

# **Social Housing Macro Projects and Local Capacity: The Case of Ciudad Verde in Soacha, Colombia**

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## Statement of authenticity of material

This thesis contains no material which has been accepted for the award of any other degree or diploma in any institution and to the best of my knowledge and belief, the research contains no material previously published or written by another person, except where due reference has been made in the text of the thesis.

Signed

**Ana Maria Buriticá Alzate**

Berlin, February 3<sup>rd</sup> of 2013

## ACKNOWLEDGEMENTS

*"It seems to me that the so-called neutrality of science does not exist, any more than the impartiality of scientists. And neither exists to the very extent that no human action is devoid of intended goals and ways of reaching them. No human being is ahistorical or apolitical."*

*- Paulo Freire-*

I chose this quote as it represents one of the biggest challenges that I faced while I was carrying out this research: it was difficult to separate my knowledge of the topic based on my working experience in the city of Bogota and my passion for public policy from being impartial and technically rigorous in the academic research. In this process I want to thank my supervisor Dirk Heinrichs, for his continuous support, guidance, motivation, and formulation of the right questions, always reminding me to maintain the focus in my research. I also acknowledge the support and financial assistance of Colfuturo and DAAD that makes it possible for me to be here in Berlin, not only studying, but also learning about German culture.

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## SUMMARY

Social Housing Macro Projects in Colombia promote the construction of housing units with high standards of public spaces and urban infrastructure through public-private schemes. They are promoted by the national government to deal with the lack of capacity of the local governments to produce land available for social housing development. The Macro Projects are the key instruments to achieving the housing policy goals that foster the construction of one million houses. The intention of this thesis is to understand to what extent local capacities are developed through the implementation of this instrument.

The methodology applied in this research was the following: First, the a common basis of understanding of the concept of local capacity development within three different layers—individual, organizational and societal—was established; and second, the case study of Ciudad Verde in Soacha was selected and the decision-making process was reconstructed, identifying the main role of the stakeholders involved. For this purpose, the Public Policy Field Analysis was used. From the stakeholders identified, a sample of 22 interviewees was defined, and semi-structured interviews were carried out in two rounds.

The main results of this thesis pointed out that at the individual level there is a need to increase the involvement of the personnel. At the organizational level, changes in planning and implementation procedures of the local government are happening, but there is no record of them. At the societal level, changes in the power relations and institutional framework are more tangible as a result of the discussions regarding decentralization that that resulted in the Constitutional Court Verdict that declared the *unconstitutionality* of Article 79 of the Law 1151 of 2007 that created the Macro Projects.

Creating a common basis of understanding local capacity development was the first step needed to analyze and understand how it connects with Macro Projects. Then, the strong relationship within capacity development at the different levels and the roles of actors within the implementation of the Macro Project were highlighted. As an outcome of this research, specific criteria were identified to analyze local capacity development as part of the policy, which makes it easier to gather the lessons learned on how this issue is being tackled in the first generation Macro Projects. The results of this research provide a first set of lessons learned from which useful recommendations have been drawn for the national government on the implementation of the second generation Macro Projects and how to achieve its goals in housing.

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## 1. INTRODUCTION

Housing in Colombia is a right established in Article 51 of the National Constitution, which specifically includes the notion of the right of decent housing for all Colombians and the right to live with dignity. In addition, it involves the promotion of social housing development and the creation of long-term financial programs that are intended to guarantee access to it for all citizens.

In Colombia, the provision of low-cost housing, also called social housing, needs to be significantly improved in order to reduce the housing deficit throughout the country. The following statistics convey this need for social housing (National Administrative Department of Statistics 2005).

- **Total population:** 8.210.347 households (78% urban and 22% rural).
- **Total number of households in lacking of housing:** 3.828.283 (57,1% are located in the main municipalities, and the remainder in the rest of the country).
  - 34% in quantitative deficit, meaning that these households do not have a house, or live with another family, or in precarious housing conditions.
  - 66% in qualitative deficit, which refers to households that live in inadequate houses that need to be improved - for example, those with no services or poor materials that put people's lives at risk.

One of the main reasons that explains these issues is the lack of land availability, especially because of its cost and the time required to incorporate it for formal housing construction. Furthermore, there is a **lack of capacity at the local level** - both in terms of human and financial resources - to implement the land management instruments established in the Law 388 of 1997, which outlines the planning instruments that define city's development in terms of its physical, social, and economic aspects (National Planning Department 2009).

Consequently, National Social Housing Macro Projects were promoted by the national government as an instrument to increase the urbanized land to develop social housing projects, thus complementing the housing public policy (National Congress of Colombia 2007)<sup>1</sup>. These instruments are a means to

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<sup>1</sup> The Decree 4260 of 2007 developed this law, providing the legal framework for the implementation of the instrument.



engage the dynamics of the construction sector, which has an important impact on the economy. These instruments are expected to solve the housing deficit issue due to the 'stronger' implementation capacity of the national government. Nevertheless, there are concerns related to the instrument and how it empowers or weakens decentralization. Specifically, it has been criticized for undermining the principles of autonomy, concurrence, coordination, and subsidiarity of decentralization established in the National Constitution, because it displaces the authority of municipalities to decide how to use their land from local to national government (Urban Studies Institute 2010).

In response to these concerns raised in lawsuits against the law, the Constitutional Court Verdict declared the *unconstitutionality* of Article 79 of the Law 1151 of 2007, as it displaced the competencies related to land use planning originally assigned to the municipal and district councils, since they are not involved in the process for Macro Projects. In addition, it does not recognize the principles of local autonomy and subsidiarity. In spite of this ruling, it was decided that the first generation Macro Projects that had already been adopted should be completed.

A new law was then created in 2011 to provide a legal framework for the second generation Macro Projects, which have a very important role in housing provision according to the national social and economic development plans for 2010-2014, which have the goal of constructing one million housing units on 7.000 hectares of land. The second generation Macro Projects will develop 60% of the required land (Silva 2011).

This outlines the importance of analyzing the Macro Projects through examination of the local capacity development, with the aim of identifying specific actions or characteristics that should be considered when formulating, implementing, and evaluating projects in order to fulfill the housing needs in Colombia in a more effective and sustainable way. Capacity development is part of the OECD agenda, encouraging developed and developing countries to have clear decision-making processes in order to select the right projects and programs, exchange good practices, and shape a common agenda (OECD n.d.).

Therefore, the main research question of this thesis is the following: to what extent do the National Social Housing Macro Projects in Colombia develop local capacities?

This research is important, as it fills an existing gap in the studies in Colombia on Macro Projects, which have focused mainly on how the instrument is related to decentralization. Additionally, there have been two very interesting theses on the Macro Projects: one from the University Externado de Colombia, which analyzes the socioeconomic segregation caused by the Macro Project, and another from the University of Los Andes that analyzes the Macro Projects in terms of the organizational field and the governance mechanisms within a Macro Project. In both cases, the case study was Ciudad Verde.

Consequently, the research objectives of this thesis are the following:

- Understand Macro Projects and their relationship to local capacity development.
- Determine whether the Macro Projects contribute to local capacity development within its three main layers: individual, organizational, and societal.
- Characterize the decision-making process and the role of its main actors throughout the different phases of the Macro Projects.
- Identify lessons learned from the implementation of Macro Projects in terms of local capacity development.

The document is organized in the following way: First, it presents the definition of local capacity development, with the ultimate aim of establishing the basis for the analysis (Chapter 2) and presenting all of the information related to the Macro Projects instrument itself (Chapter 3). Then, the research methodology is presented (Chapter 4). In Chapters 5 and 6, the case study analysis, based on the data collected throughout this thesis on the Ciudad Verde Macro Project in Soacha, and the results associated with the analysis of local capacity development are discussed. In Chapter 7, there is the interpretation of the results. The final conclusions are then given in Chapter 8, as along with the presentation of the main recommendations for the national and local government regarding the process of developing local capacities during the creation and implementation of Macro Projects.

## **2. DEFINING LOCAL CAPACITY DEVELOPMENT**

This chapter includes a general definition of local capacity development and its connection with decentralization and governance separately, in order to identify different elements of the concept that will be further analyzed. Additionally, the linking of these three concepts within a systematic approach promoted by the international cooperation sector that entails three layers of capacity development will be presented. This conceptualization constitutes the

framework for the analysis, as will be explained in Chapter 4, which deals with the methodology.

## **2.1. Definition of Local Capacity Development**

Capacity development is a concept that has been on the political agenda since the 1980's as a key element to guaranteeing adequate performance and achieving specific goals in a sustainable manner by individuals, groups, or institutions. The concept was triggered by the sense that the general long-term policymaking and planning at the national level in several developing countries needed to be improved (Weiss 2000). This idea typically goes hand in hand with neoliberal reforms in these countries, such as decentralization, governance and international cooperation. It involves building on local knowledge when there is a proven need.

According to the World Bank (cited in UNDP 2006), capacity development is the process of increasing the effectiveness and efficiency with which a country mobilizes and uses resources to identify, achieve, and sustain its development objectives. It is a long-term process that requires commitment within an organization or an entire country and the active engagement of key stakeholders.

Taking a slightly different perspective, the Asian Development Bank (2004) defines capacity development as the process whereby individuals, groups, and organizations enhance their abilities to mobilize and use resources in order to achieve their objectives on a sustainable basis. Efforts to strengthen the abilities of individuals, groups, and organizations can comprise a combination of (i) human skills development; (ii) changes in organizations and networks; and (iii) changes in governance/institutional context. These aspects correspond to the three layers of capacity development that will be discussed in Section 4 of this chapter.

As (Weiss 2000) mentioned, the definitions of this concept have the following features in common:

- The emphasis on roles and capacities of institutions;
- The importance of skills and attitudes of the people;
- The concept that the public sector is supposed to perform and that this performance depends on its capacities; and
- The concept that the appropriate capacities are those that will ensure long-term sustainability.

## 2.2. Local Capacity and Decentralization

According to Work (2002, p.5), “decentralization can be defined as the transfer of responsibility for planning, management and resource raising and allocation from the central government and its agencies to the lower levels of government”. It is necessary to highlight which responsibilities are being entrusted in decentralization processes and to whom. Historically, in the decentralization reforms of the developing countries, this transfer has usually been made from the central state to local governments or to the private sector. Specifically, a transfer of fiscal, administrative, and political authority occurs.

According to Heinrichs (2005, p. 16), “political decentralization involves the broadening of resources and competencies to local organizations that structure their autonomy along the principles of democratic practice”. Specifically, the author defines the scope and extent of the decentralization reforms in the following way:

- Fiscal Authority: Local share in national taxes and local sources of taxes, revenues, and charges.
- Administrative Authority: Service delivery, regulatory power, entrepreneurial orientation, and organizational development.
- Political Authority: NGO representation in local legislative bodies; government, NGO, and PO joint implementation; local special bodies; local initiative and referendum; and public accountability (recall and disciplinary action) and mandatory consultations.

Therefore, successful decentralization depends upon both national and local capacities. At the central level, skills related to policy analysis, regulation and oversight, and policy implementation are needed. Politically, at the central level, there is a premium on differentiating between broad national interests and matters best left for sub-national resolution. “At the local level, basic administrative and technical skills are needed, as well as capacity to engage citizens in needs assessment, priority setting, planning, and program implementation” (Brinkerhoff & Johnson 2009, p. 601). Based on this information, it is possible to identify specific elements that define the capacities that the local government must have in order to carry out the process of decentralization successfully and have adequate performance, which depends on aspects such as administrative and technical skills.

According to Smulovitz and Clemente 2005 (cited in Manzanal & et al 2006), in the framework of a decentralization process, local governments have

developed management capacity that has enabled them to design their programs and not only implement them. This incremental protagonist role is associated with the capacity of the local government to structure its own agenda and the technical and financial capacities of the municipality.

Additionally, local governments have significant autonomy in their choice of approaches and policy instruments for land use, and they exercise considerable discretion in terms of how they implement comprehensive planning requirements. Inattention to how local programs, regulations, and planning respond to state mandates is particularly unfortunate, given the tremendous variations in the restrictiveness of regulatory processes at the local level according to Anthony, 2000; Fischel, 1989 (cited in Feiock et al. 2008). This analysis should be considered throughout this thesis and the specific study case, in order to analyze how it fits within this specific situation in the Colombian context.

Finally, according to Brillantes (cited in Heinrichs 2005, p.132), decentralization reforms and the provision of greater administrative, fiscal, and political autonomy have transformed local chief executives into managers of their local jurisdictions. This is achieved with the aid of various plans, which entail decision-making on resource utilization and budgeting (fiscal authority), interaction between government and civil society (political authority), and the formulation of regulatory measures and organizational development (administrative authority). For these reasons, planning has been described as the process that embodies the spirit of local autonomy (Batero 1995, cited in Heinrichs 2005). Once more, this confirms the importance of analyzing three main types of capacity: fiscal, administrative, and political.

### **2.3. Local Capacity and Governance**

In order to define the relation between local capacity and governance, it is necessary to analyze several concepts of governance. According to the governance group of the World Bank, governance is defined as the manner in which power is exercised in the management of a country's economic and social resources. Three distinct aspects of governance can be identified: (I) the form of political regime, (II) the process by which the authority is exercised in the management of a country's economic and social resources for development, and (III) the capacity of governments to design, formulate, and implement policies (World Bank 1994, p. xiv).

According to Satterthwaite (2009, p.3), it is difficult, or perhaps impossible, to know what creates and sustains “good governance” in any city for those city dwellers with inadequate or limited income. Nevertheless, five aspects have been identified that generally support good governance:

- Elected city governments;
- City governments with enough resources and power to allow them to act (often linked to decentralization);
- Formal and informal avenues to allow civil society to influence what city governments do and to hold them accountable;
- Organized urban poor groups that can work at the city level, that are able and willing to interact with city government, and to whom city government is prepared to listen (otherwise middle- and upper-income groups can be the key sources of civil society influence on city policies); and
- A rule of law not too biased against low-income groups and their informal economy and informal housing. Of course, this rule of law must also protect community leaders and other citizens from arbitrary arrest.

In this specific consideration, it is possible to identify key elements related to capacity, such as resources, power, interaction between government and the community, and existing rules and procedures.

Finally, it is important to consider framing institutional behavior in three contexts: regulatory, normative, and culture, as proposed by Guevara (2011, p. 14) based on the theories of governance of Henisz et al (2012) and Scott (1995), this can be understood as agreements, according to Jooste (2008). These agreements are the pillars of the interaction of different stakeholders in any project.

(1) Regulatory agreements—laws, regulations, contracts, and their enforcement through price-based incentives, mediation, arbitration, or litigation. Regulatory institutions are enforced coercively via sanctions imposed by governmental or private organizations using their police power or formal authority when they are violated.

(2) Normative agreements—e.g. socially-shared expectations of appropriate behavior and social exchange processes; individuals who violate normative institutions are punished by their fellow group members through social sanctions such as ridicule, isolation, or ostracism.

(3) Cognitive-cultural agreements—shared identities, beliefs, and conceptual frameworks to bridge differences in values or interests. People who behave in ways that conflict significantly with their own cognitive-cultural institutions punish themselves by experiencing acute ‘cognitive dissonance’.

## 2.4. A Systems-Based Approach: The Three Layers of Capacity Development

Considering the definitions and connections among the concepts presented in the first three sections of this chapter, a systems-based approach identifying three layers of capacity development is presented. This systems-based approach, developed and published by UNDP in 2002<sup>2</sup>, constitutes a new paradigm for capacity building. The layers of analysis are the following: enabling environment, also known as societal level, organizational level, and individual level.

In 2003, JICA explored this approach within its activities of technical cooperation, identifying that capacity building was based on erratic assumptions, that the new had invalidate them<sup>3</sup>:

- One of the assumptions is that “it is possible simply to ignore existing capacities in developing countries and replace them with knowledge and systems produced elsewhere” (UNDP, 2002a, p8). The old model views a form of “development as displacement”, rather than “development as transformation” (JICA, 2003).
- Another basic assumption of the old model is that technical cooperation is based on an equal partnership between donor and recipient. In reality, the relationships have tended to be more asymmetric, discontinuous, and distorted (UNDP, 2002a, p10).
- In the old model, human resource development is perceived as the core of capacity development and pursued through formal training schemes that aim to transfer knowledge in a vertical (top-down) mode. Technical cooperation should “rely less on routine training courses and more on on-the-job learning, or mentoring, or having people with different levels of skills work in teams with a constant process of interaction and learning” (UNDP, 2002a, p13).

All of these layers of capacity are interdependent. JICA agreed with UNDP that to have effective capacity building, capacity development activities should address all three levels, even though to separate the activities in the enabling environment level can be challenging. JICA highlights that “their basic strategy is to develop the capacity of the counterpart agency so that it can respond to and meet the needs of beneficiaries. To this end, the projects established solid networks with beneficiaries and other important stakeholders” JICA (2003, p. 17). This point is very important for thinking about local capacity development within the framework of this thesis, as the involvement of different stakeholders is one of the main characteristics of the National Social Housing

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<sup>2</sup> Which is contain in (UNDP 2008).

<sup>3</sup> (JICA 2003)

Macro Project.

To begin, it is necessary to present the definition of organizations developed by Northon (1990):

“Defines organizations as ‘made up of groups of individuals bound together by some common purpose to achieve certain objectives. Organizations include political bodies (political parties, the Senate, a city council, regulatory bodies), economic bodies (firms, trade unions, family farms, cooperatives), social bodies (churches, clubs, athletic associations), educational bodies (schools, universities, vocational training centers).’ North distinguishes between organizations and institutions by stating that an institution constitutes ‘humanly devised constraints that structure human interaction. They are made up of formal constraints (rules, laws, constitutions), informal constraints (norms of behavior, conventions, and self imposed codes of conduct), and their enforcement characteristics.’ UNDP has chosen to use the term ‘organization’ to refer specifically to an entity, and ‘enabling environment’ to indicate the system beyond the single organization, which comprises more than institutions (UNDP 2008, p. 7)”.

Taking this into consideration, it is important to define each of the layers and recognize its main elements:

#### 2.4.1. Individual level (experience, knowledge, & technical skills)

In this level, capacity refers to individuals’ skills, experience, and knowledge. Each person is endowed with a combination of capacities that allows him or her to perform, whether at home, at work, or in society at large. Some of these capacities are acquired through formal training and education, others through learning by doing and experience (UNDP 2008, p.6).

In order to link the definition of capacity at the individual level with planning capacity, it is necessary to mention that Davidoff and Rainer (1962) (cited in Choudhury 2007, p. 265) stated that values were seen as originating within the political process, and were provided by the clients of the policy process technicians (i.e. the planners). The planner as a policy analyst was a specialist that helped the clients to articulate their goals, translating them into alternative strategies to maximize their achievements through careful analysis and systematic evaluation. This quote shows how important the role of the people to develop strong capacities within an organization is, for example.

Furthermore, in the same article, (Choudhury 2007) argues “that ‘as the public sector moves from a ‘civil service’ to a ‘human resources’ paradigm, adapting



innovative personnel practices is increasingly becoming critical for good governance.’ French & Folz (cited in Choudhury 2007. p. 265) mentioned, “small local governments are distinctive in terms of their size, political status, administrative capacity, and culture. They often lack the fiscal, technical, and professional capacities to adopt administrative innovations”.

#### 2.4.2. Organizational level (systems, procedures, & rules)

The organizational level of capacity comprises the internal policies, arrangements, procedures, and frameworks that allow an organization to operate and deliver on its mandate and enable the combination of individual capacities in order to work together and achieve goals. If these exist and are well-sourced and well-aligned, the capability of an organization to perform will be greater than that of the sum of its parts (UNDP 2008, p. 6).

It is important to broaden the concept of administrative capacity within this layer for further analysis. The administrative capacity of a public organization constitutes its “intrinsic ability to marshal, develop, direct, and control its human, physical, and information capital to support the discharge of its policy direction” (Ingraham and Donahue, 2000 cited in Addison 2009, p. 7).

Administrative capacity, in particular, plays a critical role in enabling local governments to ease the bureaucratic burden of managing relationships with the private sector. “Public administration scholars are increasingly drawing attention to the benefits of strong administrative capacity for organizational functioning, especially in terms of managing other stakeholder organizations involved in service production, but few provide empirical tests to confirm these notions” (Andrews & Entwistle 2011, p. 23). In this case, it is possible to see how this layer is strongly related and necessary to creating an enabling environment.

Finally, according to Hou et al. 2003, (who reference Ingraham & Donahue, 2000, and Lynn et al., 2000), the administrative capacity approach, outlined above, considers the importance of policies, procedures, and resources governing administrative action and designed to improve governmental performance. The capacity approach tends to be discussed in the field of public management. In this context, the financial capacity of this level is key, as it has a direct link to what was discussed in the connection between capacity and decentralization.

### 2.4.3. Societal Level (Enabling Environment)

The enabling environment is the term used to describe the broader system within which individuals and organizations function and that facilitates or hampers their existence and performance. This level of capacity is not easy to grasp tangibly, but it is central to the understanding of capacity issues, since capacities at the enabling environment level determine the 'rules of the game' for interaction among organizations. Such capacities include policies, legislation, power relations, and social norms, all of which govern the mandates, priorities, modes of operation, and civic engagement across different parts of society (UNDP 2008, p.5)

This level is also known as the societal layer, since it involves capacities in the society as a whole, or a transformation for development. For example, reflecting on JICA's experience, when the project is well-integrated into the sector plan of the partner country and effectively linked with different institutions, the success of the pilot project may extend its positive effects beyond institutional levels. This is because the project can demonstrate a successful model of implementing the sector policy (JICA 2003).

Another example would be the fact that in relation to projects that "contribute to the formation of social capital in the partner countries, case studies suggest that it is important to promote mutual trust within the counterpart agency as well as in the community and private sectors, to establish a network among broad ranged stakeholders and to promote mutual trust among them" (JICA 2003 p.14).

The societal level influences the behavior of organizations and individuals largely by means of the incentives it creates. For example, whether or not an organization is able to achieve its objectives depends not only on whether it has adequately resources, but also on the incentives generated by the way it is organized under prevailing rules. The context provides incentives to the organizations, thus motivating them to act in a certain way. Some incentives foster productivity, growth, and capacity development, others foster passivity, decline, or even closure". In turn, organizational and institutional rules influence individuals' capacities by creating incentive structures that either give or deny them opportunities to make good use of their abilities and skills. Once more, in this example, it is possible to see the relation between the different levels.

Figure 1 summarizes the main aspects of this chapter, which frame the analysis in this thesis:

**Figure 1 Conceptual Summary of Capacity Development**



Source: Modified by the author based on PNUD, 2008. December 2012.

### 3. INTRODUCTION TO NATIONAL SOCIAL HOUSING MACRO PROJECTS IN COLOMBIA

#### 3.1. Defining National Social Housing Macro Projects

Social Housing Macro Projects promoted by the national government are an instrument focused on increasing land development to build social housing projects, which complements the housing-related public policy. This land development includes provision of public services, roads, public space, and social infrastructure. A Macro Project's location should promote the organization of the territory, compact urban development, densification, and sustainable development. These large-scale projects enable the private sector to create social housing and the local authorities to increase their capacity to address, together with the national government, the low-cost housing deficit in Colombia.

According to the Law 1151, Art. 79, 2007 (National Congress of Colombia 2007)<sup>4</sup>:

"Macro projects of national interest are the group of administrative decisions and planning and development actions adopted by the national government that involve planning, financing, and land management instruments to implement

<sup>4</sup> The Decree 4260 of 2007 developed this law (Presidency of Colombia 2007).

large-scale operations that contribute to the territorial development of specific municipalities, districts, or regions in the country”.

They constitute a complete strategy that includes specific policies for urban development, housing, water supply, and basic sanitation. National Social Housing Macro Projects will guarantee a comprehensive intervention from the State, along with the participation of the private sector, to produce social housing (Law 1151, 2007). National Social Housing Macro Projects are planning instruments that are higher up in the hierarchy than the land use plans elaborated by the local governments.

The origin of this instrument is established in the Law 388 of 1997, specifically in Article 113, which refers to the Comprehensive Urban Projects that should be in line with the policies and strategies included in the land use plan of the respective municipal or local entity. The national government can be part of the projects, and the municipalities must define its conditions of participation. These projects must be part of the land use plan or plot development plans, ensure structural impact on urban planning policies and strategies and quality of life, integrate a component of urban land management and at least two other components of sectorial action, and include mechanisms to promote public-private alliances. All of this will be executed through Macro Projects, as is established in Article 114.

Consequently, one can see that Macro Projects have their roots in the idea of high-impact projects that can be developed in collaboration with the national government and the private sector. The instrument approved in 2006 made them focus on Social Housing. According to the Ministry of Housing, it is also necessary to keep in mind that Macro Projects “are better scenarios for physical urban and regional planning, providing public spaces of high quality with efficient mobility. Hence, this mechanism can be used to organize the territory” (cited in Constitutional Court 2010, p. 16). Even though the article in which this initiative was established was declared unconstitutional, the Court ruled in favor of continuing the National Social Macro Projects that were already in the process of construction (See chapter 1).

### **3.2. Justification of the National Social Housing Macro Projects**

These instruments address five main urban challenges in Colombia:

- A.** Historically, there has been a large **housing deficit** in Colombia, not only in terms of the number of lacking housing units, but also in terms of the quality of the existing ones. According to the Census of 2005, in Colombia, a total of 3.828.283 households are of poor quality, out of which 57,1% are located in main municipalities and the others in the rest of the country (CENAC n.d.).
- B. Informal settlements** are increasingly springing up in cities due to difficulties in accessing the formal land and housing market. Recently, estimations showed that at least 1.3 million households, which represents 16% of all urban households, live in houses lacking basic services, built with inadequate materials, having overcrowded conditions, or located in high risk zones. I (National Council of Economic and Social Policy of Colombia, 2004).
- C. Lack of capacity at the local level**, in terms of both human and financial resources, to implement the land management instruments established in the Law 388 of 1997, which outlines the planning instruments that define a city's development based on its physical, social, and economic aspects. According to (Vergel 2009), who was a consultant for the National Planning Department to analyze urban settlements, based on a survey, the local governments identified the lack of human, technical, and financial resources, which is one of the limitations to effectively implementing housing programs in Colombia.
- D. Lack of land availability for social housing development.** According to the National Planning Department and the Ministry of Housing, in the actual planning instruments used by the local authorities, there is not enough land available. To cover the housing deficit of the main cities in Colombia, an annual development of 450 hectares of land would be required. At the national level, there is a need to have 3.565 hectares per year developed for this purpose (2.319 will fulfill the increase in number of households and 1.347, the accumulated housing deficit). The lack of planning is linked to the lack of capacity at the local level mentioned before. In Table 1 below, there are key statistics on the urbanized land available according to the land use plans in the selected cities.

**Table 1 Urbanized land analysis for the main 5 cities in Colombia.**

City	Urbanized land with residential use	Urban land for expansion with residential use	Potential Housing *
<b>Bogota</b>	20.409	2.058	205.800
<b>Cali</b>	Not available	1.600	160.000
<b>Medellin</b>	7.640	519	51.900
<b>Bucaramanga</b>	1.914	107	10.700
<b>Barranquilla</b>	2.318	947	94.700
<b>Total</b>	<b>32.281</b>	<b>5.231</b>	<b>523.100</b>

Source: National Planning Department 2006. Based on direct consultation with the local governments in 2000, 2004, and 2005; and the Housing Policy document from the Mayor of Bogota. December 2003. \* Analyze with a density of 100 housing units/Ha.

**E. There is an economic crisis that necessitates several emergency regulations enforced by the national government.** The creation of these instruments is meant to engage the dynamics of the construction sector, which has an important impact in the economy.

### 3.3. Purpose of National Social Housing Macro Projects

On a short-term basis, through these projects, it will be possible to:

- Develop land for the construction of (low cost) social housing
- Provide public services
- Construct roads that link regional, urban, and local connections.
- Provide sufficient and adequate public spaces and collective institutions, such as schools and hospitals.

According to the long-term view stated in the document drafted by the National Planning Department, Colombia Envision 2019<sup>5</sup> – (i.e. Vision Colombia 2019) - and the Administrative Document 1687 of 2009 (Ministry of Housing, City and Territory 2009), the Macro Projects will:

- Facilitate access to the formal land and housing market for the low-income population.
- Boost large-scale social housing construction, especially in areas where the housing deficit is very concentrated.

<sup>5</sup> (National Planning Department 2005) – Available: [www.dnp.gov.co](http://www.dnp.gov.co)

- Incentivize construction-related GDP growth.
- Create synergies among the resources of the national government, local authorities, international cooperation institutions, and external loans in the promotion of social housing supply.
- Link the private sector and landowners in the development of social housing land through Macro Projects.
- Support technical capacity building in municipalities to identify, formulate, and implement high-impact, comprehensive projects.

### 3.4. Legal framework of National Social Housing Macro Projects

Type	Description	Government Level and Stakeholder
<b>Political Constitution of 1991</b>	The governing legislation that defines Colombia as a decentralized unified state, with a certain degree of autonomy for its local authorities and a presidential system. <u>Related articles:</u> 1, 51, 189, 287, 288 and 313 (1 and 7).	National Level - Republic of Colombia
<b>Law 388 of 1997 – Territorial Organization</b>	Establishes mechanisms for municipalities to promote territorial organization and efficient land use. <u>Article 10:</u> Municipalities and districts should take into account higher hierarchy guidelines when they are developing the land use plans. <u>Article 58:</u> To expropriate real estate, it is possible to declare its social interest. <u>Article 85:</u> Resources produced by the property tax-generated additional capital can be allocated to buy land or buildings to develop social housing plans or projects. <u>Article 114:</u> Proposed urban Macro Projects as instruments to develop comprehensive urban strategies and actions, which implies that the proposal is made directly by the municipalities and is included in each land use plan.	National Level- National Congress of Colombia
<b>CONPES 3305 of 2004</b>	Guidelines to optimize urban development policy in Colombia.	National Level - National Council of Economic and Social Policy of Colombia

<b>Law 1151 of 2007 – National Development Plan 2006-2010</b>	<p>Establishes the main content of the government program that contains the main goals, action priorities, and investments. In Colombia, a new version is developed every four years.</p> <p>Article 79: Macro Projects of national interest are the group of administrative decisions and planning and development actions adopted by the national government that involve planning, financing, and creating land management instruments to carry out large-scale operations that contribute to the territorial development of specific municipalities, districts, or regions in the country.</p> <p>Article 82: To use the resources and develop the activities needed to urbanize the land and develop the Social Housing Macro projects referred to in Article 79.</p> <p><u>Comment:</u> The differences between these instruments and the one established in Article 114 of the Law 388 are the following:</p> <ul style="list-style-type: none"> <li>▪ They are proposed by the National Government;</li> <li>▪ They are not necessarily included in the land use plan, and</li> <li>▪ They do not include agreement processes with the local and district councils.</li> </ul>	National Level- National Congress of Colombia
<b>Decree 4260 of 2007</b>	This document was elaborated to further develop articles 79 and 82 of the Law 1151. It establishes the main goals and procedures for the identification, definition, announcement, adoption, and implementation of the Macro Projects.	National Level – National Government (President)
<b>CONPES 3583 of 2009</b>	Policy guidelines and guidelines on the consolidation of land management instruments and social housing provision.	National Level - National Council of Economic and Social Policy of Colombia
<b>Decree 3450 of 2009</b>	It dictates the housing family subsidy program in relation to the National Social Housing Macro Projects.	National Level – National Government (President)
<b>Decree 3671 of 2009</b>	It modifies the Decree 4260 of 2007 in relation to the identification and announcement of the Macro Projects.	National Level – National Government (President)



<b>Constitutional Court Verdict 149 of 2010</b>	It declares the <i>unconstitutionality</i> of Article 79 of the Law 1151 of 2007, as it displaced the competencies related to land use planning assigned to the municipal and district councils, since they are not involved in the process. Furthermore, it does not recognize the principles of local autonomy or subsidiarity. The Macro Projects that are already being implemented must be completed (see the specific list in the Results Section in this chapter).	National Level – Constitutional Court
<b>Decree 4821 of 2010</b>	Establishes the measures to guarantee the urbanized land for the housing projects and relocation of human settlements to face national disasters and economic, social, and ecological emergencies. Article 13: The Social Housing Macro Projects that have been adopted up until the Decree's date can enlarge their planned area or management area only if the modification fosters the incorporation of new land or housing projects into the municipalities affected by the rainy season (it can be either through building new houses or relocating families located in high risk zones).	National Level – National Government (President)
<b>Law 1468 of 2011 – Law of Land and Housing</b>	Established the Second Generation Macro Projects, addressing all the weak points identified by the Verdict aiming to guarantee sustainable development under the basis of equity and following all the constitutional principles.	National Government – Ministry of Housing

**Source:** Prepared by the Author. December 2012.

### 3.5. Process of National Social Housing Macro Projects: what is the process and who is involved

The National Social Housing Macro Projects are evidence that there was a need to change the production scale of social housing and strengthen the institutions in charge of the topic within the regions themselves. Establishing a strong link to the financial system is also very important.

The process of this instrument contains three major activities: the identification and selection of the projects that ends with the announcement through an official document from the National Housing Ministry, and the formulation of the project, which results in project adoption and its actual

implementation. In Figure 2, the phases of the process of Macro Projects are summarized.

**Figure 2 Phases of the process of Macro Projects**

<b>PHASES OF THE PROCESS OF SOCIAL HOUSING MACRO PROJECTS</b>	Identification and Selection	Based on the demographic dynamic, the quantitative and qualitative deficit of social housing and the territorial impact of the intervention
	Announcement	Through a legal document issued by the Ministry that contains the main information of the project.
	Formulation	It depends on who is presenting the project. It can be public, public –private or by the private sector. (7 in total: 3 by private and 4 by government)
	Adoption	Through a legal document issued by the Ministry that contains the main information of the project. The area can be modified if it is increased.
	Construction and Urbanism Licenses	This is done by the Local Government based on the project that was adopted by the Ministry of Housing.
	Implementation	It depends on who is managing the project. (7 in total: 3 by private and 4 by government)
	Subsidy Assignment	This phase does not apply to all the macro projects.

Source: Prepared by Author. Based on Presidency of Colombia 2007. December 2012.

### 3.6. Management of Macro projects

The key to success is the coordination, agreement mechanisms, and complementarity between the public and private initiatives. In order to guarantee the sustainability of the project, especially its financial sustainability, it is necessary to create synergies between different instruments and strategies dealing specifically with:

- Land Management Instruments
- Urban Legal Framework
- Financial Scheme
- Fiduciary Scheme
- Tax Scheme

It should be highlighted that public investment is only for infrastructure and social service construction; additionally there could be specific subsidies to

each buyer. This specific investment varies according to who is the promoter of the Macro Project.

### 3.7. Results of the National Social Housing Macro Projects: When & Where

Under these criteria, the National Government decided to promote twelve initiatives, three of which would be done directly by the government, eight through public-private partnerships, and one by the private sector. These projects were supposed to be executed in two phases and could be done directly either by the public or private sector or through a partnership between the two (PPP) (National Planning Department 2009). As of March 2010 (Constitutional Court 2010), there are seven Macro Projects that have been adopted and are being implemented, and they will produce a total of 1,523 hectares of developed land and potentially 111,928 social housing units. The basic project statistics are given in the table below.

**Table 2 Basic Data of First Generation Macro Projects in Colombia**

Department	Name and City	Developer	Area Adopted (Has)	Potential number of housing units
<b>Atlántico</b>	Villas de San Pablo – Barranquilla	Foundation Mario Santo Domingo	296,49	20.000
<b>Bolívar</b>	Ciudad del Bicentenario – Cartagena	Foundation Mario Santo Domingo	556,3	25.000
<b>Antioquia</b>	Nuevo Occidente- Medellín	Mayor of Medellín	32,59	10.000
<b>Huila</b>	Bosques de San Luis- Neiva	Mayor of Neiva and Department	36,21	3.928
<b>Caldas</b>	Centro Occidente San Jose – Manizales	Mayor	111,05	3.500
<b>Cundinamarca</b>	Ciudad Verde – Soacha	Amarillo (Private)	327,96	42.000
<b>Risaralda</b>	Ciudadela Gonzalo Vallejo Restrepo – Pereira	Mayor	162,84	7.500
<b>Total</b>			<b>1523,44</b>	<b>111.928</b>

Source: Ministry of Housing, City and Territory. Dec. 2010.

According to (Uribe 2011) and specifically the estimates made by the Ministry of Housing, with these projects, it is possible to cover an average of 57% of quantitative housing deficit in each of the target cities. Additional results from the Macro Projects will be:

- 190 hectares of secondary and connecting roads.
- 200 hectares of public space (10 m<sup>2</sup> of public space per person as an average of all Macro Projects).
- 102 hectares for public social infrastructure.

Additionally, most of the sector-related indicators have proven positive:

- Construction generates a large amount of employment; the data shows that approximately 100.000 jobs have been created thanks to the Macro Projects.
- Based on information from the Colombian Association of Construction Companies – Camacol- and Galeria Inmobiliaria, the growth in sales of social housing units has been between 15% and 20%, thanks to the promotion done by the government.
- Licenses show a 70% increase in all types of housing; in particular, the number of licenses for Social Housing has increased by 90 percent.

### **3.8. Similar International Experiences**

#### **Chile: Private housing in the city** (Rodriguez et al, 2011)

Between 1980 and 2006 in Chile, more than 500,000 social housing units were built, which significantly reduced the historically high national housing deficit. A model in which the subsidy is giving directly to the constructor was applied, complementing the households' savings and credit. The projects could even be of 2.000 houses with high densities (600 inhabitants per hectare). This model has been implemented in other countries in the region, such as Colombia, Guatemala, and Venezuela. This policy was a success for the construction companies because they could build a large number of houses.

To innovate and change the model is difficult, as it has satisfied stakeholders for a number of reasons:

- The Housing Ministry provides subsidies and delivers housing to the ones in need.
- A small amount of construction companies build without risk and will receive the added value tax back from the national government.

- The financial system provides the people with subsidies; the national government pays for the credit expenses and takes on the responsibility of selling the house in case the incoming inhabitants cannot pay their loans.

The main problems with the houses built during the period were the following:

- Lack of quality of the housing construction and life conditions in the new area.
- The land value increased and endangered the real estate system.
- None of the stakeholders involved have done an analysis of the social impact and cost of the projects.
- Each household has made extensions on their own, without any institutional and technical advice.
- 64.5% of the inhabitants want to move out of their houses due to the social problems and low perception of security.

### **Housing Policy Experiences in Mexico**

(Iracheta A, 2011 – López R et al, 2011)

Annually, there are between 500.000 and 600.000 new social housing units constructed in Mexico. Nowadays, the government has changed the financing schemes of the housing policies that used to benefit the private sector. The government institutions in charge of housing were loan providers for the people in need and the private enterprises. According to the information in 2011, the entity provided a total of 351.000 loans to people to buy new houses.

The main problems of the policy are:

- It is oriented to the less poor of the poor people. The policy covers 30% of the real demand, 20% of people of which have the money, and 50% who are not covered, so they develop housing through informal processes.
- The housing that is produced is in closed residential units.
- The location and size of the housing is determined based on its price.
- Low environmental and spatial quality of the houses.
- The government has become a facilitator for private business and profitability.

## **4. RESEARCH DESIGN AND METHODOLOGY**

This chapter presents the research methodology used in this thesis, in order to understand *to what extent the National Social Housing Macro Projects in Colombia have helped develop local capacities*, within the three layers of capacity development identified by the international cooperation sector.

First, the literature review helped to broaden the perspective on the topic and also determine its relevance and suitability. Aitchison 1998 (cited in Addo, G 2003) supports the view that a literature review allows the researcher to find

out what has been done in terms of the problem being investigated, in order to ensure that duplication does not occur.

In this case, it was done to understand more about the Macro Projects in Colombia, which, since the beginning, have generated a lot of controversy. Furthermore, this helps to identify different topics and issues that have been written about in relation to the topics being treated in this thesis and to develop a deeper understanding of the link between the Macro Projects and decentralization. Through this process, the scope of the research was narrowed and focused on the analysis of local capacities developed by Macro Projects, considering the factors that led to the creation of the instrument.

This analysis has been done through *qualitative research*, which is defined as “a form of systematic empirical inquiry into meaning”. By systematic, he means “planned, ordered, and public”, following rules agreed upon by members of the qualitative research community. By empirical, he means that this type of inquiry is grounded in the world of experience. Inquiry into meaning involves researchers trying to understand how others make sense of their experience. (Shank 2002 cited it in Ospina 2004, p. 5).

Specifically, a *case study* was selected to conduct the research<sup>6</sup>. According to Yin (1994, p. 9), a case study is useful when “a how or why question is being asked about a contemporary set of events over which the investigator has little or no control”. Furthermore, it is useful when the research is characterized by process tracing, argues George and Bennett (2004), cited in (Gerring 2004, p.242). This makes this method particularly relevant for the purpose of the thesis.

The data has been collected through: a) a literature review that was used to better define local capacity, understand the Macro Projects, and reconstruct the decision-making process; b) a stakeholder analysis, which identifies the key actors and their involvement in the Macro Project; c) semi-structured interviews that combine a pre-determined set of open questions (questions that prompt discussion) with the opportunity for the interviewer to further explore particular themes or responses; and d) reconstruction of the decision-making process throughout Macro Project implementation and the actors involved in it.

Finally, all the information has been systematically processed and analyzed, within the case study and the three layers of capacity development identified

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<sup>6</sup> A case study is a research method used to understand and explain a specific situation or issue that is happening and that is new in the context.

based on the literature review. The interviews were coded according to each of the layers of analysis and the specific criteria within each layer. Public Policy Field Analysis was used to guide the reconstruction of the decision-making process in the specific case. Triangulation of issues, themes and responses within the different methods were key to guaranteeing the validity of the research. This analysis facilitated the identification of areas of agreement and disagreement within the case study, which will enrich the interpretation of the information.

#### **4.1. Rationale behind the Research Strategy**

In this particular case, developing a qualitative research method is accurate for analyzing the relationship between Macro Projects and local capacity development, as it allows the development of a detailed level of understanding of a situation and, in this case, a new instrument. By doing this analysis, it will be possible to expand the concept of capacity beyond a simple quantification of the number of social housing units produced or number of hectares available. Furthermore, it facilitates the understanding of different motivations, assumptions, opinions, and experiences related to the theme; and enables to better comprehend their perspectives within the decision-making process and key stakeholders.

Therefore, a case study is useful when the research is characterized by process tracing, which makes it particularly relevant for the purpose of the thesis, according to George and Bennett (2004) (cited in Gerring 2004, p.242). When a case study is used, it is necessary to carefully design it, keeping in mind the purpose of it. It must be valid, which means that the conceptual reasoning behind it must be comprehensive and specific and should represent the instrument that is being analyzed (Gerring 2004).

The rationale behind selecting the case study for this specific research is the following:

- National Social Housing Macro Projects were recently approved in 2007, and the first ones were adopted in 2009, which means that a case study is a good mechanism to explain how they fit within the context.
- It contributes to the main research question and operational questions, as it is one specific case.
- It is useful to reconstruct the process of how the instrument was implemented, regarding decision-making and stakeholders involved.

Additionally, for the selection of the Macro Project for the case study, it was necessary to analyze the impact of the intervention, the accessibility of data, and the resources and time available during the fieldwork. Considering these aspects, the case study selected is the Macro Project of Ciudad Verde in Soacha (See Chapter 5).

Once the research methodology and the case study were selected, operational questions were set to analyze local capacity development at the different levels. These questions guided the fieldwork conducted in Colombia using semi-structured interviews to collect the information, plus the reconstruction of the decision-making process and the actors involved.

<b>Table 3 Operational questions to analyze capacity development at the individual level</b>	
1	Were there specific trainings for the staff for the implementation of the Macro Project?
2	What new knowledge was gained from the Macro Project in terms of networking and cooperation?
3	Were there changes and lessons learned from a technical perspective in the implementation of the Macro Project? Which changes?
4	Were there improvements in project management knowledge and skills during the implementation of the Macro Project? Which improvements?
5	Were the staff inspired to change their way of doing policy analysis in the local government because of their interaction with other stakeholders? How?

<b>Table 4 Operational questions to analyze capacity development at the organizational level</b>	
1	What will be the amount of new income produced thanks to the construction of the Macro Project? - Property tax and added value property tax-. (Financial)
2	What will be the changes estimated in the municipality's expenses due to the new demand of social services? Who made this estimation? (Financial)
3	Did the implementation of the Macro Project affect the planning processes and procedures in the municipality? How? (Planning procedures)
4	Did the implementation of the Macro Project increase the importance of the housing topic in the planning instruments of the municipality focused on enhancing its planning capacity? How? (Planning procedures)
5	Were there changes in the management of the information in the local government? Which changes? (Implementation procedures)
6	Were there changes in the municipality to deal with infrastructure-related issues? Which changes? (Implementation procedures)
7	Was there an impact assessment of the Macro Project by the municipality? If so, who was involved in this evaluation? Did the local government internalize the learning from the implementation of the Macro Project? (Evaluation procedures)
8	Were there changes in the local government regulations thanks to the implementation of the Macro Project? (Legal framework)



<b>Table 5 Operational questions to analyze capacity development at the societal level</b>	
1	Were there changes in the power relations among the local, regional, and national governments due to the implementation of the Macro Project?
2	Were there changes in the responsibilities within the government structure due to the implementation of the Macro Project?
3	Did the Macro Project make decisions on the national level and therefore weaken the local government's capacity, which is strengthened by the decentralization process?
4	What new partners came in, and what did they contribute that helped the local government to improve its administrative and technical capacities? (Knowledge transfer)
5	How has the Macro Project strengthened the relationships between the local government and the private sector for this specific project?
6	Did the management of the Macro Project change the relationship between the citizens and the local government? Does this new form of interaction facilitate the performance of the local government?

## 4.2. Sample

The first step to select the sample was to do the stakeholder analysis in order to identify the key actors and their interests, enabling the researcher to have a comprehensive perspective on their motivations, interests, and, most important, the role they have played throughout the process, which is part of the aim of this thesis. In this process, people from the local, regional, and national levels of government, the private sector, including construction companies and academics<sup>7</sup>, and the community were identified as key actors, not only in the definition and analysis of the instrument in its initial stage, but also in its development.

From this analysis, a selective sample was taken for this research considering their knowledge and involvement of Macro Projects. In this sample, there are people from the public sector, specifically who are or were part of the local and the national levels of government when they were making the decisions about the instrument and during the process of implementation of the Macro Projects. Additionally, there are people from the private sector, including the manager of the Macro Project, construction companies involved in social housing production in Colombia, and researchers at universities who are

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<sup>7</sup> Academics are within the private sector because in Colombia, the majority of universities are foundations without profit and are categorized within the same sector. It is the same with the Research Centers.

continuously following urban issues. The community was excluded from the sample as the research focused on the supply side of the topic, without analyzing the stakeholders in the demand side due to the time restriction. This is a limitation of the research.

Once the fieldwork started in Colombia, a snowball sampling started with the first interviews. According to Cohen & Arieli (2011, p.427), "the snowball sampling methodology, or chain-referral sampling, is a distinct method of convenience sampling, which has been proven to be especially useful in conducting research in marginalized societies. This method is commonly used to locate, access, and involve people from specific populations in cases where the researcher anticipates difficulties in creating a representative sample of the research population".

This snowball sample is very important in this thesis, since one of the aims is to reconstruct the process of decision-making within the project and understand how this is related to the capacity of the local government. Particularly, in this research, the snowballing process includes people from the regional government, expert consultants in urban matters who have been involved with Soacha (the municipality where the case study is located) and two students that used the same project as case study before to develop their research in different topics. It is important to note that the same people were always being referred to Appendix 1 List of interviews done during the fieldwork in Bogotá. In this sample, a first round of interviews were conducted.

Out of this list, a second round of interviews were done, particularly with the interviewees that have had specific experience working with the Macro Project Ciudad Verde in Soacha. They had the opportunity to go through the operational questions, looking forward that the results and the analysis of this research is useful for the Colombian context, keeping in mind the three layers of capacity development defined by the international cooperation sector.

### **4.3. Data Collection Methods**

The data has been collected through revision of official documents internally produced by the stakeholders directly involved with the Macro Projects and external documents produced by universities or research centers to have an overview. At the same time, general journal selection of news related the topic complemented the set of documents mentioned above. The selection of these documents was supported by the stakeholder analysis, which will be explained in greater detail in Chapter 5.

At the same time, semi-structured interviews were designed that contained a pre-determined set of open questions (questions that prompt discussion). Open questions are used to understand how interventions work and how they could be improved. They also allow respondents to discuss and raise issues that the researcher may not have considered (Department of Sustainability and Environment n.d.).

A first round of 22 interviews were conducted in the Appendix 2, there is more specific characteristics on how this sample is composed. The primary group of questions was about Macro projects in general and their main aspects, in order to understand the rationale behind the instrument and its relation to capacity. In the second part, the questions were related to the general process of decision-making, focusing on the Macro Project selected as the case study in this research. Finally, there were general questions about the implementation of Ciudad Verde, including its strength and weaknesses. (Refer to Appendix 3).

A second round of 13 interviews were conducted with the interviewees that have worked with the Macro Project selected as the case study and/or directly with the municipality where it is located. These interviews followed the operational questions (4.2), gathering answers directly related to the Macro Project of the study case (Refer to Appendix 4).

#### **4.4. Data Processing and Analysis**

To process the data, it was necessary to transcribe each of the interviews done during the first and second round. Afterwards, the information was systematically manually processed into an Excel document, defining key words and sentences in two main groups:

- Information related to the case study and the reconstruction of the implementation process, which was input for the public policy field analysis.
- Information related to the three layers of capacity development, following the operational questions in two dimensions, specifically for the study case and in general for the instrument.

In most of the cases, data triangulation was done based on the different answers from the stakeholders and using the review of the documents

mentioned before as sources. Taking this into account, it is important to explain how the policy field analysis worked.

The aim of the policy field analysis (also called policy analysis) is to “understand and explain the emergence of a societal problem and its political processing” Schneider/Jannig, 2006 (cited in Jahn & Lux 2007). Therefore, to apply this methodology, it was necessary to use the map of stakeholders, recognizing the main actors and understanding the individual beliefs and the resources found in the particular case.

This methodology was used to reconstruct the implementation process of the case study (Section 5.5) and understand how the different phases in planning relate to each other (from the development of the concept to the implementation process), in order to understand the challenges and opportunities of the case study (Anon 2011). For the purpose of this research, this method applied focus in having an overview of the key stakeholders and understanding the differences and the similarities between the actions defined in the legal framework against the actions that were done. This process was done following the following guiding questions (Sandfort & Stone 2008):

1. What are the policy domains actors are working in? What are the large public problems they are working to solve?
2. What laws and regulations, national programs, and funding streams are being used to solve the problem? Where does administrative authority lie?
3. Within the state / local context, what are the organizations that have an interest in this problem? Which organizations have power to make changes related to the problem?
4. What ties exist between these organizations?
5. How can resources and social rules be shaped by field actors?

The figure below summarizes the description of the research design explained in this chapter:

**Figure 3 Research Design**



Source: Prepared by author based on Gary 2009. January 2013.

## 5. CASE STUDY OF CIUDAD VERDE, SOACHA

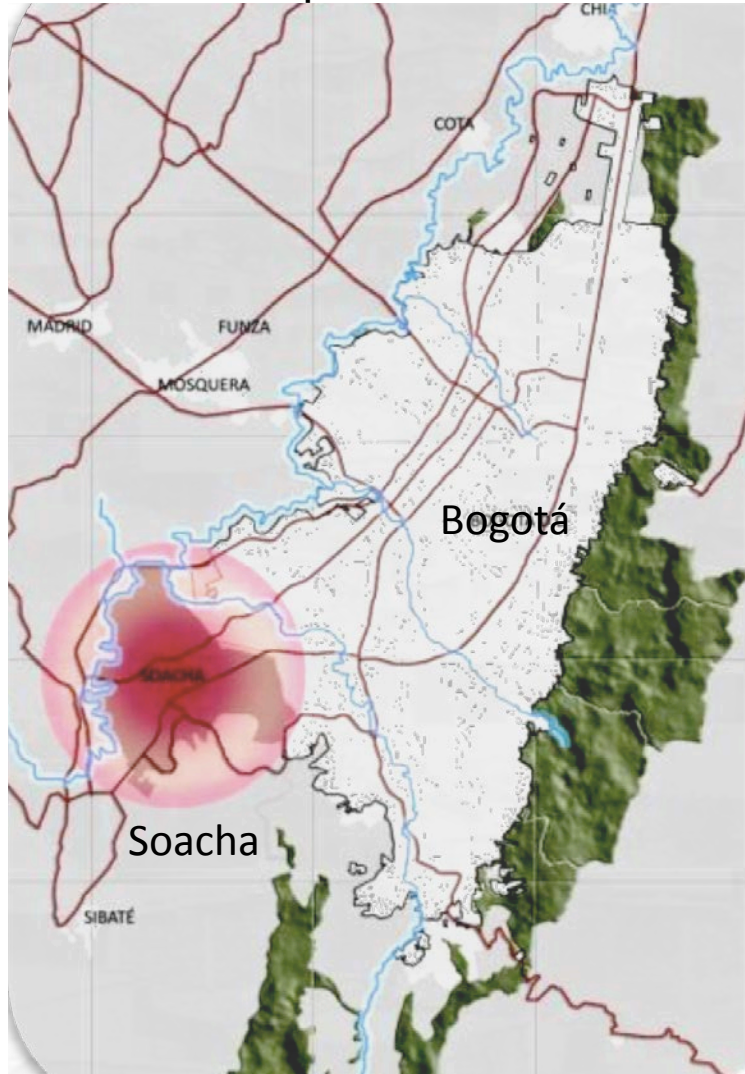
In this Macro Project, there will be a total of 42.000 social housing units built on a total area of 327 hectares. This project will have a hospital, a library, two schools, and plenty of public space nearby. There has been a 10,5 million-euro investment in urbanism<sup>8</sup>. This chapter includes general information on the municipality where it is located and the project itself. In addition, it includes an overview of the stakeholders and a reconstruction of the process since its creation using policy field analysis (section 4.4).

<sup>8</sup> Information available in <http://www.skyscrapercity.com/showthread.php?t=1088359>. January 2012.

### 5.1. Context of Soacha

Soacha has a territorial area of 187 square kilometers and is located one kilometer away from Bogotá<sup>9</sup> (See Figure 3). Originally, it was used for agriculture, when rural life was more valued and was enough to cover living expenses, in spite of the pressure of urbanization. In Soacha's land use plan, most of the land is dedicated to rural uses; nevertheless, most of it has been developed informally due to the lack of capacity of the local government. In the following sections, there is an overview of Soacha that helps depict the context of the municipality in which the Macro Project is located.

**Figure 4 Close view of Soacha: Spatial relation between Soacha and Bogotá**



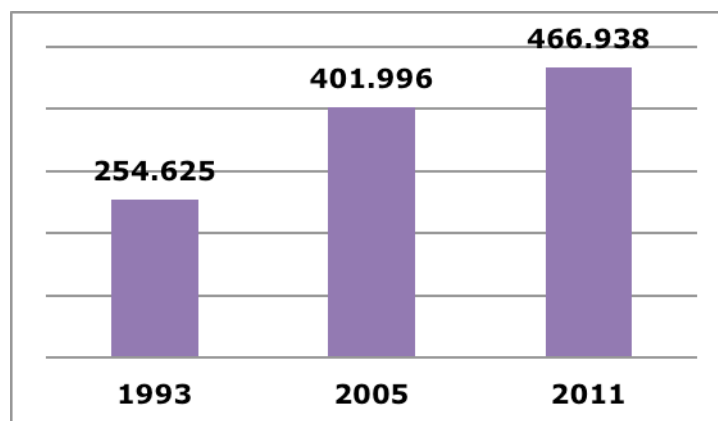
Source: Modified by Carolina Hernández from the Land Use Plan 2010 (Montenegro & Et al 2010).

<sup>9</sup> Bogotá is the capital city of Colombia and has approximately 7 million inhabitants, which constitutes 1.931.372 households, with a housing deficit of 369.875 households, according to the DANE 2005.

### 5.1.1. Population and demographic growth

Based on the official information from (National Administrative Department of Statistics 2005) concerning the Census of 2005, between 2005 and 2011, the population of Soacha increased by approximately 14 percent. According to information collected by the National Planning Department (2011), in 2010, Soacha had received a total of 33.401 displaced people, which represents 41% of the total in Cundinamarca (82.112). The density in the municipality is 2.497 inhabitants per square kilometer. There are several reasons why this growth happened so quickly: Soacha is a main recipient of displaced people due to the armed conflict between the government, guerillas and former paramilitary groups, the peripheral neighborhoods of Bogota are expanding rapidly, and the conurbation process is evidence of the rapid process of metropolization (Alonso 2010). Soacha is a main recipient of displaced people because many of them wants to be in Bogota, as it is thought of as a city with more opportunities in terms of access to employment and urban services, but prices are very high there, so they stay in the periphery. The graph below depicts population growth in Soacha between 1993 and 2011.

**Graph 1 Population growth in Soacha between 1993 and 2011**



Source: National Planning Department. 2011.

### 5.1.2. Housing Deficit and Informal Settlements

According to UNDP and the mayor of Soacha (UNDP 2009), out of a total of 368 neighborhoods in Soacha, 152 are informally built. Most of them are located in high-risk zones in the municipality where there is a high urban poverty index. Consequently, the public services coverage is insufficient, and



the local government is unable to reach out to the disadvantaged populations, as they are located in non-legalized neighborhoods.

According to (National Administrative Department of Statistics 2005) , there are a total of 36.867 households in Soacha:

- 17.552 households in terms of quantitative deficit: either homeless, in an overcrowded home, or relocation needed.
- 19.315 households in terms of qualitative deficit: problems with the structures of their homes or a lack of public services.

### 5.1.3. Land Use Classification

According to the land use plan (Montenegro & Et al 2010), the land use classification system follows the one stated in the Law 388 of 1997. The following table shows the specific information for the municipality:

**Table 6 Classification of land based on area, population, and potential housing**

Component	Area (Ha)	Population (No. Of inhabitants)	Potential housing
<b>Area inside the urban perimeter</b>	2.688,12	455.992	93.372
<b>Land urbanized in the center and residential areas</b>	1.175,5	455.992	110.888
<b>Urbanized land in industrial areas</b>	216,81	1.747	-
<b>Possible urbanized land (90% in housing and 10% of employment)</b>	579,31	165.103	43.448
<b>Urbanized land in high risk areas</b>	110,00		
<b>Protection Areas and General Systems</b>	1.149,67		

Source: Land use plan for 2007 and 2010. (Montenegro & Et al 2010).

Based on this information, the following points should be noted:

1. The density in Soacha is high such as in Bogota, with low quality of public space, social buildings, and high concentration of landlords.
2. The public space indicators are 0,5 m<sup>2</sup> per inhabitant, whereas Bogota´s average is 6 m<sup>2</sup> and Ciudad Verde's, 9 m<sup>2</sup>.
3. According to the land use plan of 2000, Ciudad Verde is out of the urban perimeter; therefore, there is a need to harmonize the limitations of urban land with the expectations of growth.



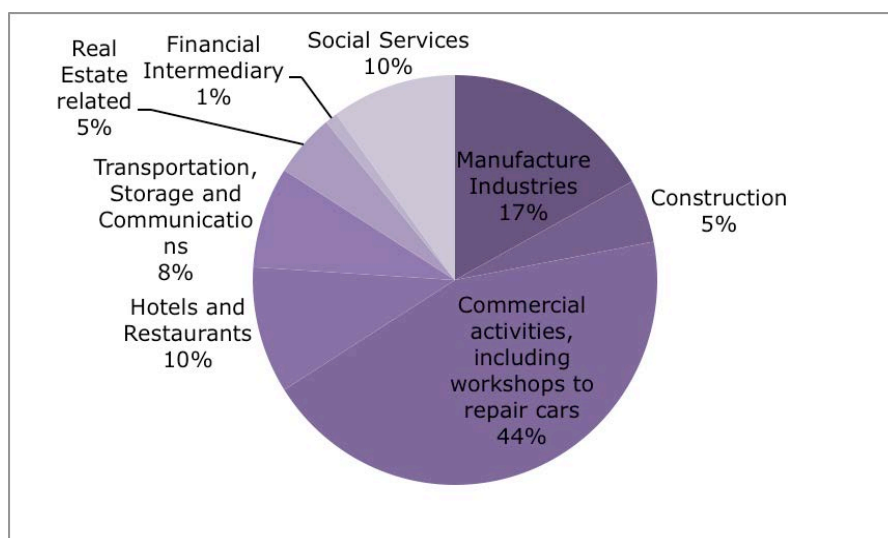
#### 5.1.4. Education

According to UNDP (2009) and as presented in the background and base line in the 2012-2015 Development Plan, the educational level of the municipality is 6,8 years of study, much lower than the national average of 9 years. Developed countries have an average of 14 years of study. Additionally, Soacha is a certified municipality in education, which means that it can guide, plan, and deliver the educational service at the preschool, elementary, and secondary school levels. Furthermore, it must maintain the educational coverage and aim to increase it, carry out the management, and monitor actions in its jurisdiction (National Planning Department 2011).

#### 5.1.5. Economic Activity

In 2008, there were 5.590 enterprises located in Soacha, which represents 13% of the total number in Cundinamarca and 2% within the region. This number is similar to the total amount of enterprises in Ciudad Bolivar in Bogota (5.798). The dynamics are similar to those of the region as a whole, and Soacha has a majority of microenterprises (96,9%), followed by small enterprises (2,3%), medium enterprises (0,4%), and large enterprises (0,3%). In Bogota, for comparison, there are less microenterprises (88,8%) and a few more large enterprises (0,6%). The graph below shows how these enterprises are distributed among different sectors.

**Graph 2 Distribution of enterprises among different sectors**



Source: Adapted from Chamber of Commerce of Bogota (Ayala 2009).

#### 5.1.6. Organizational Structure

Soacha is a Category 2 municipality, classified according to its population and the amount of current revenue (the law 136 of 1994 provides the operation of municipalities), which determines the budget transferred by the national government to it for provision of social services (health and education). Being Category 2, additionally to determine the amount of budget received for the national government, means that they are more autonomous in the delivery services of health and education.

The local government of Soacha has seven departments: Government, Planning and Territorial Organization, Finance, Social Development and Community Participation, Education and Culture, Health, Infrastructure, and Local Added Value. The Secretariat of Planning and Territorial Ordering has an urban area, in charge of social housing projects and everything else that is related to housing (Guevara, 2012). (See **Appendix 5. Organizational Structure of Soacha**)

#### 5.2. An introduction to Ciudad Verde

Ciudad Verde is one of the biggest Macro Projects in the country, and it contributes to the regional development by providing public space and housing for the low-income population in the area. Furthermore, this project respects the environment, generating changes in lifestyle, which is why it is called Ciudad Verde (Green City); it will have bike paths, linear parks and lots of green space. Below are some of the specifics of the project according to information from the Ministry of Housing, City and Territory (2011):

**Size of adopted urban area:** 327 hectares

**Total number of houses:** 42.000

**Total number of houses built:** 7.239 (June 2011)

**Projected population:** 160.000

**Number of phases:** 7

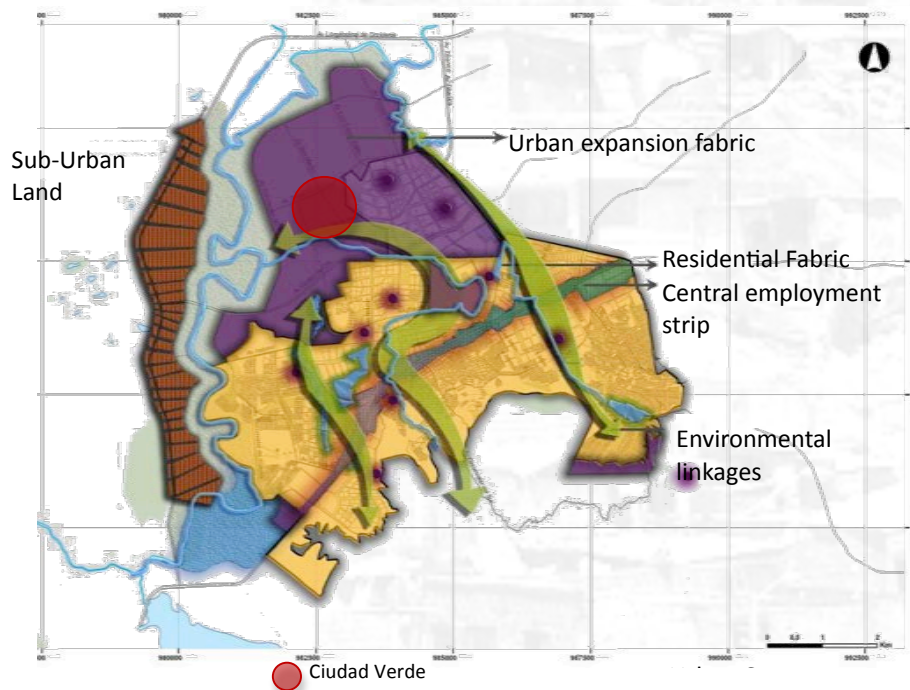
The project is located in the rural area of Soacha according to the land use plan of 2000. Its proximity to Bogota facilitates its connection to public services; the Bogota Aqueduct and Sewage Enterprise is in charge of extending the infrastructure to the area.

Another benefit of its location is that it will be easy to access Bogota, specifically via Transmilenio, which is the Bus Rapid Transit System of Bogota and connects the city side to side. This system will serve Soacha and will have

buses entering Ciudad Verde. Furthermore, the Ciudad de Cali Avenue is within the plans of Bogota, and its construction is therefore currently the responsibility of the Mayor of Bogota. This benefits Soacha, as there will be another connecting avenue between both cities will be in place.

Based on the land use plan (Montenegro & Et al 2010), Soacha has a set of three focus areas of urban activity, complemented by a land of suburban activity on the western bank of the Bogota river: i) a residential fabric and existing neighborhoods; ii) a central and employment strip that is located along the Transmilenio street and gathered the whole urban – scale commercial uses and iii) Urban fabric expansion. The three areas are associated with three perpendicular environmental linkages around water bodies (River of Soacha, Brook of Tibanica and wetlands systems) (See Figure 5).

**Figure 5 Environmental linkages in relation to urban dynamics of Soacha**



Source: Adapted by Carolina Hernández from Land Use Plan Soacha 2010. January 2013.

Specifically the area Distribution is 17% green space and parks, 15% roads, 8% social infrastructure and 60% urbanized area. From the urbanized area the uses distribution is the following 70% of residential use, 13% for enterprises (mainly ones involved in storage and logistics), 10% for private education and 7% for commercial uses.

In Figure 6, there is the complete figure of the urban layout of the project, identifying green plots, commercial use, residential use, institutional from public utility plots, which are provided by the developer of the project to the local government, and the private institutional plots, for the construction of private schools.

**Figure 6 Urban Layout of Ciudad Verde**



Source: Adapted from the Ministry of Housing, City and Territory. October 2012.

### 5.3. Housing in the Project

The housing will be developed on 107 hectares, and there will be a mixture of social housing and non-social housing:

- 25% are priority social housing (the price must not exceed the 70 monthly legal wages – Approximately a maximum 17.000 Euros)
- 25% are social housing (the price must not exceed the 135 monthly legal wages – Approximately a maximum 34.000 Euros)
- 50% are non-social housing (the price is more than 135 monthly legal wages – More than 34.000 Euros)

In the project, there will be apartments with 2 or 3 rooms, with an average living space of 50 m<sup>2</sup>. Most of the apartments have one kitchen, one toilet, and a laundry washing area. The apartments are provided in gray work, which

means without details such as painting. Each family will hold a property title. According to information from the Amarillo S.A. sales department, most people buy a house with a loan, and, in some cases, with a subsidy from the State.

In the following pictures, the layout of the project with all the green areas and the social housing buildings of the Phase 1 are shown.

**Picture 1 Bike paths and side walks of Ciudad Verde**



Source: Taken by the author. October 2012.

**Picture 2 Residential Complex in Ciudad Verde**



## **5.4. Implementation Process**

In this section of the chapter, there is a reconstruction of the decision-making process regarding Ciudad Verde. In a first step, the stakeholder analysis is presented together with the stakeholders' roles in the Macro Project, as well as the actors that were not involved in the process but should have been according to the legal framework. The second step entailed going through each phase of the Macro Project (Section 5.3) and identifying the main actions carried out, differentiating between what is established in the legal framework and what actually happened. As was mentioned in the methodology (Section 4.4), public policy field analysis was used to structure this process.

### **5.4.1. Stakeholder analysis**

Within the project, it is possible to identify stakeholders from the public and private sector. In Table 7 and Table 8, there are lists of the key actors from the public and private sectors, respectively, that have been involved in the project in the different phases. The main roles and responsibilities identified are based on the laws or agreements that create them, complemented with what is defined by the legal framework of the Macro Projects.



**Table 7 Actors from the Public Sector involved in the Macro Project**

Sector	Institution	Specific actors	Roles and Responsibilities related to Housing Macro Projects
<b>National Government</b>	Ministry of Housing, City and Territory	Territorial Unit	<ul style="list-style-type: none"> <li>▪Policy maker</li> <li>▪Design and implementation of Macro Projects</li> <li>▪Political and technical support throughout the implementation of Macro Projects.</li> </ul>
<b>National Government</b>	National Planning Department	Urban Development Unit – Housing Area	<ul style="list-style-type: none"> <li>▪Design, coordination and evaluation of policies for urban development, housing and drinking water and basic sanitation.</li> <li>▪Strengthening planning processes.</li> </ul>
<b>Local Government</b>	Mayor of Soacha	Mayor and Planning Secretary	<ul style="list-style-type: none"> <li>▪Planning authority for urban and rural areas of the municipality (including land use).</li> <li>▪Trace and lead the development plan of the municipality.</li> <li>▪Provide public services defined by law.</li> </ul>
<b>Regional Government</b>	Cundinamarca Regional Government	Governor and Planning Secretary	<ul style="list-style-type: none"> <li>▪Support local initiatives.</li> <li>▪Technical support for planning development issues.</li> <li>▪Regional development overview.</li> </ul>
<b>Regional Government</b>	Regional Autonomous Corporations	Regional Autonomous Corporation of Cundinamarca	<ul style="list-style-type: none"> <li>▪Regional Autonomous Corporations (CARs), which are the environmental authorities in the departments.</li> <li>▪Approval of Macro Projects with an environmental assessment.</li> </ul>
<b>Local Government</b>	Mayor of Bogota	Mayor, Planning Secretary and Habitat Secretary	<ul style="list-style-type: none"> <li>▪Planning authority for urban and rural areas of Bogota (including land use).</li> <li>▪Trace and lead the development plan of Bogota.</li> <li>▪Coordinate Habitat Sector of Bogota that includes public services enterprises (Aqueduct and Sewage)</li> </ul>
<b>Local Government</b>	Mayor of Bogota	Aqueduct and Sewage enterprise	<ul style="list-style-type: none"> <li>▪Responsible for public service delivery in the city of Bogota.</li> <li>▪Possibility to deliver national and international. Currently, is in charge of delivering water to other neighboring municipalities.</li> </ul>

**Source:** Prepared by the author based on [www.dnp.gov.co](http://www.dnp.gov.co), Presidency of Colombia 2007, Bogota's Council 2002, [www.cundinamarca.gov.co](http://www.cundinamarca.gov.co), [www.habitatbogota.gov.co](http://www.habitatbogota.gov.co), [www.car.gov.co](http://www.car.gov.co). January 2013.

**Table 8 Actors from the Private Sector involved in the Macro Project**

Sector	Actor	Specific actors	Roles and Responsibilities related to Housing Macro Projects
<b>Private Sector</b>	Construction Company	Amarilo S.A.	<ul style="list-style-type: none"> <li>▪Promotion, marketing and real estate development.</li> <li>▪Developer and manager of Ciudad Verde.</li> <li>▪Construction company in the 1st phase: 7.500 housing units (approx.)</li> </ul>
<b>Private Sector</b>	Law Firm	Pinilla, Gonzalez, Prieto y Cia	<ul style="list-style-type: none"> <li>▪Leading law firm in Colombia with experience in the urban sector.</li> <li>▪Developer of Ciudad Verde.</li> </ul>
<b>Private Sector</b>	Consultant	Eduardo Pizano Narvaez	<ul style="list-style-type: none"> <li>▪Ex- minister of development in charge of structuring the real state business scheme.</li> <li>▪Developer of Ciudad Verde.</li> </ul>

<b>Private Sector</b>	Consultant	Camilo Santamaría.	<ul style="list-style-type: none"> <li>▪Architecture and urban design of the Macro Project.</li> <li>▪Developer of Ciudad Verde.</li> </ul>
<b>Private Sector</b>	Construction Companies	Soluciones Inmobiliarias, Prodesa, Bolívar, Ospinas, Colsubsidio, Marval, Urbansa & Coninsa Ramon H & Mendebal	<ul style="list-style-type: none"> <li>▪Infrastructure development</li> <li>▪Construction of projects within the area of Ciudad Verde</li> </ul>
<b>Private Sector</b>	Association of Construction Companies	Colombian Association for Construction - Camacol	<ul style="list-style-type: none"> <li>▪To represent and articulate the value chain of the construction and boost the competitive development and progress of Colombia.</li> <li>▪Interaction with the public sector.</li> </ul>
<b>Private Sector</b>	Landowners	4 landowners in the area where the project is located	<ul style="list-style-type: none"> <li>▪Participation and agreement with the structured proposal of the Project.</li> <li>▪Receive income according to the price of land and the business opportunity.</li> </ul>

**Source:** Prepared by the author based on [www.amarilo.com.co](http://www.amarilo.com.co), Mayorga 2011, [www.camacol.co](http://www.camacol.co). January 2013.

In Table 9, there is the list of key actors from the public and private sectors and civil society that were not involved in the Macro Project. The main roles and responsibilities identified are based on the laws or agreements that created them, complemented with what they have done in similar projects related to social housing, urban development, and decentralization.

**Table 9 Actors not involved in the Macro Project**

Sector	Actor	Specific actors	Roles and Responsibilities related to Housing Macro Projects
<b>Public Sector – Local Government</b>	Local Council	Local Council of Soacha	<ul style="list-style-type: none"> <li>▪Institution that represents the community to the Government.</li> <li>▪Involved in the planning processes, decisions to organize the territory of the municipality, and approval of planning instruments, such as the land use plan.</li> </ul>
<b>Public Sector – Local Government</b>	Local Council	Local Council of Bogota	<ul style="list-style-type: none"> <li>▪Institution that represents the community to the Government.</li> <li>▪Involved in the planning processes, decisions to organize the territory of the municipality, and approval of planning instruments, such as the land use plan.</li> <li>▪Approved Bogota's Development Plan, which includes housing goals related to the Macro Projects.</li> </ul>
<b>Civil Society</b>	Projects beneficiaries	Social Association of Ciudad Verde	<ul style="list-style-type: none"> <li>▪Interest in the Macro Project.</li> <li>▪Aims to ensure the economic, administrative, social and environmental sustainability of Ciudad Verde.</li> </ul>

			<ul style="list-style-type: none"> <li>▪ 3 target groups: Apartment owners (provision of social support), youth (creation of new opportunities for them), and children (sensitization to environmental issues).</li> </ul>
<b>Civil Society</b>	Community of Soacha	Neighboring communities	<ul style="list-style-type: none"> <li>▪ Inhabitants of Soacha located in different areas of the municipality, such as downtown and the Cazuca mountain neighborhood.</li> <li>▪ Interest to know about urban development in Soacha, through the request of information about the Project.</li> </ul>
<b>Civil Society</b>	Territorial Planning Council	Inhabitants of Soacha – Selected by the Mayor of Soacha	<ul style="list-style-type: none"> <li>▪ Dialogue between the state and society as a consultative body.</li> <li>▪ It is a scenario where the council promotes collective construction towards issues of common interest related to planning.</li> </ul>
<b>Private Sector (1)</b>	Universities and Research Centers	Universities and Research Centers	<ul style="list-style-type: none"> <li>▪ Research on topics related to Macro Projects.</li> <li>▪ Interested in promoting the dialogue between academic researchers and practitioners.</li> <li>▪ Open discussions on housing policies, continuous dialogue – mainly in the main cities of Colombia.</li> </ul>

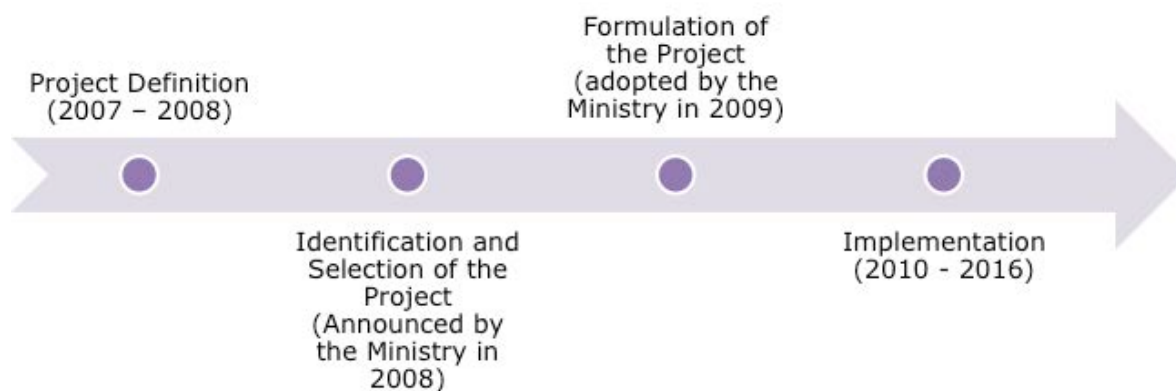
**Note (1):** Universities and Research Centers are within the private sector because in Colombia, the majority of them are foundations without profit and are categorized within the same sector.

**Source:** Prepared by the author based on Law 152 de 1994, Law 388 of 1997, [mesavis.uniandes.edu.co](http://mesavis.uniandes.edu.co), [www.amarilo.com](http://www.amarilo.com), [www.cenac.org.co](http://www.cenac.org.co), and [www.foro.org.co](http://www.foro.org.co). January 2013.

#### 5.4.2. Implementation phases

There were four main phases of the Macro Project: project definition, identification and selection of the project, formulation of the project, and implementation. In total, there was a 18,5-month gap between project definition and the start of project implementation.

**Figure 7 Phases of implementation of the Macro Project Ciudad Verde**



Source: Prepared by the author based on Presidency of Colombia 2007.



#### 5.4.2.1. Project Definition (2007 - 2008)

- Actors involved in this phase:
  - Landowners
  - Four agents of the private sector: Amarilo S.A. Pinilla, González, Prieto y Cía., and Eduardo Pizano Narváez y Camilo Santamaría
  - Ministry of Housing, City, and Territory
- Description of the actions according to the legal framework (theory): The Decree 4260 (Presidency of Colombia 2007) establishes that individuals interested must submit environmental studies, technical and financial reports, and other required documents about the Project, which will be the basis for the Ministry to formulate the Macro Project according to what is established in the law. The studies should consider the context and situation of the municipality.
- Description of the actions carried out (reality):
  1. The group of developers convinced the landowners to implement the Project using the instrument of Macro Project, in order to speed up the land development procedure and create one of the largest projects in Colombia. It was mentioned in the interviews that the developers approached the landowners to explain the benefits of structuring the project as a Macro Project, emphasizing the change of land value thanks to the change from rural to urban (I5, I10, I16, I18).
  2. The developers from the private sector, in agreement with the landowners, presented the idea to the Ministry.
- Finances of this phase: The funding was assumed by the partnership of developers.

#### 5.4.2.2. Identification and Selection of the Project (Announced in 2008)

- Actors involved in this phase:
  - The developers and landowners (Amarilo S.A.)
  - Ministry of Housing, City, and Territory
  - Mayor of Soacha (Planning Secretary) and Mayor of Bogota (Planning Secretary, Habitat Secretary, and Aqueduct and Sewage Enterprise of Bogota).

- Description of the actions according to the legal framework (theory):
  1. The Ministry should identify and select the Macro Projects, taking into consideration population dynamics, the quantitative and qualitative deficit of social housing, and the regional impact of the intervention.
  2. A document that supports the Macro Project must be developed.
  3. The Ministry should announce the Macro Project, including the map of the Macro Project and its land values assessments, according to its existing land classification and other similar areas.
  
- Description of the actions carried out (reality):
  1. The developers met with the local governments of Bogotá and Soacha, the regional officers, and the Ministry of Housing, City, and Territory. Eduardo Pizano, which often focuses on institutional and political agreements, led this lobby by the promoters.
  2. In the case of Bogota, the main commitments were established in the District Development Plan, including in the housing goals the promotion of 20.000 social housing units and the investment of the Aqueduct and Sewage Enterprise (Bogota Council 2008).
  3. The Ministry, taking into consideration the housing deficit and the potential regional impact, approved the Macro Project.
  4. This Project was first announced in September 2008, and then it was modified and more land was included in 2009.
  
- Identification of actors that should be involved: Bogota Council should be further involved in the discussion about the instrument of Macro Projects. In the interviews, it was mentioned that representatives from the Council of Bogota raised their concerns in lawsuits against the law, which ended in the Verdict of the Constitutional Court declaring the *unconstitutionality* of the Macro Project (I1, I3, I5, I7, I10, I11, I14, I18 & I21).
  
- Finances of this phase: Amarilo S.A. paid to different consultant companies the designs and studies for:
  - Survey of the topographic characteristics of the area
  - Analysis of geology and land,
  - Hydrology study and the conceptual design of the drainage and leakage systems,
  - Environmental Assessment,
  - Landscape Analysis and design,
  - Archaeological study,
  - The conceptual design of water supply and sewage system,
  - The electrical design of the Project,
  - The accessibility analysis, considering traffic and pathways; and

- Land value Assessment.

It is important to note out that many of this designs and studies are required for the next phase that corresponds to the formulation of the project.

#### 5.4.2.3. Formulation of the Project (Adopted in September 2009)

- Actors involved in this phase:
  - The developers and landowners (Amarilo S.A.)
  - Ministry of Housing, City and, Territory
  - Mayor of Soacha (Planning Secretary) and Mayor of Bogota (Planning Secretary, Habitat Secretary, and Aqueduct and Sewage Enterprise of Bogota).
  - Regional Autonomous Corporation of Cundinamarca.
- Description of the actions according to the legal framework (theory):
  1. The Ministry is in charge of creating the Macro Project, including the specific location of the projects, the environmental assessments, and the urban layout highlighting mobility, public space, public services, and social infrastructure. In addition, the formulation document should include the project's land use, emphasizing the social housing area, the fulfillment of urban planning requirements, and the financial structure of the Project with a description of its sources and costs.
  2. The Ministry should evaluate the documents submitted by the developer of the Project. In case additional documents are required, the Ministry should officially inform developers of this.
  3. Once the Macro Project is being established, the document is sent to the Mayor of the municipality where the project is located, in order to facilitate the dialogue and agreement between the local and national governments.
  4. The Ministry is expected to receive the municipalities' feedback and incorporate it into the Macro Project.
  5. Once these steps have been completed, the Ministry can adopt the Macro Project and share the official project document with the municipalities. When the projects are located in rural areas, they will automatically become urban areas, until the project is finished, the land still count as rural.
- Description of the actions carried out (reality):
  1. The promoters developed a technical document that supported the project, including environmental, technical, financial, and urban issues,

along with a guarantee for the public services delivery. The document was then sent to the local government to get its opinion of the project.

2. The analysis of financial sources and expenditures within the project is required, such as the amount of money that is needed according to the required costs, was included in the proposal. In the case of Ciudad Verde, this topic is very important, as the Macro Project requires an alliance of different stakeholders in which all of them have to collaborate (see below more specific information).
3. The mayor of Soacha did a complete analysis of the project and emphasized the importance of avoiding the project becoming a burden for the next administration.
4. The project was adopted by the institutional document 1687 of 2009, which provides the description of the project. In the interviews, the importance of this document regarding the project and its scope was emphasized. A modification of the adoption resolution was made in order to integrate some demands from the local government. The demands were more land and specific infrastructure. It is important to note that the land where the Macro Project is located was originally rural according to the Land Use Plan of 2000. Nevertheless, in the revision of the document in 2007 and 2010, it is clear how the land became urban. Nevertheless, as the local council did not legally adopt the revisions, it is still rural land.

▪ Identification of actors that should be involved:

The regional government of Cundinamarca was not involved from the beginning in the framing of the Macro Project. They got involved during project implementation, in order to create synergies in terms of investment in the Project and create a more fluent dialogue among the different levels of government. In the interviews, it was mentioned that the lack of coordinated planning between Bogota and Cundinamarca has led to Bogota's population dynamics having a negative impact on the region, especially in terms of housing supply, because currently within the framework of licensing construction, elaboration of Macro Projects and integrated housing plans are concentrated (85%) in Soacha and Mosquera, municipalities surrounding Bogota (I1, I13, I10 & I18).

- Finances of this phase: The specific information about the funding sources of Ciudad Verde in table 10 and the costs in table 11, respectively. This information also shows the formal relationships among the different stakeholders.

**Table 10 Funding Financial sources for the Ciudad Verde Macro Project**

Concept	Description
<b>Income sales of urbanized area</b>	The construction companies were required to pay for the urbanized land to the owner of the project (Amarilo S.A.), which corresponds to 14% of their final sales of the housing units. This is approximately € 68/m <sup>2</sup> pays on land for Priority Social Housing and € 111/m <sup>2</sup> on land for Social Housing. The land that will be sold for private business purposes was established at a higher price.
<b>Financial credit</b>	€42.000 was asked by Amarilo S.A. to a financial entity as a revolving credit. This loan was being paid when the plots were sold to the construction companies. This scheme facilitates the urbanism works that needed to be done in the project.
<b>Capital gains – added value</b>	The initial value of rural land was approx. €2/m <sup>2</sup> , but when the Macro Project resolution was approved by the Ministry of Housing, the land value increased to €11/m <sup>2</sup> . The profit is estimated according to the price increase of €9/m <sup>2</sup> , which is divided 50-50 between the landowners and reinvestment in the project. This was a possible thanks to an agreement between private developers and the local government, which enabled cross subsidies and investment of capital gains into the project itself.
<b>Public services investment</b>	To ensure water supply in the project, the Enterprise of Aqueduct and Sewage of Bogota invested approximately €17 million in the construction of this infrastructure.
<b>Loads and benefits scheme</b>	This is a scheme conceived in Law 388 of 1997, in which construction companies invest additional money into the Macro Project; they invest in the local infrastructure works that are officially given to the local government, in exchange of increasing the floor ration area – FRA-, that means they can increased densities within the project and tax exemptions. The values are unknown.

Source: Modified by the author based on the information from (Guevara 2011).

**Table 11 Costs of the Macro Project Ciudad Verde**

<b>Direct costs of urbanism</b>	Developing the land cost approximately €128 million, including the unexpected cost of constructing the box culvert. This investment was needed to avoid the flooding at the area.
<b>Cost of the land</b>	The payment to the landowners occurred when the land sales started, rather than at the beginning of the project. The land was sold at approximately €17/m <sup>2</sup> .

Source: Modified by the author based on the information from (Guevara 2011).

#### 5.4.2.4. Implementation (2010-2016)

- Actors involved in this phase:
  - The developers and landowners (Amarilo S.A.)
  - Ministry of Housing, City, and Territory
  - Mayor of Soacha (Planning Secretary) and Mayor of Bogota (Planning Secretary, Habitat Secretary, and Aqueduct and Sewage Enterprise of Bogota).
  - Regional government of Cundinamarca
- Description of the actions according to the legal framework (theory):
  1. The local government is in charge of approving the urban licenses needed to develop the Macro Project.
  2. The Ministry can advocate the Project, if the local authority needs its support.
  3. The projects can be funded either directly by the Ministry or through public-private schemes.
- Description of the actions carried out (reality):
  1. The Mayor of Soacha approved the urbanism license for the seven phases of the project and a license for construction for the first two phases, in which, according to the plans, different construction companies will build 15.841 social housing units. Additionally, two social buildings have already been completed and are open - a school and a handicap center - and a mall will be open soon. Finally, the Project sets aside a plot to develop a hospital on.
  2. The implementation of the project started, and Amarilo S.A. selected the eight additional construction companies. The interviews detail that the selection process was based on experience and the financial proposals that were presented by different construction companies. The selection criteria included CAMACOL membership, provision of financial support to construct the social buildings, such as schools, and having a good architectural design (I12).
  3. The city of Bogota, through the Aqueduct and Sewage Enterprise, provided water connections to Ciudad Verde, which makes the houses ready to live in. At this point, water for Phases 1, 2, and 3 (out of 7) is guaranteed with the water supply. Currently, the national government and the local governments of Bogota and Soacha are discussing how to guarantee the rest of the service.

4. The accessibility of the main road, Ciudad de Cali, that links Bogota and Soacha is still under construction, and the local governments of Bogota and Soacha are discussing how to guarantee the financing of the rest of the construction.
5. Regarding land, even though the relevant law provided powers to the national government to supersede the local government's powers, in 2011, the local councilors were considering approving an agreement to stop Ciudad Verde due to their opposition to the project, because they did not see the benefits of it for the municipality (Portafolio, June 2011).
6. One important discussion that has taken place is related with the socio-economical strata of the Macro Project. It is important to mention that in Colombia one of the criteria that define the socio- economical strata is the urban development of the area where you lived, the scale goes from 1 to 6. The strata 1 and 2 is subsidized in its public services and strata 4 and 5 pay some over cost for the subsidies. This classification has an impact in the price of the public services.

In this specific case, because of the quality of urban design of Ciudad Verde, there were discussions about the Strata. The local government wanted to classify them in strata 4, after negotiations on behalf of the Ministry, the strata of Ciudad Verde is 3. This has become a problem considering that most of the households that buy the houses used to live in strata 2. This situation has become a lesson learned from the implementation process of this Macro Project for the second generation Macro Projects.
7. In this phase, the Social Association of Ciudad Verde, the association of inhabitants of Ciudad Verde, is becoming more proactive in the dialogue with the government. The Social Association of Ciudad Verde was created with the purpose of joint effort of the residents to ensure the sustainability of the project, supporting the process of finding solutions for the needs of the community and the design and execution of social development projects. Specifically, they are working together with Amarilo S.A. (manager of Ciudad Verde) to make agreements with the local, regional, and national governments (Ciudad Verde Journal, September 2012) (I15). In this case, the local government is open to the dialogue (I22).
8. In this phase, Amarilo S.A. has carried out specific workshops with the neighboring communities to explain the project and it fits in the urban context of Soacha.

- Identification of actors that should be involved:

During the implementation process, it has been evident that the community of Soacha should have been more involved in the process from the beginning. Nevertheless, it is important to recognize the efforts led by Amarilo S.A. manager of the Macro Project, to share information about Ciudad Verde with the neighboring community, such as its characteristics and benefits and how it can positively impact its surroundings. These processes were mentioned in the interviews (I10 & I15).

The Local Council of Soacha is now requesting more information on the impacts of Ciudad Verde for Soacha and specifically information on how the community benefits from it.

## **6. RESULTS ON CAPACITY DEVELOPMENT**

This chapter deals with all the results obtained from the research done in order to analyze to what extent the criteria of local capacity are applied to the case of Ciudad Verde in Soacha and to Macro Projects in general. This section will be divided into the three layers of local development: individual level, organizational level, and the societal level, also called enabling environment level. The results presented are based on the fieldwork, differentiating the answers obtained in round 2 only for Ciudad Verde from the ones obtained in round 1 for the Macro Projects in general (See chapter 4).

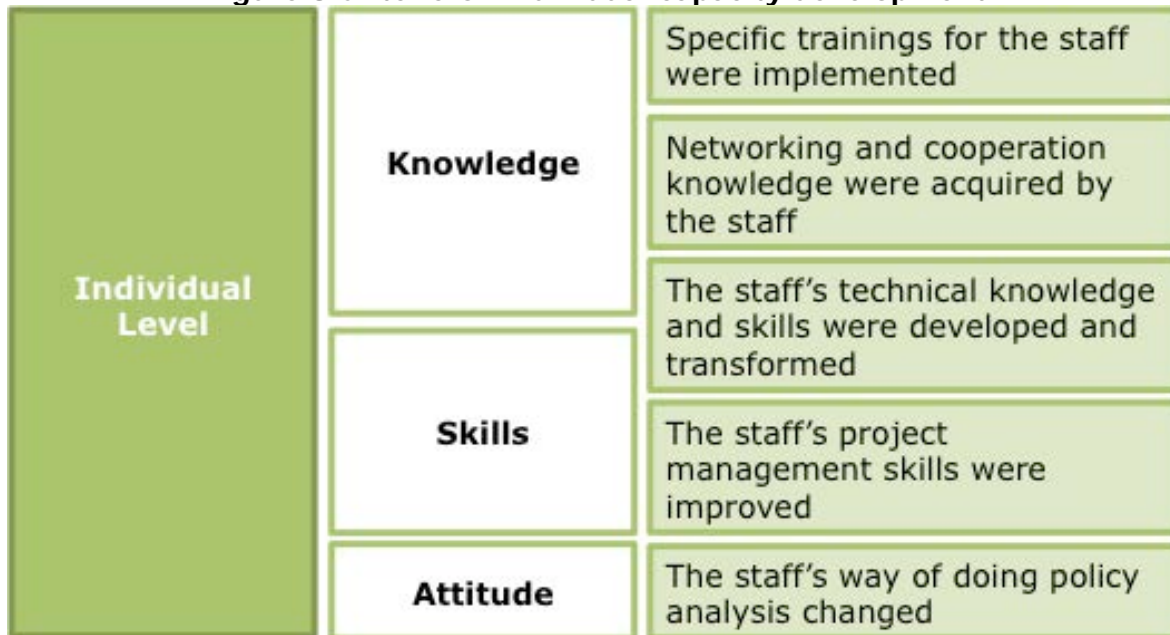
Regarding the results, it is important to note that the interviewees did not answer many of the questions. During the interviews they mentioned that the reason for this is because usually when they think about capacity and Macro Projects, they only think about the capacity of the instrument measured by number of hectares of land available for the construction of social housing and the number of housing units, ultimate goal of the instrument. This situation will be discussed in Chapter 7.

### **6.1. Individual Level**

At the individual level, capacity is examined in terms of the development of knowledge, skills, and attitude. Figure 8 summarizes the specific criteria that are analyzed in this section.



**Figure 8 Criteria of Individual capacity development**



Source: Prepared by the author. December 2012.

#### 6.1.1. Knowledge Acquired

Considering that Macro Projects for Social Housing are a new instrument in Soacha, there is always the question about the knowledge of the staff that is implementing the instrument at the local level. Therefore, it seems reasonable to have specific trainings for the staff in Soacha, and interviewees were asked whether these trainings existed. Fifty-four percent of interviewees (I2, I4, I6, I1, I5, I13 & I10) did not respond, and 46% (I9, I22, I15, I16, I20 & I21) answered that there were not specific trainings for the staff. Two of the interviewees highlighted that having specific trainings in Soacha could have led to more effective development of the Macro Project (I20 & I21).

Additionally, considering the importance of the public-private alliance in Ciudad Verde, it appears that networking and cooperation knowledge acquired by the staff could be one of the assets of this Macro Project. When asked whether networking and cooperation knowledge were acquired by the staff, 62% of the interviewees (I4, I6, I1, I5, I9, I22, I15 & I13) did not respond, and 38% mentioned the topic (I2, I16, I20, I21 & I10), explaining the importance about how this project has deepen the interaction between the staff of the municipality and the private sector and how the local government is looking for more alliances. Furthermore, three of them mentioned that to maintain this

capacity building is difficult due to the change of personnel, which is characteristic of the public administration (I2, I10 & I21).

#### 6.1.2. Skills Developed

Macro projects are instruments that need to be created and implemented with qualified to technical knowledge and skills, to guarantee their quality and effectiveness. Based on the information on the instrument, it is clear that the Ministry of Housing has a specific area that is in charge of Macro Projects, and their personnel has to be technically skilled enough to coordinate this program. Therefore, it was important to ask whether the technical knowledge and skills of the staff in Soacha had been developed and adapted. There was no response from 62% of the interviewees (I1, I5, I9, I22, I15, I13, I20 & I21), and 38% (I2, I4, I6, I16 & I10) stated that there was no evidence of major changes among the staff. Specifically, two interviewees mentioned that this depends on the interest and political will of the Mayor of the local government to incentivize skills development within the local government (I2 & I16).

Other skills that are developed in this kind of project are related to project management. It is assumed that because of the involvement of the private sector in the project, specifically Amarillo S.A. in this case, the staff's project management skills of staff. When questioned about this, 69% of the interviewees (I4, I6, I5, I9, I22, I15, I13, I20 & I21) did not answer, and 23% (I2, I1 & I16) stated that there had not been improvements in this area, mainly due to the rotation of the personnel.

#### 6.1.3. Attitudes

Finally, there is an assumption that the development and implementation of Macro Projects will have an impact in the way the staff make policy analysis, considering that they are large-scale projects. Therefore, in the specific case of Soacha, this outcome is expected, as Ciudad Verde is a project that will produce 42.000 social housing units, that will increase the population of the municipality and in which different stakeholders have been involved with different roles and responsibilities. When asked about changes in attitudes of the staff regarding making policy analysis of the instrument that is being implemented, 92% of the interviewees (I2, I4, I6, I1, I5, I22, I15, I16, I13, I20, I21 & I10) did not respond, and 8% (I9) said that it was challenging for the staff to analyze the impact of the project as it was already agreed beforehand. For the staff it was clear that it was solving part of one of the biggest problems of the municipality but it was not clear the impact in terms of further needs of the incoming population (new residents).

## 6.2. Organizational Level

This level looks at the capacity gain by the local government in terms of its financial capacity and planning, implementation, and evaluation procedures and the legal framework. The specific criteria that are analyzed in this section are summarized in Figure 9.

**Figure 9 Criteria of Organizational capacity development**

<b>Organizational Level</b>	<b>Financial (System and Procedures)</b>	Local income produced due to the construction of the Macro Project (Property Tax)
		Local Expenditures changed due to the new demand (increased of population)
	<b>Planning (Procedures)</b>	Planning Processes and procedures affected by the Macro Project
		Changes in Planning Instruments with emphasis in housing needs
	<b>Implementation (Procedures)</b>	Changes in information management
		Changes in how the local government deals with infrastructure-related issues
	<b>Evaluation (Procedures)</b>	Evaluation methods and practices in place
	<b>Legal Framework (Rules)</b>	Legal framework changed

Source: Prepared by the author. December 2012.

### 6.2.1. Financial System and Procedures

On one hand, as it was mentioned before, Ciudad Verde will produce 42.000 formal social housing units in the municipality, which are expected to pay property taxes to the municipality. It is supposed that this new income will strengthen the local financial situation. Regarding this topic, 54% of the

interviewees (I2, I1, I15, I16, I20, I21 & I10) did not comment, 31% (I4, I6, I5, & I13) mentioned that it was an interesting issue to evaluate once the new households start paying this tax. More specifically, the other 15% (I9 & I22) of the interviewees said that since the Macro Project is still under construction, 2013 will be the first year in which this income will be received by the municipality.

Furthermore, the land added value tax is another new source of income generated in the project; nevertheless, during the reconstruction of the implementation process, it was shown that this is debatable considering that this income will simply be reinvested in the same project.

On the other hand, in the discussion about financial capacity, it is necessary to include information on how the new demand of social services due to the increase in population will change the municipality's local expenditures. Regarding this topic, 46% of the interviewees (I9, I15, I16, I20, I21 & I10) did not respond, and 54% (I2, I4, I6, I1, I5, I22 & I13) confirmed that this would be a very interesting aspect to analyze. Four of them claimed that the local government should do this analysis and that, as this project not only implies a physical space, it requires the identification of ways to maintain the new infrastructure and make the actions sustainable. (I2, I4, I5 & I6).

#### 6.2.2. Planning Procedures

Taking into account the way Macro Projects are created and implemented according to what was presented in Chapter 3 and all the specific characteristics of Ciudad Verde (Chapter 5), it is clear that planning processes and procedures are affected at all levels. Particularly, bearing in mind the aim of this research, one question focused on trying to understand how planning processes and procedures have changed in Soacha. Thirty-one percent of the interviewees (I4, I15, I21 & I10) did not answer, and 69% (I2, I6, I1, I5, I9, I22, I16, I13 & I20) confirmed that the planning processes have been affected.

The major change identified by all the interviewees was that in this specific case, the Mayor of Soacha was involved directly in the planning process as the highest authority of the local government. Furthermore, this project encouraged the municipality to think more regionally in the planning processes, which is positive in terms of development (I1, I5 & I16).

Considering that Ciudad Verde focused on the topic of social housing, it was important to analyze how this project changed the way in which the local

government uses the housing-related planning instruments. Fifty-four percent of the interviewees (I4, I15, I16, I13, I20, I21 & I10) did not comment on this, and 46% answered that the project has changed the planning instruments (I2, I6, I1, I5, I9 & I22).

All the interviewees agreed that in the case of Soacha, social housing development has been a concern, considering the importance of the municipality within the regional context and its closeness to Bogota, plus the pressure of informal urban development. Specifically, the staff of the municipality stated that they are familiar with and promote social housing projects through other instruments such as integrated housing plans (I9 & I22). In **Appendix 6**, there is a list of the total number housing units estimated that are currently being built in the municipality and the planning instruments that are being used now, in January 2013.

In addition to the interviews for this case study, as a unit of analysis to examine the effect of the Macro Project on the use of planning instruments and planning processes at the local government level, in Table 12 below, there is a comparison of the housing aspect within the last two local government plans of Soacha, in order to see the differences regarding this matter.

**Table 12 Comparison of the 2008-2010 Development Plan and the 2012- 2015 Plan**

<b>Aspects</b>	<b>Plan 2008-2011 – Soacha to live better</b>	<b>Plan 2012 -2015 – Welfare for all</b>
Dimension of the problem	-	Housing Deficit Data
Housing and Bogota – Stop conurbation	Draws attention to the fact that the municipality is a good source of housing for Bogota and the surrounding region	Developed big urban projects without staying away from territorial autonomy
Housing and Public Services	Providing public services is a priority.	Provide public services and guarantee the subsidies for socio economic strata 1 and 2 through the inclusion of Soacha with the same characteristics of the system that Bogota have.
Housing and high-risk zones	Guarantee the right to housing for the vulnerable population	Provide housing for families located in high-risk zones

Housing and Public-Private Alliances	Strengthen relations. Create the Municipal Bank of Materials for housing construction with the support of the private sector.	Association is the key for success, and there should be more alliances for cooperation.
Local government and relation with national government	Promote housing programs and strengthen the link with the national government in terms of subsidies.	Subsidy Management
Local government and use of instruments within the Law 388 of 1997	Use the economic instruments for land use management that are specified in the law.	
Local government and information management		Strengthening of urban control activities and update of the cadastral information
Goal in housing or related programs	To <b>build 42.000 social housing units</b> identified in the land use plan	<b>10.000 families</b> will benefit from the housing program
Baseline data to set the goals	Not incorporated into the document	Most of baseline was included – the housing issues are lacking information within the plan

Source: Prepared by the author. December 2012.

After analyzing both documents, it should be noted that:

1. The plan for 2012 to 2015 uses a baseline for most of the goals set by each program; in contrast, in the 2008-2011 plan, baselines are not included as part of the document.
2. It is interesting to see how the new plan is focused more on strengthening capacities within the local government than the one before.
3. The goal for housing in the plan from 2008 – 2011 is 42.000 social housing units. The goal matches the number of houses that Ciudad Verde has projected.

### 6.2.3. Implementation Procedures

Regarding the implementation of Ciudad Verde, another important question to ask is whether there have been changes in information management within the implementation process in the municipality. None of the interviewees answered this question (I2, I4, I1, I5, I6, I9, I22, I15, I16, I13, I20, I21 & I10) because they did not see how Ciudad Verde is impacting the information management. However, three interviewees mentioned that adequate



access to information is essential to the formulation of plans and projects for decision-making and monitoring, and this is promoted by the national government (I2, I4 & I6).

Another important aspect related to the implementation procedures of the local government is the way in which they deal with infrastructure-related issues. As described in the case study, during the creation and implementation of Ciudad Verde, different agreements were made regarding infrastructure. Regarding this issue, 54% of the interviewees (I4, I6, I16, I13, I20, I21 & I10) did not comment, and 46% (I2, I1, I5, I9, I22 & I15) confirmed that there have been changes, specifically in the agreements with the Mayor of Bogota related to the water supply, with Amarilo S.A. regarding the compensation areas for social infrastructure that are being given to the local government and with the amount of public space that exists in the project (refer to section 5.4). Additionally, it was mentioned that it is a challenge for the municipality but a good opportunity in terms of urban development.

In addition to the previous specific information collected in round 2 of the interviews, in the first round, an interview said, "Regarding management in the project implementation, the manager of Ciudad Verde has a lot of functions that the public sector would normally be responsible for. This is happening due to the lack of managerial knowledge and skills within the local government" (I17). When the local government was asked about this topic, they stated that they have a continuous dialogue with Amarilo S.A., the manager of Ciudad Verde, on how to fulfill all the needs of the community. Therefore, it is not possible to conclude that managerial knowledge and skills are lacking.

#### 6.2.4. Evaluation Procedures

Another question that was raised based on the characteristics of the Macro Project was whether evaluation methods and practices are in place within the municipality. The main goal of this question was to find out whether the local government had done an impact assessment of Ciudad Verde and its effects within the municipality. Seventy-seven percent of the interviewees (I2, I4, I1, I5, I22, I15, I16, I13, I20, & I21) did not answer, and 15% highlighted the importance of evaluation but did not have evidence on whether the evaluation took place (I6 & I10).

One of the interviewees said, "It is important that the local government objectively analyze the project. With Ciudad Verde and some other social housing projects that have been approved, Soacha will grow from 450,000

inhabitants to approximately 1.5 million, and its needs will be proportionally multiplied. This is an evaluation that the local government has done, but the power relations and influence were stronger” (I9). This means that even though some members of the local government identify some threats and concerns about the project, it was not an official position of the local government as the agreement was already being done. There is no evidence that this evaluation was done. In this context, it is important to mention that when the Macro Project was approved and established by the Ministry of Housing, all the required analysis regarding environmental and land use issues were done (See 5.4).

#### 6.2.5. Legal Framework (Rules)

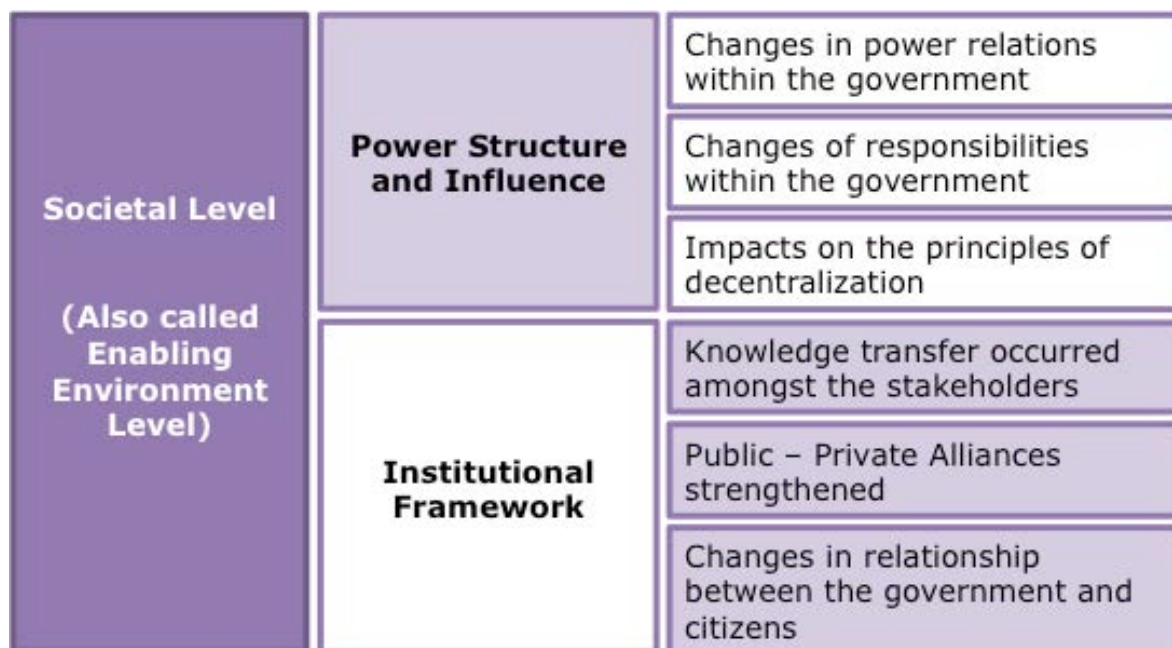
Regarding the implementation of the Macro Projects, the local authorities are in charge of issuing the necessary construction licenses, and it is assumed that no major changes to the land use plan are needed. Therefore, according to what has been established, there should not be changes in the legal framework of the municipality. All the interviewees answered the questions related to this topic, referring to these arguments and emphasizing that Ciudad Verde should not change the legal framework of Soacha (I2, I4, I1, I5, I6, I9, I22, I15, I16, I13, I20, I21 & I10). Nevertheless, three of them mentioned the need to approve the existing revisions of the land use plan to clarify the discussion regarding the classification of the land on which Ciudad Verde is located (I5, I16 & I21).

### 6.3. Societal Level

This level is one of the most difficult to analyze, as the limits between the areas of analysis are very gray. This level is composed of two main aspects: the analysis of the power structure and influence, and the institutional framework, within the context of Macro Project. In figure below the specific criteria are summarized.



**Figure 10 Criteria of Societal capacity development**



Source: Prepared by the author. December 2012

#### 6.3.1. Power Structure and Influence

One of the criteria to analyze in this level relates to the changes in the power relations within the government structure. It is interesting to note that in this case, all interviewees agreed that with the implementation of Ciudad Verde there were changes in this area.

Specifically, it was mentioned that within the framework of the Macro Project, the local government does not have a strong voice, particularly when a modification of the land use plan is not required (I15, I19, I113 & I121). Furthermore, according to some interviewees, the lack of coordinated planning between Bogota and Cundinamarca has affected the demographic dynamics of the capital, which could in turn have a negative impact on the region, particularly in terms of housing supply. Currently, 85% of social housing is being constructed in Mosquera and Soacha, based on the analysis of construction licenses for social housing, Macro Projects, and Integrated housing plans. As a consequence of this, the process of implementing the Macro Projects excludes the periphery from the region and increases the inequality within the region (I1, I110 & I113).

Furthermore, it was wondered whether Ciudad Verde had caused changes in responsibilities. Thirty-two percent of interviewees (I2, I4, I15 & I16) said that one must understand that Ciudad Verde, and in general the Macro Projects, are essential to creating and strengthening association and alliances as it was conceived by the instrument. The interviewees emphasized that the goal of implementing the Macro Projects is not that the national government creates a problem for the local government. Therefore, all the stakeholders involved in the Project should have a responsibility within the Project; this is the first step towards shared responsibility. The other 68% did not comment on this topic (I1, I5, I6, I9, I10, I13, I20, I21 & I22).

At the same time, the private sector is also experiencing a change in responsibilities, showing its interest and capacity in large-scale projects and in the role of facilitator that it has achieved between the government and the inhabitants living in Ciudad Verde. The manager of Ciudad Verde, Amarilo S.A., responds to requests for information from the community, and its role is vital in terms of opening a dialogue with the local government, in aspects like transportation, public services, and various other aspects (Amarilo S.A. 2012) (I2, I4, I6, I10, I15 & I16).

In addition to the previous information collected in round 2 of the interviews, the first round highlighted the need to emphasize the importance of linking the National Social Housing Macro Projects to efforts of the national government. For example, one should investigate whether the national government has an official document that specifies that National Social Housing Macro Projects must provide education for everyone, as this could mean that a direct negotiation between the local government and the National Education of Ministry is unnecessary (I1, I2, I4, I6, I9 & I15).

Finally, another question was related to the impacts on the principles of decentralization. All the interviewees (in both rounds) confirmed that Ciudad Verde and Macro Projects in general do impact decentralization, an evidence of which is the existing verdict from the Constitutional Court.

Even though in some cases, there is not a clear distribution of power within the national and local governments, in the case of the National Social Housing Macro Project, the power to define land use, which is usually in the hands of the local government, was taken over by the national government, in line with the Constitutional Court Verdict 149 of 2010. This verdict confirmed the unconstitutionality of the legal framework of the Macro Projects; nevertheless leaving active the initiatives that were already under construction, such as

Ciudad Verde, as they had already generated expectations in the target community and part of the investment was already made.

It is necessary to mention that this is the same position that the Mayor of Bogota had in 2009 (I5), as Bogota strongly believed that the National Social Housing Macro Projects were against the fact that the National Constitution gives the power to manage the territory to the local government. Nevertheless, while the Mayor of Bogotá disagreed with the fact of having Macro Projects in his own region, he did not object to having Ciudad Verde in Soacha. The local government of Bogotá even participated in it with the investment in extending the drinking water and sewage pipes to the municipality, and it even counts 20.000 houses from this project as contributing to achieving its housing goal in Bogota's Development Plan for the period 2008-2012.

Regarding land, the right that the law provided the national government to take over the powers of the local government, nevertheless, in 2011 the local councilors were considering approving an agreement to stop Ciudad Verde due to their resistance to the project (Portafolio, June 2011).

#### 6.3.2. Institutional Framework

All the stakeholders are learning to design and implement large-scale Macro Projects. The private sector has specific knowledge that has been challenging to transfer and what Amarilo S.A. is doing as the manager of Ciudad Verde is very valuable (I10). This can be perceived from the Case Study presented in Chapter Five and is directly related to what has been revealed in the individual level section of the results.

Regarding whether public- private alliances have been strengthened in the case of Soacha, three interviewees argued that it is important to share investment with other stakeholders in order to multiply the positive effects of large investment (I10, I15 & I16). As was mentioned in Section 6.1, it is important to highlight how this project encourages the local government to look for new partnerships (I16).

Ciudad Verde is evidence of the participation of the private sector in large-scale housing projects, as it is committed to providing better living conditions for the citizens, keeping in mind that they are changing the practices of the construction companies in Colombia. It emphasizes the importance of the institutional framework in building long-term alliances (I15, I20 & I21).

Regarding the changes in the relationship between the government and the citizens, there have been important attempts to link citizens to the project, i.e. approaches to interact with the community in the target region to inform inhabitants about the project and increase the community's motivation to accept it. This was mainly done in the implementation process. This has produced a change in the relationship between the citizens and the government, and now, citizens want to have more information about these kinds of projects in the municipality (I1, I15 & I20).

In addition, it is important to mention the role that the Social Association of Ciudad Verde, the association of inhabitants of Ciudad Verde, is playing in the project. It is a new stakeholder that is becoming more proactive in the dialogue with the government. It is working together with Amarilo S.A. (manager of Ciudad Verde) to make agreements with the local, regional, and national governments (Ciudad Verde Journal, September 2012) (I15).

## **7. INTERPRETATION OF THE RESULTS**

This chapter contains the interpretation of the results gathered during the fieldwork in order to highlight how the case study and the local capacity development analysis within it can be linked to answer the main research question of this research: "To what extent do Macro Projects help develop local capacities?" First, there is an analysis of the case study, highlighting the strengths and weaknesses of Ciudad Verde, the instrument of Macro Projects itself, and the opportunities and lessons learned from the reconstruction of the implementation process of Ciudad Verde. Second, the main findings of capacity development for each of the levels (Chapter 6) within the case study are presented and connected to the roles and responsibilities of the actors described in the case study (Chapter 5).

### **7.1. Case Study Analysis**

Due to its unplanned growth and urban pressure, Soacha faces significant challenges. In this context, Ciudad Verde is an opportunity to promote formal growth within the municipality, because of its characteristics of urban design and layout, including the amount of public space and green areas it has developed within the municipality. Additionally, it considers different land uses, which strengthens the opportunities for its population. Furthermore, it could have significant impact in terms of a better quality of social housing not only within the municipality but also in the region, which leads to improvement in the quality of life of residents in the area.

From the perspective of this research, these are interesting findings to consider when analyzing the project. However, it is important to note that these findings were identified as strengths of Ciudad Verde by different stakeholders interviewed that not always agreed with the instrument itself and the way it was conceived. Furthermore, it is shown in the case study that Ciudad Verde is part of a municipality that is full of complexities and challenges for its policymakers.

Beyond the positive aspects identified throughout this research, there are still a lot of questions and concerns regarding the socioeconomic impact of the project, considering the segregation that already naturally exists in the municipality. This concern has been pointed out not only by this research, but also by research done by experts within the group of interviewees. For example, Amarilo S.A., manager of Ciudad Verde, is working with the residents to fulfill their needs in association with the local government and ensure the sustainability of the project, which entails the understanding of living in the community within a enclosed complex, where they can share expenses, for example. To deal and be aware of this potential threat of the project is necessary, considering that there are experiences in similar projects, where socio- economic segregation is maintained within the community of incoming residents. This happened, for example, in the Macro Project located in Medellin, where the Institute of Social Housing has a complete interdisciplinary group to support the community and promote inclusive practices (18).

Furthermore, this research provides an overview of the stakeholders involved in the process, including their roles in the decision-making process of the different phases of Ciudad Verde, as well as the ones that are not involved in the process but legally should be. Regarding this part of the research, there are several key main findings to highlight regarding the actors themselves and their relationships.

In the following table, the main findings of the research related to the roles of the public sector in the implementation of the Macro Project are summarized:

<b>Table 13 Lessons learned from each actor's role of the public sector</b>	
<b>Actor</b>	<b>Lessons learned from each actor's role in the implementation of Macro Projects</b>
<b>Ministry of Housing, City and Territory</b>	<ul style="list-style-type: none"> <li>▪ The department of the Ministry implementing the Macro Projects is becoming specialized in providing more effective technical support to the municipalities. In the case of Ciudad Verde, they highlighted the challenges that they have faced with the mayor who came into office</li> </ul>

	<p>in 2012, because he was skeptical of the Project. Nevertheless, after discussions with the Ministry, the mayor understands the benefits of the Project.</p> <ul style="list-style-type: none"> <li>▪ Incorporating the lessons learned from the first generation Macro Projects into the identification and implementation of the second generation ones seems to be the key to achieving the national government's housing goals.</li> <li>▪ In particular, the case of Ciudad Verde shows the importance of formalizing project implementation agreements. Additionally, the Ministry of Housing has started to include good practices from the manager while conceiving the second generation Macro Project, such as that the new projects will maintain the socioeconomic strata of the incoming residents.</li> <li>▪ Through the implementation of Ciudad Verde, the Ministry has learned the importance of improving the communication of Macro Projects' impacts to other stakeholders, such as the Local Councils.</li> </ul>
<b>Regional Government of Cundinamarca</b>	<ul style="list-style-type: none"> <li>▪ The regional government of Cundinamarca has demonstrated the importance of its role in implementing Macro Projects in terms of ensuring better regional planning. Ciudad Verde was the first project that provided an opportunity for the regional government's participation in this discussion, in which it could share its opinion on how Macro Projects could be more sustainable.</li> </ul>
<b>Local Government of Soacha</b>	<ul style="list-style-type: none"> <li>▪ Analysis of Ciudad Verde revealed the importance of providing complete, reliable information to the municipality. This research through the request of information raised the awareness of the local government of how important it is to understand the impact of the project on the municipality.</li> <li>▪ The implementation process of Ciudad Verde highlighted the importance of involving not only the mayor of the city in the planning process, but of also including the local government's planning staff, in order to guarantee adequate, coordinated project implementation.</li> </ul>
<b>Local Government of Bogota</b>	<ul style="list-style-type: none"> <li>▪ Maintaining local autonomy in the definition of land use regulation continues to be the local government of Bogota's main concern related to Macro Projects. Therefore, the local government does not support the implementation of Macro Projects within its territory, and it is strengthening the use of traditional planning instruments instead, such as integrated housing plans. The fact that Bogota counted part of the social housing units in its development plan 2008-2012, still causes controversies, in relation to their position against the instrument.</li> <li>▪ Within the context of Ciudad Verde, the government of Bogota's role has reinforced the importance of formalizing collaboration agreements. This is important to guarantee effective implementation of the instrument.</li> </ul>

Source: Prepared by author. January 2013.

In the following table, the main findings of the research related to the roles of actors other than the public sector in the implementation of the Macro Project are presented:

<b>Table 14 Lessons learned from each actor's role of the private sector</b>	
<b>Actor</b>	<b>Lessons learned from each actor's role in the implementation of Macro Projects</b>
<b>Amarilo S.A.</b>	<ul style="list-style-type: none"> <li>Through the implementation of the Project, the company has gained experience working with the public sector, developing specific strategies and know-how on the process. Amarilo S.A. is committed to transferring this knowledge to other actors and maintaining a continuous dialogue regarding the Project with the Ministry of Housing.</li> </ul>
<b>Universities and Research Centers</b>	<ul style="list-style-type: none"> <li>The role of academic research in public policymaking is vital to continuously analyze, evaluate, and improve public actions. This research reveals the strong linkage that exists in Colombia between the housing policymakers and universities and research centers. Even though universities and research centers were not directly involved in the process of implementation of the instrument, they are following its development in an open-minded way, in order to learn from its strengths and flaws. In the case of Ciudad Verde, the universities and research centers are tracking the implementation process, and have, in particular, recognized the effectiveness of its manager.</li> </ul>

Source: Prepared by author. January 2013.

The following results were extracted from the analysis of relationships within Ciudad Verde. The most interesting issues in relation to the aim of this research are highlighted:

- Formal agreements between the local government of Bogotá and Soacha, the regional officers, and the Ministry of Housing, City, and Territory are key to supporting the development of Ciudad Verde. It is interesting to see how, ultimately, different efforts complement each other, even though all of them have very different perspectives on the advantages and disadvantages of the instrument.
- The ways Macro Projects are being implemented highlight the importance of working together among the different levels of the government, especially by carrying out actions to foster effective coordination and the sharing of responsibilities. For all the phases of the Macro Projects, the Ministry of housing led round tables to prioritize actions within the different levels of

the government. This is useful when there are shortcomings in the implementation of the Macro Project.

- Harmonizing the actions between two local governments is necessary, as the national and regional governments have noted before, in various scenarios. In the case of Ciudad Verde, it is clear that the governments of Bogota and Soacha are working together in a single project to promote social housing in the region. Nevertheless, there is still great potential to create more synergies in their work, in all the different areas of public policies, in order to be more effective. Open dialogue seems to be needed to achieve this goal.
- It appears that the local and regional governments are encouraged to plan together, in order to promote sustainable urban development. This research shows evidence of the importance of planning together. Particularly, this research reveals interesting collaborative practices that have appeared throughout the implementation of Ciudad Verde and that were not planned at the start of the Project. For example, in the implementation of Ciudad Verde, the local and regional governments are working together to build the new hospital of Soacha in one of the areas that the Macro Project gave to the local government. In this particular case, they are sharing knowledge for implementing the specific project, as well as financial resources.
- The case study demonstrates how the private sector can manage a project that mainly focuses on the public interest but also includes private interests. It is interesting to see how this process happens in the social housing sector, with the result of strengthening the alliance between the public and private sectors.
- Throughout the process, the group of developers included different construction companies working towards a common goal. This project is a good example for the real estate industry in terms of collaborative practices. Within the Colombian Association for the Construction (Camacol), this Macro Project has become a reference because of its management practices.
- At the national level, there is also complementarity of different institutions working towards implementing the same instrument and specific projects. This was revealed in the fieldwork.

The overview of the actors involved in Ciudad Verde was the basis for reconstructing the different phases of the project implementation process; in order to compare what was established in the legal framework in terms of goals and activities and what was done in reality. The main findings regarding



this comparison in each phase of the process described in Section 5.4 are the following:

<b>Table 15 Main findings on each phase of the implementation process</b>	
<b>Phase</b>	<b>Main findings on project aspects where legal framework matched reality</b>
<b>Developing the Project concept</b>	<ul style="list-style-type: none"> <li>▪ In the case study, the developers agreed with the landowners to develop the project and present it to the Ministry. This is in line with what the legal framework establishes.</li> <li>▪ The legal framework points out the importance of the Project matching the local context and needs of the municipality. In the actual case, it was emphasized that that the Project would be an effective tool to stop the continuous informal growth in the municipality.</li> </ul>
<b>Identification and Selection of the Project</b>	<ul style="list-style-type: none"> <li>▪ The legal framework establishes the technical considerations that must be taken into account in order to guarantee that the Macro Project is pertinent for the municipality and the region. It is interesting to note that in this phase, the law does not mention other actors that should be involved in the process, such as the mayor of the municipality where the Macro Project will be located. In the case of Ciudad Verde, it is clear that the Project fulfills all the requirements and that since the beginning there were dialogues with other actors, such as the mayors of Bogota and Soacha.</li> </ul>
<b>Project Formulation</b>	<ul style="list-style-type: none"> <li>▪ In this phase of the Project, all actions are in line with the legal framework.</li> <li>▪ In the analysis, it was pointed out that in the legal framework, there is no evidence that either the Regional Autonomous Corporation of Cundinamarca, which is the environmental authority in the region, or the Regional Government of Cundinamarca should be involved in the process. It is important to mention that due to their legally established functions, they should have a say in the process, and this should therefore be established in the legal framework of Macro Projects. Regarding these points, this weakness in the legal framework was rectified by incorporating these actors' roles into the new housing law (National Congress of Colombia 2011).</li> </ul>
<b>Implementation</b>	<ul style="list-style-type: none"> <li>▪ Regarding the implementation process, the legal framework is very general, and the challenges in this phase were much greater than expected.</li> <li>▪ Two main aspects in the legal framework are the following: the issuance of construction licenses and the possibility of developing the Project through public-private schemes. In the case of Ciudad Verde, both aspects were covered.</li> <li>▪ Additionally, some of the aspects that have been identified in</li> </ul>

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this phase that should be included in the legal framework (as a lesson learned of the implementation process of Ciudad Verde) are the following:

- Aqueduct and Sewage
  - Accessibility
  - More specifications and details on land use changes (from rural to urban).
- Within this phase of Ciudad Verde, different efforts to approach the community were made with the ultimate aim of making the project more sustainable and giving people a sense of ownership in the project; this topic should be integrated into the legal framework by the national government.

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Source: Prepared by author. January 2013.

## **7.2. Main Findings related to local capacity development**

Capacity development constitutes the backbone of this research, as the aim is to understand to what extent it is developed through Macro Projects. In this section of the chapter, the main findings on how the capacity is developed within 3 layers—individual, organizational and societal—by Ciudad Verde, is presented.

Regarding the results, it is important to mention that for the majority of criteria analyzed in each level, there were no answers from the interviewees. This happened because the interviewees usually talked in general terms about capacity, and sometimes there is a lack of clarity regarding the implications of the concept, especially in terms of what the concept entails and to whom such capacity development is given. The most common response is to measure the capacity of the instrument to increase the number of hectares of land available for social housing construction or the number of housing units. Therefore, this research opens an interesting discussion on how the concept of local capacity development is applied throughout the Macro project and invites the interviewees to think out of the box, which was remarked by some of them.

The following table below summarizes the main findings within the individual level:

**Table 16 Main findings of local capacity development at the individual level**

Level	Main Findings
Individual	<ul style="list-style-type: none"> <li>▪ There is no evidence that formal trainings happened. Specific training can improve the effectiveness of Macro Project implementation.</li> <li>▪ There are hints that the interest and knowledge for networking and cooperation have been generated through the interaction with the private sector in the frame of the Macro Project.</li> <li>▪ Developing the technical skills of the local government staff is easier if there is interest from the mayor to do so. In Ciudad Verde, there is no evidence of this happening.</li> <li>▪ Rotation of the personnel seems to be a major barrier to developing the capacities of local human resources.</li> <li>▪ There is no evidence that the staff has done any policy analysis of the Macro Project. Due to the characteristics of the Macro Project regarding its large-scale and the participation of different stakeholders it was expected that they were willing to change their way of making policy analysis. Ninety-two percent of interviewees did not comment on this issue. From the perspective of this research, the characteristics of the Projects imply the need make a more comprehensive policy analysis.</li> </ul>

Source: Prepared by author. January 2013.

The following table below summarizes the main findings within the organizational level:

**Table 17 Main findings of local capacity development at the organizational level**

Level	Main Findings
Organizational	<ul style="list-style-type: none"> <li>▪ <u>Financial Procedures and System:</u> <ul style="list-style-type: none"> <li>– Even though new income (property tax) will be generated because of the Macro Project, there is no evidence that this will strengthen the financial capacity of the local government.</li> <li>– The added value tax of land was paid by the Macro Project and was reinvested in the same Project. This research pointed out how controversial this could be.</li> <li>– There are no specific estimations of the costs of social services that the local government will have to bear due to increased population growth in Soacha. Nevertheless, as was mentioned in the reconstruction of the process, Ciudad Verde is working hand-in-hand with the residents to fulfill their needs in terms of social services.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ <u>Planning Procedures:</u> <ul style="list-style-type: none"> <li>– There were changes in the planning procedures and processes, particularly the involvement of the Mayor as planning authority and the use of planning instruments.</li> <li>– The local government is experienced in using planning instruments to promote social housing.</li> <li>– Social housing has been always present within the development plans. It is interesting to see through the comparison done in this research of the previous and current development plans that in the current one, they are focusing on capacity development, which is in line with this research.</li> </ul> </li> <li>▪ <u>Implementation Procedures</u> <ul style="list-style-type: none"> <li>– There is no evidence that there have been changes in information management at the local government.</li> <li>– From the case, it is important to highlight the agreements on infrastructure and services delivery. It is also interesting that within the Macro Project, the system of loads and benefits is being used, to finance the infrastructure within the project.</li> </ul> </li> <li>▪ <u>Evaluation Procedures:</u> <ul style="list-style-type: none"> <li>– Even though most of the interviewees did not answer the question, it was mentioned by the local government that a previous assessment of the project had been done. There is no evidence of this evaluation.</li> </ul> </li> <li>▪ <u>Legal Framework</u> <ul style="list-style-type: none"> <li>– There is no evidence of changes.</li> <li>– The municipality still needs to approve the revisions of the land use plan made in 2007 and 2010.</li> </ul> </li> </ul>
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Source: Prepared by author. January 2013.

The following table below summarizes the main findings within the societal level:

**Table 18 Main findings of local capacity development at the societal level**

Level	Main Findings
Societal	<ul style="list-style-type: none"> <li>▪ Power structure and influence <ul style="list-style-type: none"> <li>– As was mentioned in the interpretation of the case study, there have been changes in the power relations within the government.</li> <li>– There have also been changes in the responsibilities of the different stakeholders. This research reveals how the private sector is assuming some of the responsibilities of the public sector; however, there is no evidence of why this is happening.</li> <li>– Regarding the impacts on the decentralization principles, all the interviewees responded. This is because of the discussions about the instrument and how it is related to local autonomy and transfer of powers that took place due to the unconstitutionality verdict of the Constitutional Court in 2010.</li> </ul> </li> <li>▪ <u>Institutional Framework</u> <ul style="list-style-type: none"> <li>– There are hints that knowledge from the private sector has been transferred, but there is no concrete evidence of this. It is important to emphasize the leadership of the private sector in the implementation of Ciudad Verde.</li> <li>– Public-private alliances have been strengthened.</li> <li>– There are hints that there is a change in the way the local government interacts with the community, particularly regarding the communication of information on the Macro Project.</li> </ul> </li> </ul>

On one hand, from the case study, it is important to highlight that in all the phases of the implementation of the Macro Project the actions from the stakeholders goes in line with what it is established in the legal framework. Also, this research identified the actors that were not involved in the process or that they were involved in late stage of the project and not since its definition. It is recognized that their participation will be an added value for the Macro Projects, specially if they are involved since the beginning. Finally, it is important to point out the leading role of the private sector in the implementation of the project.

On the other hand, frequently there was no evidence of different kinds of capacity development across all levels of analysis. It was difficult for the interviewees to grasp the concept of capacity development and the levels in which it can be developed. There is no evidence of capacity development at the individual level, probably because the staff of the local government was not involved in the planning process when the project was defined. Regarding capacity development at organizational level there has been changes in the

planning procedures; nevertheless, results were expected to be more convincing. Finally, regarding societal level, the findings show more awareness and knowledge of the development within this area, particularly in the identification that public- private alliances have been strengthened.

## 8. CONCLUSIONS

Housing is one of the drivers of economic growth identified and prioritized by the national government in its 4-year program; the main goal is to construct one million housing units on 7.000 hectares of land. Therefore, second generation Macro Projects will be an asset to achieving the goals of the government and consolidating the housing policy of Colombia. In this context and after analyzing the reasons why Macro Projects were created, this thesis focuses on understanding to what extent Macro Projects develop local capacities, through the analysis of the case study, Ciudad Verde in Soacha.

As mentioned in Chapter 2, local capacity development is a concept used by the international cooperation sector as an essential part of their action. These elements of the decision-making processes are part of what has been analyzed throughout this thesis with the proposed checklist, and considering the context in which they are developed is key to improving implementation of the Macro Projects.

Moreover, analyzing the concept within the system-based approach is useful in figuring out how the Macro Project should be carried out in order to generate capacity development at the individual level–i.e. directly with the staff of the local government-; at the organizational level–directly within the local government-; and at the societal level–refers to power relations amongst stakeholders and the institutional framework.

For this analysis, qualitative research was conducted using the case study as a useful method to evaluate issues within each context. This research involved three main steps: 1. Establishing a common basis about the concept of local development; 2. Selecting a Macro Project that is advanced in its implementation and in which different stakeholders have publicly communicated their positions on the instrument; and 3. Applying the criteria selected to analyze local capacity development, with the support of the different stakeholders involved.

Another important highlight of the research is the group of interviewees that participated in it; during the fieldwork, it was possible to reach the people identified by the snowballing method, and it was interesting that the same

people were always being referred to. However, this research could be improved through development of comparative case studies of several different Macro Projects.

Before analyzing capacity development, a reconstruction of the implementation process was carried out, identifying the differences between the legal framework and reality. In general, the actions follow what is established in the laws, but there are many other actions and processes outside of the legal framework that should be incorporated into it. By understanding the implementation process, it was easier to conduct the analysis of how much Macro Projects contribute to local capacity development within each layer.

In the following part of the document, there is a table for each level of analysis that includes the following elements: the criteria, results, the results' interpretation, and specific recommendations, based on the data collected and analyzed in this research (Table 19: Individual level; Table 20: Organizational level; and Table 21: Societal level).

**Table 19 Main findings and recommendations for the individual level**

<b>Criteria</b>	<b>Results (1)</b>	<b>Interpretation</b>	<b>Recommendations</b>
1. Specific Trainings were implemented	There is no evidence that there were formal trainings.		Formal trainings should be implemented because they will increase the ability of the personnel to apply the instrument.
2. Networking and cooperation knowledge were acquired	There are hints that this knowledge is being expanded among personnel due to the participation of the private sector.	This is a positive aspect developed by the implementation of the instrument.	The government should be aware of the important role that the private sector has in creating networking and cooperation knowledge and integrating it into the implementation process.
3. Technical knowledge and skills were developed	There is no evidence of major changes within the skills of the staff, except when the Mayor promotes the Macro Project.	The Mayor's support (or lack thereof) influences the development of technical knowledge and skills among the local government staff.	The local government should be more aware of the importance of promoting the development of technical knowledge and skills for the implementation of the instrument.

4. Project management skills were improved	There have not been improvements in this area.	This result is surprising, as improvements were expected due to the participation of the private sector.	The local government should recognize the importance of learning from the expertise of the private sector in this area and promoting project management skills development among the staff.
5. The way of doing policy analysis changed	There is no evidence of this.	To note this result is interesting considering that the large-scale projects need a more comprehensive analysis considering all the stakeholders involved.	The government in general should stress the importance of innovating different ways of doing policy analysis.

Note: (1) The results in this section are based on the answers given by the interviewees, even when some or almost all of the interviewees did not answer the question. Source: Prepared by the author. January 2013.

**Table 20 Main findings and recommendations for the organizational level**

Criteria	Results	Interpretation	Recommendations
Financial Procedures and System changed	An increase of the local revenue due to the property tax of the new 42.000 housing units is expected. There is no evidence of this yet, as the first units will start paying it in 2013. An increase in the investment needed for social services is also expected.	There is a need to evaluate whether the new income produced will strengthen the financial capacity of the local government. There should also be estimations made of the impact of the new population in terms of increased expenses at the local level.	The national government, as part of the feasibility studies of the Macro Projects, should include the analysis of the financial impact on the local government and figure out how to adequately meet the needs of the incoming residents.



Planning Procedures changed	There is evidence that more changes have happened in this aspect. The local government does use different planning instruments to increase social housing.	It is interesting to see the leading role of the mayor as the highest planning authority.	The national government should follow up on how the local government is implementing planning instruments to promote housing in order to evaluate the relevance of the instrument.
Implementation Procedures changed	There is no evidence of changes in information management. Nevertheless, there have been changes in the way the local government deals with infrastructure and the way of financing it.	Information for evaluating this kind of project for a local government is fundamental to understanding the project's effects on the local government. Additionally, it is interesting to explore different financial schemes for infrastructure delivery.	The local government should enforce stronger procedures for information management related to the Macro Project. The national government should document the importance of using different financial schemes to deliver infrastructure in this kind of project.
Evaluation Procedures in place	There is no evidence of evaluation procedures in place for the specific Macro Project; nevertheless, the importance of evaluating the impact was mentioned in the interviews.	Evaluation procedures are key to the implementation of projects, particularly the large-scale ones.	The local government must be very specific in analyzing the impact of the Macro Project on its community and administration as part of the process of project formulation (the phase in which they should comment on it).
Legal Framework changed	There is no evidence of this. Land use plan revisions still need to be approved.		The local government should be aware of the changes needed in its legal framework regarding the implementation of a Macro Project.

Note: (1) The results in this section are based on the answers given by the interviewees, even when some or almost all of the interviewees did not answer the question.

Source: Prepared by the author. January 2013.

**Table 21 Main findings and recommendations for the societal level**

<b>Criteria</b>	<b>Results</b>	<b>Interpretation</b>	<b>Recommendations</b>
Changes in power relations and influence	There is evidence of the changes in power relations within the government, considering that Macro Projects are enforced by the national government in coordination with the local government. The private sector has become a facilitator of processes. The impacts of the Macroprojects in terms of decentralization are well-known and discussed.	The changes in power relations and responsibilities can be seen empirically through the interviews. The Macro Projects are a concrete example of how the discussion about decentralization is grounded in a practical issue. This research shows how sector private project management can complement public responsibilities in the delivery of services, particularly in the housing sector.	Changes in power relations within the government can be positive if there are beneficial results for the population. The private sector is acquiring interesting experience in public policy responsibilities that can be documented. The national government should use the good management practice of Ciudad Verde to improve the implementation of other Macro Projects.
Changes in the institutional framework	Knowledge transfer from the private sector to the government occurred in the implementation of Macro Projects; nevertheless, there is no evidence on how exactly this is happening. Public-private alliances have been strengthened through this Macro Project.	It is interesting to point out that public-private alliances are being implemented with positive outcomes. Knowledge transfer can be an asset of this partnership.	The national and local government should institutionalize the relationship that is being built with the private sector, and communication of opportunities and lessons learned should be happening.  The national government should further develop how the community interacts with the

	<p>The community is more interested in knowing about the project; nevertheless, there is no specific information on how the relationship between local government and the community has changed due to the Macro Project.</p>		<p>Macro Projects, in order to provide more effective support in this area. Learning from the different first generation Macro Projects can be an asset for the next round of Macro Projects that will be implemented.</p>
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Note: (1) The results in this section are based on the answers given by the interviewees, even when some or almost all of the interviewees did not answer the question.

Source: Prepared by the author. January 2013.

After analyzing the development of capacities at the different levels, one can conclude that actions and interactions are happening. To develop capacity at the individual level, meaning having an impact on the knowledge, skills, and attitudes of the local government staff, seems to be an achievable goal, if there is the political will of the local government, and it is promoted by the national government. As mentioned in this thesis, the frequent rotation of human resources to different offices is one of the major barriers to capacity development throughout the implementation of the Macro Projects.

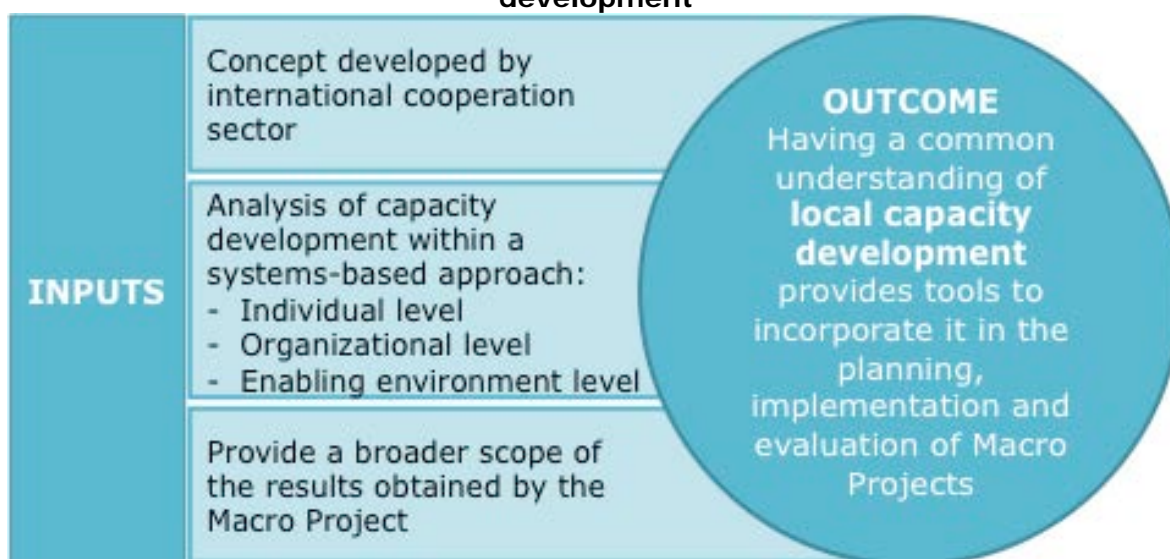
At the organizational level, it is important to raise awareness of the process of capacity development at the local level. There have been changes in the planning and implementation procedures within the local government. Analyzing the capacity at the societal level it was easier to analyze the criteria related to decentralization and governance than the rest.

Furthermore, from the fieldwork conducted in this research, it was observed that the stakeholders do not differentiate between the levels of capacity development; they talked in general terms about capacity, and sometimes there was a lack of clarity regarding the implications of the concept, especially in terms of what the concept entails and to whom such capacity development is given. There is not public awareness of what Macro Projects mean in terms of capacity development, and this is therefore the added value of this research, the definition and analysis of specific criteria to evaluate such development on three different levels.

Therefore, having a common basis of understanding of what local capacity development means in relation to the Macro Projects is necessary in order to comprehensively analyze the results of this instrument, considering that enhancing capacity is also an important goal of the Macro Projects. In this way, it is possible to go beyond the main presented results, namely, the number of urbanized land hectares produced and the quantity of social housing units.

In figure below, it is possible to see how the analysis and identification of three main aspects obtained in the research leads to the conclusion that having common basis on local capacity development provides tools for better performance.

**Figure 11 Creating common basis of the concept of local capacity development**



Source: Prepared by the author. December 2012

This distinction of levels is also useful for the implementation and evaluation phases. Regarding the evaluation, analyzing capacity development provides another sphere of results that can be presented in relation to the Macro Projects and thus be considered in the justification of the instrument. This is another added value of this thesis.

Additionally, this research develops a tool to analyze local capacity development as part of the policy and more easily gather the lessons learned on how this issue is being tackled in the first generation Macro Projects. This pool of lessons learned and recommendations can be used by the national government, specifically by the Ministry of Housing, City, and Territory, in the implementation of second generation Macro Projects, which are a priority in the political agenda in Colombia. It is necessary to think about how this local

capacity development analysis complements the idea of Macro Project sustainability, which has become a concern to the different stakeholders.

On the other hand, from this research, it is clear that an understanding of the effects of building large-scale social housing in Colombia is needed. This recommendation is based on the literature review of international experiences and on interviews with different experts, who referred sometimes to the potential social effects that this policy could be having. To include the perception of the citizens would enrich the process. This is something that further research must take into consideration.

There are a number of research questions that further research could address, in order to deepen the understanding of the aspect this research investigated: Is it possible to develop local capacity within all levels of the Macro Projects? How do the particularities of each municipality enable them to achieve local capacity development through the definition and implementation of a Macro Project? Perhaps the most important question to answer is the following: Is there any connection between local capacity and finding solutions for the housing deficit on a long-term basis?

In conclusion, Macro Projects are more than an instrument implemented to develop urbanized land and construct social housing in Colombia; they have the potential to improve local capacity by developing the knowledge, skills, and attitudes of the human resources; strengthening the organizational capacity of the local government regarding finances, the project cycle, and the legal framework; and enabling the environment, which means to make positive changes in power relations and institutional framework. With the development of these aspects, the projects implementation could be more effective and smooth, and they could more effectively contribute to reducing the housing deficit in Colombia.

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## 10. APPENDIX

### Appendix 1 List of interviews done during the fieldwork in Bogota

Round	Code	Date	Person	Actor	Specific	Entity
1	I8	19/10/12	Catalina Ruiz	Public	Local	Technical at the Institute of Social Housing of the city of Medellin
1	I7	27/09/12	Andrea Arboleda	Public	Local	Subdirector of Sectoral Information of the Habitat Secretariat of Bogota
1	I3	41191	Catalina Velasco	Public	Local	Former Planning Secretary of Bogota (2006) Former Habitat Secretary (Jan 2008- Oct 2009)
1	I19	22/10/12	Fabio Velasquez	Private	Research Center	Expert in decentralization
1	I18	17/10/12	Mary Ruth Guevara	Private	University	Graduate Student of Andes University
1	I17	16/10/12	Oscar Acosta	Private	Consultancy	Consultancy - Lawyer
1	I14	11/10/12	Nelcy Echeverria	Private	University	Professor of University de LA SALLE
1	I12	5/10/12	Claudia Samper	Private	Constructor	Co - manager at ARPRO (Construction enterprise)
1	I11	4/10/12	Jean Francois Jolly	Private	University	Professor at Javeriana University
2	I9	2011	Ana Delia Abril	Public	Local	Former Planning Secretary of Soacha - Interview done by Guevara
2	I6	22/10/12	Luz Stella Carrillo	Public	National	Head of territorial finances at the National Planning Department
2	I5	17/10/12	Jorge Ramirez	Public	Local	Former head of the law office at the Habitat Secretariat of Bogota
2	I4	9/10/12	Augusto PINTO	Public	National	Subdirector of Housing at the National Department of Planning
2	I22	24/01/13	Manuel Pachón	Public	Local	Professional of the Planning Secretariat of Socha (Right to Petition)
2	I21	22/10/12	Jose David Piñeros	Private	University	Graduate Student and Former Professional of the Habitat Secretariat of Bogota
2	I20	23/10/12	Clemencia Escallón	Private	University	Researcher and Professor at Andes University
2	I16	12/10/12	Fernando Montenegro	Private	Consultancy	Consultancy and Professor at Javeriana University
2	I15	11/10/12	Camilo Caicedo	Private	Constructor	Director of the Project Ciudad Verde - AMARILO
2	I13	10/10/12	Oscar Alonso	Private	University	Professor of University of Externado of Colombia
2	I10	2/10/12	Jorge Torres	Private	Research Center	Director of CENAC - Center of Studies of Construction and Urban and Regional Development
2	I1	27/09/12	Claudio Galán	Public	Regional	Former Planning Secretary (Nov 2010 - Jan 2012) Mayor in charge of Soacha (Nov 2010 - Feb 2011)
2	I2	3/10/12	Guillermo Herrera	Public	National	Director of Housing and Territorial Development - Ministry of Housing

## Appendix 2. Data Sheet of the Interviews

Appendix 2: Data Sheet of the Interviews																																		
Social Housing Macro Projects and Local Capacity: The Case of Ciudad Verde in Soacha, Colombia																																		
Research Question: to what extent do the National Social Housing Macro Projects in Colombia develop local capacities?																																		
Methodology: 2 rounds of semi-structured interviews within the Case Study of Ciudad Verde, Soacha.	Sample: Selective Sample & Snow Balling Sample. Round 1: 22 interviews Round 2: 13 interviews																																	
Graph 1: Actors in the Private and public sector  <div><p>Sample by sector</p><table><thead><tr><th>Sector</th><th>Round 1</th><th>Round 2</th></tr></thead><tbody><tr><td>Public</td><td>33%</td><td>54%</td></tr><tr><td>Private</td><td>67%</td><td>46%</td></tr></tbody></table></div>	Sector	Round 1	Round 2	Public	33%	54%	Private	67%	46%	Graph 2: Sectors (Local, Regional, National, University, Constructor, Consultancy and Research center)  <div><p>Sample specific area within each sector in each round</p><table><thead><tr><th>Sector</th><th>Round 1</th><th>Round 2</th></tr></thead><tbody><tr><td>Local</td><td>33%</td><td>23%</td></tr><tr><td>Regional</td><td>23%</td><td>0%</td></tr><tr><td>National</td><td>23%</td><td>0%</td></tr><tr><td>University</td><td>33%</td><td>23%</td></tr><tr><td>Constructor</td><td>11%</td><td>8%</td></tr><tr><td>Consultancy</td><td>11%</td><td>8%</td></tr><tr><td>Research Center</td><td>11%</td><td>8%</td></tr></tbody></table></div>	Sector	Round 1	Round 2	Local	33%	23%	Regional	23%	0%	National	23%	0%	University	33%	23%	Constructor	11%	8%	Consultancy	11%	8%	Research Center	11%	8%
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Research Center	11%	8%																																
Graph 3: Gender (Male and Female)  <div><p>Sample by Gender in each round</p><table><thead><tr><th>Gender</th><th>Round 1</th><th>Round 2</th></tr></thead><tbody><tr><td>Female</td><td>67%</td><td>23%</td></tr><tr><td>Male</td><td>33%</td><td>77%</td></tr></tbody></table></div>	Gender	Round 1	Round 2	Female	67%	23%	Male	33%	77%	Graph 4: Actors in each sector  <div><p>Sample by specific areas within each sector</p><table><thead><tr><th>Sector</th><th>Public</th><th>Private</th></tr></thead><tbody><tr><td>Local</td><td>60%</td><td>0%</td></tr><tr><td>National</td><td>30%</td><td>0%</td></tr><tr><td>Regional</td><td>10%</td><td>0%</td></tr><tr><td>Research Center</td><td>17%</td><td>50%</td></tr><tr><td>University</td><td>0%</td><td>17%</td></tr><tr><td>Consultancy</td><td>0%</td><td>17%</td></tr><tr><td>Constructor</td><td>0%</td><td>17%</td></tr></tbody></table></div>	Sector	Public	Private	Local	60%	0%	National	30%	0%	Regional	10%	0%	Research Center	17%	50%	University	0%	17%	Consultancy	0%	17%	Constructor	0%	17%
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Research Center	17%	50%																																
University	0%	17%																																
Consultancy	0%	17%																																
Constructor	0%	17%																																

## Appendix 3. Questionnaire Round 1

Msc. Urban Management – TU Berlin

Ana Maria Buriticá Alzate

Questionnaire: First Round of Questions

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### **Social Housing Macro Projects and Local Capacity: The Case of Ciudad Verde in Soacha, Colombia**

#### **Main Research Question:**

To what extent do the National Social Housing Macro Projects in Colombia develop local capacities?

#### **NOTES:**

1. The objects of analysis of the current thesis are the macro projects of first generation—formulated before the sentence C-149 of 2010.
2. The instrument is analyzed from its planning, implementation and management.
3. We will analyze the way in which actors take part in the process of the different stages established in the Decree 4260 of 2007.

#### **Methodology**

- Case Study
- Reconstruction of the process—1<sup>st</sup> generation: Public Field Analysis.
- Criteria to analyze local capacity (planning and performance).

**Objective:** To get to know the process of formulation and implementation of the macro projects of first generation and identify the weaknesses and strengths of these instruments, considering the principles of decentralization, involved actors, regional context and the produced capacity by the instrument.

#### **General Questions – Getting to know the instrument**

1. What is your experience regarding urban topics and the relationship with housing issues in our country?
2. What is your link to social housing macro projects?
3. Could you define what are social housing macro projects and what is the difference between first and second generations? What elements triggered this difference?
4. What is their importance for our country?
5. What is the relationship between macro projects and decentralization? Think specifically in the principles of decentralization, concurrence, coordination and autonomy.

#### **Specific Questions – Producing Local Capacity (Planning and Management)**

1. What is the relationship between the instruments for urban land management and the abilities of planning and management of local authorities?

2. Until what extent the social housing macro projects support and develop the capacity of local authorities?
3. In order to analyze the produced capacity by macro projects, according to your experience, which are the criteria and indicators that should be considered?

### General – Reconstruction of the Process

Aiming to reconstruct the process of creation and implementation of the macro project, I will ask specific questions in relation to each phase, insofar as possible focusing on the first generation and marking its difference with the second generation. The objective is to fill in each specific box in case of having any relevant comment.

	Definition of the instrument	Identification and determination	Formulation	Execution
Definition				
Description of the process—activities and decision making				
Involved actors <ul style="list-style-type: none"> <li>• Government</li> <li>• Private entities</li> <li>• Society</li> <li>• Social organizations</li> <li>• IADB (BID)</li> </ul>				
Criteria		Population, lack of housing, intervention's impact on land		
In which way the process diverts from decentralization?				

### Case Study: Ciudad Verde (SOACHA)

1. What has been your relationship with Ciudad Verde?
2. From your point of view, what is the importance of this macro project?
3. What weaknesses and strengths have you seen during this process?
4. What is the role of each of the involved actors?
5. What is the regional impact of the project?

## Appendix 4. Questionnaire Round 2

Msc. Urban Management – TU Berlin

Ana Maria Buriticá Alzate

Questionnaire: Second Round of Questions

### **Social Housing Macro Projects and Local Capacity: The Case of Ciudad Verde in Soacha, Colombia**

#### **Main Research Question:**

To what extent do the National Social Housing Macro Projects in Colombia develop local capacities?

#### **NOTES:**

1. The objects of analysis of the current thesis are the macro projects of first generation—formulated before the sentence C-149 of 2010.
2. The instrument is analyzed from its planning, implementation and management.
3. We will analyze the way in which actors take part in the process of the different stages established in the Decree 4260 of 2007.

**Context:** After the first round of interviews, a second round of interviews is conducted with the interviewees that have worked with the Macro Project selected as the case study and/or directly with the municipality where it is located.

#### **Objectives:**

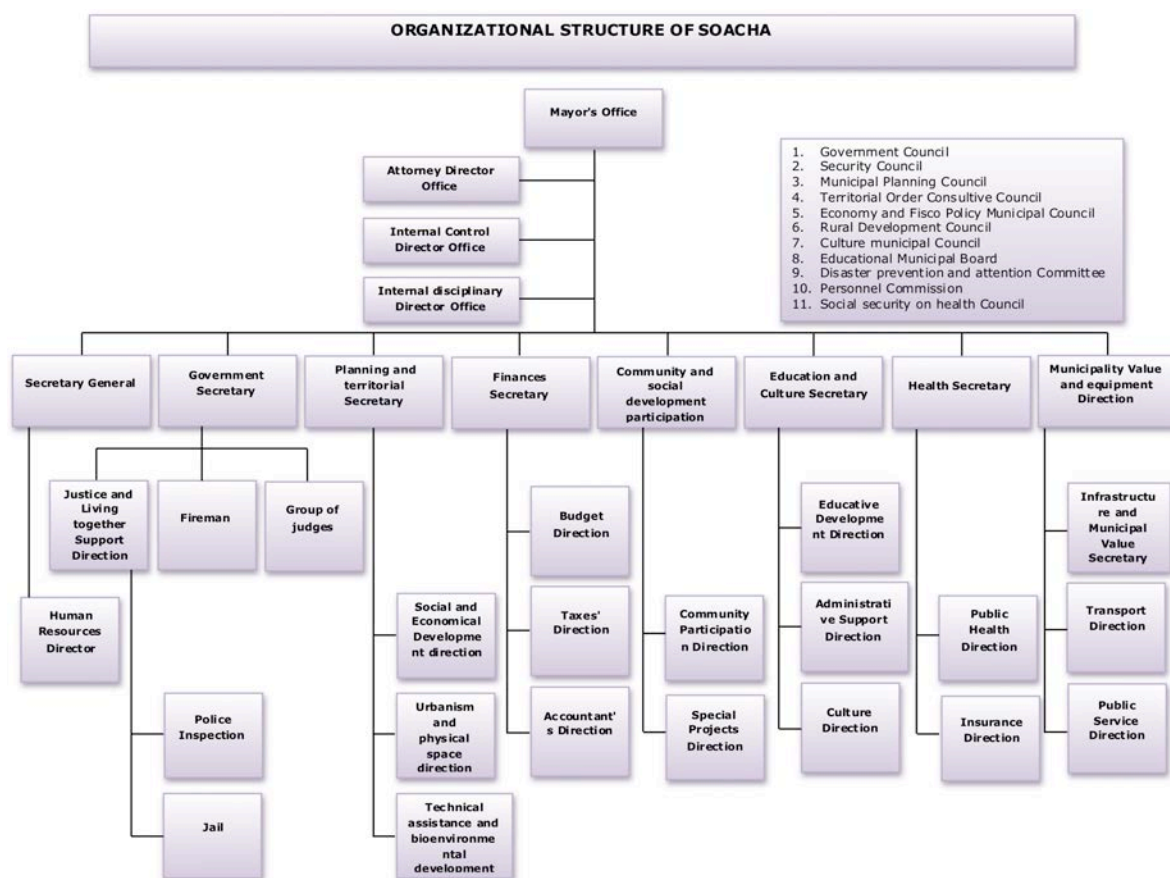
- To know their opinion about classifying the development of local capacities in the three proposed levels by the UNDP.
- To know their opinion about the relevance or lack of relevance of the selected criteria to analyze the production of local capacities.
- To get specific answers to the operational questions of this current research in relation to the study case of Ciudad Verde.

Questions to analyze capacity development at the individual level	
1	Were there specific trainings for the staff for the implementation of the Macro Project?
2	What new knowledge was gained from the Macro Project in terms of networking and cooperation?
3	Were there changes and lessons learned from a technical perspective in the implementation of the Macro Project? Which changes?
4	Were there improvements in project management knowledge and skills during the implementation of the Macro Project? Which improvements?
5	Were the staff inspired to change their way of doing policy analysis in the local government because of their interaction with other stakeholders? How?

<b>Questions to analyze capacity development at the organizational level</b>	
1	What will be the amount of new income produced thanks to the construction of the Macro Project? - Property tax and added value property tax-. (Financial)
2	What will be the changes estimated in the municipality's expenses due to the new demand of social services? Who made this estimation? (Financial)
3	Did the implementation of the Macro Project affect the planning processes and procedures in the municipality? How? (Planning procedures)
4	Did the implementation of the Macro Project increase the importance of the housing topic in the planning instruments of the municipality focused on enhancing its planning capacity? How? (Planning procedures)
5	Were there changes in the management of the information in the local government? Which changes? (Implementation procedures)
6	Were there changes in the municipality to deal with infrastructure-related issues? Which changes? (Implementation procedures)
7	Was there an impact assessment of the Macro Project by the municipality? If so, who was involved in this evaluation? Did the local government internalize the learning from the implementation of the Macro Project? (Evaluation procedures)
8	Were there changes in the local government regulations thanks to the implementation of the Macro Project? (Legal framework)

<b>Questions to analyze capacity development at the societal level</b>	
1	Were there changes in the power relations among the local, regional, and national governments due to the implementation of the Macro Project?
2	Were there changes in the responsibilities within the government structure due to the implementation of the Macro Project?
3	Did the Macro Project make decisions on the national level and therefore weaken the local government's capacity, which is strengthened by the decentralization process?
4	What new partners came in, and what did they contribute that helped the local government to improve its administrative and technical capacities? (Knowledge transfer)
5	How has the Macro Project strengthened the relationships between the local government and the private sector for this specific project?
6	Did the management of the Macro Project change the relationship between the citizens and the local government? Does this new form of interaction facilitate the performance of the local government?

## Appendix 5. Organizational Structure of Soacha





## Appendix 6. Housing statistics in Soacha

HOUSING IN SOACHA			
Planning instrument used	Name of the Project	Total housing units	Total for plans
Integrated housing plans	MAIPORE	14.000	82.044
	LAS VEGAS	8.700	
	TEJARES LAS VEGAS I	2.144	
	TERREROS	9.000	
	POTRERO GRANDE	14.000	
	LAS HUERTAS	14.000	
	HACIENDA SANTA ANA	5.000	
	MALACHI	8.700	
	BUENOS AIRES	6.500	
Macro project	CIUDAD VERDE	42.000	42.000
Other housing projects	PAPIRO	2.000	34.142
	EL CARMEN	1.300	
	PROYECTO SAN TELMO	700	
	QUINTAS DE SANTA ANA ETAPA 3, 4 Y 5	5.763	
	ICAROS	600	
	VILLA ITALIA	1.020	
	PORTALEGRE REAL II	600	
	POTRERO GRANDE	14.000	
	PANORAMA RESERVADO	200	
	MAJUI	650	
	GALICIA III	303	
	VILLA DANIELA	450	
	LOTE AL FUTURO	2.000	
	MATERIALES DE SOACHA	3.000	
	BALCONES DE MERCURIO	456	
	SABANA DEL CIPRES	1.100	
<b>Total</b>		<b>158.186</b>	<b>158.186</b>

Source: Local Government of Soacha. January 2013.