Online Seminar IV
Friday, 24.07.2020 | 15:00 CET

Follow-Up: Affordable Housing and Land in Latin America

Learning globally from local best practices in pursuit of Equitable Economic Growth

On July 24, the Online Seminar “Slum Upgrading Practices in Latin America - Learning globally from local best practices in pursuit of Equitable Economic Growth”, co-organized by Cities Alliance, the St.Gallen Institute of Management in Latin America (GIMLA) as well as the World Bank Group. The event was part of a Working Package (WP) 1 outreach activity embedded in the collaboration project between Cities Alliance and three academic networks (N-AERUS Network; REDEUS-LAC Network; AURI).

Anthony Boanada-Fuchs from GIMLA and coordinator of WP 1 shares his views on the event as well as provides some exciting updates concerning the continuity of this dialogue (see bottom of the page). The full recording of the online seminar can be accessed via the project website hosted by the Habitat Unit of the TU Berlin.

The panelist for the online seminar included Júnia Naves Nogueira from Urbel Belo Horizonte and Diego Fernández from the City of Buenos Aires. The event was introduced by Judy Baker, the Global Lead of Urban Poverty and Housing, as well as a Lead Economist in the Global Practice for Social, Urban, Rural and Resilience in the Africa Region at the World Bank Group and moderated by Anacláudia Rossbach, Regional Manager for Latin America and Caribbean at Cities Alliance. Catherine Lynch, a Senior Urban Specialist at the World Bank moderated the Q&A Section.

Main Take-Aways

Based on the insights of the presentations and debates of the online seminar, some common elements of successful cases can be identified. These projects

- are centered around community participation in order to ensure a sustainable transformation
- provide not only physical interventions but also social services and economic opportunities
- are also concerned with the avoidance of negative side effects, such as gentrification.

The main challenges remain
• how to establish lasting cross-sectoral collaborations in order to unlock the scaling-up of initiatives
• how to ensure the adequate financing of upgrading projects

Seminar Introduction

Latin America has generated very innovative approaches to slum upgrading and represents an ideal geographic entry point to discuss current practices and challenges. The online seminar was introduced by Judy Baker (The World Bank Group) who is a real authority on slum upgrading, having published several books and working in operations in analytical work of the Bank covering topics of sustainable urban development and housing/slum upgrading.

This online seminar is a very timely event, according to Judy, as COVID 19 is particularly acute in informal settlements. The World Bank is very active in slum upgrading around the world because such projects work, and constantly improves current approaches. Important lessons learned so far are the importance of strong community participation, working closely with local governments, limited use of resettlement, and connecting communities with the rest of the city. Some challenges remain, particularly in the upscaling to a national level.

Anthony Boanada-Fuchs (GIMLA) provided the second frame of this webinar by presenting work in progress of a collaborative research project on public goods and public services (PG&PS). Within this investigation, the aim of Working Package 1 is to provide scientific evidence between the provision of PG&PS and increasing equitable economic growth. A specific workflow has been developed that reduces the involved complexity. The key literature of several international organizations (published since 2016) was reviewed to identify any direct reference to a project or program that falls within public goods and services. To this category pertain not only slum upgrading, but also affordable housing and land, basic, civic, and digital infrastructure, mobility, public space, as well as employment, education, skill-building and cash transfer programs. The resulting list of around 500 projects was reduced to 40-50 best practices with the help of the three academic networks. These cases are currently analyzed in more depth by having a closer look at their overall context, their institutional configuration, the involved finance, and the impact they managed to trigger. With this research, the aim is to find the commonalities and differences in the success of a specific public good and services but also compare the rather, academically speaking incomparable best practices in different PG&PS. The two cases presented in this webinar are part of the promising experiences of Latin American slum upgrading.

Anacláudia Rossbach, Regional Manager for Latin America and Caribbeans at Cities Alliance, spoke briefly about the Latin American experience, a region with 40 years of experience in slum upgrading. By now, several countries have developed policies and legal framework
that support such activities, including Colombia, a famous example with a supportive law in 1997 that also recognizes the social function of land. Another example is Brazil, with the City Statute of 2001, or more recently Argentina that passed a law on land regularization. These legal frameworks enable the government to spend public funds on informal settlements that are often characterized by unclear land rights. The first case presented today, illustrates what is possible at the local level when central government funds become available.

Vila Viva in Belo Horizonte, Brazil

Júnia Naves Nogueira from Urbel Belo Horizonte provided a very rich presentation on the slum upgrading practices by outlining the general context, the elements of the program, as well the triggered impact. Belo Horizonte is a city with 2.5 million inhabitants and an urban area of 331 sqkm, which managed to provide a holistic intervention package to informal settlements benefiting 165,000 people or a third of the half a million informal residents of the city. There are more than 400 informal settlements in Belo Horizonte, housing 20% of the total population while only occupying 7.5% of the urban land. These high densities, paired with slum occurrences in sensitive and/or risky areas, make resource and costs effective slum upgrading and regularization a challenge.

VILA Viva is the municipal local housing policy that is managed and enacted by Urbel (The Urbanization and Housing Company) which aims at reducing the local housing deficit of 50,000 units. In regards to the slums in the city, urban plans are elaborated with community involvement throughout the entire process. Today, 70% of all informal settlements have such a plan.

Since 2007, the city upgraded 12 slums with a total investment of 462 million euros (funds were largely coming from the national
infrastructure program PAC) by combining physical interventions, with social and economic elements, as well as land regularization.

The physical dimension is not only concerned housing and basic infrastructure (in the forms of water, sewerage, and electricity) but also urban services (solid waste collection) and important civic infrastructure projects, which include the realization of parks, nursery schools, sports facilities, and community centres. Relocations were avoided as much as possible and limited to the land required for the interventions, in environmental risky or sensitive areas or with similar legal restrictions. Concerned families were provided with a range of possible options, which included alternative houses - ideally close to the original site, compensations, or a social rent unit.

Another strong point of the program is a high concern for housing as a process. The city acknowledges the major changes slum upgrading program bring with them and deployed enough resources to ensure a smooth transition. To these activities pertained community supporting activities, sensibilization programs as well as skill-building. In order to improve the economic conditions of families, professional education classes are offered in construction, gardening, cooking, and sewing classes.

The local government was fundamental in this process, playing an important role in the political, financial, social, technical, and administrative domain. But complex projects such as slum upgrading require multi-sectoral institutional configurations: the federal government is important with its financial and political support. Engineering companies and public concessions companies are providing technical services, while NGOs and social work companies were contracted for their social and technical expertise. Nevertheless, as stressed by Juniathe most essential actor are the communities.

The results of the slum upgrading projects in Belo Horizonte speak for themselves. The interventions improved the quality of life of the residents by reducing considerably water-borne diseases, geological risk, but also homicide and violent crime occurrences. This success goes hand in hand with increases job opportunity and environmental improvement. If trying to draw some lessons learned from the Brazilian example, the demarcation of slums as special zones proofed to be very effective as was the structural transformation to support socio-economic changes as well as reduction of inequality. A strong reliance on the community further ensures the sustainability of such interventions.

**Barrio 31 in Buenos Aires, Argentina**

Diego Fernández from the City of Buenos Aires presented the internationally recognized best practice of an informal settlement upgrading. Barrio 31 is a large area of 72 hectares with a population of
40,000 inhabitants, situated in the downtown of the city, in close vicinity to very affluent neighbourhoods. In 2015, the decision was taken to integrate this area with the rest of the city by following the philosophy of urban acupuncture – the strategic use of public interventions to trigger large-scale transformations – inspired by comparable approaches in Medellin.

In four years, the city provided 18 km of basic infrastructure and services such as sewerage, drainage, water, public lighting, and roads, renovated 26 public space, and improved over 1,700 housing units, while constructing 1,200 new residences. As mentioned by Diego, it is essential to understand human development in its entire process and therefore reaching far beyond the built environment. Next to physical interventions the holistic approach of Barrio 31 also provided three new public schools, three healthcare centres and various interventions that fostered economic development.

Education, health, and economic opportunities were three dimensions of inequality the original residents suffered from. Thanks to the slum upgrading project, families can access more easily health care services with digital records, send their kids to the largest public school in the city, and boost their financial opportunities by taking part in entrepreneur support programs or skill-building classes. 1,200 entrepreneurs were coached and supported while 3,500 inhabitants completed training courses. Furthermore, the most important local market was regularized and now the local traders are registered and also pay taxes to the city hall. Such transformation was only possible by combining public and private resources. Barrio 31 collaborated with more than 150 companies, several large multinationals, to open businesses in the area and contribute to the economic growth of the neighbourhood.

The remaining challenges of Barrio 31, are not dissimilar to other best practices in the world. When triggering a successful urban transformation, a major concern is how to avoid gentrification. Diego presented three levers that are deployed in the project to avoid the displacement of original residents. Land titles are given to residents with a subsidized 30-year mortgage. Plot sizes are kept very small (250 sqm which is smaller than the plot minimum standard of the city) and development rights limited to buildings with a ground floor plus 3 levels. Another disincentive for replacing the original socio-economic fabric is a tax penalty to new residents who will have to pay three times the property tax.

The second challenge is scaling-up a successful initiative. Given the scale of the problem, the solutions to informal settlements can only be found in the partnering of various sectors. Even if the very committed approach in Buenos Aires would be replicated in the rest of the country with the same pace, it would take a lifetime to upgrade slums where 4.5 million inhabitants live. While Latin America has great experiences in
upgrading, out of the box thinking to develop models that tap into the possibilities of the private sector and avoiding negative effects of gentrification.

Closing Remarks

After this webinar, an engaged round table discussion followed which insights will be shared in a separate blog entry. Due to the quality and intensity of the debate, the organizers of the webinar decided to explore possibilities to create a webinar series in order to stimulate a debate on promising slum upgrading practices in other parts of the world.

An Urban Thinkers Campus application has been successfully submitted by Cities Alliance and GIMLA. A webinar on best practices in slum upgrading in Africa is going to take place on November 5, and a second event discussing the Asian experiences on December 4m 2 om CET. Both events will be streamed on the Facebook page of Cities Alliance (https://www.citiesalliance.org/newsroom/events/urban-thinkers-campus-slum-upgrading-sub-saharan-africa).

If you have not joined the first webinar on the Latin American experience and want to be kept updated about this and similar future events, please fill out following form.