LAND READJUSTMENT (LR/P) EXPERIENCE IN COLOMBIA

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ACRONYMS

CAR – Corporación Autónoma Regional (Autonomous Regional Corporations)
DANE – Departamento Administrativo Nacional de Estadística (National Statistics Department)
DNP – Departamento Nacional de Planeación (National Planning Department)
EDU – Empresa de Desarrollo Urbano (Urban Development Company)
EMRU – Empresa Municipal de Renovación Urbana (Urban Renovation Municipal Company)
FONADE – Fondo Financiero de Proyectos de Desarrollo (Project Development Finance Fund)
FOREC – Fondo para la Reconstrucción del Eje Cafetero (Coffee Region Reconstruction Fund)
IGAC – Instituto Geográfico Agustín Codazzi
ISVIMED – Instituto Social de Vivienda y Hábitat de Medellín (Medellín Housing and Hábitat Social Institute)
LR – Land Readjustment
LDT – Ley de Desarrollo Territorial (Territorial Development Law)
LOOT – Ley Orgánica de Ordenamiento Territorial (Territorial Development Organic Law)
MISN – Macroproyectos de Interés Social Nacional (National Macroprojects)
MVCT – Ministerio de Vivienda, Ciudad y Territorio (Ministry of Housing, City and Territory)
NUA – Área Neta Urbanizable (Net Urbanizable Area)
PMIB – Programa de Mejoramiento Integral de Barrios (Neighborhood Betterment Program)
POT – Plan de Ordenamiento Territorial (Land Use Plan)
PP – Plan Parcial (Partial Plan)
PUI – Proyecto Urbano Integral (Integral Urban Project)
SDP – Secretaría Distrital de Planeación (District Planning Office)
SMLMV – Salario Mínimo Legal Mensual Vigente (Monthly Minimal Wage)
SFV – Subsidio Familiar de Vivienda (Housing Family Subsidy)
UAU – Unidad de Actuación Urbanística (Urban Action Unit)
VIS – Vivienda de Interés Social (Social Housing)
VIP – Vivienda de Interés Prioritario (Priority Housing)
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1. INTRODUCTION

In Colombia, Land Readjustment (LR) is a land management tool envisaged since 1989 and linked directly to the development or renewal of urban projects for the city, understood as part of an intermediate planning and management tool: the Partial Plan\(^2\). The legal content that introduced LR in Colombia is directly related to the Japanese Cooperation Agency (JICA) and the Spanish legal framework that permeated the contents of the current Territorial Development Law (in Spanish, the *Ley de Desarrollo Territorial* - LDT) and that included Land Readjustments as one of the main tools to render the "social and ecological function of property"\(^3\) principle possible.

According to the LDT, Land Readjustment must be used when a new lot configuration from a quantitative and qualitative perspective for both public and private land is necessary, receiving higher density possibilities in exchange. In order to clarify how Colombia’s legislation defines LR and its direct relation to Partial Plans and Urban Action Units, and use it as a starting point in this report, the following is the direct translation of the article contained in the LDT.

*Article 45 - Execution using Land Readjustment:* Every time the development of the urban action unit requires a new property definition for a better configuration of the area of land conforming it, or when this is required to ensure a fair distribution of costs and benefits, the execution of the urban action unit will be executed using land readjustment or real estate integration included in Law 9 of 1989, depending on whether it is executed in land for urban expansion or renovation or redevelopment in urban land respectively, with the adjustments that are defined in this article.

For this purpose, once the associated operation baseline is defined according to the preceding article, the managing entity shall be constituted as defined by stakeholders. This entity will then draw up the corresponding urban development project, which in turn is part of the Partial Plan.

Together with the Partial Plan, the land readjustment or real estate integration project will be submitted for approval by the corresponding planning authority which must be approved by a number of participants representing at least fifty-one percent (51%) of the area included in the operation (urban action unit).

The adjustment or integration project shall specify the rules for the valuation of land and real estate contributed, which should take into account the urban

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\(^2\) Partial Plans are intermediate scale Planning tools where part of an in-detail Planning process and the use of different land management and financing tools are articulated. It is important to note that all Land Readjustment projects are executed within a Partial Plan, but that all Partial Plans do not necessarily convey a land readjustment Project.

\(^3\) This will be further explained later on in the report.
regulations before the unit is defined, as well as the valuation criteria of the resulting sites, which will be based on the land use and densities established in the Partial Plan.

Refunds will be made with the resulting land lots in proportion to the contributions, except when this is not possible, in which case the corresponding financial compensation will be made.

For the purposes of this report, it must be understood that, according to the LDT⁴, Partial Plans constitute an intermediate planning tool that shape the conditions for planning, management and financing for urban land and land for urban expansion, and that may use mechanisms like Land Readjustment to define land management intervention. However, this does not necessarily mean that all Partial Plans need to be developed using land readjustment, but it is essential to understand that the economic and social conditions to implement land readjustment, according to the LDT, are directly linked to Partial Plans. It is because of this interdependence that in order to study and document Colombia’s experience in Land Readjustment, it is necessary to study Partial Plans.

Because of this, fifteen years since the introduction of the LDT, Land Readjustment application in Colombia is now directly related to the implementation of intermediate planning tools – Partial Plans – at a municipal level, essentially in land for urban expansion and vacant urban areas (development treatment). With this in mind, this report focuses on explaining the relationship between Partial Plans and LR, and carries out a detailed study at a national level about the development and impact that PP have had, demonstrating the experience that Colombia has in the implementation of this tool as a platform and framework for the use of land readjustment.

For the interests of this study, it is equally important to note as part of this introduction the difference between the tools used for the management and planning of the formal city and the mechanisms and tools used to plan and intervene in the city that has been built outside of urban formality. In this context, other intermediate-scale planning operations called Neighborhood Betterment Programs are worth noting. These are programs that were initially intended to improve public areas and infrastructure in informal settlements, but that transformed into inhabitant relocation operations because most of these settlements are located in risk areas. Because of this evolution, some Neighborhood Programs can also be revised within Colombia’s land readjustment experience. It should be noted that the Spanish and Japanese legal framework reference of Colombia’s land readjustment do not include the existence of informal developments

⁴ Although the LDT includes Partial Plans as the only intermediate planning tools, local administration making use of their political and administration autonomy, have introduced different intermediate scale planning tools that complement the contents of POTs.
or provide "tested" mechanisms for these situations. These types of urban projects have not been developed under the figure of Partial Plans.\(^5\)

Taking this into account, the information included in this document aims to illustrate Land Readjustment as a tool/mechanism that regulates the voluntary relationship between public and private actors around three main axes:

a) The first debate concerns land policy and the delimitation of property rights in order to overcome - voluntarily – the typical “lot-to-lot” development and the appropriation of land-value increase by land owners that has resulted in urban inequality and the social and spatial segregation of the urban poor. To date, it can be argued that the debate has lost sight of the fact that land readjustment must be understood as a process that entails: 1) the voluntary and majority involvement of land owners in a specific area (Urban Action Units - UAU); 2) seeking to develop such an area under certain agreed conditions optimizing what has been known in Colombia as ‘lot-to-lot development‘; and 3) land price control as an essential part of cost and benefit redistribution. As shall be explained throughout the report, these three aspects are not necessarily fulfilled in all land readjustments.

b) The second debate revolves around the provision of infrastructure and infrastructure costs, that is, the culture around how urbanization infrastructure gets paid for and by whom. Urbanization rights and duties as an activity that the State delegates to the private sector, giving extra densification rights in exchange for receiving a city (qualitatively and quantitatively) well served. Colombia, like other countries of Latin America, has a long tradition in informality as a solution for urban poor housing needs. There are even entire neighborhoods that host some of the wealthiest people in Colombian cities that have no roads, parks, civic buildings or public services. Paradoxically, the Colombian urban system and its “rights and duties” regime have not openly incorporated the recovery of the cost of urbanization as a central part of the discussion. For this reason, the recovery of the cost of urbanization (under the principle of the equitable distribution of costs and benefits introduced by Act 388/97) has occupied the political and technical agenda of major Colombian cities but has never really been resolved.

c) Last but not least, the most important debate in the current Colombian context is the spatial and social inclusion of the urban poor in urban development. Cross subsidies between more profitable land uses and social housing (as part of the participation of society in land value increase generated by state and planning decisions) are being explored as a possible solution to minimizing the socio-spatial segregation. Partial Plans have become a powerful tool to provide land for social housing as part of the obligations that all landowners and developers have in the

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\(^5\) In Colombia, Urbanism formation has focused almost exclusively in formal city building, leaving aside reflections around the dynamics and construction of the informal city.
development of cities in Colombia. It is important to highlight that this debate has focused on new development areas, as are most Colombian cities, and until a few years ago, had opted for strategies to develop vacant areas within the urban core and expansion areas. Nowadays, major cities in Colombia have introduced a strong discourse on sustainable urban development; they debate and develop their projects under the principles of densification and compaction of the city, therefore opting for the permanence of inhabitants in areas under integral betterment programs or urban renewal projects.

The first part of this report provides a general overview of the Colombian urban context in terms of its political organization, the system of cities that occupy its territory and a general overview of the land and housing context. The second part describes the legal-urban system that forms the basis for understanding land readjustments in Colombia. It offers a general description and analysis of the legal framework, focusing on territorial development tools, including a general description of the planning, land management and financial tools in Colombian legislation.

The third chapter describes Partial Plans as the intermediate planning tool through which legal conditions, planning, land management and financial matters are defined in order to develop urban projects in renewal and development areas. The chapter describes and analyzes the relationship between Partial Plans and the Urban Action Units, defined by Colombian legislation as the planning and land management tool through which land readjustment is possible. This chapter also includes a general overview of the Social National macro-projects (in Spanish, the Macroproyectos de Interés Social Nacional), a planning tool (of superior hierarchy) introduced by the national government in 2002, through which land readjustment can also be implemented. The existence and impact of these macro-projects might also be worth considering in terms of illustrating the land readjustment experience in Colombia.

The last section analyzes the impact of Partial Plans on a national level, using data collected by the National Planning Department (in Spanish, the Departamento Nacional de Planeacion - DNP). It also analyzes four different cities where Partial Plans have had a major impact, as a way to illustrate the legal, planning and governance conditions that have enabled such developments. Additionally, three different case study projects have been included, which portray an in-depth analysis of the particular experience that Colombia has had in the development and implementation of Land Readjustments in three very different scenarios. Finally, the report includes a literature review of some of the most relevant books and documents written about Partials Plans and Land Readjustment in Colombia, together with a set of international papers that have analyzed the Colombian legal framework as a best practice example for other countries in Latin America.
2. CONTEXT

2.1. Overview of Colombia’s Governance Context

In 1991, the political and economic model that had dominated Colombia for several decades took a dramatic shift. After almost 100 years, a new Constitution was enacted, instituting a new legal and political model and a Neo-Liberal economic model that opened the gates for Colombia’s markets to enter the globalized economy. The new political model was characterized by the decentralization of local functions and resources, as part of a national strategy of governance and institutional reconstruction.

The 1991 Constitution foresaw the urgent need to establish a new territorial organization that responded to regional, geographical, environmental and cultural conditions, and not to a political logic that had generated a dramatic territorial division upon the enforcement of outlawed power.\(^6\)

Colombia is a Welfare State, organized under a unitary Republic, decentralized and with full autonomy of its territorial entities. The Constitution defines departments, municipalities, districts and indigenous territories as territorial entities.\(^7\) The country is divided into 32 departments and one capital district, which is treated as a department (Bogotá also serves as the capital of the department of Cundinamarca). Departments are subdivided into municipalities. Each department has a local government with a governor and a local assembly elected for a four-year term. Each municipality is headed by a mayor and a council, both elected through popular vote.

Colombia is considered one of the world most bio diverse countries as it hosts many different biodiversity hot spots. It is usually divided in six different natural regions: the Andean region, covering the three branches of the Andes mountains found in Colombia; the Caribbean region, the Pacific region, the Orinoquia region along the border with Venezuela, the Amazon region, part of the Amazon rainforest and the insular region, conformed by islands in both the Atlantic and Pacific oceans.

Colombia is characterized for being the third-most populous country in Latin America, after Mexico and Brazil. According to the last official population census carried out in 2005, Colombia had 42,888,594 inhabitants, of which 74.3% lived in urban settlements and 25.7% in rural areas. The National Statistics Department (in Spanish, the Departamento Administrativo Nacional de Estadística - DANE) estimates a population of over 46,581,823 in 2012.

\(^6\) Source: (Torres C. A., 2004)
\(^7\) Source: (Maldonado, Pinilla, Rodriguez, & Valencia, 2006)
Figure 1 – Population by Departments

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8 Source: Map elaborated by consultancy team using demographic and geographical information provided by the DNP and the DANE. Population data corresponds to last official census carried out by DANE in 2005.
2.2. Colombia’s City System

Colombia’s City System is configured as a hierarchical system extended predominantly along the Los Andes mountain system and close to the Caribbean Sea and the Pacific Ocean coasts. According to the DNP, 80% of the country’s urban population is concentrated in this area.

This system is characterized by the primacy of the capital city, Bogotá, followed by 3 cities with a population of between 1 and 5 million inhabitants (Medellin, Cali and Barranquilla); 33 intermediate cities with populations of between 100,000 and 1 million inhabitants; and more than a thousand towns with less than 100 thousand inhabitants.

Table 1 – Colombia’s Urban Population

<table>
<thead>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 5 million</td>
<td>1</td>
<td>6,840,116</td>
<td>6,824,510</td>
<td>21,4%</td>
<td>6,824,510</td>
</tr>
<tr>
<td>Between 1 and 5 million</td>
<td>3</td>
<td>5,483,097</td>
<td>5,403,500</td>
<td>16,9%</td>
<td>1,801,167</td>
</tr>
<tr>
<td>Between 100.000 and 1 million</td>
<td>33</td>
<td>10,359,845</td>
<td>9,483,781</td>
<td>29,7%</td>
<td>287,387</td>
</tr>
<tr>
<td>Between 50.000 and 100.000</td>
<td>37</td>
<td>3,420,957</td>
<td>2,735,621</td>
<td>8,6%</td>
<td>73,936</td>
</tr>
<tr>
<td>Less than 50.000</td>
<td>1,045</td>
<td>16,784,577</td>
<td>7,439,190</td>
<td>23,3%</td>
<td>7,119</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,119</strong></td>
<td><strong>42,888,592</strong></td>
<td><strong>31,886,602</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Movement from rural to urban areas was very high in the middle of the twentieth century, and has since maintained a steady growth. The urban population increased from 31% of the total population in 1938, to 57% in 1951 and about 70% by 1990. Currently the figure is about 77%. Thirty cities have a population of 100,000 or more. The nine eastern lowlands departments, constituting about 54% of Colombia's area, house less than 3% of the population, with a density of less than one person per square kilometer (two people per sq. mi.).

According to DANE during the inter-census period 1993-2005, the urban population of the Colombian cities increased from 23,299 million to 31,886 million inhabitants, equivalent to 37% growth over the whole period, which is 3.1% per year. In 1993, Bogotá, Medellin and Cali each had an urban population of over 1 million inhabitants, and by 2005, Barranquilla did too. Together, these 4 cities account for the greatest population growth in the past 15 years. Similarly, the number of cities between 100,000 and 1 million inhabitants increased from 27 to 33, representing a 66% increase in population growth. Finally, the small urban centers with fewer than 100,000 inhabitants increased from 1031 to 1082, between 1993 and 2005, accounting for 29% of the urban population of the country.

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9 Source: DANE, DNP
Figure 2 – Colombia’s City System

Source: DNP
2.3. Colombia’s Housing Context

Housing policy in Colombia dates back to the 1930s, when the first institutional mechanisms were implemented through the creation of different State institutions dedicated to the construction and management of housing projects. The governmental actions displayed through these institutions were gradually drawn away, as private action began to increase in the supply of housing with the application of measures that gave private organizations more opportunities to intervene. The decentralization process that began in Colombia in 1991 and the different urban and territorial policies written since, have once again transformed the landscape of this action by taking away the State’s ability to intervene and by introducing a demand-subsidy system. Using different texts about the history and evolution of housing policies in Colombia as reference, this section will focus on the last phase of this evolution, in order to illustrate a general context in relation to the provision of land for social housing.

The period from 1991 to the present day began with an important break with the previous models of housing policy. With Law 3 of 1991, the policy of social housing changed from a model in which the State not only built houses but also granted credits and grants, to one in which policies focused on a demand-subsidy system based on international trends of the moment. This model provided the ‘free market system’ with enough power to control the production and marketing of affordable housing, turning state institutions into financing and regulatory bodies. With this perspective, the State created a demand subsidy system, active to date, directed at the most vulnerable population, which ensured a constant demand for social housing projects. This new policy and system sought to increase family purchasing power for housing, as the subsidies (in money or in kind) would complement credit and family savings.

This model does have several weaknesses however, especially as it failed to attend to the lowest-income families. Economic speculation triggered an increase in land prices and the model did not cover families with a low capacity to generate savings and pay off debts, resulting in the exclusion of this population. The Government responded with various programs and strategies in order to assist the lower-income population and strengthen the building sector, with the new land policy for social housing (implemented since 1997) and by expanding the range of access to affordable housing projects.

The national system of social housing was created in 1991, involving the institutions responsible for subsidy grants, the financial institutions offering credit for social housing and the private companies in charge of designing and building the projects, all as principal actors. The State body responsible for leading housing policy discussion was, until 2003,

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11 Or Family Housing Subsidy (in Spanish, Subsidio Familiar de Vivienda – SFV). The SFV is the main tool introduced by Law 3/1991 and works as a complementary financing resource given by the State to families that guarantees their access to housing. The subsidy is additional to bank credit and savings, the two other requirements that families must have/receive in order to access social housing.
the Ministry of Economic Development, which was replaced by the Ministry of Environment, Housing and Territorial Development in 2003. This in turn was replaced by the Ministry of Housing, City and Territory (in Spanish, the Ministerio de Vivienda, Ciudad y Territorio - MVCT) in 2010, which is today responsible for housing construction and policy in Colombia.

For the purpose of this study, it is important to review some of the concepts introduced by Colombian legislation that have influenced actions in the Colombian housing arena.

- Law 9 of 1989 introduced the concept of ’social housing’ (in Spanish, Vivienda de Interes Social - VIS) as the house with a maximum sale price, measured in minimum wages.
- Law 388 of 1997 redefined the ’social housing’ concept as ‘those developed to guarantee the right to housing for lower income households’, giving each Presidential Government (through their National Development Plan) the possibility to regulate the dynamics of this market. Today, VIS is defined as ‘a housing solution with a maximum price of 135 minimum wages’.
- Over the last Presidential periods, because VIS has not been able to guarantee access to proper housing solutions to lower-income households, the Central Government created another social housing concept known as ‘priority housing’ (in Spanish, Vivienda de Interes Prioritario - VIP) defined in Act 2190/2009 as: a housing solution with a maximum price of 70 minimum wages.

In conclusion, the current state of housing policy is one in which social housing has ceased to be organized, considered and designed from a quality point of view, to become a problem of figures, where deficit numbers must be met at any cost. The need to provide affordable housing to combat the growing housing deficit has led to an irrational use of available land and decreased the size and quality of housing.

2.4. Colombia’s Land Context

Within the scope of the new housing policy introduced in Colombia in 1991 that prioritizes the role of the market as developer of affordable housing, the State plays an essential role as regulator of the complementary markets for the production of housing, especially as the regulator of land for urbanization. Under this perspective, Colombia’s land context changed dramatically with the introduction of the Territorial Development Law - enacted in 1997 – whose main objective was to regulate the supply of land for housing through the introduction of different planning and land management tools. The following is a brief contextualization of Colombia’s land policy and its relationship with the provision of social housing in Colombia over the past years.

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12 Each year the National Government establishes a minimum monthly wage (in Spanish, the Salario Minimo Legal Mensual Vigente – smlmv). In 2012, the minimum wage equaled COP 567,000.00/ USD 315, which sets the VIS maximum price at approximately COP 76, 5 million pesos/ USD 42,000.

13 Source: (DNP, 2007)
A strong demographic growth of Colombian cities and the introduction of a market-orientated housing policy have placed high pressure on land, resulting in a significant price increase over the last two decades and subsequently in a constantly growing market speculation. Because of this, the supply of ‘economic’ land for social housing development has suffered major decline, causing housing developers to seek reductions in housing production costs to be able to offer an affordable product to lower-income families.

Some studies have questioned the effectiveness that the tools introduced by the LDT have had, suggesting that they have had problems in meeting their purpose, since land scarcity and price surge have not stopped and instead the accessibility to formal land market for the urban poor is even more limited. This is particularly evident when analyzing the constant growth of informal settlements in most cities - through informal land markets - which has a similar weight compared to urban growth through formal markets. In 2006, two studies conducted by the Contraloría General\textsuperscript{14} and the DNP\textsuperscript{15} mentioned some of these problems and added others that had not been addressed by the housing and land policies, which at that time were almost 15 and 10 years old respectively. Some of the problems mentioned have to do with the lack of control over land prices, the increase of housing deficit and collective facilities, the great difficulties for autonomous financing of urban development, and especially the lack of institutional development and technical capacity in the introduction of the tools contained in the LDT, combined with the lack of political will and understanding of local administrations regarding the different mechanisms available.

These issues have intensified the rupture between the actions carried out by the national government and those implemented by the local government. This, because on the one hand, the national housing policy has concentrated on the use of mechanisms like demand subsidies for lower-income families, leaving aside its work as coordinator and articulator of large-scale projects, and on the other, local governments have set aside their responsibility in the effective provision and habilitation of land. Discussions between the national government, local governments and developers about the high land shortages have intensified following this and have generated strong questions about planning and land management tools provided by the law such as POTs and Partial Plans, especially the second one due to its lack of time effectiveness.

As a consequence to this problem during the last 3 presidential periods, the national government has undertaken a major effort in the introduction of national policies to combat this situation. Policies associated with the adjustment of the subsidy system as well as the creation of urban development policies, focused on urban renewal and the development of major transport projects, have occupied much of the national agenda. However, no action has had greater impact and significance in the panorama of land and

\textsuperscript{14} Source: (Contraloría General, 2006)
\textsuperscript{15} Source: (DNP, 2007)
housing in Colombia as the introduction in 2008 of the macro-projects. The macro-project is a national level planning and land management tool which seeks the direct participation of the nation in the provision and habilitation of land for affordable housing projects, in Departments with high levels of housing deficit and where local administration has not been able to tackle the problems of land management and habilitation. This document provides a brief description and analysis of the impact of the macro-projects in Colombia, as a vehicle for land readjustment.

3. COLOMBIA’S LEGAL-URBAN SYSTEM

In order to understand and explain the experience of Colombia in Land Readjustment, it is important to explain the place that LR has within the country’s Legal-Urban System. This section will explain this system, the different laws and regulations that have shaped it and how both have laid the basis for the application of LR in Colombia.

The Legal-Urban System in force nowadays has been built over the course of the last 25 years and is based on three separate national acts that will be further explained in this section. This new legal-urban system was an important shift for Colombia’s development model, as urban development, previously ignored, became a fundamental part of the agenda. The most prominent change introduced through the new Legal-Urban System, was the implementation of what is known in Colombia as a “Plan-Action” System, introduced in 1997 by the Territorial Development Law (in Spanish, the \textit{Ley de Desarrollo Territorial - LDT}) but initially set up in 1989 in the Urban Reform Law. The main feature of this system is the collaborative participation of all city agents in the management and construction of the city\textsuperscript{16}.

This collaborative model is supported in the ‘rights and duties’ principle under which land owners, real-estate agents, entrepreneurs and local administrations all are active city builders and have the right to develop and make use of the city, as a counterpart of the set of duties they must fulfill. This mind-set change has been one of the most decisive actions that Colombia has taken towards an urban transformation. Although it has not been long since this change was made, it has laid the basis for the construction of a new sense of collectivity and democracy\textsuperscript{17}.

The following chapters will explain how this new sense of collectivity and democracy has been created, the set of principles on which it is built and the tools and elements that make it possible.

\textsuperscript{16} Source: (BID, 2011)
\textsuperscript{17} Source: (Maldonado, El proceso de construcción del sistema urbanístico Colombiano, 2004)
3.1. The Construction of the Legal - Urban System Framework

The Legal-Urban System is the result of a series of three separate national acts: the 1989 Urban Reform Law, the 1991 Integral Reformation of the Constitution and the 1997 Territorial Development Law. The following is a general historical overview of each, based on specialized literature\(^{18}\) and highlighting the most important elements:

3.1.1. The 1989 Urban Reform Act

Discussions regarding the need to introduce an urban reform law date back to the early 1960s, when the first major housing and planning problems arose as a result of the general demographic and urban growth in Colombia. However, it was not until 1986, and after several failed attempts, that the urban reform proposal became an official law.

The law sought to work as a response to the almost complete lack of urban land management in Colombia that had resulted in major social inequalities for people living in the cities and nourished a long and strong protection of landowners’ interests. Four of the most relevant problems that justified the law were: major housing quality issues and their peripheral locations, major travel times for the working majority, negative impact on land with environmental value and the appropriation of land value increases and rents by the private actors.

The law’s guiding principles intended to ensure the right to the city for all citizens, to seek a more equitable land-value capture distribution, looking to implement the principle of the social function of property\(^{19}\). It was framed under an integral policy and economic and social planning approach based on: a reform on the use and tenancy of land and its tax regime, the inclusion of land for urban development and affordable housing projects, and the creation of municipal land banks.

Law 9 was the first important legislative effort to incorporate different planning, land management and finance tools. At that time, the State could only influence urban developments with the use of tools like expropriation (or eminent domain), taxes or tariffs. According to Maldonado\(^{20}\), most of the tools introduced by Law 9 have a different international nature, which generated a somewhat incoherent system. The tools introduced by Law 9 were: a) the Japanese Land Readjustments; b) the French pre-emption right and land banks; c.) the American development (construction) rights transfer; d) the land-value capture tax; and e) the priority development declaration and the asset forfeiture method.

\(^{18}\) Source: (Maldonado, El proceso de construcción del sistema urbanístico Colombiano, 2004)

\(^{19}\) Included in Colombia’s national legislation since the constitutional reform of 1936

\(^{20}\) Source: (Maldonado, El proceso de construcción del sistema urbanístico Colombiano, 2004)
In the context of the present study, it is important to point out the significant influence of the Japanese technical cooperation - JICA. This was reflected in the incorporation of land readjustment adjustment or Kukaku Seirien in Law 9 of 1989. At that time, the participation of Japanese transport and urban planning experts recommended the implementation of this mechanism in order to facilitate the associated management of land and to finance infrastructure and public buildings. Subsequently, LR was also incorporated in the Act 388 of 1997 (later explained), as a mechanism to support the implementation of the principle of the equitable distribution of costs and benefits.\textsuperscript{21}

Although it was included in Law 9, contents regarding Land Readjustment are quite superficial and the Law did not dictate very strong guidelines for its implementations or explain the nature of the mechanism; something that transcended to other Laws and regulations. Law 9 basically pointed out that all municipalities or its decentralized entities may associate with other public entities and private individuals to develop undeveloped areas included in the Local Development Plan\textsuperscript{22}, through the use of land readjustment.

\subsection*{3.1.2. The 1991 Constitution}

As mentioned above, the 1991 Constitution instituted several changes in Colombia’s political, economic and environmental panorama. As part of the urban transformation that began with the introduction of Law 9, the 1991 Constitution introduced the solidarity principle and the collective rights concept, under which the new notion of \textit{rights and duties} was framed. This allowed further elaboration of the principle of the social function of property, adding a new ecological or natural preservation dimension to it.

According to Maldonado\textsuperscript{23}, with the 1991 Constitution, private property was recognized not only as representing a bundle of rights to landowners but also duties and obligations, as the legal system guarantees the social and ecological function of private property and allows reconciling the rights of landowner’s with the needs of the community.

In relation to urban planning and land-use, it entails a correlative duty imposed by the authorities through urban standards, which ensure that any public administration can impose a set of guidelines to all land owners to ensure the rational and responsible development of cities and to guarantee the well-being of all citizens. This is usually framed in the relationship between public power and urbanism, understood as the power that the State has to define land-use regimes in a specific territory, but also on: (i) how property rights are defined, for example when a specific area of the city must be developed under an association frame (ii) the type of obligations – costs or duties- that must be assumed for this purpose.

\begin{itemize}
\item \textsuperscript{21} Source: (DNP, 2012)
\item \textsuperscript{22} The Local Development Plan corresponds to the set of policies, programs, projects and commitments made by each Mayor to be developed over the course of his/her mandate (4 years).
\item \textsuperscript{23} Source: (Maldonado, El proceso de construcción del sistema urbanístico Colombiano, 2004)
\end{itemize}
3.1.3. Territorial Development Law

Act 388/1997, commonly known in Colombia as the Territorial Development Law (LDT), was enacted as a continuation of Law 9/1989 and sought to carry on with the goal of urban reform. It was introduced due to great national concern over the issue of territorial planning and its relationship with land management and the country’s economic and social development goals. The principles introduced by Act 388 are the guiding principles of the Legal-Urban System framework and together with the set of planning, management and financial tools make up the general structure of the system.

The LDT principles are a combination of two Constitutional principles (the social and ecological function of property and the prevalence of public over private interest) and two new principles added by the LDT (the public function of urbanism and the equitable distribution of costs and benefits); principles that elaborate on the concept of rights-duties mentioned earlier. These principles will be further detailed in this section.

The LDT also introduced a “cascade” planning system for urban action, inherited from the Spanish tradition as a result of a long-lasting relationship between both countries in territorial development and urban planning issues. The top of the “cascade system” starts with the Land Use Plan (in Spanish, the Plan de Ordenamiento Territorial - POT) - the main planning tool for territorial development in Colombia introduced with the LDT - which establishes and defines planning and urban actions throughout the territory. Together with the POT, the LDT introduced other planning, land management and financial tools, through which the territorial development purpose is executed. This set of tools introduced by the LDT will be detailed later in this section.

Regarding Land Readjustments, the LDT includes very basic information about its framework and procedures. In particular, it frames its implementation and execution using two tools introduced by the LDT: Partial Plans and Urban Action Units. Although the particular contents of the law and its regulation in relationship to LR will be further explained later in the study, it is worth noticing that the information and contents related to Land Readjustment in Colombia’s legislation is very weak and lacks in-depth development compared to other countries – like Japan - where LR contents are robust and in some cases even entails a separate chapter.

3.1.4. Territorial Ordinance Organic Law

After a great effort from previous governments, the Territorial Ordinance Organic Law (in Spanish, the Ley Orgánica de Ordenamiento Territorial - LOOT) was approved recently (2011) by the National Congress, becoming the guide for Territorial Organization in Colombia. This law aims to create directions for the organization of Colombia’s territory; to establish the guiding principles for territorial development define the institutional framework and complement the set of tools for territorial development. It also seeks to distribute the powers between the federal and regional authorities and establish general
rules for territorial organization. The LOOT develops a simple territorial system that is easily understood as a general framework of criteria for further decentralization and territorial organization of the state. Among its most important features are:

- The Creation of Land Commissions as a scenario that helps guide the general policy of the system and facilitates the task of territorial re-organization, serving as advisor to central, departmental and municipal levels.
- The possibility of association between local authorities under strategic alliances to promote development, competitiveness and economies of scale, that allow joint-provision public services, works of common interest and the meeting of planning functions to ensure the full development of their territories.
- The creation of a flexible scenario that promotes the bargaining of powers between central and local authorities. The proposed mechanism for this purpose is called ‘plan agreements’ or contracts that will promote the implementation of strategic projects associated with regional development between the federal and territorial associations.\(^\text{24}\)

### 3.2. Principles and Components

As mentioned previously, the principles and components of Colombia’s urban system were introduced in 1997 by the LDT. These principles and the components that make up the system are the basis from which Land Readjustment can be applied in Colombia.

#### 3.2.1. Principles

1. **The social function of urbanism** - The State represents the general interests of the public and should be the mediator between the public and private interests. This purpose requires organizing the territory and turning planning into concrete action through the use of standards, projects and other processes. This is commonly known as urbanism. Land use planning leans on it to carry out political and technical work that is required to ensure that urban development achieves benefits for all citizens. This is known as the ‘public service’ of urbanism in Colombia.

2. **The social and ecological function of property** - Property (public and private premises) should first and foremost have a social and ecological function. Although the property is private and therefore has some rights, it also has some duties with the city, oriented to protect nature and the well-being of society in general, rather than individual interests.

3. **The equitable distribution of costs and benefits** - The decisions and actions that are carried out in the cities generally benefit or affect some more than others, without that being the initial intention. For this reason, one of the fundamental principles of land use planning in Colombia is to seek mechanisms that allow a better distribution of

\(^{24}\text{Source: (Rodríguez, 2011)}\)
the benefits and at the same time greater cooperation from all those who obtained some kind of gain, through the payment of the costs generated by this improvement.

4. **The prevalence of general interests over particular interest** – Decisions taken in the city and the actions that occur therein, by both governments and individuals, must benefit majorities and not a few.

### 3.2.2. Components

According to different specialized literature,^{25} Colombia’s Legal-Urban System can be divided into 4 different elements, listed below:

1. The set of skills and relations between the different levels of Government, on the basis of Colombia’s territorial organization.
2. The scope and nature of the performance completed by the State in relation to any territorial and urban development process.
3. The landownership regime, which is expressed, in particular, in the definition of responsibilities and rights or powers of the various private actors (owners, developers, builders, investors) and the game rules for the mobilization of resources linked to urban processes.
4. The definition of planning, land managements and financial tools (as a set known as Territorial Ordinance Tools) and the conditions for execution and land management.

Using the legal framework explained above as a background, the following section will concentrate on the further elaboration of the Political-Administrative organization in Colombia and its relationship with urban planning, the landownership regime, the associated management concept and the set of planning tools that make up the Urban System in Colombia. All of these become the basic framework to explain how land readjustment works.

### 3.3. Political-Administrative Organization for Territorial Development

As mentioned previously, Colombia is a Welfare State, organized under a unitary Republic, decentralized and with full autonomy of territorial entities such as departments and municipalities^{26}. This autonomy is given through the following set of rights introduced by the Constitution in 1991: Territorial entities are governed by their own authorities; these are elected by popular vote, they manage their own resources and establish the necessary taxes to fulfill their functions - including taxes on the real-state property – and they participate in the distribution of national income.

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^{25} Source: (Maldonado, Pinilla, Rodriguez, & Valencia, 2006)

^{26} Other territorial entities include indigenous settlements.
Regarding territorial development, the central government is responsible for the general territorial development policy; the Department for the elaboration of regional guidelines and for the guidance and consultation among municipalities; and the municipality for the formulation and adoption of their respective Land Use Plans (in Spanish, the *Plan de Ordenamiento Territorial – POT*) and the regulation of land uses.

Municipalities are the fundamental entity in Colombia’s political-administrative division; they have political, fiscal and administrative autonomy. Their main role is the efficient provision of public services, construction work needed for local progress, the organization of their territory, and the promotion of community participation and the social and cultural betterment of their inhabitants. Each municipality has its own political organization. The mayor is elected through democratic elections (since 1988) for a four-year period and its main navigation tool is the Local Development Plan approved by the City Council. The city council is elected through popular vote for four years and is in charge, among other things, of the regulation of land use. Its size varies according to the municipality’s population. The judicial power is represented through the municipal courts.

The Municipal Development Plan is the roadmap that defines the municipalities’ actions during a four-year period (this corresponds to the Local Government tenure). It is the municipal or departmental administration and citizenship roadmap to reach the development results proposed by the mayor or the Governor in his/her government program. The plan defines objectives, goals, policies, programs and projects that will be developed during the four-year span and that must be included in the annual municipal budget. The plan is the result of a consultation process with the community, which is finally approved by the city council.

The laws that make up the legal-urban system described earlier introduced a robust set of planning, land management and financial tools, but left a wide range of action for municipalities to define and organize their own territories through their own Land-Use Plan (in Spanish, the *Plan de Ordenamiento Territorial – POT*), making use of the public (municipal) function of urbanism. It is because of this autonomy that local processes are able to define and design the POT and the set of tools through which it is developed in each particular municipality. The proper use and management of the different instances and the engagement of the actors involved in such – community participation, city administrations, city councils and environmental authorities – become fundamental for territorial planning and development objectives.

Taking this into consideration, although Colombia has become a regional example in the implementation of these tools and guiding principles, there is still, however, a lot to be done in order to guarantee that both public and private actors comprehend the scope and

28 Source: National Planning Department
29 These actors will be further explained later on this section.
impact that these tools have and the rights and duties inherent to their activity in the city-building processes.

3.4. Land Ownership Regime

According to Maria Mercedes Maldonado, the principle characteristics of Colombia’s Urban-Legal System in regard to the landownership regime are:

1. Property has - according to the Constitution - a social and ecological function.
2. Property is guaranteed as a right in the field of civic law or between individuals; while in the field of public law - where environmental and territorial development laws stand – it is conceived, exerted and guaranteed as a social function that involves obligations.
3. While owners enjoy some rights or powers, they too, must comply with the urban and environmental obligations that correspond to such rights and that are derived from the social and ecological role of property.
4. Urban actions and decisions taken using planning tools are binding in relation to the actions of both the Administration and individuals. This means that the territorial planning has legal force, which regulates and obliges public and private actors.
5. Another important feature is that Colombian legislation contemplates specific obligations for landowners, like land contributions and infrastructure costs (streets, parks and recreational areas or social facilities), as well as land value increase return to society.

3.5. Associated Management

The associated management of land is one of the defining elements of the Colombian legal-urban system. According to Maldonado, associated management can be defined as the linking of a set of lots and their owners, under equitable conditions, that must fulfill urban obligations such as: land contributions for public use and infrastructure, green areas or civic building cost financing.

Associated land management is based on the equitable distribution of costs and benefits principle mentioned earlier, becoming the mechanism through which cities overcome the lot-to-lot development, that has resulted in an urban development with a public infrastructure deficit that increases urban exclusion. The associated land management is

30 Source: (Maldonado, Pinilla, Rodriguez, & Valencia, 2006)
31 This set of rights and duties defines the urban regime, configures the content and scope of the right of land ownership and concrete through the territorial ordinance tools, whereby the social function of urbanism takes place.
32 Source: (Maldonado, Pinilla, Rodriguez, & Valencia, 2006)
the basis for the application of LR in Colombia. This will be further explained in the next chapter.

The classification of lots under associated management mechanisms (defined by the POT through Urban Action Units) defines another dimension of the land ownership regime, as lots that can individually obtain a license to build or urbanize, which are radically different to those that must join others in order to develop better urban projects.

### 3.5.1. Public-Private Partnerships

More recently, the National Congress enacted a Public Private Partnerships (PPP) Law for the first time, as a mechanism to incentivize private participation in public infrastructure works\(^{33}\).

The law is a breakthrough initiative, as it allows private organizations to plan and present a public infrastructure project to the State, without having to wait for the State to structure and open a public tender. The law does not intend to cancel out tenders; instead it wishes to open the door for private capital to have more room to work and develop projects. PPP projects may include both private and public resources, but public resources may not exceed 20% of the total costs of the project. In the case it compromises public resources, although the project may be presented by a private company, it must be defined through public tender.

The PPP Law breaks a strong tradition of private infrastructure investment mainly targeted at transportation projects, allowing private companies to present and participate in urban development-type projects. PPP may only be presented in projects worth over six thousand minimal wages, equivalent to almost 3,500 million Colombian pesos (approximately USD 2,000,000). This restricts private initiatives to medium and large-scale projects. Although the Law clearly defines that public resources may not exceed 20% of total costs when paid directly with money, it allows municipalities to exceed such limits when resources are presented in other form, for example Land.

Local governments are not allowed to sign PPP contracts within the last year of their political run, in order to guarantee that such are not used as political favors. The state will only pay out to the Partnership when the project is completed and ready to be used, which guarantees that no public resources will be spent during the construction process and that public resources will be used as a control mechanism to ensure the proper development and construction of infrastructure.

Because Partial Plans and Land Readjustment are essentially a PPP, it is still uncertain how this new law will affect urban development, and whether this type of partnerships and

\(^{33}\) Law 1508 of 2012
procedures will affect (or even replace) the partnership agreements usually used in Partial Plan frameworks.

### 3.6. Territorial Ordinance Tools

The Territorial Ordinance Tools are the instruments introduced by Law 388, through which Territorial Development is fulfilled and the Land Use Plan is implemented, managed and made possible. The tools are made up of a combination of planning, financial and land management methods and mechanisms that work like elements included in a toolbox that are used in different combinations to develop urban project. They are closely related and organize the set of urban development procedures in a cascade form. Each tool depends on a tool of superior hierarchy. Land Readjustment, for example, is defined by Urban Action units, which are set and defined in Partial Plans. Partial Plans are intermediate-scale planning tools that are defined and set by the city’s General Land Use Plan.

Such tools can be classified into three separate groups: Planning, Land Management and Financial tools. The following description is a general overview of the different tools that make up the Territorial Development Toolbox and their particular relationship to LR implementation.

#### 3.6.1. Land Use Plan

The most important tool introduced by the LDT is called the Land Use Plan or POT (in Spanish, the *Plan de Ordenamiento Territorial*), a mandatory planning tool for all municipalities in Colombia with a population over 100,000 inhabitants.\(^{34}\)

The POT defines guidelines for land development in urban, rural and expansion areas, and in natural protection areas. It is the basic tool to develop the territorial organization process of each municipality and is defined as the set of objectives, guidelines, policies, strategies, goals, programs, actions and standards approved to guide and manage the physical development of the territory and the appropriate and sustainable use of land. To do this, the POT designs and adopts the tools and procedures for land management that guide and execute all the actions that citizens and the public administration have in the territory.

In general terms, the POT makes 4 important decisions about the territory:\(^{35}\):

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\(^{34}\) Act 388 established that POTs should be elaborated according to the population size of municipalities. There are three different types of POTs: Land-Use Plan (POT) for municipalities with a population over 100,000 inhabitants, Basic Land-Use Plan (PBOT) for municipalities with a population between 30,000 and 100,000 inhabitants, and Land-Use Scheme (EOT) for municipalities with less than 30,000 inhabitants.

\(^{35}\) Source: (AMVA, 2010)
1. Classification and qualification of the territory: Determines both the public and private areas through land qualification (uses and intensities of land-use) and land classification (determining the rights and duties for each urban treatment)\textsuperscript{36}.

2. Definition of the structural systems of the city (water, transportation, public space, public buildings).

3. Identification of macro-projects and Partial Plans (and other strategic projects), where mechanisms like LR can be applied.

4. Determines Land Management (for the distribution of costs and benefits) and Financial Tools.

The POT is divided into 4 different components: 1) General: corresponds to the long-term objectives, strategies, and structural contents. 2) Urban: corresponds to the policies, actions, programs, urban standards and planning and land management tools to develop and manage the physical urban development. 3) Rural: corresponds to the policies, actions, programs, standards and Planning and land management tools that guide and guarantee the proper interaction between the rural area and the rural settlements with the urban core. 4) Execution program: defines the mandatory actions set by the POT to be executed by the city mayor during their 4-year administration period.

The validity of these components corresponds to different time periods, directly related to the city mayor’s administration periods: the general component has a validity of 3 mayoral periods (12 years), the medium and short-term urban and rural components have a validity of 2 mayoral periods (8 years) and the short-term execution program components have a validity of one mayoral period (4 years). When the different terms come to an end, the POT must be revised. The LDT provides general guidelines for the elaboration of POTs and their contents, and grants autonomy to each municipality to decide on and elaborate the different types of urban standards\textsuperscript{37}.

The creation of the POT resulted in the introduction of a three-tool scheme for municipalities and districts in Colombia\textsuperscript{38}: 1) The POT as the medium and long-term (three mayoral periods – 12 years) territorial planning tool; 2) The Local Development Plan which sets policy guidelines, projects and commitments made by each Mayor to be developed over the course of his/her mandate (4 years); and 3) The Municipal Budget - the annual

\textsuperscript{36} In accordance to the “Cascade” Planning technique, rights and duties are defined and materialized through each urban treatment and certain planning and management tools are correlated to them.

\textsuperscript{37} The process for the elaboration or revision of the POT is divided into three different phases, where different actors take part: Formulation: The POT is elaborated by a team of experts, accompanied by the city mayor and the different city secretaries. POT formulations are usually open to tender processes in which different private professionals can participate. Consultation: Once the POT has been drawn up by the city administration, it then passes to the consultation phase where it must be discussed and revised by four different parties: the Regional Autonomous Corporation, the Territorial Planning Council and the general public (associations, NGOs, unions). Approval: Once the consultation phase is completed, the city administration must present the POT project to the city council, who is responsible for its final approval. The POT can either be approved under agreement between the city administration and the city council, or through mayoral decree if the council does not approves the POT.

\textsuperscript{38} Source: (Salazar, 2007)
planning tool that controls municipal spending. So far, an appropriate linkage between Development Plans, Investment Plans and the POT execution plans has not been possible.

### 3.6.2. Classification and qualification of the territory

One of the most important objectives of the POT is the classification and qualification of land. Classification is related to what the POT establishes as the Structural Standards, which are the set of objectives, strategies and norms of superior hierarchy in the “cascade” structure. This implies that no norm below can be modified in contradiction to structural standards, and these may only be changed during the revision of the Plan. Qualification is related to what the POT calls General Standards, which are norms directly related to and dependent on Structural Standards, which define the set of rights and duties given to landowners and developers, and the respective tools (planning, land management) to execute them.

**Classification - Land Types**

One of the main features of the POT is the definition and classification of the different types of land that constitute a specific territory or municipality. Act 388 stipulates that all municipalities in Colombia must classify their land into three different types: Urban, Rural and Expansion Land\(^{39}\). Each one of these land types has its own urban regime that qualifies and regulates the public and private actions in the territory through two main tools: treatments and land use activities.

**Classification - Treatments**

Treatments establish standards that define the specific use granted to a specific piece of land in urban, rural and expansion areas. Treatments are the tools through which land is organized and managed in order to fulfill the territorial vision determined by each city’s POT. They determine the way in which a lot or building can be intervened, depending on its localization within the city. Fundamentally, treatments define the rights and duties that private and public actors have on a specific area of the city. No one area of land can have more than one urban treatment, in other words, treatments are mutually exclusive.

In regard to treatments, although the LDT does not define a list of specific treatments, most cities have established the following five: development, consolidation, conservation, renovation and integral upgrading. Because there is no national law that defines these treatments, the study will use the definitions included in Bogota’s POT\(^{40}\) to further detail each type of treatment.

- Development: areas without urbanization and construction

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\(^{39}\) Other land types include Protection or Conversation Areas.

\(^{40}\) Source: (Alcaldía Mayor de Bogotá, 2004)
- Consolidation: urbanized and built areas where new buildings can be constructed using different types of interventions.
- Conservation: areas with buildings of high historical and cultural value that cannot be demolished.
- Renovation: deteriorated areas that can be fully demolished for their complete reconstruction.
- Neighborhood Upgrading: areas with deficiencies in infrastructure (streets, parks, public buildings, public services) and housing.

**Qualification - Land use types and intensities**

Together with land classification in each of the three categories explained before, the POT defines two other very important elements key to urban development: land-use types and land-use intensity. The POT defines what type of activity (residential, commercial, industrial, services or civic) can take place in the different areas of the city and the level of intensity under which those activities can be developed.

- Land use (Public and private and their relationship through urban standards)
- Land use intensity in private areas (occupation and plot ratio$^{41}$)
- Land use intensity in public areas (occupation and scale)

Together, land classification and qualification form what is known in Colombia as the Urban Norms that define private actions on private land and their relationship with public land. It is this relationship that explains the interdependence of private and public action in the territory. These norms define the type of actions that can be developed on the territory and the type of planning, land management and financial tool that can be used, dictating the framework for the application of Land Readjustments. The following table illustrates the relationship between land classification and qualification for urban and expansion areas:

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$^{41}$ Plot Ratio or Floor Area Ratio (FAR): The floor area ratio is the principal bulk regulation controlling the size of buildings. FAR is the ratio of total building floor area to the area of its zoning lot. Each zoning district has an FAR which, when multiplied by the lot area of the zoning lot, produces the maximum amount of floor area allowable on that zoning lot (www.nyc.gov).
Table 2 – Relationship between land types, treatments and land use-activities

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<tr>
<th>Structural Norms (Classification)</th>
<th>General Norms (Qualification)</th>
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<td><strong>Land Types</strong></td>
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<td><strong>Urban Area</strong></td>
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<td>Conservation</td>
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<tr>
<td>Renovation</td>
<td>Residential, Commercial, Services, Industrial and Civic.</td>
</tr>
<tr>
<td>Redevelopment</td>
<td>Development</td>
</tr>
<tr>
<td>Integral Upgrading</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td></td>
</tr>
<tr>
<td><strong>Expansion Area</strong></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>Residential, Commercial, Services, Industrial and Civic.</td>
</tr>
</tbody>
</table>

3.6.3. Intermediate Planning Tools - Partial Plans and macro--projects

The qualification and classification of land defined by the POT establishes the areas for the application of intermediate-scale planning tools that help organize and plan different projects in the city's territory. These plans and projects work as a planning tool for specific areas or specific topics that are not developed fully by the POT. They complement and develop the objectives, strategies and guidelines defined by the POT, determine public works projects, define rules to guide private investment and real estate transactions to ensure that they benefit the entire city. Intermediate Planning Tools are the vehicles through which the classification and qualification of land and its relationship to the general model of the city are actually executed. These tools are correlated to land types (rural, urban, expansion) and to treatments.

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42 Source: Elaborated by consultancy team based on (AMVA, 2010)
43 Source: (Maldonado, Pinilla, Rodriguez, & Valencia, 2006)
44 Other planning instruments include Patrimonial Conservation Plans, Integral Upgrading Programs and Rural Planning Units. Some cities in Colombia, like Bogota, further elaborated on intermediate planning instruments, creating tools like master plans, Zonal plans, Zonal planning units.
Partial Plans

Partial Plans were introduced by Act 388 as the intermediate planning tool that would help materialize many of the strategies and intentions defined by the POT. According to Maldonado\(^45\), the Partial Plan is the most important instrument within Colombia’s Legal-Urban System. It is the vehicle that articulates planning, land management and land financing, and it also defines the basis for the associated management of land\(^46\). Partial Plans are the Planning Tools designated by Act 388 to be used in urban areas under development, renovation and redevelopment treatment. Partial Plans will be further explained in the next chapter.

Macro-projects

According to National Law 4260 / 2007, the National macro-projects (in Spanish, *Macroproyectos de Interes Social Nacional*) are the set of administrative decisions and planning actions taken by the national Government, in which planning, finance and land management tools are linked to develop large-scale urban operations that contribute to the territorial development of municipalities, districts, metropolitan areas or regions of the country, with special emphasis on social and priority housing. Macroprojects are usually managed under public-private partnership under the supervision of the Ministry of Housing, Cities and Territorial Development.

Neighborhood Improvement Programs\(^47\)

Neighborhood Improvement Programs were introduced in 1989 by the Urban Reform Law. They included housing, public services and infrastructure improvements, as well as settlement legalization. They required local authorities to carry out risk assessment, in order to identify families living in high-risk areas, and propose relocation projects. In 1997, the LDT defined neighborhood improvement projects as part of the urban component of the Land Use Plan, by creating a neighborhood improvement treatment. According to the LDT, under improvement treatment, other land management and planning tools, like Partial Plans and Urban Action Units\(^48\), can be applied. However, as mentioned earlier, most Improvement Programs have not used or applied Land Readjustment projects (through PP) as part of their programs and have usually focused on infrastructure improvement works and legalization. The Juan Bobo experience in Medellin, which will be later explained, had a highly successful experience that included real-state integration and re-densification.

\(^{45}\) Source: (Maldonado, Pinilla, Rodriguez, & Valencia, 2006)

\(^{46}\) According to the LDT, three different mechanisms are involved in the associated management of land: Partial Plans, Urban Action Units and Land Readjustments. This relationship will be further explained in the next chapter.

\(^{47}\) Source: (DNP, 2009)

\(^{48}\) Land Readjustment or Real-state Integration mechanisms
3.6.4. Land Management Tools

According to Maldonado\textsuperscript{49}, land management tools may be of a regulatory or fiscal nature, or be part of planning measures taken by a city or municipality. Land management tools are intended to ensure the more equitable distribution of the costs and benefits of urban development, laying the foundations to modify parts of the city, facilitate the acquisition of land and/or real estate to develop different types of projects, reactivating some sectors of the city. Land management mechanisms combine urban obligations (land contributions for urban infrastructure and infrastructure financing) regulation with land markets and land-value capture mobilization regulations, such as the associated management of land. According to different specialized literature\textsuperscript{50}, land management tools in Colombia can be divided into 2 different groups as follows:

**Urban - Land Management Tools:**

- **Urban Action Units:** According to Act 388/97, UAU are areas formed by one or more lots that must be urbanized or built as one integral unit within a Partial Plan. Their development involves the association of landowners and is executed using tools or techniques such as land readjustment, real-estate integration or cooperation between participants (landowners). UAU will be further detailed in the next chapter.

- **Land Readjustments:** According to Colombian legislation, the objective of LR is to allow the new definition of a lot structure, therefore achieving a better configuration of an area to be urbanized, as well as to guarantee the equitable distribution of costs and benefits between landowners. The new configuration will allow a better provision of infrastructure and public places, to later subdivide new lots and develop them (Originated in Act 9/1989 – Arts. 25, 77 and 78, and Act 388/97 – Arts 45, 46 and 47). For areas under renewal or redevelopment treatment, the same mechanism is used, but is known as **Real Estate Integration**\textsuperscript{51}.

- **Cooperation between participants:** The objective is to facilitate and guarantee the equitable distribution of costs and benefits between landowners. It is applied when a new lot/property configuration is not needed for the development of UAU and the benefits derived from this development can be distributed equitably between land owners. (Act 9/89 Arts. 25,77 and 78 – Act 388/97 Arts. 45, 46 and 47)

- **Compensation:** As part of the equitable distribution of costs and benefits within PPs, it is possible to elaborate mechanisms to compensate development inabilities to specific areas (within the planning area), in order to recognize all of the rights of the landowners. This is usually related to areas

\textsuperscript{49} Source: (Maldonado, Pinilla, Rodriguez, & Valencia, 2006)

\textsuperscript{50} Source: (IGAC, 2003), (Alcaldía de Medellín, 2007)

\textsuperscript{51} Act 9 1989 - articles 25, 77, 78 and Act 388 1997 - articles 45, 46 and 47.
where the urban project has defined the construction of a civic building or public space project (Act 388/97).

Legislation - Land Management Tools

- **Voluntary disposition:** The voluntary sale of real estates to the State, when required for the development of a specific project. (Act 9/89 Arts. 9, 13, 14, 16 and 17 – Act 388/97 Arts. 58 through 62).
- **Eminent Domain:** The obligated sale of a lot, imposed upon the landowner by municipal authorities, through motivated resolution. Applies to real estate that has been declared of ‘public need’ or ‘social interest’ and to that which is part of a UAU. It also applies to areas in urban or expansion land that have been declared for ‘priority development’ or to real estate or lots that are part of a UAU and denies being part of the 51% majority that approves its execution (Act 388/97 Arts. 52 through 57).
- **Judicial Expropriation:** This is a tool that allows the State to acquire real estate, either for itself or for a third party, when the transfer cannot be negotiated through voluntary disposition. The real estate must have been declared of public need by the municipal POT and the municipal Development Plan. (Act 9/89 Arts. 20 – Act 388/97, Arts. 58, 60 and 62).
- **Expropriation through administrative channels:** This is a tool that allows the State to acquire real estate when there are urgent conditions or ‘public use-reasons’ that condone its acquisition, according to the State’s criteria. Such ‘public need reasons’ must be aligned with the municipality’s POT and Development Plan (Political Constitution, Act 9/89. Act 388/97).
- **Pre-emption Right:** Land Banks have the possibility to apply this right to any lot or real estate included by the POT in specific areas or operations in the city. By virtue of this right, owners who have the intention to sell the respective lot or real estate must in the first place and just once, offer the lot to a Land Bank (Initially included in Article 73, Law 9/1989 - Law 388/97, art. 119).
- **Priority Development Declaration:** When the development or construction of a specific piece of land or real estate is determined to be of public use according to dispositions set by the municipalities POT (Law 388/97 Arts. 40, 44, 52, 53 and 54).
- **Project Announcement:** Applies to the public acquisition of land through voluntary sale or expropriation as a direct mechanism that allows land value capture. By the time a project is publicly announced using this tool, the land price is set using “reference appraisal”, in order to later deduct the market value increase of the land, and follow a coherent process of land value capture. (Law 388/97, arts.61)
- **Reference Appraisals:** Used to control those commercial appraisals of land that does not incorporate the expectations generated by the intervention of the State. Act 1420/1998.
3.6.5. Financial Tools

A range of financial tools is used to obtain financial resources for the implementation of the projects defined by the POT. The LDT establishes different mechanisms that seek strict compliance with the equitable distribution of the costs and benefits generated by urban development. Variables, value, and land use are crucial for the implementation of any of the financial tools contained in the LDT.

- **Land Value Capture**: This is defined as the right given to municipalities to participate in the increase of land value that has resulted from administrative decisions. This occurs when the POT changes land classification from rural to expansion, when land use in urban areas changes to a more profitable use, or when there is an increase in plot ratio rights given to a specific area of the city. (Originated in the Political Constitution - Arts.82, Act 388/97 - Arts. 73 through 90 and in the National Decree 1788/2004)

- **Special Assessment Tax or Betterment Levy**: This is a direct tax that is used to recover the construction costs of public works. This charge is levied to the real estate lots benefited by the local public work benefits and can only be destined to the corresponding works. (Originated in Act 25/1921 (Arts.3) and the National Decree 1333/1986)

- **Urban Renewal Bonds**: Bonds are a long-term obligation issued by a corporation or a Government entity with the purpose of financing important projects. In essence, the borrower receives money in exchange for a promise of payment, including interests. Urban renewal bonds are exclusively used to finance urban development projects included in the POT.

- **Urban Renewal Promissory Note**: This is a mechanism used by the different territorial entities to back up the acquisition of real estates through voluntary disposition or expropriation. (Act 9/89 – Art.99).

- **Transfer of Rights**: The transfer of rights is a mechanism designed to transfer the construction potential of areas with limited development potential to areas where development is possible. These rights may be transferred from areas that generate such construction rights to areas that receive them, preferably within the same planning area or in different areas previously established by the POT or the PP (Act 388/97 – Articles 88, 89 and 90).
### Table 3 – Relationship between Territorial Development Tools

<table>
<thead>
<tr>
<th>Structural Norms (Classification)</th>
<th>General Norms (Qualification)</th>
<th>Planning and Land Management Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Urban Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservation</td>
<td>Residential, Commercial, Services and Civic.</td>
<td>Building height, volume and typologies.</td>
</tr>
<tr>
<td>Consolidation</td>
<td>Building height and volume or construction and occupation indexes, densities.</td>
<td>Individual projects</td>
</tr>
<tr>
<td>Renovation</td>
<td>Construction and occupation indexes, densities.</td>
<td>Partial Plans</td>
</tr>
<tr>
<td>Redevelopment</td>
<td>Residential, Commercial, Services, Industrial and Civic.</td>
<td>Public space m² per person per household, public space m² per m² built in other land uses. Civic buildings. Basic mobility and public utilities infrastructure.</td>
</tr>
<tr>
<td>Integral Upgrading</td>
<td>Building height, volume and densities.</td>
<td>Integral Upgrading Program</td>
</tr>
<tr>
<td>Development</td>
<td>Construction and occupation indexes, densities.</td>
<td>Partial Plans</td>
</tr>
<tr>
<td><strong>Expansion Area</strong></td>
<td>Residential, Commercial, Services, Industrial and Civic.</td>
<td>Partial Plans</td>
</tr>
</tbody>
</table>

Source: Elaborated by consultancy team based on (AMVA, 2010)
3.7. **Land Administration: Land Banks**

Land Banks were introduced by Law 9/89\(^{53}\) and later refined by the LDT. Their purposes are the acquirement of land, the execution of social housing projects, the provision of urban public space and the adaptation of land, among others. To intervene in the land market, they have the faculty to use land price control mechanisms included in Colombia’s legal urban framework, to buy and sell land at the lowest possible price. According to the Law, Land Banks may intervene all across each municipality’s urban area.

Land Banks can be constituted as different types of public companies, giving them the faculty to operate with financial and administrative autonomy, which allows them to be more effective in executing their objectives. Banks may also associate with other public entities to develop undeveloped areas defined by the municipalities Development Plan, using land management mechanisms such as Land Readjustment.

The main characteristic of Lank Banks is the possibility to operate and articulate the different planning and land management tools\(^{54}\) included in Colombia’s legal framework, allowing it to fulfill two different purposes: 1) the acquisition of land for different public purposes and 2) the intervention of the land market, allowing it to become a fundamental asset for land use strategies.

According to Natalia Valencia\(^{55}\), most Land Banks in Colombia have concentrated on the acquisition of land areas to constitute public land reserves. However, they have invested important public resources in the transaction of such areas because they have not implemented appropriate land control mechanisms and hence have not been able to control the initial value of land. Additionally, because of this lack of land price control, Land Banks have concentrated their efforts on the acquisition of areas located in peripheral areas where prices are lower. However, because such areas do not have the appropriate public infrastructure, most works are financed using public resources. Furthermore, due to the lack of coherent urban planning and the appropriate use of land value capture mechanisms, the extension of such infrastructure to peripheral areas has increased the land value of areas around such developments, promoting their formal or informal development, without recovering the land value increase.

With this in mind, Land Banks in Colombia play a defining role in the regulation of the free land market. Their role depends on their ability to use and articulate their performance with the application of the set of planning and land management tools included in Colombia’s legislation, in order to control land speculation over large pieces of peripheral land.

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53 Article 70, Law 9° / 1989
54 Special Pre-emption Right
55 Source: (Dávila, 2011)
land. The lack of control and presence of land banks across the country has meant that landowners have been able to control land prices, and because municipal administrations are not able to pay for the free land market value of such land, many landowners have opted to sell such areas to poor families, resulting in the conformation of informal settlements. Land Banks are then responsible not only for participating in the transaction of land according to the free market forces, but to become an active member of urban planning and land management decisions. Their operation must be able to develop projects with an appropriate land management strategy that is able to buy land at appropriate prices and sell urbanized land at low prices that are able to include social housing developments.

### 3.7.1. The case of Metrovivienda

In 1999, Bogota’s Local Administration designed a strategy to offer accessible housing solutions to low-income families unattended by the National Government’s demand subsidy system, within the objective of providing serviced land (urbanized) at low costs. The strategy looked to incorporate private land to the urban area through agreement between landowners and the Local Administration for the equitable distribution of costs and benefits.

The strategy was made up of two separate actions. The first had to do with the regulation and betterment of informal settlements and the second with a new planning model that could replace the common informal urbanization processes, by creating a management system, a regulatory frame and a set of incentives that could broaden the formal market so that low-income families could have access to it.

Metrovivienda was created as part of the second action, becoming the first official Land Bank in Colombia. According to the Agreement (1998) that gave birth to Metrovivienda, its main objective is to promote the massive supply of urban land to facilitate the execution of Social Housing Projects, develop land bank type functions in relation to real-estates specially-destined to provide social housing solutions and promote the organization of low-income families to facilitate their access to land destined for social housing projects.

One of Metrovivienda’s main challenges was to provide better economic and financial conditions for private promoters to develop social housing projects. To achieve this, the task was set to sell urbanized land at low prices, by developing a coherent strategy that would initially buy land at low prices using control mechanisms, capture the increase of land value and using such to cover (partially) infrastructure costs. According to regulations, Metrovivienda is not allowed to build houses. Metrovivienda’s main functions are: the formulation of urban projects, land acquisition and administration, resource management for the habilitation of land, Project management and revision of urban norms for projects promoted by it.

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56 Source: (Metrovivienda, 2004)
This model has a facilitator-type perspective, as it basically operates to allow private agents to be actively involved in the provision of social housing. It has been criticized because although it has the autonomy to use and articulate several planning and land management tools to intervene in the free land market, its involvement in this area has been very limited. Its lack of experience in the use of such control mechanisms has limited Metrovivienda’s actions to peripheral or undeveloped areas where, though land prices are low, urbanization costs are very high. Therefore, its main purpose of multiplying the supply of land for social housing has been quite low, end prices for units have not decreased, thus access to formal housing solutions for low-income families is still an unresolved challenge.
4. PARTIAL PLANS and LAND READJUSTMENT

4.1. General Overview

The Colombian Legal-Urban System, through Act 388, introduced a set of different tools that enables city actors to plan, manage and finance projects in an integrated way, supported on the principles explained previously. Within the tools that have been developed in Colombia throughout the construction of its urban system, LR has been an important part of it. This section will explain the ‘Colombian way’ of doing Land Readjustment, highlighting important elements of good practice that could be taken into account by other cities.

In order to understand the application and framework under which LR can and has been developed in Colombia, it is important to understand its nature as a Land Management tool and the direct relationship that this has to specific Planning tools in Colombia’s urban system.

The relationship between PP and Land Readjustments, within the frame of the toolbox described earlier, can be exemplified in the following diagram:

*Figure 3 – Land Readjustment within Colombia’s Planning and Management Toolbox*

As the diagram shows, LR in Colombia must be explained within the framework of tools that regulates its implementation: PP and UAU. As a starting point, it is important to note the general relationships between PP, UAU and LR, in order to further explain each and the different elements that constitute them.

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57 Source: Elaborated by the consultant team, based on diagram by Augusto Pinto.
This section will explain the legal framework that regulates LR and PP in Colombia, the different components that permit the implementation of LR and the different set of tools that have been used. It will further explain the distribution of costs and benefits, the procedures to develop and implement a PP and its institutional framework.

In order to guarantee the better development and understanding of this section, two concepts will be defined and explained, as these will be analyzed further and used in this section. The basis to understand how PP, UAU and LR function in Colombia relies on the concepts of costs and benefits, and how, by the appropriate use of this set of tools included in the legal-urban system, both will be equally distributed among participants.

**Costs**

Costs correspond to all investment made for the development of public infrastructure in an urban project (PP), such as public space, public buildings, streets and public utilities infrastructure. According to National Decree 2181/2006, costs are divided into two subcategories:

1. **General Costs (Art. 28):** Costs associated with the construction of arterial streets and main public services networks.58
2. **Local Costs (Art. 27):** Costs associated with the construction of local infrastructure within the area of the corresponding PP. These costs are usually related to the construction of local vehicular and pedestrian streets, parks and green areas and secondary public services networks (water, sewerage, electricity, telephone).

**Benefits**

Benefits correspond to income and rents derived from real-estate activity and are directly related to the construction area potential given to a specific area through urban standards and regulations. According to National Decree 2181/2006, benefits are divided into two subcategories:

1. **Basic Urban Benefits (Art. 2):** Maximum construction area given to landowners of a PP area, assigned through specific land use in urban and expansion land. This is proportionate to the local costs assigned.
2. **Additional Urban Benefits (Art. 2):** Maximum construction area given to landowners above the basic benefits according to land-use defined by the PP, when they participate in general construction costs.

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58 The distribution and charge of these costs to landowners depends on the location of the PP and will be further explained later.
4.2.  Legal Framework

As mentioned previously, both PP and LR appeared in different time periods of Colombian legal history (land readjustments initially in Act 9 of 1989 and renovated with Act 388 of 1997 and the second with the issuance of this last act). Act 388 not only defines the areas where PP can take place, but also defined the procedures for its approval. The following policy description will cover the legal framework of PP in Colombia after Act 388 was enacted. The description is divided in two: a national legal framework that describes the general outline defined by the Nation to regulate PP and subsequently LR, and examples of how municipalities like Bogotá and Medellin have developed their own local regulations for PP. The development of regulations at both the national and municipal level has sometimes been contradictory and has generated debates with interesting and arduous discussions on municipal and regional autonomy.

4.2.1.  National Legal Framework

Act 2181 /2006

In the year 2006, the National Government issues a decree to establish guidelines for the development of Partial Plans through Act 2181. In general terms, this act:

- sets the scope for PP application and a series of basic definitions in regard to urban development, in order to have one universal language on the subject.
- sets procedure for its approval and formulation, and describes the different stages needed for its expedition.
- sets guidelines for authority concentration procedure, phases and time lapse.
- sets specific procedures for the definition of UAU and for the equitable distribution of costs and benefits.
- especially sets procedures and guidelines for PP located in urban areas under development treatment.
- specifically defines and assigns responsibility for urbanization cost (general and local) to landowners, and the counter-benefits received in both urban and expansion areas.
- sets obligations to destine a percentage of the total project area to social housing within the same PP or transferred to another project in the city, according to guidelines set by the respective local POT.

In regard to LR, however, no contents are included.

Act 4300 /2007

The previous decree was reformed by National Act 4300/ 2007, which noted the following relevant elements:
- Further regulation of the contents and procedures for PP located in either urban areas or expansions areas, in accordance with the determinations of the POT.
- A change in the minimum requirements required for the formulation of a PP.
- An indication of the obligation of interagency coordination, to make environmental authorities decide within the time limit exhorited by the law, as well as which are the specific aspects on which the conclusions and recommendations should be made.
- Foresight that amendments made to PP shall be subject to the same procedure laid down in title II of Decree 2181 of 2006 for their formulation and approval. This has generated serious problems when the modification is simple because it requires that the whole process start all over again.

Because of some of the elements and problems mentioned above that make the PP process and implementation inefficient – together with other problems in different fields - the national Government issued Act 0019, known as the Anti-processes Act, which included different adjustments to the PP implementation processes.

### 4.2.2. Local Legal Framework

**Bogota**

**Act 1141/2000**

Against the above, some municipalities issued their own regulations concerning partial plans. In this section, a short description of Bogota’s own regulation will be highlighted. Bogota issued such regulations on the 29th of December of 2000, through Decree 1141, which included:

- The definition of the Partial Plan provided in law 388 of 1997.
- The definition of the areas of the city where PP will be need and approved; these areas correspond to specific areas of the city stipulated by the POT through the qualification processes using Treatments as tools. Such areas correspond to:
  - sectors with “development treatment” in urban areas and urban expansion areas in accordance to Article 351 of the Decree 619 of 2000
  - sectors of “urban renovation treatment” in redevelopment mode

The law has defined three types of initiatives: Private, Public-Private and Public. It gave special mention to public initiative and therefore strictly defined the public authorities that had legal jurisdiction to intervene, generate and promote urban development in the city. These authorities are: Metrovivienda, the city’s land bank and real-estate company and the urban renovation company, in charge of promoting urban actions in urban areas under “urban renovation” treatment defined by the POT.
Other local regulations in Bogota include:

**Act 327/2004 – Development Urban Treatment:**

This local decree develops and complements general norms established previously by Act 388 and by the POT of Bogota in regard to several subjects regarding Development Treatment. For the purpose of this study, it is worth noticing three different aspects of this Act:

1. It establishes that all areas with a Net Urbanized Area (NUA) over 10 Ha and all areas classified under Expansion Land must be developed through a PP. Lots with NUA below 10 Ha located in Urban Land can be developed directly using an Urbanism License. This liberated almost 1,500 Ha of atomized areas across the city that had to be developed through PP.

2. This decree regulates the mandatory inclusion of Social Housing in all areas under Development Treatment. The decree establishes that specific minimum percentages of the final area must be dedicated to social housing (both VIS and VIP) depending on its location in the city. The table below further details this procedure:

<table>
<thead>
<tr>
<th>Location</th>
<th>% of VIS</th>
<th>% VIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Expansion Land</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Southern and Western Expansion Land</td>
<td>50</td>
<td>30</td>
</tr>
<tr>
<td>Urban Land</td>
<td>20</td>
<td>15</td>
</tr>
</tbody>
</table>

   This mandate can either be accomplished within the same PP area or transferred to other projects with specific land price characteristics.

3. Regulations like this one further elaborate on what was explained before as the Design Standards for public and private land. It specifically established the construction and occupation indexes in private land and the percentage of NUA for cessions for parks and public space.

**Act 436/2006 – Regulation of PP in Development UT**

This local decree established regulations for Partial Plans in the Development Treatment areas, and further elaborated on the Distribution System applicable for these. It

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59 Source: Article 41, Act 327/2004
complimented the regulations established by Act 327/2004 and by Bogota’s POT and created a stable legal framework for urban projects in development areas.

It provides a clear methodology to determine the Plot Ratio in PP, in relation to the equitable distribution of costs and benefits and certain urban standards. It promotes an efficient and rational use of land in order to reduce the pressures of expansion and suburbanization of the city.

**Medellin**

In the case of Medellin, the additional regulation for PP is contained in the city’s POT. According to this, PP in Medellin must be developed in expansion land, in urban land categorized under development, redevelopment, renovation or consolidation treatment. The POT defines and delimits different areas of the city and assigns different treatments to it. These areas in Medellin are known as polygons. Partial Plans vary in size depending on the size of each polygon. The POT further elaborates on the set of benefits assigned to each urban treatment and the system of distribution for costs and benefits under PP.

The POT establishes regulations for the development of affordable housing (VIS – VIP) projects in relation to the different urban treatments described above. The following table summarizes these regulations:

<table>
<thead>
<tr>
<th>Treatment/ Land Type</th>
<th>Affordable Housing % of Total Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development in Expansion Land</td>
<td>20 %</td>
</tr>
<tr>
<td>Development in Urban Land</td>
<td>20 %</td>
</tr>
<tr>
<td>Renovation</td>
<td>10 %</td>
</tr>
<tr>
<td>Redevelopment</td>
<td>10 %</td>
</tr>
</tbody>
</table>

### 4.3. Components

#### 4.3.1. Partial Plans

The Partial Plans are an intermediate planning instrument that articulates planning, with land management and financial instruments, and form the basis for an associated management of land and the definition of specific financing mechanisms for urban projects (especially for urbanization) supported in the capture of increases in land value. PP defines the different actions that must be taken from a planning, design, financial and land management perspective in order to develop areas in urban or expansion land.

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60 Source: Municipal Agreement 46 of 2006
Partial Plans create the same ground rules and a single scheme of management development of significant areas of land. The purpose of this is to facilitate the execution of integrated urban development actions capable of absorbing the costs of the provision of equipment and infrastructure needed to generate a good quality of urban life.

Partial Plans define, within their area, urban norms that guarantee an ‘orderly’ development and the distribution of space in a fair and equitable way. They also seek to guarantee access to a good and healthy quality of life for all citizens and to guarantee an equitable distribution of costs and benefits in any urban development. PP fundamentally integrates two components: public spaces and private spaces, in order to create the proper conditions for citizens.

In order to achieve this, PP details guidelines for: land use, voluntary and construction typologies, public utilities infrastructure, streets, parking, public buildings and public space.

It is mandatory to use PP when: 1) expansion areas will be incorporated to the urban core; 2) areas are under development treatment in urban land; and 3) areas are designated to be developed using UAU or macro-projects. PPs are developed in expansion areas, renovation areas and undeveloped areas within the urban core.

PPs can be developed through public initiative, private or mixed, exemplifying how PP can be motivated as a response to collective interest or as a response to real-estate dynamics.

**Partial Plan Types**

According to the LDT, Partial Plans are used for areas in urban or expansion land, together with areas determined by the local POT to be developed through UAU or macro-projects. However, later national and local legislation have further linked PP as specific planning tools for different treatments.

Although Local POTs define and elaborate on the different types of PP, as mentioned earlier, Development PPs have been the major focus of national and local legislation. Act 2181/2006 and later Act 4300/2007 - legislation that defines procedures for the development of PP at a national level - specifically establish (Article 1) that its regulation applies for all types of PP and specifically to those PP developed under Development Treatment in both Urban and Expansion land.

Bogota has elaborated particular legislation for Development-type PP, further complementing the National laws that regulate them and has also stipulated Partial Plans as the mandatory planning tool to develop areas under renovation treatment. Medellin, on the other hand, establishes PP as the mandatory planning tool for the development of areas under: neighborhood upgrading, renovation, redevelopment, development and conservation treatments, varying only in size requirements.
4.3.2. Urban Action Units

The Urban Action Unit - UAU –is a smaller-scale management and planning tool and corresponds to a specific piece of area defined within the area of a PP during its formulation and planning process. UAUs depend on the delimitation and planning regulations of PP and their main role is to serve as a unit to execute and distribute the costs and benefits derived from the PP. Within the area of a PP, any number of UAUs can be defined.

According to the LDT (Article 39), the Urban Action Unit (UAU) is the tool used to delimit an area of one or more properties that should be urbanized or built as a planning unit to promote the rational use of land, ensure compliance with planning standards and facilitate the assignation of urban infrastructure cost to land owners through the equitable distribution of costs and benefits.

Local costs are distributed among landowners within the same UAU and compensated by the benefits awarded through urban standards and by the land contributions. General costs are distributed among all beneficiaries (general citizens benefited by them) and are usually paid and collected through the use of different financial tools like tariffs, special assessment tax, land-value capture or property tax.

Each POT defines the areas to be developed using UAU in urban or expansion land. The area defined by a UAU should allow infrastructure and urbanization costs to be fully assigned and paid by landowners within it. The delimitation of the UAU will be carried out by the competent authorities or by particular stakeholders, as established by the POT and under the existence of a PP. Together they must define:

- the provision of infrastructure, public buildings and public space
- land subdivision for project phasing and execution
- the systems and instruments that will be used to fulfill the principle of equitable distribution of costs and benefits

The execution of UAU implies the associated management of landowners involved, using mechanisms such as land readjustment, real-state integration or cooperation between participants (all land management tools explained before) that fulfill the equitable distribution of costs and benefits. According to the LDT, for a UAU to be executed, the association and prior consent of 51% of landowners must be guaranteed. Owners who do not agree with the association may be expropriated by the city administration.
4.3.3. Land Readjustment as a Land Management Tool

According to (Pinto, 2005), in Colombia, Land Readjustments and therefore the principle of the equitable distribution of costs and benefits, were introduced by Law 9/89 and later reinforced by the LDT. The principles and tools introduced by the LDT, including LR, established a new urban development approach, breaking a long and lasting tradition of “lot by lot” developments and the "prevalence of particular interest over general".

Although several definitions of LR can be found in different specialized literature in Colombia, including those in the national legislation, for the purpose of this study, LR will be defined as follows:

Land Readjustment is a mechanism used to develop Urban Action Units, which allows a new lot configuration and the better conformation of a new urban area, and therefore guarantees an equitable distribution of costs and benefits derived by its development\(^{61}\).

According to the LDT, LR should be applied for areas in expansion land, and for areas under development and redevelopment treatment in urban land\(^{62}\). Its applicability is directly related to areas defined as UAUs and therefore to PP.

One of the most important aspects of LR in Colombia is that it is intended to be used under the voluntary disposition of landowners. The readjustment project must be included within the delimitation of a UAU and will only be approved with the prior consent of 51% of landowners. The Colombian legal-urban system allows the city administration to buy the lots that represent the remaining 49% when this condition is fulfilled, and allows tools such as ‘eminent domain’ to be used in order to guarantee the prevalence of general interest.

The procedure to develop a LR project according to the LDT is:

- The definition of lots subject to readjustment, according to guidelines set by the PP and the corresponding UAUs.
- The creation of a management entity that will design and carry out the urban project through a PP.
- The readjustment proposal must be presented, along with the PP, to the corresponding planning office for its approval. This must have been previously approved by a minimum of 51% of landowners.
- The readjustment proposal must indicate the ground rules for initial land value calculations, the land value of urbanized lots according to land uses, the designated densities and the commitments and costs assigned to landowners.\(^{63}\)

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\(^{61}\) Source: (Pinto, 2005)

\(^{62}\) It is important to mention that Colombian legislation created a different name for land readjustment when this takes place in renovation areas within the urban limits called Real-Estate Integration.
• Land payments will usually be paid with urbanized lots according to the respective land input. If this is not possible, payments may be made through economic compensation.
• Awarded lots shall be bound to comply with costs and payment of the costs of urbanization for the development of the UAU. Once urbanization work (land and infrastructure development) is completed, building construction on the new lots may be executed independently by their owners.

4.3.4. Financial Tools

As indicated previously, Colombian legislation provides different tools for urban financing such as special assessment tax, rates, property tax and land value capture. The first three have seen broad normative development, as described earlier. A good example of this is the case of the special assessment tax, which has a national framework but is developed at a local level according to each municipality’s needs. Property tax and rates (used in public utilities charge) have had a wide normative development and work within the framework of territorial capabilities.

Land Value Capture: Regulations over land value capture participation - understood as the surplus land value generated by state interventions - have occupied a wide discussion in Colombia over the last decade. Some local administrations (especially that of Bogota), together with the academic sector, have argued that the higher land value generated should be taxed - or charged - (according to interpretation to articles 38 and 39 of Act 388/1997) to the landowners and should be paid by the following urban costs:

a) General infrastructure needed for areas under development.

b) Local infrastructure, as a result of densities (land use and land use intensities) proposed for the urban project.

c) Part of the higher land value (up to 50%) generated once the edification and urbanization costs have been deducted. This must be paid to the administration and has usually been regulated by each municipality.

These three points have usually generated heated discussion in countries where there have been intentions for its implementation. This is due to the fact that landowners are not willing to give up land value that they consider to be already theirs (claw back). As mentioned above, because of Colombia’s urban informality culture, the socialization of infrastructure costs, both formal and informal development are thought to be ‘normal’ and acceptable.

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63 This will be further explained in this section.
64 Source: (García-Bellido, 1998)
65 Source: (Loebele, 2002)
**Expropriation (eminent domain) through administrative channels:** This has been used as a coercive tool against reticent landowners that are to sell their land as part of public initiative urban project. The project “Operation Nuevo Usme” in Bogota carried out the first expropriation through administrative channels, claiming a public need to adapt land for social housing projects. This tool may also be used in LR projects, and expropriation can be given to a third party; however, to date no LR project has used or applied this tool.

**Pre-emption Right:** The first application of this tool in a PP project corresponds to Operation Nuevo Usme in Bogotá, applied by the city’s Land Bank; Metrovivienda. Complementary to what was said earlier, the Colombian law allows public entities to include this tool in a real-estate registration in order to officially incorporate the procedure in a lots or real-estate history. Since the State is not obliged to buy the lots registered with pre-emption right, this allowed decision-makers like Metrovivienda to apply it without major limitations.

**Priority Development:** Priority development was applied for the first time in Bogotá for vacant areas under development treatment. This tool is intended to force the landowners to make use of the corresponding urban norms and make effective use of it within a period of no more than 3 years. If this condition is not met, the land can be auctioned until the base price meets 85% of the cadastral value (non-commercial). Some Partial Plans have applied this tool to Urban Action Units in order to boost land supply and avoid its retention once the urban norm has been approved (when the PP is presented and approved). One particular case of non-development after the approval of urban norms for land readjustment projects corresponds to the municipality of Pereira. Urban norms have been approved for approximately 700 Ha in development-type Partial Plans, but only 70 have been fully developed.

**Appraisals:** Because very few municipalities have own their own cadastres, most depend on periodic updates, resulting in a lack of coherent land market information. The municipal budget system, plus the subsidy system, has had negative impacts on local administration fiscal dynamics, as most have not incorporated property tax as a mechanism to finance urban development. This also has an impact on the land value capture mechanism, as the lack of updated information has generally meant that public projects pay for land at higher prices than they should. In order to change this phenomenon, in Partial Plans projects "reference appraisals" have been implemented hand in hand with the "project announcement" tool. Administrative acts order appraisers not to incorporate the land value increase expectation generated by infrastructure works or by urban norm in the commercial appraisal. This tool was used for the very first time in 2004 for Operation Nuevo Usme in Bogota by Metrovivienda. Due to its success, it has been widely used by the national government for Macroprojects. The tool has been very useful to control land speculation and show the land value increase by the effect of urban norms and as a basis for land value capture.
Real-Estate Trust Fund: Trust funds have been commonly-used as a financial tool in the real estate industry ever since they were introduced in Colombia during the 1990s, and especially after a severe crisis that hit the construction industry during the mid-1990s. In 1997, the LDT authorized municipal authorities to sign real-estate trust fund\textsuperscript{66} agreements to execute urban development projects and social housing programs.

In relation to Partial Plan projects, trust funds become a flexible and versatile\textsuperscript{67} tool to set and manage an associated management scenario between landowners and the state, in the readjustment of public and private land, and the development of urbanism works. They have been commonly used because they work as a control mechanism that, through the creation of an autonomous patrimony, guarantee the successful distribution of costs and benefits derived from the project and an efficient land management administration. Additionally, trust funds work as a safe vehicle to manage investment, costs and expenses related to urbanism works in which several actors are usually involved. Furthermore, trust funds have become an essential vehicle to motivate small-terrain landowners to participate in urban projects in which large-terrain landowners (companies or the state when expropriation is needed) are involved, as they are managed by serious trust companies that guarantee safety.

According to (Maldonado, Pinilla, Rodriguez, & Valencia, 2006), a real-estate trust fund usually operates in the following way:

1. Initial transfer to the autonomous patrimony
   a. Lots involved in each Urban Action Unit. Transfers may be made over the course of development of each separate UAU.
   b. Lots of reluctant landowners expropriated by the state, in which case the trust fund becomes the third party involved.
   c. Local infrastructure costs, and other investments or costs needed for the proper development of the project.
2. Redemption, final transfer: benefit rights are usually paid to beneficiaries in the form of “urbanized land” or money, and are usually defined in the trust fund contract.

4.3.5. Design Standards

In the context of the present study, design tools are understood as those that define land use and land use intensity for public and private land. These tools become essential for the distribution of benefits to landowners in PP.

Public Land

\textsuperscript{66} Defined in article 1226 of the Commercial Code
\textsuperscript{67} Source (Pinilla & Rengifo, 2012):
Land use distribution (streets, parks, amenities) and land use intensity (scale and standards).

According to article 5 of Act 9/1989, public space is constituted by all areas required for vehicle and pedestrian circulation, areas for citizen recreation and safety. Parks, squares, green areas, the right-of-way and areas needed for the maintenance of public infrastructure and for the use of urban furniture also constitute public space. Cultural, religious, recreation and artistic elements, together with natural preservation areas and all areas where collective interest is convenient and therefore are delimited for public use, complete what Colombian legislation defines as public space.

Because Colombia has not standardized public space (cession) areas, the following are the general (national) standards used in urban projects with 1,000 or less houses (IGAC, 2003):

1. Green areas, parks and gardens = between 15 and 21 m²/house. 10% of total planning area.
2. Public Building = between 2 and 10 m²/house.
3. Streets (including infrastructure) = between 20 and 30% of total planning area.
4. Parking = between 1 and 1.5 parking lots/house.

As a general premise, between 45 and 50% of the total planning area must be destined for mandatory public space cessions.

Private Land

Land use distribution (housing, commerce and industry) and land use intensity (construction and occupation intensity, typology): Understood as a free trade asset on which landowners can build (urbanize) according to urban norms. In Colombia, POTs allow and forbid specific land uses on specific areas and define specific intensities to each.

4.4. Stakeholders Framework

4.4.1. National Institutional Framework

Ministry of Housing

The main goal of the Ministry of Housing, Cities and Territory (in Spanish, the Ministerio de Vivienda Ciudad y Territorio) is to formulate, adopt, direct, coordinate and implement public policy, plans and projects in the area of territorial planning and territorial development, the consolidation of the system of cities, with efficient and sustainable land-
use patterns, taking into account the conditions of access to housing, and provision of public water supply and basic sanitation services.

In relation to Land Readjustment and Partial Plans, according to Act 4260/2007, the MVCT is the national entity responsible for the identification, determination, formulation and approval of the National Housing Macroprojects. As of 2012, 11 Macroprojects have been approved by the Ministry in 8 different departments. Macroprojects will be further explained in the next section.

**National Planning Department (in Spanish, DNP)**

The National Planning Department - DNP - is an administrative department that belongs to the Executive branch and reports directly to the Presidency of the Republic. It was founded in 1958 under an economic and social planning perspective and became known as the DNP in 1968.

The DNP is an eminently technical entity that promotes the implementation of a strategic vision in social, economic and environmental fields, through the design, orientation and evaluation of public policies, the management and allocation of public investment and the realization of plans, programs and projects of the Government. The DNP is responsible for the elaboration and evaluation of the National Development Plan, the tool that the Executive has to plan and execute programs over their 4-year period.

Within the DNP, the Urban-Development Direction is responsible for the design, orientation, coordination, monitoring and evaluation of policies for urban development, housing, safe drinking water and basic sanitation. Its commitment and mission is to strengthen social infrastructure, as well as to carry out the management and planning of the urban centers of the country. It must work hand-in-hand with the Central Government in regard to the cadastre system, as a basic support for urban development.

**Regional Autonomous Corporations (in Spanish, Corporación Autónoma Regional)**

The CAR is the first environmental authority at the regional level. They are corporate bodies of public character, composed of territorial entities that, by their characteristics, are geographically part of the same ecosystem or form a geopolitical, bio-geographical or hydro-geographical unit.

They have legal personality, administrative and financial autonomy, and within their jurisdiction area they are responsible for the environment and the natural resources, and must promote sustainable development in accordance with the legal provisions and policies of the Ministry of the Environment.

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69 Source: DNP Website  
70 Source: CAR Website
Act 99/1993 defined the National Environmental System and included the CAR as the environmental authorities between the Ministry of Environment and the Department and Municipalities. As of today, there are a total of 34 CARs in Colombia.

### 4.4.2. Local Institutional Framework

The LDT sets the institutional framework that regulates the process of formulation and implementation of Partial Plan in a local context. The three institutional statements stipulated by the law to be part of the consultation phase of a PP are: The Local Planning authority, the corresponding Environmental agencies and the Advisory Territorial Council.

#### Local Planning Office

In Colombia, the origins and functions of the planning department, secretary or office in each territorial entity (department, municipality or district) are intimately connected to the origins of the two most important Planning Instruments: the Local Development Plan, defined by Act 152/2004 and the Land Use Plan (POT) described previously. As part of its functions, the Secretary of Planning, as it is usually known, is responsible for the elaboration and evaluation of both Plans, in coordination with the rest of the territorial secretaries. It is usually responsible for land use regulations, statistical elaboration and public expenditure planning and budget control, in coordination with the Secretary of Finance.

In relation to Partial Plans and Land Readjustment, Act 388/97 and Act 2181/2006 define the Planning office as the authority responsible for the delimitation of the PP and the elaboration of the plan’s general determinants, technical conditions and applicable norms. It is also responsible for the overseeing and proper execution of the formulation, revision, consultation and approval phases, as well as any inter-institutional coordination necessary – usually with the environmental office.

#### Local Environmental Authority

Act 99/1993 defined the National Environmental System and included the responsibilities and functions of municipalities in environmental planning. Environmental offices are responsible for the promotion and execution of national, regional and sectoral environmental programs, as well as the surveillance and control of the National Environmental System. They formulate and regulate protection and environmental land-use regulations within each municipality in coordination with the POT, and are responsible for the protection and conservation of each municipality’s ecological system, in coordination with the respective CARs.

In relation to PP and Land Readjustments, according to Act 2181/2006 and later to Act 4300/2007, Local Environmental authorities are actively involved in the consultation and
consultancy phases. They have a stipulated time for making their observations on the presented project and must do so with regard to: the necessary environmental conservation, analysis of geological and topographic conditions, protection and reserve areas, risk areas, and the management and disposal of used-water.

**Planning Advisory Council**

The Planning Advisory Council advises the municipal or district administration in the field of land management. It must be formed by the mayor of municipalities with populations of over thirty thousand (30,000) inhabitants. The Council must include administration officials and representatives of trade unions, professional, environmental, civic and community organizations related to urban development. The Planning Advisory Council was created by Act 388/97 and included it as part of the general process for the development of PP.

This council follows up on the POT and proposes adjustments and reviews under the stipulated revision times. In relation to PP and Land Readjustment, according to Act 2181/2006, the Council participated during the consultation phase; however, Act 4300/2007 eliminated such participation.

**4.4.3. Cadastre System**

In 1983, through Act 14, the Colombian Congress created the national cadastre as a planning tool for all municipalities in Colombia. According to Act 14, the cadastre system is “the inventory or census, duly updated and classified, of real estate belonging to the State and individuals, and looks out for its correct physical, legal, fiscal and economic identification”. Its three main activities are: the creation, updating and conservation of the cadastre.

From a public administration perspective, the Colombian cadastre is both decentralized and de-concentrated. The Agustin Codazzi Geographic Institute (in Spanish, IGAC) is the national agency in charge of the national cadastre across the Colombian territory and has local offices in different departments. Apart from the IGAC, only the three biggest cities in Colombia - Bogota, Medellin and Cali - and one department – Antioquia – have separate cadastre offices responsible for their own cadastre.

IGAC was founded in 1935 under a different name, and was directly related to the Military. Over a span of almost 70 years, the IGAC was attached to the Ministry of Finance, and in 1999, was moved to be part of the National Department of Statistics (DANE). IGAC manages the cadastre of a total of 972 municipalities, covering 1’075.979 Km2 of the national territory, equivalent to a 94%.

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71 Source: LDT/1997
72 Source: (Pinzón & Fonti, 2007)
Bogota’s Cadastre was founded in 1981, and until 2006 it was a direct dependency of the City Hall. Nowadays, under the City’s organization structure, the cadastre office is presented as a Special Administration Unit attached to the Secretary of Finance. This change has moved the cadastre office to a more fiscal-type Cadastre than the city planning-type Cadastre it used to be.

Similar to the capital’s city cadastre, Medellin’s cadastre office is part of the Secretary of Finance, but in this case it is not a Special Unit but one of 5 sub-secretaries. In the Governorate of Antioquia the Cadastre Office is included with the Information Systems office, alongside 4 other offices in the Administrative Planning Department. In Cali, the cadastre office is also part of the Department of Finance, included within the Administrative Sub direction of Taxation, Income and Cadastre.

The differing location of the cadastre in each city clearly shows that although IGAC controls most of the country’s cadastre system, there is not a clear national model. Each of the three cities that have a particular cadastre office has given it a different position in the city’s organization model, which clearly demonstrates a different approach to its responsibilities and functions. It is also worth noting the fact that none of the Cadastre offices has a direct relationship with the public administration’s “first line”, relegating its functions to secondary or tertiary levels.

According to the National Government, the cadastre system must be financed by the different territorial entities. The IGAC is usually financed by the Regional Corporations, external credit, international cooperation credits, and the corresponding national budget. Each separate municipality can access Internal Credits through the Financial Project Development Fund (in Spanish, FONADE) so that IGAC creates and updates their own Cadastre. Bogota, Medellin and Cali, all finance their cadastre through their own public budget.

### 4.5. Distribution System

The equitable distribution of costs and benefits was defined in 1997 by the LDT and is considered one of the main principles of Colombia’s legal urban system. The origins of this principle, however, date back to the 1991 Constitution where the legislation explicitly ordered the State to promote equitable conditions for all citizens.

The distribution system is the tool that must guarantee the equitable distribution of costs and benefits derived from territorial organization, through the articulation, reorganization and distribution of its elements.

According to different specialized literature, the main objectives of this system are to:

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73 Sources: (AMVA, 2010) (Maldonado, Pinilla, Rodriguez, & Valencia, 2006)
1. give equal treatment to all landowners that participate in a PP, with regard to the costs and benefits generated by the urban and territorial decisions. The system must establish the way in which such equitable distribution will take place.
2. regulate land prices from the start of any public action. The urban system defines a series of tools that can be used by the State to control land prices.
3. avoid the acquisition of land for infrastructure, parks and civic buildings using tools such as eminent domain, and instead use the effective distribution of land contributions.
4. create financing means or mobilize resources to finance the projects and works established by the POT through the increase in land prices produced by PP.

Fundamentally, the system intends to distribute between landowners:


According to (Maldonado, Pinilla, Rodriguez, & Valencia, 2006), the process of the Distribution System can be divided into 6 different phases:

1. **Land before urban operations**: This initial phase can be divided into two sub-phases:
   a. Initial Land Value calculations: Land contributions will be evaluated taking into account the value conditions of the land before the adoption of the respective PP. The tool used for this is known in Colombia as Reference Appraisals and is usually executed by the municipal Cadastre Office, framed under National Act 1420/1998. During this process, the “Project Announcement” tool can be used.
   b. Land area included in the Distribution System: This area corresponds to the land included within the PP scope that will effectively be included in the distribution system as it will receive benefits from urban operations. These works are usually done by subtracting, areas originally destined to public use or natural protection areas from the total PP area.

2. **General Infrastructure Cost Calculation**: This phase corresponds to the calculations of general infrastructure (areas and costs) that will be included in the Distribution system. Although the LDT clearly establishes that depending on the land type where the PP is developed, general infrastructure will be charged, the regulations do not define which type general infrastructure works and costs should actually be included. According to (Maldonado, Pinilla, Rodriguez, & Valencia, 2006), two criteria could be used to determine this:
   a. Whether the general infrastructure investment is necessary only because of the development of the respective PP or whether it would be built anyway.
   b. Whether the increase in land value because of PP can cover the costs of the general infrastructure included within the PP area.
3. **Initial Distribution of Development Benefits**: Calculated as the construction area potential assigned to the Net Urbanized Area (in Spanish, the *Area Neta Urbanizable - ANU*\(^7\)) through the assignation of urban benefits (Design Tools - standards) determined by local planning regulations. In Colombia, the common standard used to calculate the construction area potential is the Construction Index, derived from the combination of other standards such as land-use, occupation index and density. The calculation of construction area potential will also generate an approximate value of total population, necessary to complete the calculation of local urbanization area. These benefits are usually given to landowners and developers.

4. **Local Urbanization Cost Calculation** (streets, parks, local-scale public buildings): Using general design standards (explained in section 4.4.5) for public land (assigned depending on population potential) areas and costs of local infrastructure are calculated. Other costs that must be included in this calculation correspond to the financial and management costs related to the urbanization project. Local urbanization costs and works are usually carried out by developers. Landowners - who have the legal obligation to pay for them - do not necessarily do so, as they usually participate by providing the land.

5. **Final Urbanized Land Value Calculations**: Using the initial calculation explained in step 3, the system must fully adjust and refine the calculations made in order to determine the total construction area that will be built in the PP and therefore the final land value. In Colombia, the method commonly used to calculate this is known as the “residuary method”.

6. **System Balance – Land Payment**: Once the final urbanized land value is calculated, general and local infrastructure costs are subtracted and the final land value can be calculated. The surplus land value gained through the urbanization process is traditionally paid to landowners in Colombia with urbanized land.

### 4.6. Modus Operandi (phases)

The LDT elaborated general guidelines of the procedures for the elaboration and approval of a PP. National Act 2181 /2006 detailed such guidelines and established three different stages for PPs until their final expedition. A year later, Act 4300 /2007 subrogated and derogated some of the articles of Act 2181, changing some aspects of the general process. Finally, at the beginning of the present year, the National Government, through Decree 12 /2012, once again changed the time-lapse for the different phases of a PP. The figure bellow illustrates the procedure as of today:

\(^7\) Net Urbanized Areas (in Spanish, the *Area Neta Urbanizable – ANU*): the resulting area after subtracting area destined for general infrastructure works and environmental protection areas.
During the revision of the draft, a ‘public notice phase’ will also take place, calling owners and residents to express their recommendations and observations. The municipal planning authority is in charge of defining whether the PP is viable or not, and will send it for consideration and approval to the appropriate environmental authority. Once all of these phases are completed, the municipal or district mayor will give the last approval through the elaboration of Local Decree.\textsuperscript{76}

\textsuperscript{75} Source: Elaborated based on (AMVA, 2010) (Alcaldía de Medellín, 2007)

\textsuperscript{76} For the purpose of the next section, and taking into consideration the type of information collected through the different national and local agencies, Partial Plans will be divided into two groups: those which have been approved and those that have not, naming the latter “registered PP”.

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\textbf{Figure 4 - Partial Plan Procedure by Phases}\textsuperscript{75}
5. CASE STUDY ANALYSIS

Taking into consideration the direct relationship between PP and LR in Colombia’s urban system, the following chapter illustrates different perspectives of the impact that both PP and LR have had in Colombia, divided into three different sections. The first section includes an analysis of the impact that PP has had on a national level, together with a general overview of the impact that macro-projects have had, and a short comparative analysis of both. The second section elaborates a comparative analysis on the impact that Partial Plans have had in four major cities in Colombia, using the analysis framework suggested by UN-Habitat\textsuperscript{77}; and the last section describes Colombia’s particular experience in Land Readjustment through three different case study projects that illustrate LR from different perspectives.

5.1. National Context

5.1.1. Impact of PP in Colombia

Using the information collected by the DNP, it is possible to understand the general context of PP implementation in Colombia. The DNP, through its Urban Development Office, is the body that oversees the development, implementation and approval of PP at the national level. Although there is not a constant communication between the DNP and the different Planning Secretaries, the DNP was able to compile information of 44 different municipalities and elaborate a coherent database that illustrates the “state of the art” as of 2009. The analysis below relies on information included in this database, complemented with information collected through different Planning Secretaries\textsuperscript{78}.

With this information, one is able to make a first overview on the current situation of PP in Colombia, especially when comparing the departments that have advanced most in planning processes using PP and thus possessing some sort of information about them. It is important to note that the information processed by the DNP corresponds only to the information that was supplied directly by the secretariats of planning who answered its request, and which therefore does not correspond officially to the absolute universe of PP in the country.

\textsuperscript{77} Legal, land management, financial, planning and governance.
\textsuperscript{78} Bogota, Medellin, Cali and Pereira.
Of the 32 departments that make up the Colombian territory, 18 present some type of PP development, which is equivalent to 56% of the departments. As illustrated by the graph above, of a total of 296 PP registered by the DNP in its database, 66% correspond to the four departments where the four most populated cities in Colombia are located: Cundinamarca - Bogota, Antioquia – Medellin, Valle del Cauca - Cali and Atlantico - Barranquilla. This analysis allows us to quickly confirm that there has been a greater implementation of PP in the departments where the largest urban agglomerations in the country are located. From the figure above, it is worth noting that although Risaralda is a small department, its capital Pereira (ranked 11th in total population), is ranked 4th on the graph, with a total of 39 registered PPs.

Source: DNP PP Database complemented with information collected by the City Planning Offices of Bogota, Medellin, Cali and Pereira.
The DNP database includes information regarding area planned by PP in the different departments of the country. Although the database does not differentiate precisely which areas correspond to approved or planned PPs, the information presented illustrates a general overview of the impact (in terms of area) that PPs have had in Colombia.

Of a total of 8,722 Ha planned by PPs across the 18 departments included in the DNP database, 5,643 Ha correspond to the 5 departments that have been more actively involved. Of the 1,358 Ha planned by PPs in Cundinamarca, 1,284 Ha correspond to the 90 PPs planned within Bogota limits. In the case of Antioquia, Valle del Cauca and Risaralda, their capital cities also account for more than 80% of the total area planned in the department. Atlantico illustrates an interesting case, as it presents the second largest amount of area planned by PP: 1,291 Ha in quite a small number of units planned (10).

A very important fact that enables the development of a more comprehensive and coherent analysis is the relationship between the total number of PPs registered (planned) in the DNP’s database, and the PPs that have been approved to date. The database presents a total of 296 PP planned PPs, but not all of them have actually been approved. Of a total of 296 PP registered, 158 have been approved to date, equivalent to 53%. Bogota, Medellin, Cali and Pereira together have a total of 117 approved PPs, which corresponds to 76% of the total number of approved PPs. The city where more PPs have been approved is Bogota with 40, followed by Medellin and Pereira with 31 each, and Cali with 15.

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80 The DNP database includes information about the number of total and approved PPs by Departments, but does not disaggregate information regarding total and approved area.
The database presented by the DNP organizes both approved PPs and planned PPs into 6 different categories, according to the 6 different types of urban treatments explained earlier.

Figure 7 – Delimited PP by Treatment Category

The graph above is a clear illustration of how lopsided PP delimitation has been in Colombia so far. Of the 158 PP approved according to the database, 102 (65%) are located in development areas and only 20 (12.7%) in urban renewal areas. This indicates that PPs have been mostly used in expansion areas or urban areas that have not yet been urbanized. Of the 91 PPs approved under the category “development”, 36 – almost 40% - correspond to the city of Bogota.

81 The DNP database includes a general approach to PP classification by Treatment category. However, the information included is not fully completed for all Departments, therefore this figure illustrates a general trend and not an exact number.
Figure 8 – Approved PP by Departments

Source: Map elaborated by consultancy team using demographic and geographical information provided by the DANE and the DNP.
5.1.2. Impact of macro-projects in Colombia

In August 2005, the Government outlined a comprehensive ‘Livable Cities’ strategy in the context of President’s Uribe Administration *Vision Colombia II Centenario: 2019*, which focuses on creating access to affordable urban land and housing, improvements in water and sanitation service and in the affordability and availability of urban transport. The strategy outlines 13 key sector goals and objectives for 2019. These broad goals were reflected in the National Development Plan 2006-2010, which reinforces the Livable Cities strategy focusing national urban policy during the period on three key areas for investment and reform: (i) slum upgrading and basic service provision for informal settlements; (ii) ‘Urban macro-projects’ for low-income land and housing development; and (iii) urban revitalization and densification.

The Government has since developed the *macro-projects* program by passing Decree 4260 in November 2007. This decree outlines a broad framework for Government support to large-scale, low-income land and housing development. It does so by first enabling the national government through the Ministry of Environment, Housing and Territorial Development (MAVDT) to supersede municipal land use planning authority in the development of social interest housing projects that provide housing solutions for at least 1% of the number of households in associated primary cities. This provision enabled MAVDT to utilize mechanisms for land use planning specific to these projects superior to the POT instrument and associated approvals process. Second, the decree enabled MAVDT to identify large lots of land across multiple municipal jurisdictions and effectively apply a common land-use planning regime to these projects. Third, the decree provides MAVDT with the authority to involuntarily acquire land from private landholders as a last resort, based on independent market valuations and after other voluntary means to associate have been exhausted. Absent from the decree – and the subject of ongoing technical work led by the Ministry – are details regarding a wide range of more specific ‘game rules’ for the program.

The first phase of the Program was implemented within the framework of Decree 4260. In March 2010, the Colombian Constitutional Court issued a ruling that found that the legal framework for the Program unduly infringed upon municipal autonomy for land-use planning. The Court ruling strongly supported the Program’s objective of creating access to affordable housing for the poor – a constitutional right in Colombia – but found that Article 79 of Law 1151 disregarded principles of the Colombian Constitution, which indicate that land use should be regulated by the different territorial levels. The ruling was not retroactive and thereby effectively ‘grandfathered’ all announced, approved and

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85 Since then, MAVDT has split, creating two different Ministries: (i) Environment and Sustainable Development and (ii) Housing, Cities and Territory. This, now called MVCT, is in charge of Macro--projects.
ongoing subprojects under Decree 4260. 32 Macro-projects were left untouched by the Supreme Court ruling. The court decision recommends that the Program be ‘re-designed’ to further incorporate municipal authorities in the design, approval and implementation of the macro-projects Program.

The Government then issued Law 1469 of 2011 to launch 2nd generation macro-projects and comply with Court requests. This law established two types of macro-projects: (i) Type I, when the macro-projects could be developed according to the current norms and zoning codes established in the POT and (ii) Type II, when the macro-projects need to change the current zoning and urban codes. In the latter case, the project needs to be approved by the local Council and specific time frames are dictated for the approval process.

Both generations of macro-projects are comprised of 4 phases: Announcement, Formulation, Consultation and Approval. These projects could be of various initiatives: Public, Private or Public-Private. Most of them are private, particularly in cities with strong housing markets. The State has concentrated its efforts in small towns where markets dynamics are slow. The fewest projects fall in the category of public-private where the collaboration across sectors is most needed for a dynamic economy. Furthermore, many of these projects just needed public money and many were already approved PPs that were converted into macro-projects because of funding problems.

In the First Phase, 11 macro-projects were approved with a total area of 2,024 hectares and a potential of 132,954 housing units according to the new Ministry of Housing, Cities and Territory (MVCT). Only 11,864 had been built by the end of 2011. A total of USD 192,121,111 was invested in these 11 projects by the National Government between 2008 and 2011. Those 30 macro-projects that were declared legal by the court in all stages total 5,615 hectares and could potentially house 282,392 families. This number of houses could lower the deficit by a quarter. Those 11 macro-projects approved cover approximately 57% of the quantitative deficit of the 9 municipalities where they are located.
It is true that the issuance of licenses and approval processes is a lot faster within the macro-projects framework when compared to PP. On average, it takes half the time to process the approvals. However, it is worth noting that the approval process is only the beginning. In contrast with PP, macro-projects do not have the construction and operation of social infrastructure such as schools or hospitals neither identified nor secure.

**Figure 11 - Approval time in years for selected large-scale housing projects**
There are a number of other issues in relation to the macro-projects. The geography of macro-projects is concentrated around large urban concentrations, where housing deficits are larger. This is also where land is required, but its supply at affordable prices is very scarce. The macro-projects have also had a negative impact on rural land prices. Previously, a landowner knew they had no chance of developing rural land, but now they feel that they have a development opportunity. Every landowner therefore imagines that they could have a Macro-project, which is not actually the case. The reason for this misguided expectation is that the Government has not established any minimum conditions to qualify to be a ‘Macro-project’, such as being located near the urban limit or having a regular water supply. Overall, the lack of clarity around what constitutes and qualifies as a ‘macro-project’ has caused significant confusion.

The idea of having large-scale housing projects to reduce the deficit is an effective one. Like Chile or Mexico, Colombia needs to ‘think big’ if it wants to considerably lower the quantitative deficit in this decade. It is also advisable to build these projects in rural areas next to main cities, where land prices are lower and where there is often a need for good housing options, especially for low-income families. The development of macro-projects has, however, been mixed with some successes and many shortcomings in practice and processes. For example, it is arguable that the current government structures are not fit to work across large areas and with the extreme municipalization of the country (i.e local governance structures), it makes regional coordination almost non-existent or very difficult. There is thus no incentive to coordinate and work on large-scale land development projects if they cut across municipalities.

Many such projects are also undergoing serious revisions for problems that began with the lack of serious financial structuring. Local political will is failing to take critical financial decisions on these projects, which has affected the pace of construction. The Government initially funded these projects heavily and transferred large sums of money to the fiduciaries responsible for managing public-private projects. Most of that money is still, however, waiting to be used, largely due to management problems that nobody considered initially; for example, the paving of the road that leads to the project, the extension of the water pipe or even bad decisions by local partners. In short, money is not the problem but the management of it appears to be difficult. Many good intentions from the Central Government end up failing, due to bad management and coordination of local administration, where most of the real and important decisions are taken on such projects in a heavily de-centralized country like this one. Consultations with environmental authorities take too long, trunk infrastructure is not planned and the coordination between offices is low. Many small municipalities are now against having more low-income housing in their territories, and have tried to pass city ordinances to stop the construction of some macro-projects.

Two large public-private macro-projects on the Caribbean Coast of Colombia exemplify this. They are located in two major urban areas and could potentially house 25,000 families each. They are conveniently located and could foster the economic development,
not only of their cities, but also of many families across the region. However, only a few houses have been built, as Cadastral databases had serious problems, including a lack of updated information, and the projects needed re-formulation. Large infrastructure is lacking, and even though the municipalities have made heavy investments, the projects do not have enough water for all of the housing units. The extension of water infrastructure needed to be done at once, and not house-by-house, but municipalities do not have the required money and the government has not been proactive in establishing a public-private partnership where up-front investment is made by the private sector. The private developer involved has changed the scope of the project many times. They initially wanted to build 25,000 units in a cooperative way. Overall then, the lack of local and national will and coordination has led to a poorly-delivered LR project.

On the other hand, there is Ciudad Verde, a large Macro-project in Soacha, near Bogota. With a very good location, the project was approved on a fast track and construction began quickly. 42,000 housing units could be built in this area. Three years on, the project is still highly underdeveloped and appears to lack direction and clarity. For example, the development was meant to produce (build and maintain) 12 schools (needed and promised to buyers), but the municipality is now saying it cannot afford to do so (and also

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86 Source: Amarilo S.A.
has a reputation of being a poor and less than transparent municipality). This has caused some social unrest in the area. In another example, the change of Mayor in Bogota has meant that all previous commitments have now been stopped. The Water Company is now unwilling to extend their main infrastructure and provide water to another municipality. There is little conversation across municipalities to solve this issue, so in the end, the projects are stalled and communities left in limbo.

5.1.3. Comparative Analysis

The general overview of the impact that both PPs and macro-projects have had, illustrates the relationships between local governance and central governance in Colombia and their effect on land management and planning.

In 4 years since the first approval, a total of 2,024 Ha have been approved through macro-projects and a total of 5,615 Ha have been planned. On the other hand, in 12 years since the approval of the first PP in Medellin, a total of 8,752 Ha have been planned. This clearly illustrates that macro-projects are catching up on the impact that PPs have had at a dynamic rate. They have become effective tools to develop land and to respond to the increasing housing deficit that Colombia faces. However, their lack of relationship and articulation with the city’s POT opens up the question as to whether they are appropriately building up and supporting the city model defined by each city in their respective POT.

As the map below illustrates, macro-projects look to respond to critical housing deficits present in many departments, where PPs have not been effectively implemented. The most relevant case is that of Valle del Cauca, where almost 1,300 Ha are being planned to be developed through 10 different macro-projects, to attend a housing deficit of almost 130,000 homes\(^\text{87}\) - the second largest after Bogota. According to information collected through the DNP, in the 10 different macro-projects located in Valle del Cauca, a total of 57,000 houses are planned to be built.

\(^{87}\) Source: DANE, Census 2005
Figure 13 – Comparative Analysis of PP and Macro project Impact in Colombia

Source: Map elaborated by consultancy using data from DNP and DANE.
5.2. Comparative Analysis of PP Impact at a Local Context

5.2.1. General Characteristics

Upon analyzing data collected by the DNP, four major cities were selected for further analysis of the PP impact. These cities account for 69.2% of the total number of PPs in Colombia, 75.8% of the total number of approved PPs and correspond to the three largest cities in Colombia in terms of population.

This section will provide a general city profile of Bogota, Medellin, Cali and Pereira, using information collected through each city’s planning office. Because this information was ministered directly by the city offices, the possibility of an appropriate comparison of data was difficult, as each Planning office generates different sets of information, using different methodologies and the validity of the data has different dates.

As a brief overview, the table below shows a general comparison of different urban indicators, in order to illustrate the different characteristics of these cities. The demographic and housing information was collected from the National Statistics Department (in Spanish, DANE) and the territorial information was gathered from different publications from the City Planning Offices.

Table 6 – 4 Major Cities

<table>
<thead>
<tr>
<th>Departm</th>
<th>Cundinamarca</th>
<th>Antioquia</th>
<th>Valle del Cauca</th>
<th>Risaralda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipality (District)</td>
<td>Bogota</td>
<td>Medellin</td>
<td>Cali</td>
<td>Pereira</td>
</tr>
<tr>
<td>Population (2011)</td>
<td>7.467.804</td>
<td>2.368.282</td>
<td>2.269.630</td>
<td>459.690</td>
</tr>
<tr>
<td>National Population Ranking</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Total Area (Ha)</td>
<td>163.663</td>
<td>38.034</td>
<td>56.020</td>
<td>60.475</td>
</tr>
<tr>
<td>Urban Area (Ha)</td>
<td>38.431</td>
<td>10.678</td>
<td>12.090</td>
<td>2.862</td>
</tr>
<tr>
<td>Rural Area (Ha)</td>
<td>122.257</td>
<td>26.888</td>
<td>41.090</td>
<td>47.434</td>
</tr>
<tr>
<td>Expansion Area (Ha)</td>
<td>2.974</td>
<td>468</td>
<td>1.650</td>
<td>1.542</td>
</tr>
<tr>
<td>Households (2005)</td>
<td>1.931.372</td>
<td>605.192</td>
<td>554.918</td>
<td>118.529</td>
</tr>
</tbody>
</table>

In terms of population, the magnitude of Bogota as the main urban settlement in Colombia clearly stands out – it is triple the size of Medellin, the second largest city in the country. Pereira has been a very active city in the implementation of PPs although it is an intermediate-type city, with a population less than one-quarter the size of either Medellin or Cali. When analyzing the urban land area of Bogota, it is more than the other three cities combined.

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One of the most relevant aspects to analyze is the magnitude of expansion areas in relationship to urban areas, and to compare the size of expansion areas between cities. It is clear that, because of its demographic growth and urban activity, Bogota has planned the largest expansion area of all four cities, and taking an aggressive approach towards expansion, different to the strategies that cities like Medellin and Pereira have used. Medellin has delimited the smallest expansion area (468 Ha) of all four cities and its expansion area accounts for only 1.2% of urban area. By contrast, Pereira presents the third largest expansion area while holding by far the smallest urban area, and the percentage relation between both is a staggering 53.9%. The relationship between Expansion areas and Partial Plans will be explained later in this section.

Another important point before further analysis is the housing conditions in each of these four cities. As the table above illustrates, Colombia faces difficult challenges in this area. As of 2005, all four cities presented housing deficits above 14%, while Bogota had the largest with 19%. However, measures carried out by DANE enable a more detailed analysis of the quantitative housing deficits of households in these cities, which allows for a clearer picture on land readjustment needs for social housing. In 2005, quantitative housing deficits in Bogota, for example, reached a dramatic 280,000, equivalent to 76.4% of the total deficit.
5.2.2. Bogotá

Local legal framework - As mentioned earlier, Bogotá has been the most active city in the development of local regulations related to Partial Plans. After the POT was initially introduced (later revised in 2004, Decree 190/2004), Bogotá issued 5 different local acts from 2004 through 2010. The two most relevant laws were described earlier: Act 327/2004 – Development Urban treatment and Act 436/2006 – PP in Development UT.

Planning - In relation to urban planning, Bogotá has long struggled in the establishment of a city model over the course of recent years, and because of this, it has struggled to focus the use of the different tools in one clear direction. Although the POT has been a very important step towards a more sustainable urban development, political administrations – ruled by different political parties – have established their own vision and model, generating a much-discontinued development of the city. One specific area that can illustrate this is the discussions between an expansive-city model and a compact-city model.

Land Management - Bogotá has definitely been the most active city in the implementation of PPs in Colombia. Since 2002, when the first PP was approved, Bogotá has registered almost 90 different PP projects with almost 50% (40) of those already approved. The city has concentrated on the implementation of PPs under development treatment and has long struggled in applying the tool for urban renovation projects.

Governance and Initiatives - In terms of governance, Bogotá has a strong and robust administration structure that supports Partial Plan development and regulations. Within the city’s Planning Office (in Spanish, the Secretaria Distrital de Planeación – SDP), there is a specific office for PPs that controls and manages all PP processes in the city, with the support of other secretaries and city agencies. However, because of its size and different bureaucracy problems, Bogotá has found difficulties in the implementation and execution of efficient procedures for the development of PPs.

Metrovivienda is the city’s land bank agency, and since its creation in 2000, it has developed a significant amount of land for urbanization. Most of the public initiative area has been the responsibility of Metrovivienda. Until today, Metrovivienda has managed five different Partial Plans that account for a total area of 581 Ha, almost 45% of total approved area in Bogotá. Projects like Ciudadela Porvenir (132 Ha), located on the western periphery of Bogotá and Partial Plan Tres Quebradas (311 Ha), located on Bogotá’s southern expansion land, have become national and international examples.
Figure 14 – Approved PP in Bogotá\textsuperscript{90}

\textsuperscript{90} Source: Map elaborated by consultancy team based on geographic information provided by Bogota’s City Planning Office.
5.2.3. Medellín

Local legal framework
Medellín’s local legal framework is based on three different Municipal laws, developed since 1999. In that year, the city council approved the POT, which includes the basic framework for the development of PPs in Medellin, and all the urban norms that support their actions. Later, in 2006, the city revised the POT for the first time and included some modifications with regard to PPs. In the meantime, in the year 2000, Decree 1212 was enacted, detailing actions and dispositions for the development of PPs in Medellin. The latest adjustment to the regulation of PPs, and in general to the management of urbanization in Medellin, was enacted in 2007 through Decree 409.

Planning
Medellin has developed a very strong and successful planning strategy during the last few years, since the approval of the city’s first POT in 2000. Since, the city has worked on the foundation of a clear and well thought-out city model, which sets guidelines for all objectives, strategies, programs and projects developed in the city and the surrounding region. Medellin has opted for a compact city model, delimiting a small expansion area and focusing on the consolidation, renovation and redevelopment of urban areas. This strong urban development strategy has been articulated with a dynamic transportation strategy that began with the construction of Colombia’s first metro system (inaugurated in 1995) and complimented with the introduction of other modes of transportations such as cable cars and BRT. Medellin was well-diversified in its planning and land-management strategy through the use of different tools that compliment PPs, such as Neighborhood Upgrading Programs (IN Spanish Programa de Mejoramiento Integral de Barrios) and Integral Urban Projects (in Spanish, Proyectos Urbanos Integrales).

Land Management
With a smaller population and urban area, Medellin has been almost as active as Bogota in the approval and development of Partial Plans. Medellin was the first city to approve a PP back in 2000, and since then, it has approved a total of 31 PPs that account for 930 Ha. The city has approved a diverse set of PPs, ranging from development plans in expansion areas to renovation and redevelopment PPs within the urban core. The city has transformed important areas of the city through the use of PPs, developing important public space projects together with real-estate developments.

Governance and Initiatives
In terms of governance, Medellin has a strong and robust administration structure that supports Partial Plan development and regulations. Within the city’s Planning Office (in Spanish, the Departamento Administrativo de Planeación) there is a specific office for PPs.

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91 This decree was explained in detail in Section 3.
92 Through which specific norms are issued for acts and processes of urbanization, lot formation and construction on urban, expansion and rural land of the Municipality of Medellin.
that controls and manages all PP processes in the city, with the support of other secretaries and city agencies.

Together with the central work of the city’s planning office, Medellin has created other institutional instances from which it has promoted and developed several urban development projects, including PPs. The Urban Development Company (EDU), created in 2002, is the institution in charge of the development of urban projects defined by the city POT in different areas of the city, through the use of planning tools such as PPs and Zonal Plans, articulating components like public space, housing, civic buildings and transportation. The ISVIMED (in Spanish, the Instituto Social de Vivienda y Hábitat de Medellín) is the entity in charge of the management of social housing in Medellin, responsible for the development of housing public policies and the promotion of social housing projects in Medellin.

In relation to initiatives, Medellin is a clear example of the impact that the LDT and PPs have had in the inclusion and promotion of the private sector in the city building process. Of the 31 PPs approved in Medellin, more than 80% have been promoted through private initiative, which accounts for more than 60% of the total approved area. Although the public sector has not been as active in terms of PPs approved, its impact has been related to major urban development as the 3 PPs developed through public initiative account for almost 300 Ha, equivalent to more than 30% of the total area approved. The public sector in Medellin has orchestrated important projects like PP Pajarito, the most ambitious project located in the city’s expansion area, and PP Moravia, a Neighborhood Upgrading project unique in its kind.
Figure 15 – Approved PP in Medellin\textsuperscript{93}

\textsuperscript{93} Source: Map elaborated by consultancy team based on geographic information provided by Medellin’s City Planning Office.
5.2.4. Cali

Local Legal Framework – Cali’s local legal framework in relation to PPs is contained in the city’s POT (Agreement 69/2000), which has not been revised to date. The POT includes PPs as a fundamental land management tool to fulfill its objectives and strategies, especially as a way to control and properly develop the expansion areas of the city. Because of this, the POT explicitly regulates the use of PPs under development treatment, defining urban guidelines and PP size, and establishes the C&B distribution system.

Planning – From a planning perspective, PPs in Cali are the fundamental tool set to develop two of the strategic projects defined by the POT: The Global Centre Plan (which includes the historic city center) and the Expansion Area Plan. The Centre Plan will be developed through the implementation of different renovation PPs, and the Expansion Plan, with an area of 1,650 Ha, is planned to be developed through 13 different development PPs, as the figure below illustrates. On another front, Cali faces a very important and dramatic challenge as it presents a very high quantitative housing deficit, which, according to DANE, in 2005 almost reached the 70,000 mark.

Land Management - Cali has been the weakest of the four cities under analysis in the approval of PPs. Between 2002, when the first PP was approved and 2009, 15 PPs have been approved by the city council, with 11 more under process. The 15 approved PPs account for just 367 Ha, of which 240 Ha correspond to plans located in expansion areas. This difficulty in the provision of land has an obvious impact on the challenge of meeting and attending the high quantitative housing deficit. Through the 15 approved PPs, Cali plans to build a total of 25,000 housing solutions in both urban and expansion areas; however, only 8,290 are planned to be social or priority housing solutions. It is worth noting that Cali presents one of clearest scenarios to illustrate the impact of political matters in the development of PPs. Of the 15 approved PPs in the city, more than 50% were approved in the same year (2007), during the last year of current administration, including projects promoted by both the private and the public sectors.

Governance and Initiatives - As mentioned earlier, Cali has had some trouble with the approval of PPs since the elaboration of the POT. Although the city designed a clear strategy for the development of Partial Plans, it has been unable to develop enough land to attend the high housing deficit present in the city. The City Planning Office is in charge of the management and control of PPs, but it lacks a special dependency present in both Bogota and Medellin. In relation to Urban Renovation, in 2002, Cali founded the Urban Renovation Company (in Spanish, the Empresa Municipal de Renovación Urbana – EMRU), which is the institution responsible for the management, development and promotion of urban renovation projects in Cali. In regard to initiatives, as most cities in Colombia, PPs have been promoted by both sectors; however, the private sector has had more impact than the public sector, as the 9 PPs promoted through private initiative account for 80% of the total area approved.
Figure 16 – Approved PP in Cali

Source: Map elaborated by consultancy team based on geographic information provided by Cali’s City Planning Office.
5.2.5. Pereira

Local legal framework - Pereira’s local legal framework in relationship to PPs is contained in the city’s POT and its first revision elaborated in 2006. The POT defines PP as a third level planning tool, below the POT and the city’s Master Plans (Sectorial Plans), and is the fundamental tool of the city’s land management policy. Article 400 (POT Revision Agreement 46/2006) defines and establishes guidelines for the development of PP. It defines 4 types of PP (Renovation, Neighborhood Upgrading, Development and Expansion Areas) and details the procedures for the formulation and development of PP, including those related to the Distribution of Costs and Benefits.

Planning - As mentioned before the city enacted its first POT in the year 200095 (Agreement 18/2000), and since has worked on the consolidation of Pereira as a business and services center for the region. As part of its objectives it defined important projects for the renovation and revitalization of the city’s traditional center and defined an expansive and aggressive city model with the inclusion of 1,550 Ha of expansion area (more than 3 times the area delimited by Medellin), which are planned to be developed with PP’s, as the map below illustrates. A very interesting element included and designed in Pereira’s POT, is what the city calls the “Minimum Habitability Indicator”, through which the city sets guidelines for the provision of public space (parks), civic buildings and other services in the different areas (treatments).

Land Management - With a smaller population and urban area Pereira has been almost as active as Bogota and Medellin in the approval of Partial Plans. Pereira approved its first PP back in 2002, and since through 2010 it has approved a total of 31 PP that account for 862 Ha96. The city has approved 20 of the 31 PP in expansion areas which account for more than 800 Ha, demonstrating the strong expansive strategy that the city has pursuit since the elaboration of the POT. This expansive strategy is accompanied by an aggressive housing strategy that looks to attend a quantitative housing deficit (2005) of almost 10,000 houses. Within the 31 approved PP’s the city plans to build a total of 29,900 housing solutions, of which 81% is located in expansion areas. The housing strategy is focused on providing social and priority housing solutions as they account for 74% (22,123) of the planned solutions. Pereira has also been successful on the management and development of Renovation PP’s, with a total of 7 plans of both public and private initiative.

Governance and Initiatives - From a governance perspective, Pereira has demonstrated a strong and aggressive policy for the approval of Partial Plans. Their expansive strategy has been backed up with agile and efficient procedures for the approval of almost 50% of its total expansion area and its inclusion to the urban core. However the city has had problems on the development and construction of such approved plans. According to the

95 Later revised in 2006 – Agreement 23/2006
96 Source: Pereira PP Observatory
Partial Plans Observatory (part of the City Planning Office), of the 31 approved PP’s, only 14 have obtained the final construction license to actually start its construction. The observatory becomes a positive institutional tool that allows both the city and the general public to learn and follow-up PP processes across the city, and becomes a best-practice feature that all cities in Colombia should incorporate.

PP’s in Pereira have been promoted through both public and private initiatives, with a couple of sporadic cases promoted through public-private partnerships. Nineteen PP’s have been promoted through private initiative (which account for more than 60%) and 14 of them are located in expansion areas.

Figure 17 – Approved PP in Pereira

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97 Source: Map elaborated by consultancy team based on geographic information provided by Pereira’s City Planning Office.
5.3. Comparative Analysis

5.3.1. Impact of PP in 4 major cities

Upon analyzing data collected by the DNP, 4 major cities were selected for further analysis of the PP impact. These cities account for 69.2% of total PP in Colombia, 75.8% of total approved PP and correspond to the 3 largest cities in Colombia in terms of population.

As mentioned previously, Bogota, Medellin, Cali and Pereira account for an important percentage of the PPs approved in Colombia. The table below allows further analysis on success rates in each of these cities. Bogota clearly stands out as the city with more PPs delimited (91), but its implementation success percentage is only 44%. Instead, cities like Medellin and Pereira, which together total more than 80 delimited PPs, have success percentages above 80%.

![Figure 18 – Total PP and Approved PP in 4 major cities](#)

This can be further analyzed when comparing total area delimited by approved PPs. Bogota stands out as the city with the largest area, followed by Pereira, Medellin and Cali. Although an analysis of the average size of PPs using such a wide range of data is not very precise, one could easily notice a clear trend across the four cities, where average size of PPs range between 24 and 30 Ha.

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98 This information was generated using data provided by both the DNP and the different Planning Offices. Some cities publicly keep track of all PPs, while others only deliver information of approved PPs.
The graph below allows a further analysis of the different types of Plans that have been approved in the different cities. Of the 6 different categories, none of the cities presents PPs approved in each one of them. Medellin and Cali have approved PPs in 5 of 6 categories, while Bogota and Pereira have done so in 3 of 6.

As the graph above suggests, the majority of PPs approved in these 4 cities have been development PPs. Of the 117 PPs approved, 68 are development PPs, equivalent to 58%, followed by 20 renovation PPs equivalent to 17% and by 15 redevelopment PPs equivalent to 13%. It stands out that a low number of PPs have been implemented under the ‘Neighborhood Upgrading’ type.
In Bogota and Pereira, Development PPs account for more than 75% of total approved PPs. In Medellin and Cali, where there is great diversity of PPs, development PPs do not stand out as much, but they still account for a significant percentage of total PPs. It is important to point out the fact that Bogota does not present any Renovation PPs, as it is the only one of the 4 cities presented that has not approved any PPs under this type. With a total of 7, Pereira stands out as the city with the highest number of Renovation PPs approved. As mentioned earlier, this is directly related to the growth strategy that each city has opted for. Bogota has planned and worked for the expansion of the city’s footprint, as the lack of land within the urban core has pushed strategies towards a more expansive model using development PPs. On the other hand, Medellin has opted for a dense and compact model, with very few expansion areas and therefore few development-types PP. The city has balanced out the development of different types of PP, with a stronger emphasis on the development of renovation and redevelopment-type PP within the urban core.

5.3.2. Land Management - Success Rates and Timeline

Using the information provided by each of the four cities Planning Office, it was possible to elaborate graphs showing the approval years of the different PPs and the respective areas approved in each particular year. The information collected only dates back to 2000 and runs in some cases through to 2011, highlighting Colombia’s limited experience in the implementation of PPs. Around the year 2000, cities like Bogota and Medellin presented the first version of their respective POT, which all included the areas defined to be developed using PPs.
The figure above shows the number of PPs approved per year in each of the four cities. Although it is difficult to establish a single trend, one can clearly link particular with broader political trends around the Partial Plans. In 2007, Medellin and Cali, for example, had their most successful year, with 11 and 8 approved PPs respectively, and Pereira had its second best year with 9. This year coincides with the last year of office of all Mayors in Colombia. The link with the political cycles of the local councils is also reflected in the outcomes for the following year – 2008 - which was the first year of office of the newly-elected mayors, and approved PPs fell dramatically in Medellin, Cali and Pereira. Interestingly, Bogota does not appear to be so affected by political trends during this time and has maintained a stable line across the last 10 years. When considering ‘averages’, although not all cities approved their first PP in 2000, Pereira presents the highest average PP approved per year with 4.3, followed by Bogota with 3.3.

![Figure 22 – Approved Area by Year](image)

An analysis of area approved per year reinforces what was stated previously. The years with the most approved area coincides with the years with the highest number of PPs approved (and the years of political leverage for local politicians); 2007 in the case of Medellin and Cali, and 2009 in Bogota. However, 2002 stands out, as Medellin, Cali and Bogota all present the second most successful year in terms of area, which does not coincide with their second most successful years of PP implementation.

In 2002, Bogota and Medellin approved important projects developed through public initiatives like Ciudadela El Porvenir and PP Pajarito respectively. In the case of Bogota, El Recreo was developed by Metrovivienda and Pajarito in Medellin was developed directly by the City Hall. 2009 is worth noticing, as it is to date the year with the greatest area
approved through PP by any city in Colombia. Of the 450 Ha approved in Bogota that year, 311 Ha are part of Zonal Plan – Usme, specifically of PP ‘Tres Quebradas’, the largest PP in Colombia to date, which will be further analyzed in the next section.

5.3.3. Planning and Land Management

Land Classification Comparison

As a way to illustrate local planning practices in each of the four cities analyzed, information regarding Partial Plans and land classification becomes relevant. Of a total of 117 approved PP among the four cities, 37 are located in expansion areas and 79 are located in urban areas, equivalent to 32% and 67% respectively. Bogota alone accounts for 38% of the total PPs approved in urban land with 30, and Pereira has a share of 54% of total PPs approved in expansion land with 20.

In Bogota and Medellin, PPs located in urban areas account for more than 75% of total Partial Plans approved in each city. In Medellin, of the 31 approved PPs, 28 are located within urban limits and in Bogota 30 out of 40 are located in expansion areas located across the city borders. By contrast, in Pereira, of a total of 31 approved PPs, 20 are located in expansion areas.

However, when analyzing the information regarding approved areas, things are balanced differently. Of a total of 3,446 Ha approved in all four cities, 1,966 Ha - equivalent to 57% - are located in expansion land. Pereira accounts for 41% of the total area approved in
expansion land with 805 Ha, and Medellin stands last with 239, 5 Ha. Bogota accounts for the largest share of area approved in urban land with 669 Ha, equivalent to 45%, and Pereira has only 56 Ha approved within its urban limits, divided in 11 different PPs.

The figure above clearly demonstrates that although in Cali, Medellin and Bogota, there have been more urban land PPs approved, the areas of the corresponding expansion land PPs represent a high percentage of total approved area. The most dramatic differences are in Medellin and Pereira. In Medellin, expansion land PPs account for only 10% and area approved in expansion land increases to 42%. In Pereira, expansion area PPs account for 65% and their corresponding area accounts for almost 95% of total area approved in the city, demonstrating the strong expansive strategy that the city has established.

**PP in Expansion Areas**

The figure below illustrates how many of the approved PPs are located in Expansion Land areas and how many within the Urban limit. Clearly, there is not any national trend, and each of these four cities has had a different approach on whether to use PPs as a way to expand the city or instead to consolidate and renovate the existing one. Although Pereira presents more renovation treatment PPs than all four cities, at the same time, it is the only one which has more PPs located in expansion areas than within the urban limit. Together with the relationship between the size of urban and expansion land mentioned previously, this reinforces Pereira’s land management policies and approach, and highlights their ability to manage Partial Plans. Medellin stands out as the city with the fewest PPs approved in expansion land, reflecting their policy of having a relatively small expansion land area.
When comparing the size and areas by land classification, however, the trends are quite different. The figure below clearly shows that the average size of PPs approved in expansion land are clearly bigger than those within the urban limit. In the case of Medellin, where there are only 3 approved PPs in expansion land, their total area is 389 Ha and the average size is 129.6 Ha. By contrast, the average size of expansion land approved PPs in Bogota, Cali and Pereira is almost 4 times smaller than Medellin, ranging from Bogota’s 53.2 to Cali’s 48 Ha.

This also demonstrates that cities like Bogota and Medellin have focused their attention on the development and readjustment of urban land over expansion areas, and that smaller cities like Cali and Pereira are sprawling, not only because of the fact that they have large expansion land areas compared to their urban core, but also because they have clearly focused their attention on the development and urbanization of such areas.
One important element worth analysis is the comparison of each city’s total expansion land and area approved for the development of PPs. Medellin stands as the city with the highest percentage of expansion land “consumption” with 83.1% and Cali with the lowest, with 14.5%. In the case of Medellin, one can argue that its high consumption percentage demonstrates a fairly efficient planning of the city’s growth and that it has clearly opted for a densification strategy rather than a sprawl approach, strengthened by an efficient high speed transportation system located right in the middle of the city.
Bogota and Cali have instead opted for larger expansion areas, but have had problems consolidating and developing these. In the case of Bogota, both the northern and southern areas have yet to be developed, and although Zonal Plan Usme, located in the southern boundary, has different PP's approved by now, the northern plan has been victim to different political posturing by the different mayors since 2000. Although the introduction of the POT in 2000 gave a new air to the city, together with projects like Transmilenio, over the last mayoral periods, the city has lacked a general vision and a clear path towards its development.

*Local Infrastructure by Land Classification*

A comparison between the different areas designated for local public infrastructure helps illustrate the different tendencies that cities in Colombia have had when planning, designing and constructing their own land. This comparison is made by taking the Net Urbanized Area (NUA) as the base area and analyzing the percentage participation of each of the three main local infrastructures: local public space, local public buildings and local streets. The resulting area corresponds to the final area destined for private land use.

The figure above illustrates the tendencies for Medellin, Bogota and Cali. As a general overview of the 1,745 Ha available for urbanization, 43% are destined for public infrastructure and the remaining 992 Ha for private use. Bogota is responsible for 382 Ha, followed by Medellin with 249 Ha and Cali with 122 Ha.

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99 In Colombia, public space is understood as the group of public real estates, architectural and natural elements of private real estates, destined because of their nature, use or affectation, to the satisfaction of collective urban needs, which transcend the limits of individual interests. Public space includes parks, public squares and streets right-of-way.

100 The information ministered by Pereira’s Planning Office did not allow this type of analysis (Law 9 of 1989).
Of the 249 Ha enabled for public land in Medellin - equivalent to 46% of NUA - 139, 3 Ha correspond to public space, 21, 1 Ha to public buildings and 88, 4 Ha to local streets. Bogota on the other hand has planned 382 Ha for public land, which corresponds to 43% of the Net Urbanized Area. This area is distributed as follows: 138, 2 Ha for local streets, 71, 7 Ha for public buildings and 172, 2 Ha for public space. In Cali, 318, 8 Ha have been destined to public land which is equivalent to 38% of NUA. Of that total, 38, 5 Ha correspond to local streets, 11, 2 Ha to public buildings and 71, 8 Ha to public space.

Proportionally in terms of components, Medellin has planned more area for local streets (17%) and public space (26%) than Bogota and Cali, and Bogota for public buildings with a share of 8% of total NUA that doubles the percentage of area planned in Medellin and Cali.

As the figure above illustrates, however, things change when analyzing local infrastructure planned in Expansion Land. As a general city average in expansion land, PPs have put aside 40% of the space for public land and 60% for private areas. In this case, Bogota once again stands right on average but Medellin and Cali have swapped places.

Of the 288, 6 Ha available for urbanization in Medellin’s expansion land, 183, 1 Ha correspond to private areas and the remaining 105, 5 Ha correspond to public areas distributed as follows: 35, 2 ha for local streets, 11, 1 Ha for public buildings and 59, 2 Ha for public space. Medellin showed the most dramatic change between the distribution of
private and public areas when analyzing expansion separately as private areas changed from 54% in all lands to 63% in expansion lands.

The total area planned in Bogota’s expansion land totals 365 Ha, 50 Ha more than Cali’s total NUA in all lands. The city maintained the same averages as shown before, with only public space decreasing from 19 to 18% of NUA in expansion land. Last but not least, Cali changed its position as public areas in all lands accounted for 38% and in expansion land increased to 42%. Of the 90 Ha destined for public areas in expansion land, public space stands above the rest 46, 4 Ha.

![Figure 30 – Percentage Proportion of Public Space](image)

<table>
<thead>
<tr>
<th>Cities/Areas</th>
<th>All Land</th>
<th>Expansion Land</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Urbanizable Area</td>
<td>Public Space Area</td>
</tr>
<tr>
<td>Medellín</td>
<td>535,57</td>
<td>139,3</td>
</tr>
<tr>
<td>Bogotá D.C.</td>
<td>890,51</td>
<td>172,2</td>
</tr>
<tr>
<td>Pereira</td>
<td>318,80</td>
<td>71,8</td>
</tr>
<tr>
<td>Cali</td>
<td>318,80</td>
<td>71,8</td>
</tr>
</tbody>
</table>

The provision of public space using PPs in each of the four cities has been quite similar in terms of percentage of net urbanized area. Although Bogota stands out as the city with the greatest amount of approved public space, it has the lowest percentage in terms of its proportion to total urbanized area. With a high 26%, Medellin proves to be the city with the highest percentage proportion of public space. However, although Bogota and Cali maintain the same levels of public space proportion in expansion land, Medellin drops to a mere average 21%. This could demonstrate the strong public space policies that Medellin has adopted over the last couple of decades, and how PPs have been an important tool to create public space not only in expansion land but more clearly within the urban limits.

### 5.3.4. Housing

Over the last 10 years, since the first PPs were approved, they have become one of the most important vehicles for the provision of housing in Colombia. Although the needs and deficits of each of these cities are quite different, as previously mentioned, they have all found in Partial Plans effective tools to develop land for the provision of social housing. Using information collected for the present study, it is possible to compare the success that each city has had on the provision of housing using PPs.

Although social housing percentages in Medellin (59%) are not as high as in other cities, the total amount of housing units approved in Partial Plans stand out in relationship to
their total population. Bogota stands alone, with over 100,000 houses approved through PPs, with 85,506 of those being part of the city’s social housing program. Medellin has approved the construction of 94,856 total houses through its approved PPs, with 56,221 being social housing solutions. Pereira and Cali present housing totals around 30,000, with Pereira having a greater amount of social housing units.

When comparing the participation percentage of social housing in each city, the dimensions around social housing provision become clearer. For example, social housing in Bogota represents 78% of the total housing solutions approved through PPs, followed by Pereira with 74% and Medellin with 59%. The figures for Cali suggest that this city has done things differently, as social housing represents only 34% of total housing.

Another element worth analysis is how the provision of land for social housing has focused particularly on expansion land areas.

In this case, Medellin, Cali and Pereira present similar tendencies, with 75%, 86% and 82% of social housing located in Expansion Land. In Medellin, of the 30,057 social housing units located in expansion land, 18,070 are part of PP Pajarito. In Cali, of a total of 7,140 social housing units located in expansion land, 48% are part of PP Las Vegas Comfandi. In Pereira, of a total of 22,123 social housing units approved, 18,198 are located in expansion land. On the other hand, Bogota has approved 42,152 social housing units in expansion land. Of that total more than 50% - 22,360 - are located in PP Tres Quebradas in Zonal Plan Usme.
This graph reinforces the fact that although Partial Plans can be useful for the development of land for social housing projects, cities have had difficulties controlling land prices in the city's central areas, and the urban poor have been constantly pushed out to the periphery. Indeed, PPs have enabled Local governments to have some control over housing arrangements in areas where land prices and values have often increased, especially in inner urban areas. In doing so, they have been able to 1) provide some low-income housing for those groups who are normally, due to land and housing prices, forced to live on the periphery of cities and 2) sustain some sort of socio-economic mix in cities and reduce the potential socio-economic spatial segregation that can occur if no interventions are made.

5.3.5. Governance and Initiatives

Using the information collected by the DNP and the Planning Offices, it is possible to analyze and compare the different types of initiatives through which PPs have been developed in each of the four cities. The initiatives are divided into three different groups: private, public and mixed. The analysis reviews information regarding the number of PPs sponsored through each of the mentioned initiatives and the corresponding areas. This differentiation is made to illustrate the fact that public initiatives usually develop the largest urban projects in Colombia. The following figures present participation percentages elaborated using raw data collected for each city separately.
Figure 33 – PP Units by Initiative

The figure above shows the participation percentage of each type of initiative of the total number of PPs approved in every city. It clearly demonstrates that more than half of the PPs approved in all four cities have been exclusively sponsored by private agents. Public initiatives stand second in all cities, with a high participation percentage in Bogota and in Pereira where both development and renovation projects have been sponsored by public agencies. In both of these cities, PP projects have been sponsored by international agencies, specifically by the Lincoln Institute of Land Policy, which elaborated studies for Zonal Plan Usme in Bogota and for PP Gonzalo Vallejo Restrepo in Pereira.

Mixed initiatives account for an important percentage in Cali (3 of 15 approved PPs), and also in Pereira and Medellin. It is worth noting, however, that Medellin presents a fourth initiative type that was not included in the comparative analysis. In Medellin, ‘private-community’ initiatives are processes in which the participation of the community has been explicitly included through different community-focused organizations. In Medellin, two different PPs were sponsored and developed hand-in-hand with different community organizations. PP ‘Corazon de Jesus’ was sponsored by a community-based foundation called Coraje and PP ‘San Antonio’ was sponsored by CORVIDAS and by two housing associations.
The figure above illustrates the same relationship, but using area as a variable. In this case, results evidently change, as area approved through public initiatives increases in relation to private areas. In Bogota for example, although public initiatives only account for 23% of the total PPs approved, the respective area accounts for 51% of total area approved. In Medellin, the relationship is similar, as the public PPs account for only 10% of the total PPs but correspond to 32% of the total area. Cali is the only case where the private area percentage increases in relationship to PP participation, demonstrating the strong economic dynamics that the market has in the city, compared to the difficulties that public interventions have had.

Of the 656 Ha approved through public initiatives in Bogota, 67.5% correspond to just two developments. PP ‘Tres Quebradas’, part of Zonal Plan Usme, project lead by Metrovivienda which has 311 Ha and ‘Ciudadela El Porvenir’ with 132 Ha led by Metrovivienda too. In Medellin, of a total 296 Ha approved through public initiatives, 78% corresponds to PP ‘Pajarito’, a project led by the City Hall, located in Medellin’s western hills. Although the study was not able to generate official information of Pereira’s total area approved through public initiatives, two public initiative projects also stand out above the rest.
The table above includes the largest PP in each of the four cities, organized by area and indicating whether they were developed under public or private initiative. The table clearly demonstrates that public initiatives/partnerships have been able to be utilized to manage and adequately fund the largest areas of land in most cities in the case study cities.

### 5.4. Case-Study Projects

#### 5.4.1. Case Study Project - PP_Tres Quebradas

PP Tres Quebradas is part of Zonal Plan Usme; a strategic plan for Bogota located towards the southern border of the city, one of Bogota’s main expansion areas. The project has been planned, managed and developed since 2003 by Metrovivienda, the city land bank, and up to today, several land management activities have been addressed; however, the project has not initiated any developments or construction. The following is a general overview of the project, highlighting the most relevant information based on a document published by Metrovivienda in 2011.

**General Characteristics**

Tres Quebradas is one of several PPs located within Usme’s Zonal Plan, whose main challenge is to plan and develop a coherent growth strategy for Bogota’s southern expansion area. It aims to anticipate informal urbanization and generate an orderly urban area for social and priority housing solutions that can host and attend part of the city’s housing deficit. A second challenge for Tres Quebradas (and for Zonal Plan Usme), was the elaboration of plan for such a large extension of area located in a territory with a delicate and vast ecological structure and with a very difficult topography.

The project has a total area of 311 Ha, distributed between residential (58%), commercial, industrial and services activities (42%). The project’s main strategy is to create a very diverse land use strategy that could offer all sets of urban and economic services for new inhabitants, served by transportation connections to the rest of the city, especially through the BRT system. The project also has a very important regional purpose, as it intends to become a Regional Centrality along Autopista al Llano, with the creation of a major Industrial and Transportation Park that connects commercial and agriculture activities coming from the eastern region of the country, with Bogota.
Another very important strategy was the design of a public space system composed of parks, alamedas and lineal parks that could serve as protection for the natural systems and that could articulate with bike lanes and civic buildings nodes, thus creating a pedestrian-type environment. Building Nodes are conformed by different social services like schools, kindergartens, health centers, cultural and sports spaces.

The following table illustrates in detail the projects areas:

Table 8 – Tres Quebradas Project Areas

<table>
<thead>
<tr>
<th>Areas</th>
<th>Area (Ha)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Area</td>
<td>311</td>
<td>100</td>
</tr>
<tr>
<td>General Urbanization</td>
<td>75.1</td>
<td>24</td>
</tr>
<tr>
<td>Net Urbanized Area</td>
<td>235.9</td>
<td>76</td>
</tr>
<tr>
<td>Local Streets</td>
<td>33.6</td>
<td>14.2</td>
</tr>
<tr>
<td>Parks</td>
<td>38.4</td>
<td>16.3</td>
</tr>
<tr>
<td>Public Buildings</td>
<td>18.2</td>
<td>7.7</td>
</tr>
<tr>
<td>Other Public Cessions</td>
<td>12.8</td>
<td>5.4</td>
</tr>
<tr>
<td>Final Area</td>
<td>135.7</td>
<td>43.6</td>
</tr>
</tbody>
</table>

As mentioned previously, the final area is distributed between residential, commercial, industrial and services, with the different variations of residential activities accounting for almost 60% of such area, with multi-familiar solutions are prioritized (78%) over uni-familiar solutions (22%).

**Land and Social Management Impact**

The PP is made up of 282 different lots, of which 50% is owned by no more than 5% of non-resident owners. Among the other 50%, 30 lots were identified as areas owned by local farmers, who are set to be relocated within the Zonal Plan Area and continue with their agriculture and economic activities.

In terms of land management, the strategy used to enable the creation of public land and to finance infrastructure works was what has been explained in multiple ways and known as the associated management between landowners\textsuperscript{101}. Because there was not voluntary disposition of many landowners, UAU were not able to be created and instead, 9 Management Units (in Spanish, \textit{UG}) were created, divided into 4 development phases over a 10-year development period.

\textsuperscript{101} La gestión asociada con propietarios se sustenta en la implementación articulada de instrumentos de gestión de suelo que permiten establecer el valor inicial del suelo y el valor del suelo resultante del sistema reparto equitativo de cargas y beneficios. The management associated with landowners is based on the articulated implementation of land management instruments that allow the establishment of the initial value of the land and the value as a result of the equal distribution of costs and benefits.
The first tool used was the “Project Announcement”, introduced in 2003, which ordered the use of reference appraisals to determine the initial land value according to its rural characteristics. In 2008 and 2009, the city presented decrees that established that the area presented urgent conditions because of public utility reasons, which enabled the use of the “expropriation-through-administrative-channels” tool. In 2008, the preference right was declared in favor of Metrovivienda.

Using this as a basis for negotiations with landowners, the project developed two different strategies:

1. Associated management offers to landowners, establishing the land input and payment conditions through a volunteer transfer or becoming partners in the project until its finalization.
2. Expropriation through administrative channels for reluctant landowners.

The use of these tools and the establishment of a clear set of land management strategies has allowed Metrovivienda to acquire land in Usme at $12,000/m² (USD 6 /m²), the lowest price in its short history. As of 2011, works for the acquisition of land for the first phase and other areas are well advanced.

With regard to the social impacts and their management, Metrovivienda has been the entity in charge of the project, and has provided consultancy and support services to inhabitants of the Zonal Plan. The construction of an Information Centre in Usme has provided an adequate space to provide support, focused on the communication and disclosure of relevant information to owners and residents, together with the use of surveys and home visits in order to monitor the socioeconomic information of owners.

**Impacts and Lessons Learned**

PP Tres Quebradas and Zonal Plan Usme are well known in Colombia because of their achievements on the land management front. The implementation of several of the tools included in the LDT allowed the management and development of land for social and priority housing at very low prices, setting a very important precedent for public land management.

From a Planning perspective, the project has achieved important landmarks for the city, in both positive and negative ways. Positive, because the project’s announcement made in 2003 became a control system to battle urban informality and severe land speculations. Negative, because since 2000, when Bogota elaborated its first POT, Usme was declared as the southern expansion area of the city. However, since then, the different city administrations have had different positions on its development and management, turning the project into a very volatile political vehicle. The lack of a unified and settled city model in Bogota has resulted in a dramatic instability of its planning and territorial organization, and Usme has become the queen’s crown on that front.
The design and management of the project demonstrated the importance of having flexible design standards that can attend the specific needs of an area of the city, as the project increases many of the city standards in terms of public space, and public buildings per inhabitant. The mixed-use strategy proposed is a very important lesson to be learned for future developments. The inclusion of non-residential uses will guarantee that new population will have access to most urban services at short and medium distances, promoting a more sustainable transportation model.

5.4.2. Case Study Project- PMIB – Juan Bobo

Juan Bobo intervention in Medellin is framed within the city’s Neighborhood Upgrading Program (PMIB), under the supervision and execution of the Urban Renovation Company (ERU). Juan Bobo is located towards the northeast side of Medellin, very close to where the first Cable-Car and one of the city’s Integral Urban Project (PUI) have been developed. The project is a very important example of public intervention in a marginalized area with high social and environmental impact. The following is a general overview of the project, highlighting the most relevant information based on a study elaborated by (BID, 2011).

General Characteristics

As mentioned above, Juan Bobo is located in an area with high problematic associated with the illegal occupation of the territory, which has ended in serious social and environmental deterioration. The project’s main objective and challenge was to carry out a general restructuration of the territory, in which, as the environmental risks are tackled and the natural elements preserved, the affected population can either preserve their houses or be relocated to areas nearby. The project consists of integral solutions for 287 houses and different public space and public utilities interventions.

Before the project was carried out, the area presented several difficulties from housing, urban (0.5 m²/person), environmental (90% of the river presented solid waste contamination) and social perspectives. The most severe conditions were found on the housing front, where of the 287 houses included in the project: 80% presented structural and functional deficiencies, 35% were located in Environmental Restricted Areas (in Spanish Zonas de Restricción Ambiental), 50 % had fraud water services, 35 % fraud energy supply and 100% Informal sewerage. The average size of the houses was 29 m² (4.2 persons/house), equivalent to 7 m² per person.

Framed within the objective described above, the Juan Bobo intervention was developed under four different strategies:

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102 Source: (BID, 2011)
103 Conducted surveys showed: high unemployment levels, low education levels, malnutrition, lack of State credibility and several civic and community issues.
104 Total Population – 287 houses/ 1,260 people
1. The redefinition of the Environmental Restricted Areas\textsuperscript{105} surrounding the river, which defined the number of houses that should be relocated to risk-free areas. The original area accounted for 4,000 m\textsuperscript{2} and the new one for 1,200 m\textsuperscript{2}.

2. The definition of a second segment of houses that needed structural upgrading in order to mitigate geological risks.

3. The selection of nearby areas for the construction of new housing solutions.

4. Design and construction of a public space system for pedestrian circulation and place making.

The project’s physical intervention is summarized in the table below:

<table>
<thead>
<tr>
<th>Component</th>
<th>Quantity /Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>287 houses / 1,260 people</td>
</tr>
<tr>
<td>Total Area</td>
<td>100,000 m\textsuperscript{2}</td>
</tr>
<tr>
<td>Public Space and Mobility System</td>
<td>4,500 m\textsuperscript{2}</td>
</tr>
<tr>
<td>Natural Areas Recovered</td>
<td>2,000 m\textsuperscript{2}</td>
</tr>
<tr>
<td>Pedestrian Accessibility Corridors</td>
<td>1,500 m\textsuperscript{2}</td>
</tr>
<tr>
<td>Pedestrian Bridges</td>
<td>72 m\textsuperscript{2}</td>
</tr>
<tr>
<td>Multi-familiar buildings for relocated families\textsuperscript{106}</td>
<td>8 units (8 new lots)</td>
</tr>
<tr>
<td>New apartments area</td>
<td>46,86 m\textsuperscript{2}</td>
</tr>
</tbody>
</table>

\textbf{Impacts and Lessons Learned}

Juan Bobo Project posed several challenges from a planning and management perspective on legal, social and institutional fronts:

The redefinition of Juan Bobo River ZAR demanded a crucial inter-institutional work between Medellin’s Planning Office and the region’s environmental agency. This type of environmental delimitation works are usually done on a macro scale during planning processes and this case demanded a crucial micro analysis of the area in order to define which houses should be relocated.

The interdisciplinary approach designed by the Public Sector to tackle and creatively solve a common problem found in Colombian cities in high risk areas was a very important

\textsuperscript{105} This area was originally planned by the city’s POT and the original delimitation would have affected the majority of houses. The new area was delimited by technical studies performed by both the Planning Office and the Environment agency.

\textsuperscript{106} Relocated families: 21 for environmental purposes, 63 because of structural deficiencies and for urban reorganization, 10 that presented severe overcrowding, and 24 affected by new public works.
success, as a team of experts (architects, engineers, social workers, and lawyers) spent all of their working time in the area, working hand-in-hand with the beneficiary families.

The lack of knowledge, use and flexibility of alternative planning processes that involve communities much more is fundamental for the replication and implementation of these types of projects in a wide range of territories. Urban norms are usually designed from a technical point of view and lack a wider perspective to understand the social conditions that these types of territories (high risk) have, making projects much more viable.

One of the most important elements of the project was the close relationship between the state and the community, that not only transformed the credibility of public agencies, but created trust bonds between both communities, fundamental for the success of the project.

This social management approach was founded through “Urban Pacts” between the community and the ERU regarding themes like: relocations without expropriations, local councils that defined the project’s principles and scope, auto-construction, environmental and legal training, local construction sessions and open debates for the project’s consultation and execution. The wide range of training contributes to the project’s sustainability as the community becomes more involved with civic responsibilities that they did not necessarily know or care about.

These pacts generated a point of entrance for the public administration to territories that are difficult to penetrate, not only because of their social conditions but because urban norm restricts its intervention.

5.4.3. Case Study Project- FOREC – Reconstruction La Brasilia

The re-urbanization of La Brasilia neighborhood (part of Armenia’s Zone 1), was a project planned and executed under the Coffe Region Reconstruction Fund (in Spanish Fondo Reconstrucción Eje Cafetero - FOREC) program, created after the devastating earthquake that struck the coffee production region of Colombia in January 1999. As of that year, Armenia had approximately 298,000 inhabitants over an area of 110 Km2. The earthquake took the life of almost 1,500 people; it destroyed nearly 17,000 houses and left serious damage in 30,000 others. According to studies conducted by Santiago Camargo in 2003 and Oscar Alfonso in 2001, the re-urbanization of La Brasilia neighborhood, the one and only area that totally collapsed after the earthquake, is a successful experience of land readjustment implementation in Colombia.

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107 Source: (Alfonso, 2003)
108 Source: (Camargo, 2003)
General Characteristics

Zone 1 had a total area of 31.2 Ha and 1,786 total lots. The area was divided into two different sectors, each with a different origin: 1) A sector of almost 10 Ha that was developed through different ‘invasions’ over the course of 20 years, which included 604 lots and was located close to a river basin, and 2) A plain terrain with an area of 21 Ha developed by State organisms between 1970 and 1980, with a total 1,182 lots for medium-income families. According to the FOREC, more than 80% of the houses built in La Brasilia suffered severe damaged and 909 collapsed completely.

The reconstruction operation over the 31 Ha of Zone 1 focused on three different strategies:

1) Housing program: Included housing repair, new housing construction, and subsidies for families located in high-risk areas and for leaseholder families, so that they could access new homes in other areas of the city.
2) Civic buildings, infrastructure and urbanism reconstruction.
3) Social program: Included health assistance and technical assistance for the subsidy application process.

Intervention Process in La Brasilia Neighborhood

The reconstruction project of La Brasilia over an area of 4.1 Ha, took over three years and included social, legal, economic and technical work, divided into 8 different phases, and was executed by the Antonio Restrepo Barco Foundation. The process was divided into diagnosis, fundraising, planning, property adjudication, urbanism and housing works, Return Plan and property ‘securitization’ phases. It included several disputes between the different actors involved, but was able to be carried out with total participation of the community.

- Planning: The planning process worked on the maximization of the available area in order to develop land for more than 280 new lots. The process included the elaboration of a Renewal Partial Plan scheme (and the delimitation of the UAU), through which the area could be appropriately delimited and designed, which was initially negated by the City Planning Office, but later approved. One of the main objectives of the community was to maintain their same lot location and improve the accessibility of lots to green areas and vehicular streets. The process also included a socio-technical approach mediated by a Technical Committee that worked to achieve an agreement between landowners for the modification of the existing lot structure. The Return Plan focused on the normalization of community life through the conformation of health, green and public space, and community building committees, together with integration workshops and events. For the housing construction phase, the plan contemplated an open-tender process awarded to 6 different construction companies.
Legal: The legal process was developed over the course of all phases, as it was the main piece of the intervention. During the diagnosis phase, all lots were studied and some had to undertake a restructuring process. For this process, a Legal Consultation Center was built in order to offer personalized attention to all landowners. Once these judicial processes were terminated and the new lots were defined (Total Area = 58 m²), the lot re-adjudication process started. One important point worth noting is the fact that the new adjudication process had to first join all existing lots (after all were appropriately restructured) in one deed and later divide them into new separate deeds.

Land Management: The land readjustment process divided all lots in ‘La Brasilia’ into 4 different categories and established different procedures for their readjustment:

- **Type A**: Lots located in high-risk areas that were completely destroyed by the earthquake were bought from the landowners by the municipality using FOREC funds, regardless of size and location. Additionally, families received a housing subsidy (worth $8 million pesos) and with both earning were able to buy a new house elsewhere in the city.
- **Type B**: Lots located in high-risk areas that were completely destroyed by the earthquake and were occupied without property titles. These lots were also bought by the municipality and received the same benefits as type A lots.
- **Type C**: Lots located in areas where they could not be built according to urban norms.
- **Type D**: Lots with no problems but which could not be developed due to infrastructure deficiencies as a result of the earthquake.

Consultations for the new urbanization project, the new lot structure and the construction of new houses were held with landowners of type C and D lots. Their lots were not bought by the municipality, and instead they received the 8 million housing subsidy, for the construction of their new homes once the urbanization process was finished. Furthermore, thanks to joint work between the community and the Foundation, a lot owned by a church was given to the municipality for the construction of parks and roads.

Financial: All urbanization costs were covered by the FOREC, but the Project Management costs had to be covered directly by the Foundation. One important goal achieved by the project was the reduction of construction prices, as the community was able to negotiate with developers and set reasonable prices for materials through an open-tender process and a local material showcase. The new houses had a final value of $8 million pesos, which met the exact amount given to landowners through the subsidy program.
Governance: Many different actors were involved in the reconstruction of La Brasilia. As mentioned earlier, Foundation Barco Restrepo executed the project under the surveillance of FOREC, as Project Manager. Its role was fundamental, not only from a planning and fundraising point of view, but also from governance and community interaction perspective as the Community Action Council resigned, creating power absence. The Foundation became the link between the State and the community, and executed supervision activities during the housing and urbanism construction. One of its main duties was to mediate with the FOREC the finance of all construction works and the financing of the Project Management costs that FOREC did not want to recognize.

Lessons Learned

- Landowners agree to become partners in the new project, through the application of the “Cooperation between Participants” tools mentioned earlier in the document. Land costs were not charged to the project and the community was able to play a partner-beneficiary role, thanks to the project manager characteristics.
- The project responded effectively to the city’s need to create and develop new land after the earthquake.
- The open-tender process to National developers allowed the fixing of a maximum per-meter price for new houses, and gave control to landowners of the negotiation and price definition process.
- The community played a fundamental role in the management and economic control of the project. The community was also involved on the technical front as part of the urbanism designs and the new lot adjudication process.
6. CONCLUSIONS AND RECOMMENDATIONS

While taking a quick glance through Latin American cities, it is easy to conclude that urban development has not been equally distributed among their territories. The profits associated to the land market have been appropriated, but just a few generating suburbanized and socially-segregated cities. Informal development, usually located in peripheral areas, high-risk zones or conservation areas, hosts most of the housing solutions of the growing urban poor population. On the other hand, formal developments limit their contributions to public infrastructure to the minimum standards, without taking a step or two ahead towards a better-qualified city building; much less do they look forward to include the poor.

After the enactment of Law 388 of 1997, Colombia became one of the reference countries in Latin America. The existence of a progressive legal framework that provides the administrations with tools that allow them to intervene in the land market (with tools that seek to overcome the typical lot-to-lot developments and that infrastructure costs be equally distributed), suggests that urban development trends can be reversed in the medium and long term, while committing to a sustainable urban development model.

International institutions like the Lincoln Institute of Land Policy have invested important support resources in the implementation of the LDT and the development of several of the tools introduced by it.
This document has presented examples of the theoretical and practical Land Readjustment developments produced under the Partial Plans figure, in expansion areas or vacant urban areas (development treatment) and the Macroprojects, as the response that the National Government gave to an apparent lack of transparency and diligence of municipal administrations. Projects on urban land were chosen to exemplify the three axes of discussion - raised in the objectives at the beginning of the document.

The conclusions and recommendations presented in this section are divided according to the five different areas of analysis suggested by UN Habitat. The five different subjects are organized according to the diagram above; the legal framework and governance as the core urban development, followed by planning, land management and finance strategies and tools.

### 6.1. Legal

As explained in the corresponding chapter, the Colombian legal-urban framework is a robust and complex structure full of tools that seek to meet land’s "social and ecological function" defined by the 1991 Constitution. It has become a renowned example in Latin America, as it was able to introduce many different principles and tools that other countries in the region have found almost impossible. This macro-legal framework has been the basis forPartial Plans and LR applications in Colombia and has proven to have important advantages, as well as certain limitations in the development of this type of projects.

In relation to specific LR contents and in comparison to other countries' regulation on the subject, the LDT lacks in-depth contents regarding LR processes and articulation with other tools, which has generated an isolated application, limiting its true potential. Regulations such as Decree 2181 have proved to be a fundamental complement to the LDT, as it developed in-depth contents that the LDT lacked, providing all Local Administrations with a better regulation tool to develop Partial Plans and guarantee a better distribution of costs and benefits.

However, because a great part of LR success depends on the successful application of other planning, land management and financial tools, local administrations like Bogota, have proven that several specific regulations are needed in order to fully articulate tools. Other local regulations, such as the ones developed in Bogota, have demonstrated that although the LDT is a robust Law, it lacks national regulation on the importance of, for example, delimiting the application of urban treatments, as the basis for a rights and duties regime.

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Taking into account that Colombia’s legal-urban system incorporates the application of LR as an intrinsic part of Partial Plans the redistribution of costs and benefits when developing this type of coordinated readjustment projects has occupied most of the agenda.

Local administrations have struggled to manage the distribution systems that compensate infrastructure costs, by giving extra densification rights. This “cost and benefit” system has been incorporated more as a principle than as technique itself, and it lacks the formal legal regulation that other distribution systems have (special assessment tax, tariffs). Because of this, other imported redistribution techniques have been used to guarantee the equitable distribution of costs of benefits.

### 6.2. Governance, communities and stakeholders

Taking into consideration the different workshops held in Bogota with experts in the field, it is possible to say that debates on Land Readjustment have opened even larger political debates. Discussions have centered on the distribution of wealth generated by urban development, the role of the government and its responsibility in free land market intervention and in territorial organization, as well as its role as facilitator and guarantor of public-private partnerships between landowners and real-estate developments.

This discussion has generated tensions between the National Government and some municipalities, who believe that their autonomy is affected when elements like density and costs assignment are set by the national government. This becomes even worse when Macroprojects are planned in areas classified as rural by the local POT, and receive authorization by environmental agencies, also controlled by the National Government.

On the other hand, in cities such as Medellin, where land readjustment projects have been developed especially in urban areas because of its city model, local discussions revolve around aspects like gentrification. Projects like Juan Bobo, which technically cannot be considered as a land readjustment project under Colombia’s legal framework, demonstrate the value of community work and the important economic, environmental and social impact that can be accomplished as a framework for interventions in high-risk areas typical in most developing countries. It also demonstrates some of the problems that urban planning has had in Colombia, especially in unknown territories like informal developments. Although the POT must set general strategies, it sometimes struggles in defining, understanding and studying the small details found in every corner of the city. Intermediate planning tools, fully accompanied by local governments and different institutions, may guarantee better planning practices.

Part of the problem can be assigned to a weak intermediate political level (States) that does not appropriately manage and articulate the social, economic and even environmental relations between the national government and the municipalities. The
lack of political transparency and technical capacity at the municipal level has become the perfect excuse for landowners and different trade unions (usually real-estate developers) to avoid municipal authorities, looking for projects that they can shape to their personal needs and not those of the communities.

Communities that have been affected by land readjustment projects in expansion areas are obviously located on urban borders. Most of these families in Colombia are farmers or tenants who find in informal urbanization processes better economic outcomes that those offered by the state, and that get inevitably displaced when the state decides to act.

On the other hand, there are the traditional landowners. Located on city borders where, depending on the geography and the scale of the city, they hold on to their land for productive activities with the expectation that the state will eventually develop their land and include such as new suburban areas. These landowners, who are accustomed to not having to pay for land value increases, have pressured the National Government to change the legislation. Additionally, in some cases, landowners, developers and banks are a sole agent that can put lots of pressure on local authorities and have strongly criticized Partial Plans, especially because of the amount of time that local authorities take to approve these projects.

One other common problem is the lack of city scale distribution mechanisms that can guarantee a fair distribution of general infrastructure costs assigned to different land readjustment projects in different areas of the city. Because of this, land value between different areas of cities differs over a wide range of values, generating inconformity between landowners.

However, it can be said that on only very few occasions there has been an effective participation of communities in land readjustment projects. This can be better defined as information-type projects. This demonstrates that one of the fundamental principles of land readjustment – the voluntary participation of landowners – has been very difficult to achieve. On very few occasions have voluntary processes been achieved in Partial Plans, and even less in Macroprojects. There are very few original landowners who have stayed or taken part in future developments, and even fewer who have been willing to hand out their land and receive their final contribution in kind at the end of the urban operation.

In that sense, it is important to point out that Land Banks (like Metrovivienda) have struggled in generating and managing this type of voluntary associations. Real-estate trust funds have become a fair and safe mechanism to associate the different actors of PP and LR projects, proving to be highly effective when dealing with traditional companies and “landlords”, but not when involving communities and small landowners, or urban renewal projects.

Finally, and in regard to final users of developed land readjustment projects, one can affirm that LR has changed the mind-set and culture around city building for low-income
families. Nowadays, they understand that the housing units they purchase include access to education and health facilities, parks, streets, connections with employment areas and sometimes to effective transportation systems. That is the case of many of the projects developed by Metrovivienda in Bogotá.

Unfortunately, and by discussions held by a few, nowadays land readjustment projects have been questioned, as our country has been unable to attend the growing national housing deficit, and one big problem has been attributed to the inefficient process of developing land for social housing.

Other important points worth noting are:

- The strengthening of urban development and territorial planning as key elements for the overall development of the country has forced the creation of strong and renovated institutions that are able to manage, coordinate and control the new principles and tools for territorial development.
- Flexibility and adaptation of local authorities have been essential for the proper functioning and implementation of the various planning instruments introduced by the LDT. The development, review and implementation of the POT, along with the definition, assessment and approval of PP need an important inter-agency coordination and strengthening of planning units.
- However, local governments in Colombia have struggled in adapting and understanding the principles and tools of the LDT. In regard to LR, although the application has been widespread across the country, processes supporting the development of the mechanism have faltered, making Partial Plans endless processes, generating terrible management problems for both private promoters and local authorities.
- The LDT and the mechanisms it has introduced have allowed public entities to be more active and involved in the land market, have a stronger set of tools to develop public urban projects and develop a proper framework for public-private association in the urban development field.
- Although most Partial Plans across the country are promoted by private organizations, in most cities, state intervention has proved to have a strong potential to develop large, high-impact projects.
- The introduction of a new urban culture through the LDT (and the 1989 Urban Reform Law), along with specific and technical elements like the POT, Partial Plans and Land Readjustment, have generated innovations in institutional and technical development. This new way to plan, manage, and build the city have generated a significant demand for new professional services associated with these processes and a strong training of public officials and local governments to ensure their correct implementation.
- Although decentralization provides municipalities with the autonomy to regulate their territory and develop their own POT, smaller municipalities with technical disadvantages, demonstrated in the previous chapter, have had difficulties in the
application of LR mechanisms and lack the skills and institutionalism to develop proper projects. A proper best-practice system, local technical assistance between cities and pilot projects are fundamental for a better comprehension of the overall advantages that the LDT introduced and of how to develop LR projects.

- The national government must understand the importance of the regulatory measures needed in several other land management tools that can guarantee a better understanding appropriation of tools all across the country.
- Cooperation between landowners, the rights and duties structure and the distribution system has transformed urban culture in Colombia, opening the doors to a more collective city-building and citizen participation. Although there is still a long way to go, debate and spaces for citizen participation, as well as a right and duties culture have allowed for significant progress in the introduction of fiscal tools for city financing in a very short amount of time.
- From a private promoter perspective, Partial Plans and LR have proved to be a serious and organized way to build and develop projects.

### 6.3. Planning

City Building

It is difficult to argue that in a country like Colombia, where almost 50% of cities have been developed through informal processes, LR has had a strong and deep cultural and political impact in planning processes.

Partial Plans, especially in development-type urban areas, are today in Colombia a widespread practice, as demonstrated through this document. Many references can then be studied and documented that can portray both the good and the bad practices, in order to create best-practice mechanisms and observatories to evaluate, compare and replicate projects in different cities.

From a general planning perspective, the lack of integration between transportation systems and urban planning has meant that the localization of many Partial Plan projects is simply the result of a search for available land. Many of these projects end up being disconnected from the mass-transportation system and are far from education and health amenities.

The introduction of POTs along with tools like PP and LR, have ended a long tradition of lot-to-lot development which privileges individuals, and has formed cities without public infrastructure. Instead, PPs have generated associated management where large pieces of land are developed, fully incorporating public infrastructure and guaranteeing a proper construction of cities.
The strong need to combat a growing housing deficit has orientated most land policies to guarantee accessible land for social housing. As previously mentioned, all PPs located in development areas are required to include social housing units in their projects, putting a strong pressure on local governments’ ability to appropriately use price control mechanisms. Sadly though, this struggle has been a constant and the provision of land for social housing projects is still a very difficult task to accomplish.

Planning Practice

It has definitely changed and contributed to creating more awareness about city building and given local administrations mechanisms to combat informality, while heading towards sustainability. Citizens today, both low income and wealthy families demand a better city if they have the possibility to access the formal housing developments.

Partial Plans and LR have not only given public administrations specific tools to developed, well-served and managed urban projects, but have created a new sense of city planning. They help compare the inefficiencies and risks of informality and become the essential tool for all city-building actors. Developers and planners understand the importance of and need for an equitable construction of both private areas and public infrastructure, and understand that these can be developed and financed by the project itself, turning urban development into a sustainable and profitable possibility.

Although PP and LR have not been implemented in all cities in Colombia, the obligatory nature of POT has helped over 90% of municipalities in Colombia incorporate new measures for their territorial development, together with mechanisms and tools for better city planning. However, the lack of local technical training has made the formulation and design of the POT a decontextualized practice which, in many cases, simply copies the contents of another plan to comply with the law and therefore does not include or comprehend the value of Partial Plans and LR projects.

The city model is a fundamental part of city planning and a requisite of the POT. Because of a lack of a strong and committed long-term vision, many cities struggle to find a clear way towards their territorial development. Political changes hamper planning processes and make private investments risky. Land Readjustment projects, through Partial Plans, must be the result of a clear city model and strategy able to articulate the other tools to guarantee their proper development. Without a clear model and a clear strategy, tools like LR become weak and vulnerable.

Partial Plans are the main tool for the incorporation of expansion areas to the urban core, they work as a frame to capture land values increases derived from planning decisions, and distribute such increases in an equitable way. However, although many cities have defined new expansion areas in the development of their POT, which must be developed using Partial Plans, very little has been done to articulate such planning decisions with the appropriate land management mechanism that can guarantee a proper Land
Readjustment project. As mentioned earlier, this is especially the case of the Cadastre systems that have not been able to guarantee a proper initial value for rural land.

Although Colombia has taken important steps for a better city and territorial planning, regional planning is still an unresolved aspect. Planning and land management must exceed the political limits to ensure that land use planning and the land market are integrated to a broader natural and infrastructure-scale system. Although there are not many conurbation cases in Colombia, Land Readjustment projects have to find a way to guarantee the proper integration of cities that are in the process of forming urban regions.

However, although Partial Plans demand public infrastructure cessions, a lack of coherent urban design principles generates urban spaces that lack quality and are designed and planned only to comply with the norms. Urban design results and the actual use and design of private areas have been widely criticized. The absence of standards and quality regulation, adding to an unarticulated regulation of density capacity with public space needs have generated projects that are not designed for the city, but simply for the urbanization members.

A highly demanding challenge is the implementation of LR projects as part of Neighborhood Betterment Projects. As mentioned earlier, PPs have not been used to redevelop informal settlements and hence have not yet dealt with the difficulties of managing communities that have a strong sense of place over the area that is intended to be developed.

Despite being one of the most basic techniques in the practice of urbanism, the relationship between densities and urban standards has not been appropriately regulated. There are no maximum densities for residential use and overall plans do not usually give maximum densities in vacant land. Demand for public space is not regulated according to density. Because of this, the amount of public space is fixed in relationship to increasing densities. From this perspective, it can be said that end users are absorbing the cost of urban obligations as they receive less city (public space) for the same price.

6.4. Land Management

- Understood as vehicles for the management of land readjustment projects, Land Banks included in Colombian law are a suitable tool, as they are able to use and articulate several land management tools. They are especially useful in the mediation between public and private actors. However, except for Metrovivienda, the Land Bank figure has not been widely used in Colombia, as a consequence of political issues.

- Real-estate trust funds have been widely used in private-initiative-type projects. As mentioned earlier, because of their flexibility, they are easily suitable to mediate
between landowners and guarantee a safe and efficient vehicle for the equitable distribution of costs and benefits derived from the urban project. Many of the experts in the field have suggested that it would be important to include a regulation of trust funds within a future revision of the LDT, especially to define their possibilities to articulate and relate to other land management and financial tools.

- The recently approved APP Law leaves the door open to execute land readjustment projects using this new figure. However, it is unclear how this APP figure is going to replace Partial Plans, whose basic principle is to be the tool to regulate the associated management in urban development projects.

Many debates have resounded around Land Management tools. Their effectiveness to control land market prices, overcome the typical lot to lot development, provide urbanized land at the time society needs it and fairly distribute the benefits generated by urban planning have taken up most of the agenda. Partial Plans and Land Readjustment has been the common scenario, where most other land management tools have been put to the test. Some recommendations in regard to these tools are:

- The ‘reference appraisal’ mechanism, together with the “project announcement” explained earlier, must become a fundamental tool for local administrations. The Usme project has proved to be successful at least, in managing land and in negotiation with land owners, preventing excessive land speculation and creating a solid base for the application of land value capture. There were several commercial appraisals carried out by State entities that have learned and understood the consequence of land readjustment on land value. As a consequence, this experience has been extended to private appraisers.

- Pre-emption right has proved to be a very useful tool. Landowners, who often refer to the tradition certificates to make charges and encumbrances, have attended institutions to learn about the consequence of registration and have been informed of the result of the binding nature of LR. Because of this, many citizens have learned about and understood the different tools and mechanisms like LR. However, the measure has been taken as a coercive and aggressive tool of the State towards landowners.

- Some Partial Plans have applied the ‘priority development’ tool to Urban Action Units in order to boost land supply and avoid its retention once the urban norm has been approved (when the PP is presented and approved). Pereira has been a case where many PP projects have not been developed after the adoption of urban norms (through PP). Urban norms have been approved for approximately 700 Ha in development-type Partial Plans and only 70 Ha have been fully developed.

- Expropriation has not proved to be an expeditious nor effective method in the field of the LR. The threat of expropriation at an initial (rural) value has generated much
resistance by landowners. In addition, the lack of transparency that exists on land registration issues, especially on rural-urban borders, means that processes can easily be hampered by the resistant owners who are, traditionally, informal developers.

On land value: Land management tools have proved to be effective in terms of making visible increases in land value, thanks to the assignation of urban norms and the control of land price speculation. Debates about land value capture are now common in Colombia, even as a monetary payment, thanks to theoretical discussions and practical applications in the territory. Cadastres and property registries are still one of the main pitfalls in the policy implementation and where cultural and institutional changes are most needed.

On partnership and land availability. Very few projects have been developed under voluntary association. Public initiative projects have managed to develop land using mainly expropriation as a coercive means. Plus the low credibility that the public sector has as executor adds to the landowner’s preference of receiving payments in “cash”, instead of providing their land as part of the readjustment project. In private initiative-type projects, real estate trust funds are usually used to handle landowners’ association and land management. Since the housing crisis of the 1990s, this tool has been widely used and enjoys wide trust as a vehicle to associate actors in urban development and housing projects. Although this tool was not included in the LDT, its progress and use, along with its weaknesses, should be capitalized upon and corrected with the enactment of specific regulation. These urban projects can be considered PPP (Private Public Partnerships) schemes as the city receives infrastructure developments and part of the land value increase captured in exchange for the allocation of density and land use benefits.

6.5. Finance

With the introduction of planning, land management and financing tools, local administrations have an important set of mechanisms to finance city building. However, the lack of specific regulations has resulted in difficulties when implementing and articulating different tools. Since 1997, very few projects have been able to use and articulate the whole set of tools introduced by the LDT as a way to adequately finance urban development. Through land readjustment (and Partial Plans) and the equitable distribution of costs and benefits, cities in Colombia have been able to better distribute the benefits derived by and for urban development throughout the territory, promoting equity.

The LR mechanism included within Partial Plan planning has given local administrations ways to finance urban development without greater costs. However, there is still a lot to be done in the proper implementation of tools that can guarantee the proper capture of land value increase derived from urban planning decisions. Very few cities stand out on
the land value capture front, as difficulties have been found in several elements of the process.

On distribution systems: Municipal administrations have not incorporated the definition of urban norms and regulations (land value capture) as part of urban financing. For the specific case of the LR, these ten years have been characterized by the development of distribution techniques that allow you to set the initial value before the assignment of the urban norm, quantify infrastructure costs and assign rights that materialize in land or as "shareholdings" in the real estate business. Urban planners have used techniques imported from Spain (half through wastewater methods leverage) and Japan (points system).

The possibility to make the initial value of land visible, without including the expectations generated by a change in the urban norm, has opened the door for a proper payment of land value capture. Furthermore, the possibility to make infrastructure costs visible has enabled local municipalities not to commit to the payment of such costs.

On the allocation of planning obligations to public space: Today, all municipalities understand the value of properly managing land value capture mechanisms and incorporate it to urban planning strategies and decisions. Historically, in formal developments, the recovery cost of infrastructure in land readjustment projects has been accepted for a long time now. Disagreements between landowners and local administrations are usually generated when costs of infrastructure located outside the area of the Partial Plan are charged to the owners, as these types of costs are usually paid through other financial mechanisms like tariffs.

The main example of this type of situation is the assignment of costs related to water and sewerage infrastructure to enable vacant lots and connect new developments with the existing city. Some local governments have established a regulation that states that all public infrastructures that develop land and are needed will be paid by landowners only when such area is effectively developed. Payment of these infrastructures through other distribution systems like betterment tax of tariffs would transfer the cost to end users, resulting in the violation of justice. This applies to areas in expansion or development areas, or in urban renewal areas with obsolete infrastructure. This has meant that land readjustment (real estate integration in urban renewal areas) projects have been difficult to fulfill with the direct participation of original landowners.

A final issue, but perhaps the most significant, is the obligation contained in the Law to compare the previous regulations with new regulations for the calculation of the effect of capital gains. In development areas, as explained above, the recognition of expectations of price per allocation of land use in previous standards makes it, in most cases, the unviable allocation of urban processes of urban renewal obligations.
In rural areas it is easy to calculate land value capture, as the previous regulation is still that of a rural area. However, in urban areas, the comparison between old and new regulations has been a very difficult barrier to break down, as older regulations in Bogota, for example, had no limits.

On the allocation of planning obligations to priority and Social housing: Colombia has incorporated a culture, both at the national level and at the local level, for the mandatory inclusion of social housing percentages in land readjustment projects, especially in development treatment type areas. This generates discussion about the regulation of such percentages and the type of social housing units that should be built. Today, general city models are more likely to demand the increase of these percentages in land readjustment projects in urban areas to guarantee the social segregation effect that has pushed the urban poor to the periphery.

Finally, the development of these discussions has been, as in many places in the world, focused on the private promoter speech, which argues that these types of obligations will be always transferred to the end user (housing unit price) and that land readjustment projects are not able to accommodate the urban poor because projects are not financially viable. However, some developments executed so far show that projects that are designed incorporating the cross-subsidy principle, allow land readjustments to materialize, assuming infrastructure costs and social housing obligations and controlling land prices.
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8. ANNEX 1 - LITERATURE REVIEW

8.1. **LILP – Partial Plans and Associated Management – Maria Mercedes Maldonado**

This book is the result of the project "Mobilization of capital gains for the generation of urbanized land for social housing" developed by the Lincoln Institute in Colombia. It was written as part of the project “systematization of experiences” developed by the LILP team in Colombia, especially from its participation in formulation stages of the New Usme operation (in Bogota) and the Gonzalo Vallejo Restrepo macro project (in Pereira).

The book provides a legal analysis, a conceptual development and a general proposal for the implementation of specific tools contained in law 388 of 1997. Its major focus is to contribute on the understating of the potential of Partial Plans and its implementation process, from a perspective that privileges the collective interest and other policies and objectives like the sustainability of the environment and the provision of social housing.

It also aims to contribute to a citizen debate on the implementation of Law 388 in the local (municipal) context and the alternatives Partial Plans offer to the achievement of greater equity in land management, surpassing the previous stages of Colombian urbanism, that generated a serious degeneration of public space, mobility and environmental degradation, together with the conditions of social exclusion created by informal urbanization or the strong financial impact on public budgets.

The book is divided in four different parts: the first explains the major legal features of the Colombian urban system; the second explains in general instruments of planning and land management; the third deals with the central theme of the associated management and the equitable distribution of costs and benefits in the formulation of a partial plan; and the fourth contains the legal bases and the proposals of some developed conceptual instruments, technical and legally by the team.

8.2. **BID – Cities of tomorrow - Patricia Torres**

This publication includes a series of documents written by urban development specialists and land management in Colombia, which were presented in October 2008 at a meeting sponsored by the Inter-American Development Bank. The publication documents the path

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111 Source: (Maldonado, Pinilla, Rodriguez, & Valencia, 2006)
112 Source: (Torres P., 2010)
traveled by Colombia, on the application and implementation of tools and mechanisms for the generation and management of urban land, and for the financing of infrastructure that enable the habilitation of land to sustain urban life.

As starting point, the publication recognizes that one of the major problems that Latin America cities face nowadays is providing access to urban land equipped with basic services and with mobility facilities for citizens. The documents included in the book collect information and experiences from the long path Colombia has traveled over the past decades, making it a regional reference regarding land management tools and developments. The publication provides an analysis on the progress made on land management in Colombia from two different perspectives:

Initially through a description and analysis of different planning and land management tools and the second perspective focuses on the illustration of case studies in Bogotá, Medellín and Pereira. The publication highlights Ciudad Salitre, Ciudadela El Recreo and operation new Usme in Bogota, Partial Plan Pajarito, Juan Bobo, Simesa and Argos in Medellín, and Ciudad Victoria in Pereira. The case studies presented illustrate a general overview of the evolution that land management tools have had in Colombia over the last couple of decades, as well as the achievements and difficulties found on each separate case, allowing a thorough evaluation of Colombia’s experience.

As written by the editor, the publication focuses on the valuable recognition that every experience – case study - sheds results and lessons that allow a constant adaptation of land management instruments, allowing the recognition of a "land management systems" where each instrument cannot be understood or used separately, strengthening the importance of an integrate planning approach to land management.

8.3. Prospects on Colombia’s new urbanism - Javier García - Bellido\textsuperscript{113}

This article written by Spanish architect Javier García-Bellido constitutes an important contribution in the history of urban planning in Colombia. His article “Prospects on Colombia’s new urbanism”, published in the journal of urban development of the Economic Development Ministry in 1998, aimed to feed national reflection on the implementation of Territorial Development Law (Law 388). At the time the article left important criticisms and recommendations looking ahead at the evolutions that the introduction of new policies and instruments for regional development would have in Colombia, that are relevant still today.

Throughout his article, García-Bellido makes a sweep of the guiding principles of the Colombian urban model, making a comparison with the Spanish model that Colombia

\textsuperscript{113} Source: (García-Bellido, 1998)
used as reference during the elaboration of the LDT. The author makes a special emphasis on how the principles of the territorial system: the social and ecological role of property, the equitable distribution of costs and benefits, and the prevalence of the general over particular interests, are fundamental to ensure confidence to land owners and the private sector towards a greater and more effective "associated management" using land readjustment instruments.

The author delves into a critique of the various instruments designed by the LDT through different topics such as: the zoning plan and land use classification, planning of the urban expansion land defined by the POT, the execution of planning by the UAU and redistributive persecution, isolated building processes in urban land, transfers of rights of construction and development and participation in capital gains.

8.4. Urban perspectives: critical issues on land policies in Latin America - Martin Smolka\textsuperscript{114}

Urban perspectives, a compilation orchestrated by Martin Smolka and Laura Mullahy is a collection of more than 60 articles written over the last 13 years by different regional experts that presents an overview of land policy issues in Latin America.

The compilation is divided in six different thematic chapters: tendencies and perspectives in land markets; informal land markets and regularization of tenure; property taxation; value capture; planning and urban development; and public policy and participation. Although most of the articles seem relevant for the purpose of this study, the consultancy team will focus on articles included on chapter 1 Tendencies and perspectives in land markets and chapter 5 Land use and urban development.

This book becomes a very important reference for the study, especially regarding discussions and recommendations for Latin America on land readjustments, as it will enable the consultancy to understand the broader picture of these issues across the region. The book offers an ample spectrum of critical and original thinking on important land policy issues.

8.5. Urban reform and territorial development: experiences and perspectives of the application of law 9 of 1989 and 388 of 1997\textsuperscript{115}

This book gathers the materials presented on the Forum “Urban reform and territorial development: experiences and perspectives of the application of law 9 of 1989 and 388 of 1997”, convened by the Mayor of Bogotá in associated with several other institutions, in 2003. In the publication a series of initiatives and projects met. Its objective was to affirm

\textsuperscript{114} Source: (Smolka & Mullahy, 2007)
\textsuperscript{115} Source: (LILP, 2003)
the importance and validity of the set of planning and land management instruments approved in Colombia as a basis for ensuring the exercise of collective rights to the city, and collect opinions and perspectives on the prospects for implementation together with proposal to reform law 388 of 1997.

The publication focused on the urgent need to implement the principles, rules and treaties included on the laws of urban reform and territorial development. It invited public authorities to better comprehend the potential of the tools and instruments included in Laws 9 and 388, arguing on the relevance of tools like Partial Plans. It offered a series of very important application exercises and recommendations that could look to expose the strengths of the territorial and land management legislation of Colombia and the important process that made them possible, characteristics that have them important references for other countries.

8.6. **Metrovivienda, reflections on the production of social housing in Bogota 1998 – 2010**

This book is a compilation of the work done by Bogota’s Land bank and housing institution, Metrovivienda, since its foundation in 1998 through today. The publication is divided in 10 different chapters that illustrate different components and perspectives of the housing problem in Colombia.

After 10 years of work, Metrovivienda has achieved a long experience in the acquisition, habilitation and commercialization of land for the production of social housing in Bogotá. The book collects the information produced over those 10 years and organizes the experience of Metrovivienda in a systemized way, in order to open the debate on its decision making processes and the definition of its objectives in the short and long run.

The publication has both a historical and technical character as it contains important reflections about the housing panorama in Bogota, together with a detailed compilation of work and projects done by Metro. The book illustrates the context on which Metrovivienda was created and how its actions have helped addressed and transforms the housing and land panorama in Bogota from the public sector. It also becomes an important reference to evaluate the different housing and habitat policies introduced by the city, and a way to understand the production of land and housing for the urban poor over the last decade.

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116 (Metrovivienda, 2011)