, funding regarding domestic transfers.

The implementation of urban policies has relied on subnational levels; linked to other State agencies in charge of environmental, mobility and transport policies, and with an important role of mayors in urban development. An example is the case of Quito, the capital. The city has in its Development Plan a proposal between investments of the city and the nation in:

1. A Comprehensive Environmental Improvement Program, POR MI AMBIENTE (CAF, Metropolitan District of Quito, UN-Habitat, p 111) that mainly takes care of wastewater treatment, air pollution and solid waste recycling.

2. An Integral Urban Operating System (SI FUNCIONA) that will articulate all current and future modes of public transport to form a fully complementary and efficient system, and a road system that constitutes a structuring network for functional, efficient and sustainable city. This structure should lead to optimal functioning of the city, either by strengthening, modifying or inducing those urban functions to further exploit the region’s potential and comparative and competitive advantages of the city.

This intervention will be accompanied with changing land uses and densities that contribute to a mixed and compact urban model, as well as with corridors and green areas, public spaces and urban facilities.

3. An outline of urban decentralization with two new centers, NORTH QUITO and SOUTH QUITO, with the aim of strengthening, in both cardinal points, self-sufficient metropolitan districts that balance the exacerbated current centrality and improve both the functionality and productivity of the city.

3.5 BRAZIL

3.5.1 Background conditions and evolution of the policy over time,

The process of evolution of Brazil’s national urban policy is characterized by four main aspects:

1. It started during democratic reconstruction, following the end of dictatorship. During that process, the new constitution was formulated and the Statute of the Cities and the Ministry of Cities created.

2. As part of this recovery of democracy, the national urban policy was formulated based on the broad participation of civil society. More than 400,000 people in 3,500 cities (70 per cent) were associated in consultations for its formulation since mid-1990. Standing out are the Conferences in different Cities in 2003, 2005, 2009 and the National Forum for Urban Reform in 2012.

3. The national urban policy was implemented between 2000 and 2015, with tangible results in urban development and social housing.

4. Brazil’s reflection and experience has been a regional reference to pave the way for a new approach to urban development and the right to the city.

Brazil, while recognizing property rights associated with social and collective interests in the federal constitutions of 1934, 1946 and 1988, only explicitly incorporated the right to housing to the Constitution in 2000 by Amendment No. 26 to the 1988 Constitution. It is worth noting that the federal Constitution of 1988, Art. 21, section XX, states that the Union shall “establish guidelines for urban development, including housing, basic sanitation and transportation.” It also sets in Art 7 the “established rights to urban and rural workers,” which recognizes the minimum monthly salary, and sets the objective of meeting their basic needs, “providing housing, education, health, leisure, clothing, hygiene, transportation and social security”. The conceptual
link in the Federal Constitution between urban economy, urban development and housing is clear.

During the last decade of 1990 to 2000, a great citizen movement took place involving about 400,000 people from 3,500 cities across the country through assemblies and meetings, laying the foundational elements of the new national urban policy. A year after Amendment No. 26 to the Federal Constitution, regulating Articles 182 and 183 thereof, the City Statute of Brazil (Government of Brazil, 2001) was created, which constitutes Brazil’s national urban policy. This policy creates the obligation to make master plans in all metropolitan areas and cities of over 20,000 inhabitants. The first periodic reviews of these plans have been made recently, such as Sao Paulo Master Plan set in 2014.

One of the most important aspects of the evolution of national urban policies in Brazil is that they have materialized in less than 15 years since the policies and laws were passed:

1. Urban planning was implemented in a first generation of management plans. Since the 2014 Plan in Sao Paulo, the other cities and metropolitan areas are reviewing their plans, and initiating the second exercise of territorial planning and development for the next 15 years.

2. Governance was transformed and the Ministry of the City has promoted urban development with comprehensive measures of social infrastructure and social housing.

3. Funding for programs and projects of the Ministry of Cities has been effective for the last decade until 2014, when economic crisis slowed the pace.

4. The national urban policy influenced the allocation of land for social housing. As part of this process, the Minha Casa Minha Vida program (Government of Brazil, 2009) has come to build one million homes, a figure realized in 2016.

3.5.2 Current policy goals and objectives

3.5.3 Methods of implementation, including policy instruments, resources committed and institutional arrangements

Brazil is one of the first country to take concrete steps in the integration of national urban policy as leading the development of cities. The change came after decades of military dictatorship (1964 - 1985) which proposed urban planning with vertical decisions and without public consultation.

Since 1986, public participation on the development of cities is established within the process of returning to democracy. The Statute marks a new urban policy whose instruments, including the Master Plans, are mandatory, similarly to the Land Management Plans of Colombia.
Beyond the technical components of urban planning and the creation of the Ministry of Cities, the national urban policy process in Brazil is therefore also characterized by its strong emphasis on the continued citizen participation in the elaboration of urban policy. Spaces for public consultation and participation include the following:

1. Conference of Cities: instances of participation for social movements for urban reform, which included 400,000 people and representatives of 3,500 of about 5,000 municipalities in Brazil, i.e. 70 per cent of the Brazilian cities. The most important national events were the Conferences of the Cities 2003, 2005, 2009 and the National Forum for Urban Reform on 2012. These events led to the elaboration of an important series of guidelines for urban development of social movements.

2. City Councils: consultative and decision instances of municipal urban development policies in which participation is broad: municipal, state and federal officials, business, academia, and research centers, as well as social movements.

3. Ministry of Cities: Although Brazil is a federal state of Municipalities, which implies that municipalities are the main entity of territorial and urban development governance; the federal government has a leading role in the national urban policy, dictated by the City Statute (Government of Brazil, 2001), as evidenced in the central issues under its purview: planning and housing support (from 2007 with the Minha Casa Minha Vida program), environmental sanitation, mobility and transport, as in broad programs for planning and regularization of informal settlements.

4. The Federal Saving Bank (Caixa Econômica Federal): the provision of unprecedented credit resources destined to finance housing, combined with management tools such as Certificates of Additional Construction Potential (CEPACS), have linked in an active way the private actors of social housing in the country. From 2007 to 2015, it has been working towards the annual target of 1 million homes, participating in the better integration and servicing of low income neighborhoods through the construction of social housing and the implementation of the urban design, service and infrastructure standards attached to it.

Due to the participatory character of the creation of the Statute of the City, consultation bodies are kept in operation, for application and transformation processes. The National Urban Development Council was created for the Governance of the Statute of the City, as the organization responsible for establishing the guidelines of the national urban policy. It also operates in consultation with the Council of Cities to define guidelines for national policy and instruments on social housing. In 2003, the Ministry of the City was created to strengthen the institutional capacity for implementation.

As for financing instruments, several instruments, such as CEPACS, have been developed, which place the budget of city projects (infrastructure, public space or social housing works) in government securities that compensate for urban densification as they are then acquired by the public sector. CEPACS were initially implemented in Sao Paulo. Gradually they have become one of the instruments for financing the country’s largest integrated projects.

Another legal instrument for financing of urban development is the policy of subsidies and credits Minha Casa Minha Vida program (Government of Brazil, 2009), which directs resources to urban and rural housing. This program has had significant results in reducing the housing deficit and reducing urban and rural poverty. The Minha Casa Minha Vida program proposed in 2010 to build one million social housing and completed more than 900,000 by the end of 2015.
3.5.4 Nature and extent of stakeholder involvement

In the case of Brazil, the main actors in the formulation and implementation of national urban policy are:

1. Public entities:
   a. The Ministry of Cities is the entity in charge of national urban policy.
   b. Municipalities and metropolitan regions have institutions responsible for planning, urban development and housing.

2. Institutions for consultations and monitoring of public policies between the public sector and civil society:
   a. The National Council of Urban Development established the guidelines of the national urban policy.
   b. The Council of Cities defines guidelines for national policy and instruments on social housing. At least 70 per cent of Brazilian cities have an active role involving civil society and citizen organizations who express their criticisms and proposals there.

3. Financing entities:
   a. Caixa Economica Federal is the entity in the country with the greatest coverage of credit facilities for housing. Since the national urban policy was implemented, La Caixa has implemented an efficient policy of access to credit for low-income households destined for social housing.
   b. Brazil has implemented various financing instruments of urban development. These instruments have been implemented by public and private banks. The CEPACS, by their nature of marketable securities on the stock exchange, makes this institution a relevant entity of public policy.

3.5.5 Evidence of policy impact and effectiveness

The formulation of the Statute of the City resulted in an extensive process of citizen participation.

Key results in several aspects include:

1. Governance: the Ministry of Cities and the role of municipalities and metropolitan regions in planning their urban development have been strengthened in the last 15 years.

2. Urban planning: the first cycle of Land Management Plans implemented throughout the country at the beginning of the century have been completed. In 2014 Sao Paulo began preparing the second generation of plans. Social housing remains one of the central issues in planning due to increased land costs and the increased costs in the real estate sector.

3. Urban Finance: for urban-regional development, great investments have been made in urban infrastructure in the areas of integrated transport systems and telecommunication at the national level, both of which are at the forefront of the region in terms of quality.

4. The Minha Casa Minha Vida program (ibid.) delivered over 900,000 homes at the end of 2015, more than 90 per cent of the target of one million homes that was proposed to be implemented in the framework of the new urban development policy.

5. Caixa Economica Federal has had a decisive role in financing social housing nationally. The resources for financing in the past 15 years are unprecedented in history.
3.5.6 **Overall assessment of the policy’s strengths and weaknesses**

The steps taken in the development of Brazil’s new urban policy has integrated key aspects of sustainable urban development. The process shows results in the following components:

1. Citizen participation and urban planning legislation: the broad citizen participation in the 1990s has resulted in the Statute of the City (Government of Brazil, 2001).

2. Legislation and urban governance: following the Statute of the City, in 2003 the Ministry of the City was created as a necessary entity to strengthen governance and lead urban development of the Brazilian cities.

3. Urban planning: in the implementation of the Statute of Cities and with the institutional support of the Ministry of the City, Land Management and Development Plans in all municipalities and metropolitan regions with more than 20,000 inhabitants were executed.

4. Urban Finance: during the first decade of the century, urban planning defined comprehensive social housing and environment projects with access to diverse social services. The results have been ensured by the combination of resources from the Caixa Econômica Federal for housing, the National Bank for Economic and Social Development (BNDES) for infrastructure and social facilities, as well as instruments of securities as CEPACS destined for joint projects. Investment in urban development and housing in the last 15 years in Brazil is the highest in Latin America and the Caribbean.

5. Citizen monitoring and adequacy of public policies: The dynamics of the sessions for analysis and evaluation of public policy from the National Urban Development Council contributes to the process. Similarly, social dialogue spaces remain in the Council of the Cities, to update and improve national policy and instruments on social housing.

The Brazilian case has further demonstrated that the UN-Habitat’s three-pronged approach, urban design and planning, urban legislation and governance, and financing of urban development can be implemented successfully in Latin America.

As mentioned, citizen participation, in the urban development and social housing policy in Brazil, has been highly effective. It has institutionalized participation channels and at the cities, regions and national levels. Civil society’s involvement has been ensured at all phases of the policy process.

3.5.7 **Relationship to any national spatial framework or equivalent policies**

Urban development policy has a relationship with the planning and environmental management policies. The Ministry of Environment of Brazil (MMA) has land management policies on watersheds, coastal zones and large tracts of environmental reserves and protected areas.

Special policies with environmental character are also implemented by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA). One of the environmental policy instruments required before implementation of projects with national impact is the Environmental Licenses. These Environmental Licenses regulations should be considered as spatial policy related to urban development.
4
COMPARATIVE ASSESSMENT OF THE CASE STUDIES
4.1 Impact and effectiveness of national urban policies

The formulation and implementation of national urban policies in the five countries (Mexico, El Salvador, Colombia, Ecuador and Brazil), have occurred in the last 25 years. With the addition of Chile, these countries can be considered as leaders of the new generation of national urban policies in the region.

The impact and effectiveness of national urban policies in these countries can be analyzed along the following themes:

1. Citizen participation in the formulation and monitoring of national urban development policies:
   
   a. The formulation of national urban policies has taken place in the context of processes of political change, related to strengthened democracy and decentralization of powers to municipalities.

   In turn, the formulation of national urban policies has become instrumental for increasing democratic governance within the municipalities.

   This process began in Brazil in the 1990s, followed by Ecuador 2008, and in El Salvador after 2010. In contrast, Colombia had very low civil society participation, except for the private sector unions involved in the process of formulating the national urban policy.

   b. Participation of stakeholders has been undertaken at different levels and engaged different segments of society. In Brazil, the process occurs at the regional level, with a higher incidence of participation both in the formulation and monitoring of urban development and housing policy (over 400,000 people in 3,500 cities). Ecuador resorts to consultations with civil society, and in El Salvador, national housing and habitat policy was led by a promoter group representing various social organizations, including private sector unions. Colombia and Mexico have consultative entities for construction unions and traditional financing private sectors, but very low participation from civil society organizations.

   c. The different dimensions of society participation in the formulation process led to differences in the development of the public policies and their monitoring.

   In countries where society is almost exclusively represented by construction and private financial actors, the result is that the population participate as “clients” of the model of urban development and housing, whereas when civil society participates as organized groups, ownership and sustainability of urban development, including social housing and the right to the city, are guaranteed.

   Participation of civil society is more effective in the formulation of urban policies that seeks to reduce inequalities and promote inclusive urban models.

2. Creating a legal framework for planning and managing urban development:
   
   a. The five countries studied have included references to housing in their national constitutions.

   b. As a result, they have been able to develop binding land management plans, as evident in Brazil in 2001, Colombia in 1996 and 2011, Ecuador in 2009, and El Salvador in 2012. The first generation of Land Management Plans in Colombia and Brazil had few management tools. These have grown in their design and implementation in both countries, and today lead in the region alongside Mexico. Brazil and Colombia made the first generation of Land Management Plans at the city level between years 2000 - 2014. Since 2014 they started, upon expiry of the first plans, the formulation of the second Land Management Plans in all cities. In the case of Brazil, plans are made in cities and metropolitan regions, while in Colombia the transition to metropolitan and regional planning is recent.
c. Most countries have issued laws for the regularization of informal neighborhoods and lots. This phenomenon, which occurs throughout the region, has had major impacts, with El Salvador standing out after legalizing about 35 per cent of its urban lots. Except for Mexico, this illegal phenomenon tends to have diminished in the region.

3. Adequacy of public institutions to the new urban development policy:

a. The impact of the constitutional framework and laws of urban development and planning is reflected in the changes of institutional framework for governance of new national urban policies.

b. Brazil created the Ministry of the City (2003), while Ecuador strengthened since 2009 the Ministry of Urban Development and Housing (created in 1992). Colombia made several changes to strengthen the Ministry of Housing, City and Territory (2011), Mexico has created the Secretary of Agricultural, Territorial and Urban Development, SEDATU (2013), while in El Salvador, the possibility of establishing a Ministry of Housing and Habitat has been included in the Housing and Habitat Policy announced by the President of country in October 2015.

4. Implementation of land management and development plans:

a. In Latin America and the Caribbean, land management plans appeared in the second half of the twentieth century without having a binding character. The plans could therefore be modified at the request of owners and developers.

b. Since 1999 in Colombia and Brazil in 2001, territorial planning and urban development was given legal validity and a mandatory character. This has been closely followed by countries such as Ecuador in 2009. The impact of this step has been central to the participation of public and private actors over the use and regulation of land.

c. Enforcement of laws on territorial planning has been effective in securing land for social housing, as well as for mixed uses that allow social housing in the different areas of large cities in the region.

d. The implementations of these plans have had an impact on the territorial organization and the expansion of areas incorporated into the city. They have also served to plan and manage areas of urban renewal and regeneration in historic and extended centers.
5. Public investment in urban development and social housing:

a. In the five countries studied in detail, national urban policies, supported by legislation, and institutional and management instruments, have seen significant increases in their urban development and social housing investments.

b. Mexico has conditioned the allocation of subsidies and financing of social housing to location in consolidated urban centers (U1 and U2). Mexico builds more than half a million homes a year, in line with its policy objectives. It is among the countries next to Brazil with the largest number of financing instruments for urban development and housing.

c. Ecuador has reduced its social housing deficit of 1 million homes to nearly 500,000 in 6 years 2009-2015. These results are owed to the articulation of urban development policy and social housing, and to the effectiveness of the Organic Code of Planning and Public Finance of Ecuador.

d. Colombia has significantly increased its resources for subsidies, but fails to reverse the growing trend in housing deficit. The investment required for the State's obligation to restore the right to housing to thousands of households displaced by the internal conflict still monopolizes most resources. Colombia still needs to increase this budget and create new management tools for housing finance to achieve results such as those of Ecuador, Mexico and Brazil.

In Colombia, the introduction of LMPs exhibited some perverse effects, as they were used to limit the use of land for social housing in their municipalities or even to restrict social mixture in certain areas of cities:

i. The first case relates to small municipalities receiving an influx of low income populations, driven away by the rising prices in large cities.

These municipalities sought restrictive Land Management Plans for social housing to curb this trend.

ii. The second case happened recently in Bogotá, Colombia, where a judge denied the action of the Mayor to build mixed-use buildings with underground parking, commercial use and social housing at the top. The reason invoked was that it was a part of the city for upper classes and higher-value housing.

These are unexpected results, given that urban policy and planning usually emerge as instruments for promoting equity in the cities and guarantee the right to the city.

4.2 Promotion of more compact, better integrated and connected, socially inclusive and climate-resilient cities.

Mexico is the country that has led in this path. The country went through a paradigm shift from scattered to compact city, by redirecting the urban population into millions of uninhabited houses in the city. Through the new urban public policy, Mexico has demonstrated the effectiveness of targeting resources and subsidies to the real estate market to finance compact cities.

Brazil has had a process of regional integration policy on a system of cities, being followed by Ecuador, Mexico and Colombia.

As for connected cities, in the last five years, planning and strengthening of regional governance has been accompanied by an increased national budget for regional investment. Such is the case of Ecuador, Colombia, and Mexico, undertaking larger transfers from the national budget to the municipalities that are formally metropolitan areas or of similar legal status.

Ecuador has shown that regional planning allows coordinated interventions in public institutions. Colombia’s policies in the National Council of Economic and Social Policy (CONPES), involve several ministries with responsibilities and budgets in comprehensive topics such as urban policy and system of cities.
One aspect where national urban policies have more impact on the model of compact, connected, integrated, inclusive and climate change resilient cities, is in the urban Land Management and Development Plans that have been formulated in the past 15 years in the countries studied.

Land Management Plans have specific proposals for:

1. Regional agendas
2. Expansion areas
3. Renovation and re-densification zones
4. Marginal urban areas that require overall improvement
5. The integration of rural areas with a focus on sustainable development

There are nearly 7,000 land management plans developed in Brazil, Colombia and Ecuador and most of them are in review and second formulation, as the initial term has been fulfilled.

In the cases of Brazil and Colombia, climate change policies are beginning to be incorporated into the new generation of plans for more than 6,100 municipalities. In Ecuador, the Ministry of Environment has issued guidelines on climate change and its incorporation in development plans of all cities.
4.3 Effectiveness of NUP in the Region

In this crosscutting analysis of urban policies in Latin America, a recurring goal emerges: that of integrating housing at the core of urban policies, rather than as a separate sector.

This objective is the result of a process of recognition of housing as a right, with the establishment in most countries of explicit constitutional guarantees, as well as specialized institutions that have played a decisive role in formulating policies, programs and management tools.

This common objective has resulted in the achievement of concrete goals in the balance between housing and urban development, from the perspective of the New Urban Agenda:

1. Urban planning has acquired a binding character and has played a central role in the conception of urban development. To guide urban change, planning has been well linked to governance as evident from Law 338 of Land Management of Colombia (Government of Colombia, 1997) and Territorial Planning and Development Law of El Salvador (Government of El Salvador, 2011). At the same it becomes evident it has had effects on increasing the impact of Land Management Plans (LMP) by shortening the time taken between LMP legislation and the development of management tools for its implementation.

2. Governance and institutionalization reach a balance in cases such as the Ministry of Cities in Brazil, or the Ministry of Housing, City and Territory in Colombia. These institutional levels exert their governance in the handling of public policies for urban development (Statute of the Cities of Brazil, Organic Code of Territorial Organization, Autonomy and Decentralization of Ecuador).

3. In urban development funding, mechanisms conditional to the existence of Land Management Plans and urban development policies are incorporated. Examples are Ecuador with its Organic Code of Public Finance; Colombia with conditional access to certain transfers from the general national budget; and Mexico and the Operating Rules of the Program of Financing Schemes and Federal Subsidy for Housing, which condition resources to the location of the projects for urban containment rings.

4. Management tools for finance of urban infrastructure take the form of norms for building rights in Mexico City and Lima, compensating height with investment in recovery of their historic centers; norms improvement taxes in El Salvador and models for higher investments as CEPACS in Brazil (Sao Paulo and Rio de Janeiro mainly), as compensation systems for height and urban density bound to public spaces and land for social housing in Bogotá.
CONCLUSION
Firstly, based on the comparative analysis made in different cases in Latin America and the Caribbean, it can be concluded that a determining factor in the strength or weakness of urban policies is governance. The Brazilian experience with the Conferences of Cities (2003, 2005, 2009 and the National Forum for Urban Reform of 2012, in which around 400,000 people participated) is a model for the continent for citizen consultation and participatory decision making.

In cases where governance for directing urban policy is led by the top levels of the state, including ministries, the implementation of planning, legislation and funding structurally transforms. This includes such cases as Brazil (Ministry of the City), Ecuador (Ministry of Urban Development and Housing, MIDUVI), Colombia (Ministry of Housing, City and Territory) and Mexico (Secretariat of Agricultural, Territorial and Urban Development, SEDATU). The process of institutional transformation in these countries indicates that while the transition period is unique to each country, all have actively been involved in formulation and strengthening of national urban policies within the continent.

Transitions in these countries have illustrated at least two kinds of obstacles that can slow the process down, these are identified as:

1. Institutional inertia of public financing institutions, which maintain instruments, subsidies and credit modalities under the same conditions; and support housing projects without incorporating the guidelines for sustainable urban development.

2. A lack of capacity building for subnational governments to carry out their newly decentralized responsibilities. If the transfer of power is accompanied with financial resources, and policy and management tools, then the institutional change sends a clear signal and the transition is quick. If, however, the changes only occur in the legislation without considering governance and instruments, such as in El Salvador, then the process will be slow, with little impact.

Secondly, throughout the region, weaknesses are evident in the disconnection of urban policies from a comprehensive view of rural development. In fact, housing policies of the countries in the region showed very little focus on rural areas. The incorporation of urban development policies, in which housing is a component further relegates rural housing and rural development.

The lack of rural development policies integrated to urban development has serious implications on cities, including cost of production and energy supply, water supply and sanitation services, as well as transportation cost overruns in foods which affects the quality of life of urban dwellers.

Mexico and Colombia incorporated rural considerations in the design of urban development policy: Mexico has the Secretariat of Agrarian, Territorial and Urban Development, SEDATU, in the newly created Ministry of Housing, City and Territory. Except for these two cases, the other countries make no institutional connection between policies of urban development and of rural development.
6 RECOMMENDATIONS TOWARDS A NEW URBAN AGENDA
Considering the cases analyzed and trends in the region, the main recommendations are to:

1. Further research and share the processes of the countries that have made most progress in urban development policies, to encourage policy learning and transfer. Some of those best practices and policy areas to explore further are:
   a. Attributing a mandatory and binding character to territorial management and development plans, as well as other planning instruments. Public consultation is an instrument that complements this legal character by ensuring social ownership and democratic legitimacy.
   b. Governance as a key component of national urban policy elaboration.
      i. Transformation and creation of institutional bodies in charge of urban development is essential for the process to achieve concrete results and transformations in urban and territorial growth. It is by strengthening governance that it is possible to promote new urban legislation aimed at compact, connected, integrated and inclusive cities.
      ii. Governance should consider the democratic participation of citizens in defining the city models and in the process of updating the policy. Brazil constitutes the best example of this consideration in the region.
      iii. Closely articulated planning and governance shorten times for planning and building permits, and strengthen the decentralization of control roles (monitoring and penalties) of urban development.
      iv. New metropolitan entities, with planning and governance instruments adapted to their scale, should be created.
   c. The allocation of public financial resources to projects aligned with the urban policy. Strengthened financial conditional instruments related to new construction and urban development are a good way of ensuring implementation at the local level.

2. Establish the right to the city based on the three-legged approach of the new urban agenda for sustainable urban development, ideally in the constitutions or under an international agreement to be ratified by the different countries of the region.

3. Recognize, at the constitutional level, metropolitan areas as territorial spaces that require adapted planning instruments and governance mechanisms for their operations.

4. Integrate considerations for rural development into urban planning strategies, plans and policies.

An overarching challenge faced by the region is that of the growing housing deficit, which affects 360 million people. It is for this reason that the housing issue has been the focus of public policies on cities, and the new vision of national urban policies should aim to incorporate urban and rural housing as a cross-cutting issue.

From the perspective of the three-legged approach of the new urban agenda, comprehensively addressing the housing deficit entails the following:

1. Urban Planning and Housing:
   a. Urban planning should be connected in a regional perspective to rural development, and linked to productivity and the environment. Cities demand, for their sustainability, environmental goods such as water and food supplies at reasonable economic and energy costs. Rural housing must therefore be guaranteed where there are rural development policies related to the opportunities and value chains of urban economies. One noteworthy approach is the model of rural-urban territorial development (Heritage Corporation Colombia / FAO) which identifies urban economies as opportunities for transformation of rural poverty.
b. Promotion of mixed-use for all new developments. This prevents situations of exclusive-use of land for housing, which in several countries involve closed condominiums, affecting the quality of the city. Mixed land uses generate fundamental local economies in the balance between housing and city. Three examples of countries facing issues caused by exclusive-use for housing in entire neighborhoods are:

i. El Salvador, where virtually all housing is isolated and cities are increasingly overcrowded and dependent on vehicles.

ii. Mexico, with empty homes in rural or suburban areas disconnected from the cities.

iii. Colombia, with new housing in neighborhoods where there are only houses for people living in extreme poverty or victims of forced displacement.

c. Promote regeneration, revitalization and urban densification, together with the creation of planning and management instruments for financing housing in mixed-uses in inner areas of cities.

d. Urban planning should incorporate neighborhoods and homes that include eco-materials in their construction and approaches to green cities. That is, sustainability with low energy and water consumption, among others.

2. Governance and legislation and housing:

a. The new institutional framework of urban development should be in synergy with that of housing to face the still growing housing deficit. The offer of legal housing does not even cover the natural growth of 2 million homes per year in Latin America. The experiences that serve as references for such integration are in Brazil with the Statute of the City as a policy, the Ministry of the Cities as an institution for governance, and funding agencies such as Caixa Econômica Federal supporting Minha Casa Minha Vida program. Mexico has a similar scheme for integration of urban policy led by SEDATU and aligned with CONAVI and INFONAVIT, as a range of financial instruments that allow the production of half a million homes annually.

b. Urban planning and governance should be in line with the particularities of the municipalities in their history, population and size. These differences are determinant to the causes of the housing deficit. For example, speculative pressures on urban land increase when cities are larger. Small municipalities usually have available urban land. However, the coverage and quality of public services are usually better in big cities. Therefore, differences in the scale of planning, governance and legislation by population of the municipalities, as the scale of cities and metropolitan areas, can tackle the housing deficit with appropriate planning and management instruments to each context.

c. The vision of the city should prioritize the integration and improvement of the conditions of marginal areas and slums rather than building new housing for a more sustainable pattern of development and a reduction of the qualitative deficit of housing.

When priority is given to a comprehensive approach to housing from a city project (Guayaquil, Bogota, Medellin) the qualitative deficit of the cities begins to be addressed adequately, through programs of overall improvement in neighborhoods and urban sectors, transport systems to improve connectivity, or incorporating better platforms of education and health services.

This lack of attention to the qualitative housing deficit is related to influence of the financial sector and large construction companies represented by their unions.
d. Urban policy should enable neighborhood regularization and legalization of property. This theme, linked to the processes of informal neighborhoods and control of urban development, is fundamental to the transformation of marginality with policies of connected, inclusive and integrated cities. The regularization of urban property directly impacts the urban economy in at least five ways: real estate prices rise in low-income housing, unleashing housing improvement, allowing greater access to credit, and increasing public investment in public service infrastructure and social infrastructure, while increasing municipal revenues.

3. Urban economy and finance and housing:

a. Create and integrate management tools so that regeneration, revitalization and improvement of urban areas in slums have combined financing with public funds and contributions from the developer sector and the population. This can be achieved by combining mechanisms of improvement taxes, capital gains, valuations, with products designed to finance housing. Important references are found in CEPACS in Brazil (Sao Paulo prominent cases) and SOFOLES of Mexico which share a similarity with the securitization models of Chile (housing financing with loans taken to securities linked to stock exchange market).

b. Finance housing with a territorial approach. Between 75 per cent and 90 per cent of the housing deficit concern households of less than 4 minimum wages who don’t have access to financing. Most of this deficit is located in overcrowded slums in deteriorated central areas of the cities. Policies of housing improvement with loans in specific sectors of the city, complemented by public investment in the environment, will have combined impacts on city and housing. Two aspects have a potential of implementation in the short term: financing innovation, as well as improvements in the value chain of self-construction:

i. Mobile wallets and cellular technologies should support credit schemes to better respond to the flow of incomes of the population, to enable payment fees different than monthly ones.

ii. Recognize that there are two value chains of construction, the one for new housing, and the other for self-construction or social development of habitat. The value chain of formal housing is regulated by governments and the market. While the value chain of self-construction requires further intervention to ensure quality of materials and construction systems, training and technical assistance and price regulation, integration to schemes for financing, technical assistance, social community organization, among others.

c. Promote comprehensive improvement of urban areas with an emphasis on territorial economic inclusion. Successful transformation schemes of urban slums into productive and sustainable settlements propose integral interventions, with an emphasis on territorial economic inclusion to open them to the opportunities of their environment; and are articulated with a strong component of housing improvement. The model designed and initially implemented in El Salvador (Sustainable Productive Settlements Model), has been adapted in Colombia (Santa Marta, Equity City project) and Mexico in a national process towards a scalability of the model with coverage that could reach 18 million people (National Model for Care of Socio-Urban Poverty of SEDESOL, MINGOB, and SEDATU). These
experiences demonstrate the importance of financial inclusion strategies differentiated according to the location of settlements in the city. It is different including a marginal sector which is at the center of the city, than one that is next to an industrial area, or one that is in the city limits.

d. Support urban and rural productive housing. Unlike models of transformation of urban slums with economic opportunities of their urban environment, in this case it is the rural housing which is improved in productivity and integration into chains of goods and services to the cities

e. Guide international remittances from Latin American migrants in the United States and Europe to savings and loans bound for improvements and acquisition of housing, as well as strengthening local economies. This vision of co-development has proven successful in Mexico (SEDESOL 3x1 Program), Ecuador (Migrant Bank), with social infrastructure projects in communities with the co-financing of public resources and remittances.

The recent development of national urban policies in Latin America and the Caribbean – although it initiated in Brazil in the mid to late 80’s – is a gradual process which has yielded important lessons in the last 15 years. Many of the countries in the region still have to take the plunge into dedicating more comprehensive legislation, policies, and institutions to urban development. However, the debate on the quality of life in cities, especially in highly urbanized countries; as well as the search for solutions to the plight of housing; will speed up the process in countries that have not yet ventured into it. The Habitat III conference in 2016 has been a trigger in this direction, as in the next two decades, the state of urban development in the region will have been radically transformed.
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Dominican Republic


**Uruguay**


**Venezuela**


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**3. Statistical Data**


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<table>
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<tr>
<th>Country</th>
<th>National Institute/Agency</th>
<th>Description</th>
</tr>
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<td>National Geographic Institute</td>
<td>Republic of Argentina. Census 2010</td>
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<tr>
<td>BRAZIL</td>
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<td>Census - Population Projections to 2013</td>
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<td>Census 2007</td>
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<td>NICARAGUA</td>
<td>National Vital Statistics System SINEVI</td>
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<td>PERU</td>
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<td>Projections.</td>
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In just half a century, Latin America and the Caribbean became the most urbanized region in the world, with more than 80% of its population living in urban areas. As this urban transition outpaced initial policy responses, the region therefore illustrates acutely some of the challenges brought about by uncontrolled and rapid urbanization - such as high socio-economic and territorial inequalities and environmental degradation – but also is a dynamic and creative space of experimentation in facing them.

The region is then a particularly interesting case study for this report, which aims to provide an overview and assessment of the state of national urban policies, defined by UN-Habitat as a coherent set of decisions derived through a deliberate government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development for the long term. Through a review of NUPs in 20 countries, and an in-depth analysis of five countries, this report analyses the variety of mechanisms at different phases of the urban policy cycle, and attempts to highlight best practices, obstacles encountered, and possible solutions to address the challenges and leverage the opportunities of urbanization in the region.

The report is particularly timely, as it captures the development of national urban policies in a region at a turning point, with economic, political and social processes converging to enable more comprehensive, inclusive and committed visions of urban development articulated around quality of life. Although the challenges remain severe, the region exhibits some innovative legal, institutional and financial instruments to ensure citizen participation, social equity, and the implementation of these new urban visions.

This report is part of a series of five regional reports assessing the state of national urban policies that complement the Global State of National Urban Policies Report, conducted in collaboration between UN-Habitat and the OECD. These studies follow up on Habitat III and Agenda 2030 for Sustainable Development the role of national urban policies, and the Second International Conference on National Urban Policy, held in Paris, France in May 2017.