

URBAN LAB - SYNTHÈSES 2024



Diversification of Social Housing Policies in Ecuador and Colombia

A Comparative Analysis

Master Governing the Large Metropolis

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THE PARTNER

Agence Française de Développement (AFD) is a public financial institution that implements France's development policy works to combat poverty and promote sustainable development in partnering countries.



With operations in Africa, Asia, the Middle East, Latin America, the Caribbean and French overseas territory, AFD finances and supports projects that improve living conditions for populations, promote economic growth and protect the planet.

In 2020, the AFD Group (comprising Proparco, a subsidiary dedicated to the private sector, and Expertise France) committed 12.1 billion euros to 996 new development projects in all sectors.

Currently, the group finances and supports up to 4,000 projects in 115 countries and French overseas territories. The headquarters are based in Paris, with external offices in Marseille and a network of 85 agencies worldwide. The employee count comprises some 3,000 people who work for the AFD Group around the globe.

METHODOLOGY

The first phase of the project involved comprehensive **documentary research** with a specific focus on the lower middle classes. It was realised remotely, using a literature analysis covering academic papers and policy briefs from different institutions.

The second phase aims to delve deeper into the various policies and programs and will involve the realisation of a **fieldwork mission** in the two countries. Particular attention will be paid to the following elements:

- Policy goals and the gaps they intend to address.
- Target populations and the actual beneficiaries of social housing policies.
- Implementation challenges and factors affecting success or failure.
- Potential synergies across existing programs and mechanisms.

The methodology involves **semi-structured interviews** with stakeholders and **visits** to social housing sites to gather in-depth insights into the implementation of policies. This approach helps us understand different perspectives and assess practical aspects of social housing strategies. The contribution and expertise of professionals, politicians, and academics, as well as exchanges with social housing beneficiaries, are critical to the research.

FIELDS STUDIED



Field Trip

The need to visit both countries of study was evident. In order to confront our literature reviews and political publications with the actual implementation and results of the studied public policies, meeting with the various actors responsible for implementing these policies was necessary. The team conducted field work for one week in Ecuador and then one week in Colombia to meet with the actors involved in social housing policies in both countries.

We interviewed 18 individuals, representing a wide range of stakeholders in social housing policies, to gain a comprehensive understanding. Our initial research had already allowed us to grasp the complexity of the relationships between the various actors in this field. Whether involved in the past or currently, or not invited at all to participate in the development of social housing policies, interviews with these different actors allowed us to understand the broader issue of diversifying social housing policies. The public sector, at various governance levels, the private sector, NGOs, researchers, all have diverse political, economic, social, and ecological views on what future social housing policies should entail and on the assessment of current social housing policies.

In the same effort to meet all relevant actors, including beneficiaries, we conducted four field visits:

- Two of these field visits were conducted without the accompaniment of an institution, in Bogota and Quito, at emblematic residential complexes of past social housing policies in the two countries.
- The other two field visits were accompanied by local institutions. In Ambato, Ecuador, we were accompanied by the local branch of the Ministry of Housing (MIDUVI) for a pilot project on social housing rentals within a repurposed former ministry building. In San Cristobal, a neighborhood in Bogota, Colombia, we were accompanied by the Secretary of Habitat of Bogota's team, who introduced us to several beneficiaries of the municipal housing improvement plan - the qualitative housing deficit being a major issue in housing policies in both countries - and showed us the concrete results of this type of subsidy.

Table of Interviews and Field Visits

	Ecuador	Colombia
Ministries	<ul style="list-style-type: none"> ■ Soledad Herrera, MIDUVI. ■ Veronica Cordova, MIDUVI. ■ José David Mueces, MIDUVI. ■ Andrea Carolina Sánchez Aguirre, Secretaría Nacional de Planificación. 	<ul style="list-style-type: none"> ■ Marcela Rey Hernández, MinVivienda. ■ Natalia Duarte Caceres, MinVivienda. ■ Round table with the different secretariats of the MinVivienda with the presence of Brazilian delegation of the Ministry of Housing.
Local Institutions	<ul style="list-style-type: none"> ■ Michael Romeo Aulestia Salazar, Municipality of Quito ■ Joselyn Lizeth Mayorga Salazar, Municipality of Quito 	<ul style="list-style-type: none"> ■ Lina María González Botero, Secretary of Habitat of Bogota.
International Institutions	<ul style="list-style-type: none"> ■ Anselmo Jalabert, AFD Ecuador ■ Mónica Quintana Molina, UN-Habitat 	<ul style="list-style-type: none"> ■ Romain André, AFD Colombia.
Private Sector	<ul style="list-style-type: none"> ■ Carla Chavez, RAMA Estudio (in charge of the pilot project in Ambato). 	<ul style="list-style-type: none"> ■ Rodrigo Fernando Tejada Morales, Credifamilia Compañía de Financiamiento. ■ Luis Fernando Guzmán Ortiz, La Hipotecaria Compañía de Financiamiento.
Academics		<ul style="list-style-type: none"> ■ Juan Guillermo Yunda Lozano, Pontificia Universidad Javeriana.
NGOs	<ul style="list-style-type: none"> ■ Round table with four Ecuadorian NGOs active in the field of housing for deprived people. 	<ul style="list-style-type: none"> ■ Manuela Pinilla Rodriguez, Build Change.
Field Visit	<ul style="list-style-type: none"> ■ Field visit accompanied by the MINDUVI team in charge of the Ambato region. ■ Field visits to social housing sites in Quito. 	<ul style="list-style-type: none"> ■ Field visit in San Cristobal in Bogota accompanied by the team of the Secretary of Habitat of Bogota. ■ Field visit to housing sites in Engativa in Bogota.

ISSUES



Quito

Social housing policies in Colombia and Ecuador have evolved significantly, aiming to address the pressing housing needs of their populations. This report examines how these countries have diversified their social housing policies, highlighting the advantages and disadvantages of each system. It provides a comparative analysis of the policies, their implementation, and the challenges faced by both nations.

Per our assignment's instructions, our partner, Agence française de développement (AFD), requested the team to look into a comparative study of the social housing programs in Ecuador and Colombia, focusing mainly on the diversification process of the subsidy and renting schemes.

Hence, we have produced the following research question for our final study and field trip focus:

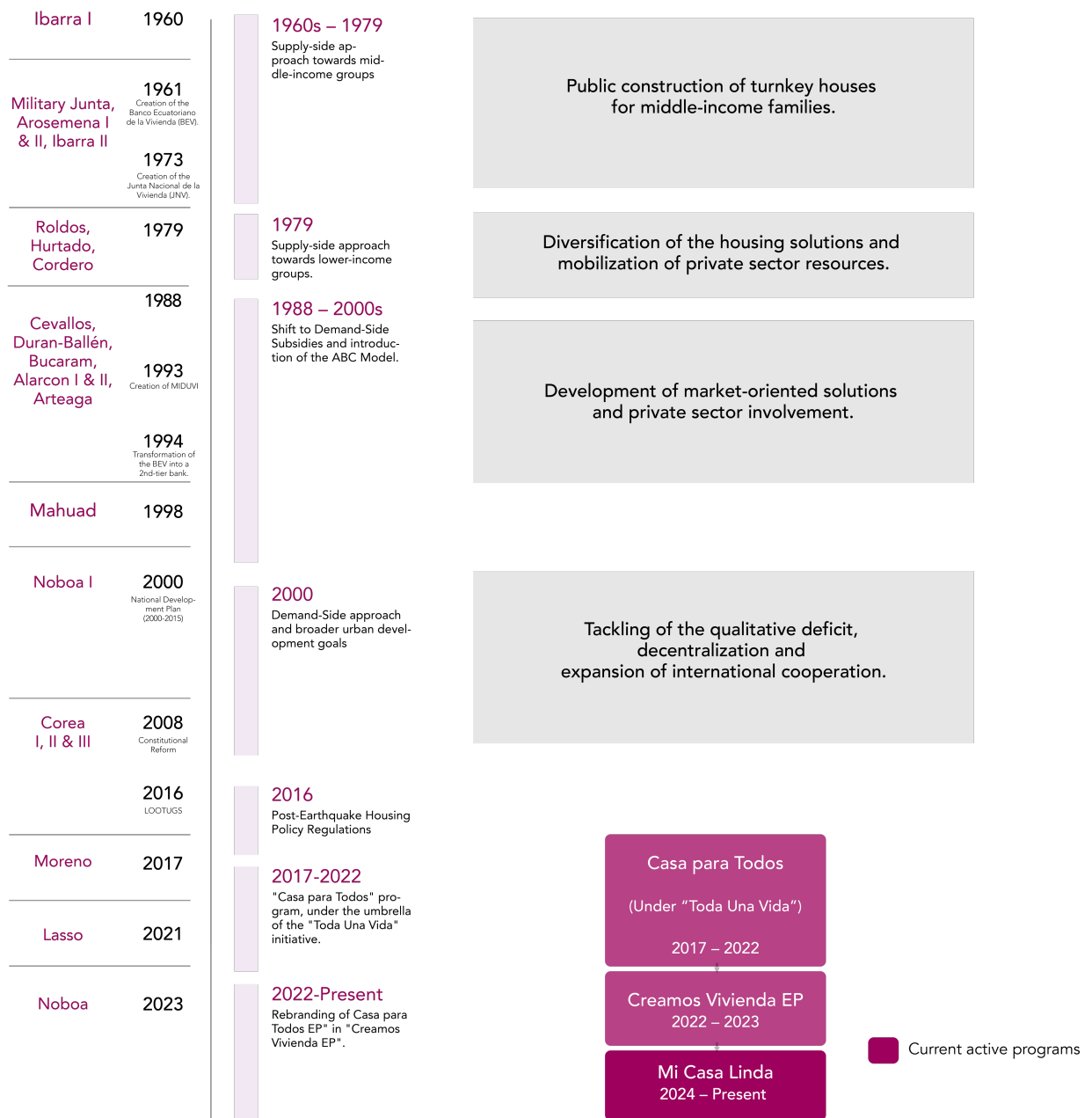
How can social housing strategies in Ecuador and Colombia achieve diversification to effectively tackle qualitative and quantitative housing deficit?

With such research focus in mind, the team embarked on a 6-month study looking into different actors and institutions ranging from the governmental, private sector, non-governmental organisations, banking institutions, real estate developers, architectural firms and so on. We hope to deliver a holistic and comprehensive view of the overall development and interchangeability of the policy programs for the social housing sector in the two countries.

MAIN RESULTS

1 Ecuador: Policies and Implementation

1.1 Historical Evolution of Policies



Historical Evolution of Social Housing Policies in Ecuador (graph created by the team)

1960s-1970s: Initial Focus on Middle-Income Housing

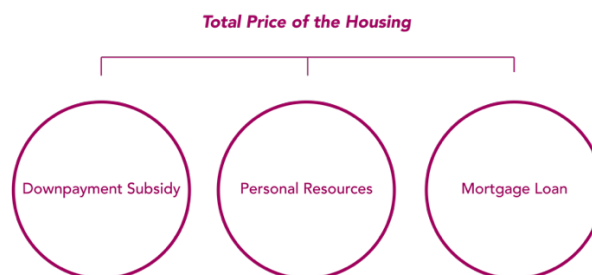
Ecuador's early housing policies focused on middle-income groups, with government initiatives like turnkey houses and mortgage loans provided by the Banco Ecuatoriano de la Vivienda (BEV). However, these policies largely neglected low-income families, who had to rely on informal housing solutions.

1980-1984: Democratic Government and Increased Housing Production

The return to democracy saw a surge in housing production, with nearly 50,000 housing solutions provided through public and private sector collaboration. Despite this, the focus remained on middle-income groups, with limited impact on the poorest families.

Late 1980s-1990s: Shift to Demand-Side Subsidies

The late 1980s marked a shift to demand-side subsidies, influenced by economic liberalisation. The Sistema de Incentivos para Vivienda (SIV) introduced the ABC model (Ahorro, Bono, Crédito; in English, savings, subsidies, mortgage loans), which facilitated private sector involvement but still excluded the poorest families who could not meet savings requirements or secure credit.



Composition of the housing price under the ABC model (graph created by the team)

2000s: Emphasis on Social Housing and Urban Development

The 2000s saw the Ministry of Urban Development and Housing (MIDUVI) play a more active role, with policies like the National Development Plan and decentralisation efforts. Despite these initiatives, many projects faced delays, and disparities remained in access to housing.

2008: Constitutional Recognition of the Right to the City

The 2008 Constitution recognised the right to equitable access to urban spaces, services, and infrastructure. However, practical implementation lagged due to municipal resource constraints and policy inconsistencies.

2016: LOOTUGS and Post-Earthquake Housing Policy

The Organic Law of Territorial Planning, Land Use, and Management (LOOTUGS) aimed to promote comprehensive urban planning strategies and the concepts of top-down planning patterns. However, this era also brought out the need to integrate the path-dependent planning regulations to fit the Ecuadorian context. Hence the implementation and adaptation were yet to be developed maturely. The 2016 earthquake prompted a focus on resilient housing, though reconstruction faced bureaucratic and funding challenges.

2017-Present: Casa para Todos and Creamos Vivienda

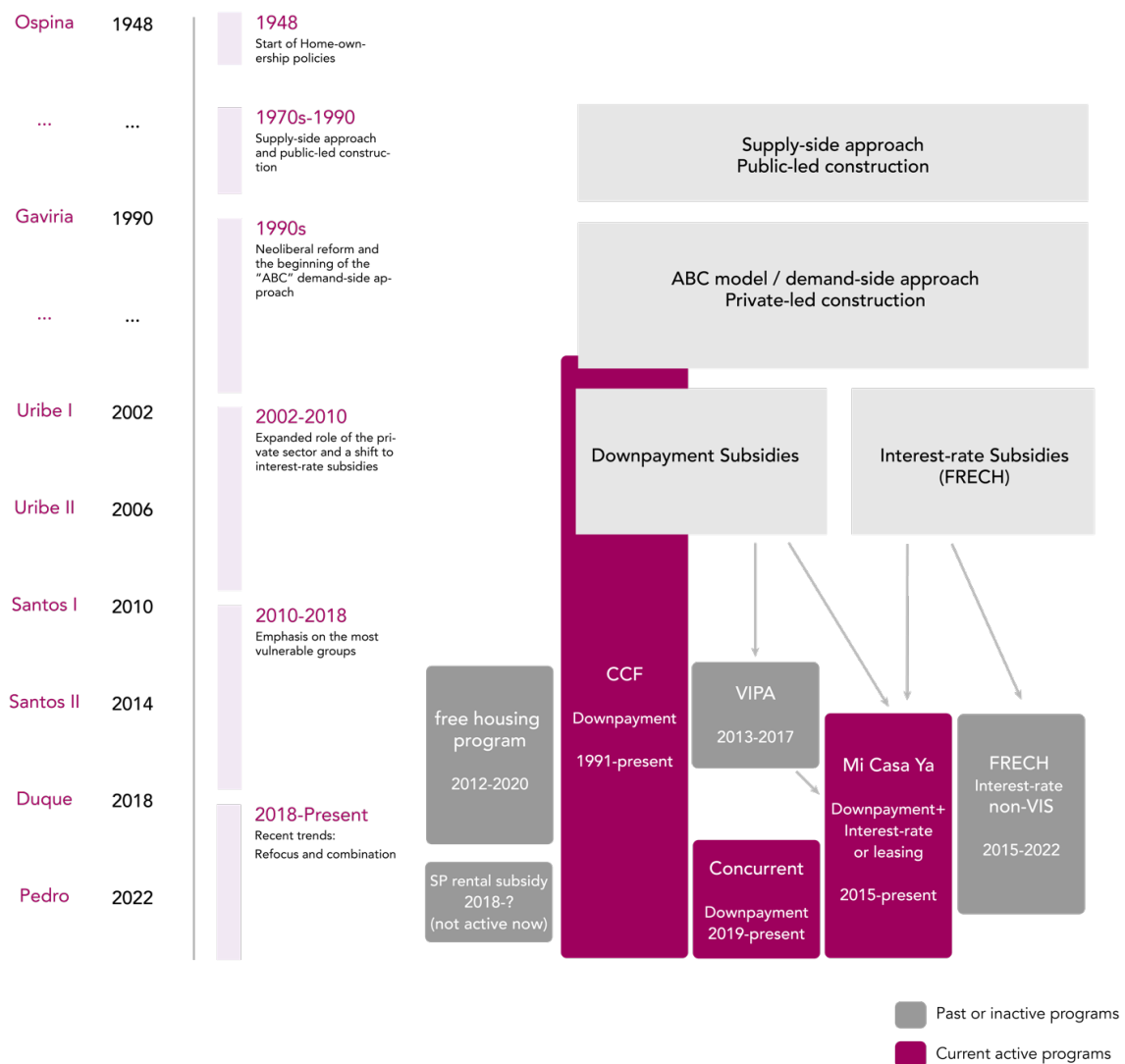
The "Casa para Todos" program, launched in 2017, aimed to provide affordable housing to low-income populations but faced significant implementation delays. The program was rebranded as "Creamos Vivienda" in 2022, with an increased focus on sustainability and inclusivity. In 2024, the program was renamed "Mi Casa Linda."

1.2 Current Subsidy Policies

Ecuador's current subsidy policies target both quantitative and qualitative housing deficits. These include subsidies for constructing new houses on private and state-owned land, purchasing homes through mortgage loans, and a forthcoming rent-to-own option. Additionally, policies address qualitative deficits through property legalisation, water and sanitation improvements, and reconstruction after natural disasters.

2 Colombia: Policies and Implementation

2.1 Historical Evolution of Policies



Historical Evolution of Social Housing Policies in Colombia (graph created by the team)

1948: Start of Home-Ownership Policies

Colombia's focus on home ownership began in 1948, aiming to boost the economy and garner votes.

1970s-1990s: Supply-Side Approach and Public-Led Construction

Public entities like the Territorial Credit Institute (ICT) led social housing construction, but inefficiencies and corruption led to a shift towards demand-side subsidies in the 1990s.

1990s: Neoliberal Reform and the "ABC" Approach

Neoliberal reforms introduced the "ABC" model (savings, subsidy, mortgage loan), emphasising private sector involvement and reducing direct state investment in housing.

2002-2010: Expanded Role of Private Sector

President Álvaro Uribe expanded the role of the private sector and introduced interest-rate subsidies to stimulate the housing market.

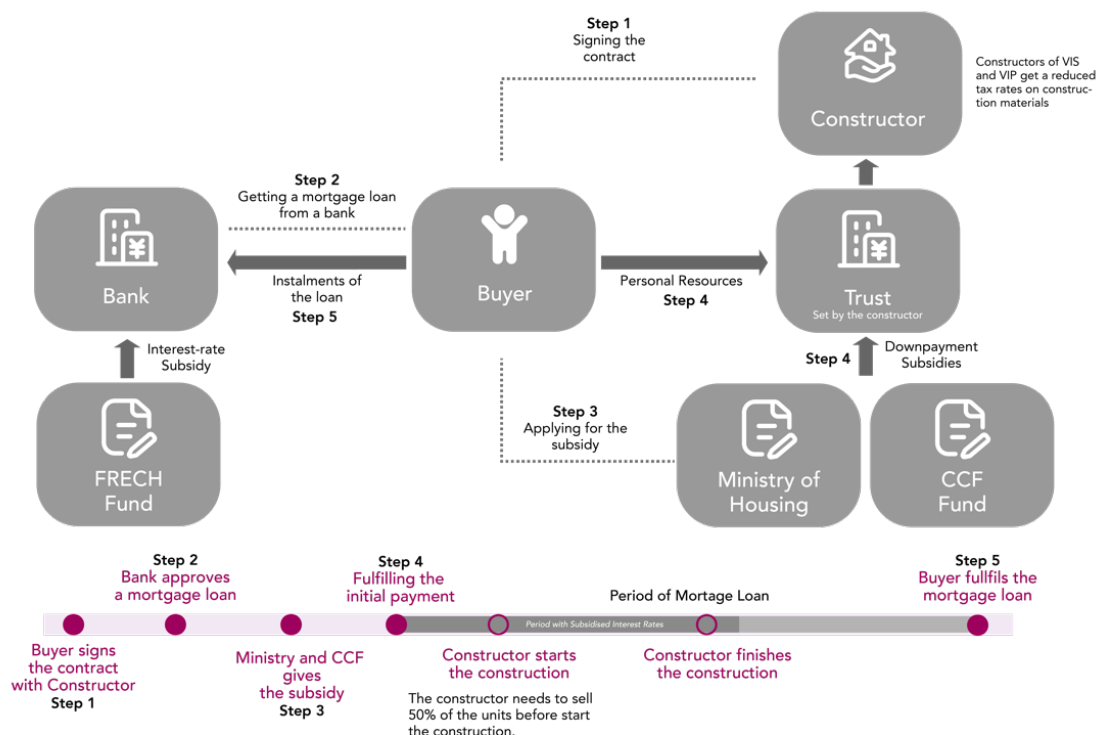
2010-2018: Emphasis on Vulnerable Groups

President Juan Manuel Santos focused on the most vulnerable groups, launching the free housing program and expanding subsidy programs.

2018-Present: Policy Evolution

Recent trends include combining multiple subsidy options and refocusing criteria to better target those in need. The Sisben survey has been integrated to improve subsidy allocation.

2.2 Current Policies Targeting Quantitative Deficits: Subsidies



Process of subsidy allocation in Colombia (graph created by the team)

Colombia's subsidy policies are primarily aimed at home ownership, with programs like Mi Casa Ya providing subsidies for down payments and interest rates. Municipal initiatives complement national schemes, offering additional support for vulnerable groups and addressing qualitative deficits.

2.3 Current Policies Targeting Qualitative Deficits:

The Plan Nacional de Desarrollo 2022-2026 redefines housing as "habitat" and focuses on qualitative improvements through initiatives like "Casa Digna Vida Digna" / "Cambia Mi Casa", involving community participation and local government efforts to address the qualitative housing deficit. National programs are complemented by municipal ones, such as the Plan Terrazas in Bogota.

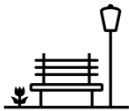
3 Comparative Analysis

3.1 Shared Challenges



Reaching the Poorest

Both countries struggle to reach the poorest populations due to the credit requirements of the ABC model. Alternative solutions include establishing public or NGO guarantors for credit, stimulating leasing, and promoting social renting.



Provision of Amenities

Social housing projects often lack essential amenities due to their peripheral locations. Efforts are being made to improve infrastructure and services, especially in recently legalized areas.



Natural Disasters

Both countries face significant risks from natural disasters, necessitating resilient housing policies and effective risk management strategies.



Qualitative Deficit

Addressing the qualitative housing deficit is crucial, with innovative approaches like Colombia's "habitat" concept and categorization of housing improvements.



Inequality Between Municipalities

Disparities in municipal resources and capacities impact the effectiveness of housing policies. National support is essential for disadvantaged municipalities.

3.2 Differences

Quito's Decaying City Centre vs. Bogotá's Spatial Segregation

Quito faces challenges with a decaying city centre and needs to balance commercial and residential areas. Bogotá struggles with spatial segregation and is exploring new models to integrate social housing within the urban fabric.

Centralized Approach in Ecuador vs. Strong Private Sector in Colombia

Ecuador's centralized planning and lack of private sector incentives contrast with Colombia's privatized social housing market, which benefits from a diverse and higher-quality housing supply but faces issues with policy influence by private entities.

4 Conclusion

Social housing policies in Ecuador and Colombia have undergone significant evolution, aiming to address both quantitative and qualitative housing deficits. While each country has made strides in diversifying its approaches, challenges remain in effectively reaching the poorest populations, providing essential amenities, and managing natural disasters. Both countries can benefit from innovative solutions and enhanced collaboration between public and private sectors to achieve sustainable and inclusive housing improvements.

In the case of Ecuador, there is a clear issue surrounding the disjunction between the national and the municipal level of planning regulations. The centralised approach has prevented many other actors from participating in the planning process of generating more inclusive social housing and diversified neighbourhoods. Additionally, there has been the big issue of the decaying city centre which led to ill-maintained housing conditions, especially in the the historical centre. The key point here is to think about autonomy for the municipal level to implement projects which could utilise existing vacant housing instead of constantly building new units.

On the other hand, Colombia has the issue of an oversaturated city centre leading to the segregated urban pattern and the overpriced housing sector for low-income classes. Contrary to Ecuador, Colombia has a strong presence of the private sector in the social housing market which contributed to the reduction in the quantitative deficit but at the same time created market competition which brought up the general prices of social housing. The main challenge here is how to create a more mixed and diversified urban neighbourhood which could incorporate the different income groups as well as support those in extreme poverty.

In sum, both countries have different challenges to face either driven from economic, cultural and even political issues. There is an urgency to enhance the capacity of several public and private sectors. However, by learning from best practices and having a more integrated and experimental approach to the social housing market, the objective to close the gap in housing deficit would not be a mission impossible for both countries.



Social housing sites in Quito (left) and Bogota (right)

SWOT Analysis: Social Housing Policies in Ecuador

STRENGTHS	WEAKNESSES
<p>Comprehensive Subsidy Programs Creamos Vivienda (2022) / Mi Casa Linda (2024) provides significant subsidies for housing construction and home purchases, improving conditions for thousands of low-income families. The ABC Model combines savings, government subsidies, and credit.</p> <p>Government and NGO Collaboration MIDUVI and Habitat for Humanity partnerships enhance the impact of housing policies. Habitat for Humanity has helped build and improve homes for many low-income families.</p> <p>Innovative Models The Ambato Pilot Project showcases community-driven housing solutions with sustainable practices, involving local input and eco-friendly materials.</p> <p>Focus on Sustainability Political will for sustainable housing is evident in the National Plan for Good Living, although implementation has been limited, with few pilot projects showing progress.</p>	<p>Bureaucratic Delays The Creamos Vivienda / Mi Casa Linda Program faces slow subsidy disbursement and project approvals, with processing times extending to several months.</p> <p>Eligibility Criteria Stringent requirements of the ABC Model exclude many low-income families, particularly those in informal employment lacking documentation.</p> <p>Limited Reach in Rural Areas Inadequate infrastructure hampers policy effectiveness in rural areas, where poor transportation and limited access to materials restrict program reach.</p> <p>Dependence on International Funding Reliance on World Bank and IDB funding creates vulnerability; economic fluctuations can disrupt funding for housing programs.</p>
OPPORTUNITIES	THREATS
<p>Diversification of Housing Solutions The new government plans pilot projects for leasing and rent-to-own schemes, inspired by the AFD's project in Ambato.</p> <p>Integration with Urban Planning Quito's new metro system enables better connectivity and densification of social housing around metro stops, enhancing urban development.</p> <p>Community Engagement Increased community involvement, as seen in the Ambato Pilot Project, ensures housing projects meet local needs and foster ownership.</p> <p>Private Sector Involvement Successful public-private partnerships in Quito have resulted in high-quality, affordable housing, leveraging private sector efficiency.</p> <p>Sustainable Building Practices Government incentives for eco-friendly materials and technologies can promote sustainable construction, as outlined in the National Plan for Good Living.</p>	<p>Economic Instability Economic downturns reduce funds for housing programs; the COVID-19 pandemic led to budget cuts affecting the Casa para Todos Program.</p> <p>Political Changes Frequent government changes lead to policy shifts, disrupting ongoing projects and funding, as seen with MIDUVI's housing policies.</p> <p>Natural Disasters Susceptibility to earthquakes, floods, and volcanic eruptions poses risks; the 2016 earthquake highlighted the need for resilient construction.</p> <p>Urbanization Challenges Rapid urban growth strains infrastructure and services, with informal settlements in Quito outpacing development and leading to overcrowded, underserved communities.</p>

SWOT Analysis: Social Housing Policies in Colombia

STRENGTHS	WEAKNESSES
<p>Robust Private Sector Participation Social housing construction has been a primary source of economy growth. Reduced tax rates on materials incentivize constructors to build social housing. The home-ownership subsidies expand the size of potential consumers and furthermore encourage constructors to build.</p> <p>Diverse Subsidy Options Mi Casa Ya offers a range of financial support, including subsidies for down payments and interest rates. The CCF subsidies can be taken together with the Mi Casa Ya subsidies. There are complementary subsidies at the level of municipalities as well.</p> <p>Comprehensive Social Policies National Development Plan 2022-2026 is the foundational document guiding all social policies, including social housing policies.</p> <p>Targeted Support for Vulnerable Groups The Law of Victims and Land Restitution (2011) provides housing and land restitution for internally displaced persons and other vulnerable groups. There is also support for women-headed families, victims of gender-based violence, and transgender people at the municipal level.</p>	<p>Exclusion of the Poorest The ABC Model relies on credit, excluding families without stable income or credit history, particularly affecting informal sector workers. The strong reliance on the private sector makes the model hard to change.</p> <p>Implementation Challenges The changes in government hinder or delay policy implementation. The shifting agendas of different administrations and the lack of technical capacities leave some programs not well implemented.</p> <p>Inconsistent Policy Continuity Frequent changes in government also lead to shifts in housing priorities, disrupting ongoing projects and funding, as seen with modifications to Mi Casa Ya, and cancellations of FRECH non-VIS interest-rate subsidies and the free housing program.</p> <p>Limited Focus on Qualitative Deficits Historical focus on quantity over quality; programs like Mi Casa Ya emphasize increasing housing units without sufficient attention to access to services. Improvement programs rely on municipal resources.</p>
OPPORTUNITIES	THREATS
<p>Refinement of Subsidy Criteria Adjusting subsidy criteria using tools like the Sisben survey for more accurate beneficiary identification could help more families in need qualify for programs like Mi Casa Ya.</p> <p>Expansion of Housing Improvement Programs Expanding the Casa Digna Vida Digna Program (2018) to improve existing homes and upgrade informal settlements aims to benefit 600,000 families by 2022. And the Cambia Mi Casa (2022) plans to improve 400,000 houses by 2026.</p> <p>Municipal Initiatives Strengthening local government efforts, such as the "Bogotá Mejor para Todos" initiative, addresses local housing needs and promotes urban renewal.</p> <p>Community and Participatory Approaches Programs like "Territorios de Oportunidad" encourage local communities to actively participate in housing projects, ensuring solutions meet specific needs.</p>	<p>Economic Constraints Economic challenges and limited budget allocations restrict housing policy scope; budget cuts during economic crises have reduced funding for Mi Casa Ya and other programs.</p> <p>Urban Sprawl Rapid urbanization and informal settlement growth strain public services; cities like Bogotá and Medellín face significant challenges managing urban sprawl. The social housing construction in the peripheries in the past also contributed to the urban sprawl.</p> <p>Social Inequities Socio-economic disparities undermine housing policy effectiveness; marginalized communities, including Afro-Colombians and indigenous populations, face additional barriers to accessing housing.</p> <p>Natural Disasters Vulnerability to natural disasters such as floods and earthquakes can damage housing infrastructure; the 2017 Mocoa landslide highlighted the need for resilient housing solutions.</p>

SWOT analysis for Ecuador and Colombia (graph created by the team)

LEARNINGS

Project management

Managing a project effectively involves understanding the overall goal and gradually narrowing down the scope through an iterative process. Initially, the project's broad objective seemed daunting. However, breaking it down into smaller, manageable tasks, from policy review to country profile and finally to fieldwork, made it more approachable. This iterative process of refining and focusing the project's scope ensured that each stage was aligned with the ultimate goal. It allowed for flexibility and adaptability, accommodating new insights and changes along the way.

Experience in conducting fieldwork

Conducting fieldwork was another crucial aspect of our capstone project. Fieldwork provided hands-on experience in several essential areas, including how to contact people, ask effective questions, and gain valuable insights during site visits. Establishing contact with relevant stakeholders needs passion and persistence.

During site visits, it was important to pay attention to both obvious and subtle details, as these often provide deeper insights into the research subject. We did both autonomous observations and visits accompanied by public institutions, which allowed us to have nuanced insights. Interacting with diverse actors in the field highlighted the importance of understanding different perspectives.

Working collaboratively with team members allowed us to pool our skills and knowledge, leading to more comprehensive and dynamic findings.

Literature vs. field knowledge

The capstone project also illuminated the differences between literature and field knowledge. Literature from academia and different organisations provides a foundational understanding of a subject, but it often has a certain positionality and can be outdated, failing to reflect recent changes. On the other hand, field knowledge is more immediate and grounded in the current context. Understanding the positionality of literature – the biases and perspectives that influence scholarly work – was crucial in critically analysing sources.

Similarly, recognising the positionality of people in the field – their backgrounds, experiences, and potential biases – helped in interpreting their insights more accurately. This comparison highlighted the need to balance both sources of knowledge to gain a well-rounded understanding of the research topic.

Communication skills

Effective communication was another critical skill honed during the capstone project. Presenting ideas clearly and concisely was essential for engaging different audiences. This involved structuring presentations logically, using visual aids effectively, and always summarising the main points at the end.

Clear communication also extended to written reports and discussions, ensuring that complex ideas were conveyed in an accessible manner.

FIND OUT MORE

Blanco, A. B., Cibils, V. F., & Miranda, A. M. (2014). *Rental Housing Wanted: Policy Options for Latin America and the Caribbean*. IDB Publications.

Donoso Gomez, R. E. (2018). *Affordable Condominium Housing: A comparative analysis of low-income homeownership in Colombia and Ecuador*. Delft University of Technology, Faculty of Architecture and the Built Environment, Department of OTB - Research for the Built Environment.

Maniglio, F., & Casado, F. (2022). The right to housing under the new Latin American constitutionalism: Progresses and challenges in the Ecuadorian case study. *International Journal of Housing Policy*, 0(0), 1–13.

World Bank. (2021). *Striking a Balance: Toward a Comprehensive Housing Policy for a Post-COVID Colombia*.

Yunda, J. G., Ceballos-Ramos, O., & Rincón-Castellanos, M. (2022). The challenge of low-income housing quality in Latin American cities: Lessons from two decades of housing policies in Bogotá. *Housing Studies*, 37(10), 1877–1895.

The Capstone project: an original educational tool

Thanks to this original tool, students are placed in a work situation on a real problem posed by a public, private, or associative organisation. For all the Masters of the Urban School, the structure and management are identical: the project is jointly monitored by the the Urban School and the partners, at all phases of the project, and regular methodological supervision is provided by a professional or academic tutor specialised in the issue. The Capstone projects allow the partners to take advantage of the research and training acquired within the Urban School, to benefit from the production of studies and quality work, and to have a capacity for innovation.

Capstone projects are a great tool to study, diagnose, forecast, lead a comparative analysis, even to prepare for evaluation, and more generally to deal with any problem that can enlighten the organisation concerned in a logic of "R&D ". Each project mobilises a group of first-year students from one of the Urban School's Master's. Students work between 1.5 days and 2 days per week on dedicated time slots, for a period of 6 to 9 months (depending on the Master's concerned). In Executive education, collective projects concern the Executive Master "Territorial governance and urban development" and mobilize professionals for a period of 4 months.