

**A Delphi Study in Search of a New Consensus:
Urban Policies and Informality in Latin America**

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The findings and conclusions of this Working Paper reflect the views of the author(s) and have not been subject to a detailed review by the staff of the University.

Abstract

This prospective analysis on the adaptation of urban policies to the dynamics of informality in Latin America seeks to identify common patterns, shared consensus, and divergences among various aspects related to informality and urban policies in Latin America in a post-pandemic context. They were obtained through consultations with experts and two rounds of questions using the Delphi methodology.

According to the experts, urban informality will worsen. Supply-side issues, such as inadequate housing policies, are the main explanation for this pessimistic scenario. Experts agreed on the usefulness of some informality-prevention policies that focus on funding, such as financing urban infrastructure and housing, and using land-based instruments to help finance urban development. They also agreed that citizen demands will increase, which will help the development of preventive policies. Moreover, new pressure from environmental issues will also push in this direction. The panel considered the use of *land management instruments* to facilitate the development/supply of land for public purposes very relevant, along with enabling *land value capture tools to finance urban infrastructure*. It was probably the most agreed-on instrument to address urban informality. In addition, *inclusive land management instruments*, such as mandatory percentages for social housing, more flexible standards, and mobilizing land value to finance infrastructure, were also pointed to as being important. Every policy and instrument, the experts agreed, depends heavily on budgetary concerns and implementation issues.

About the Author

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Table of Contents

Introduction	1
Methodology	2
Results	4
Section I. Urban Informality in Latin America in the Post-Pandemic Phase	4
Section II. Adaptation of Urban Policies	15
Conclusions	31
Coda: The Future	32
Appendix I. Questionnaires	33
Appendix II. Participants' Background	43

Prospective Analysis on the Adaptation of Urban Policies to the Dynamics of Informality in Latin America: In Search of a New Consensus

Introduction

This prospective analysis on the adaptation of urban policies to the dynamics of informality in Latin America seeks to identify common patterns, shared consensus, and divergences on various aspects related to informality and urban policies in Latin America in a post-pandemic context. They were obtained through consultations with experts and two rounds of questions using the Delphi methodology.

This paper is organized as follows. The first section provides a detailed explanation of the methodology used to collect and analyze expert opinions and thus reach relevant conclusions. Next, the Results section presents the findings of the two rounds of consultations. This section is subdivided by topic. As such, the answers and analyses of both rounds are presented in each subsection.

The first subsection explores the dynamics of informality at the regional level, then reviews the experts consulted on their particular cities. It also examines the future of informality-mitigation policies, finding that experts anticipate a worsening of urban informality, at both the regional level and in the cities they know best. When highlighting the reasons for this pessimistic scenario, the panel emphasized supply-side issues. Indeed, they pointed to at least one supply-side factor, either inadequate housing policies (firstly) or inadequate land policies (secondly). Informality is predicted to grow not only as a result of the lack of formal jobs and the impact of the economic crisis, but also because the region's cities are unable to formulate inclusionary land and housing programs that increase affordability.

Thereafter, the second subsection explores the experts' opinions on specific measures that governments have implemented or might implement to mitigate informality. The panel was asked about the relevance of a series of measures to *prevent informal land development* (from upgrading programs to preventive policies). Experts tended to agree on the usefulness of certain preventive policies that focus on funding, such as financing urban infrastructure and housing and using land-based instruments to help finance urban development. The panel suggested that this *new emphasis on preventive policies* will result from increased citizen demands, along with new political opportunities. Indeed, the new emphasis on environmental issues has created momentum for new regulations. However, it is important to note that several experts warned about budgetary concerns. This finding implies that progress depends on *making land management a priority and understanding the complexity of the issue*.

The relevance of *supplying affordable serviced land* is then analyzed, a central topic highlighted by the panel as one of the region's most significant demands. Here, our panel considered the use of *land management instruments* to facilitate the development/supply of land for public purposes very relevant, along with enabling *land value capture tools* to finance urban infrastructure. When experts were consulted on *specific examples* in the cities within their expertise, the results were similar. However, they also agreed the adoption of land-based financing instruments depends on proper implementation to succeed.

When asked to identify *inclusive land management instruments* implemented in specific

cities, the largest number of policies mentioned were mandatory percentages for social housing, more flexible standards, and again, mobilizing land value to finance infrastructure. Betterment contributions, land readjustments, and land trusts were also noted. The panel agreed that the most relevant factors are instruments that enable funds to be generated locally. This finding is consistent with the high percentage of responses that considered the decline in transfers from the national government (as is currently happening due to the post-pandemic economic crisis) an opportunity to improve funding generation at the local level. On the other hand, political considerations (such as strong political will) were also described as very important for their adoption.

Experts were consulted about enforcement of land use regulations, a critical topic in the region. The panel felt that regulations needed to be more flexible to adapt to different scenarios without affecting urban standards. They also stressed the need for less discretion in applying standards, greater transparency and citizen participation, and greater visibility of the importance of adhering to standards, as an essential part of urban culture and life and its benefits.

The panel was consulted on how often a contribution to improvement programs should be assessed. Most respondents held a positive view of this instrument. There are those who believe this public policy should be applied generally, at the city level. However, some emphasized implementation challenges. For example, the panel suggested it is important to consider a resident's payment capacity. In addition, it should not be the only instrument available to governments. There seemed to be consensus about using other land management instruments in informal-settlement upgrading programs, such as land readjustments and charges for additional building rights, but only in certain settlements where appropriate conditions prevail. They were among the proposals to improve the effectiveness of upgrading interventions.

Finally, the Conclusions section summarizes the study's main findings and urban policy recommendations.

Methodology

To investigate urban policies aimed at dealing with informality in the region, a survey was carried out of experts, using the Delphi methodology. This method aims to obtain the most representative opinion of the group consulted. It is iterative, open, and oriented toward the pursuit of consensus among experts, avoiding an excessive focus on individual opinions. A set of experts, fixed throughout the study, undergo (at least two) rounds of questionnaires, interspersed with feedback about the group's opinions. In this way, it seeks to obtain a reliable opinion that represents the panel after successive returns.

Most Delphi-methodology studies are conducted in two rounds. Some studies go three rounds. However, more than that is inadvisable, because the group's tends to stabilize after the second round, and the benefits of a third round decrease, as the tendency to drop out increases (owing to an increase in the time of collaboration) (Cabero 2014). Therefore, this study only entailed two rounds of consultations.

In the Delphi mode, an **iterative** process is key, involving a controlled exchange of information among the panel's experts. The iteration incorporates information in the subsequent questionnaire about responses from the previous round, while maintaining anonymity and individual answers. Thus, first-round questions provide valuable information on the panel's

array of opinions. The following round's questionnaire is then drafted based on them and a content analysis. This exchange of qualitative and quantitative information across rounds helps enrich the process and improve the quality of results.

Iterative logic makes it possible to reconsider and sometimes reframe previous responses in light of the evidence presented. Thus, the process seeks to obtain basic consensus in the statements proposed. Even if it does not, positions are consolidated in which there are manifest discrepancies. Both consensus and discrepancies are of interest to the research.

Additionally, the Delphi survey remains **anonymous**. According to Linstone and Turoff (2011), anonymity structures the process of group communication more effectively, since it avoids the drag effect to opinions that appear to be more popular, thus allowing a group of individuals to deal with a complex problem.

In the context of this research, the panel of experts underwent two rounds of consultations through self-administered online questionnaires. After the first round, conclusions were shared with the participants, asking them for their opinion again. Presentation of these conclusions and the experts' technical knowledge thus contributed to reaching consensus and identifying points of dissent.

A Delphi survey requires an adequately designed and precisely developed **questionnaire**, considering the research's purpose and objectives. Questions were formulated based on an exploration of the latest literature and research results to identify the key topics on informality and urban policy in the region.

Next, consultations and tests were carried out with a small group of experts to evaluate the questionnaire's quality and writing, the time required to complete it, and to receive suggestions from these experts. This procedure allowed us to arrive at a validated and tested final version of the questionnaire for both rounds, which can be found as appendices to this paper.

Following Okoli and Pawlowski (2004), the panel of experts was built to achieve a comprehensive representation of differing opinions around land use regulation and informality. A database of experts was gathered, with three criteria in mind:

- 1) Area of expertise: panel members had to have relevant knowledge of how either land polices or informality work; preferably both.
- 2) Professional sector: the main goal here was to achieve representation of the differing points of view in academia, the public sector, and multilateral institutions, while also including some private sector and consultants.
- 3) Geographical expertise: panel members had to represent a variety of geographical areas (either by the country where they reside or their professional expertise in a particular country or city from the region), to understand how land use regulation and informality operate in different settings.

Potential panel members were identified using three strategies. An initial group was gathered via the contact networks on the institute experts. Then, Latin American experts working on these topics were consulted, along with recent academic papers published on this subject, and the staff at international organizations or NGOs. Finally, experts secured using both these strategies were then asked for further recommendations; a technique known as snowballing. These three identification stages resulted in a base group of 120 potential panel members. A

formal invitation was e-mailed to them (using a Torcuato Di Tella email account) with the project's general objectives and a link to a Google Forms survey, with the first-round questionnaire attached. About 60 percent of the base group agreed to participate in the first round, providing an initial set of 71 experts.

In terms of the three criteria set initially for the panel's composition, a representative group was achieved in the first round (see appendix 2). Moreover, it was representative with respect to the panel members' professional sectors. Even though academics and members of international organizations made up nearly 65 percent of the panel, 34 percent were either public sector officials, consultants, or individuals with experience in land policies and planning. Finally, considering geographical location, the panel appeared more or less equally balanced among Latin American countries and cities, as can be seen in the figure in appendix 2.

The second-round contact strategy was similar to the first one. An email was sent (from the same email account as the previous round) to each potential panel member with a brief document presenting the previous round's results and a link to a Google Form, with the second round's questionnaire. The attrition rate was small: only 10 percent of experts decided not to answer the second round. Thus, the second-round panel totaled 64 experts. The demographics of the second round were very similar to the first round. In terms of the respondents' professional sector, similar to the distribution of panel members from the previous round, academia and international organizations were the most represented sectors. However, there were also respondents from the public sector.

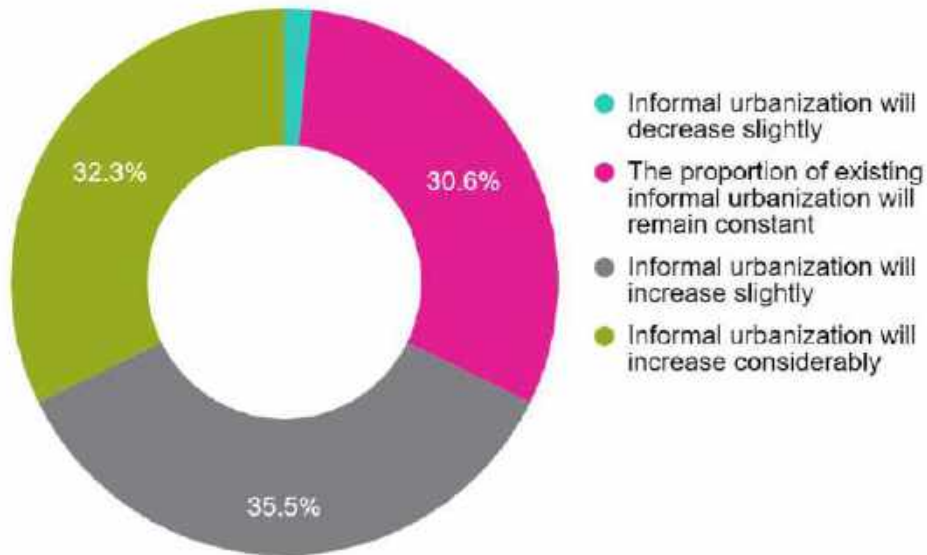
Results

Section I. Urban Informality in Latin America in the Post-Pandemic Phase

Dynamics of Informality at the Regional Level

First, the current situation and future prospects of informal urbanization in Latin America were analyzed. If current urban policies in the region continue as is, according to the experts consulted, informal urbanization will increase, as can be seen in figure 1.

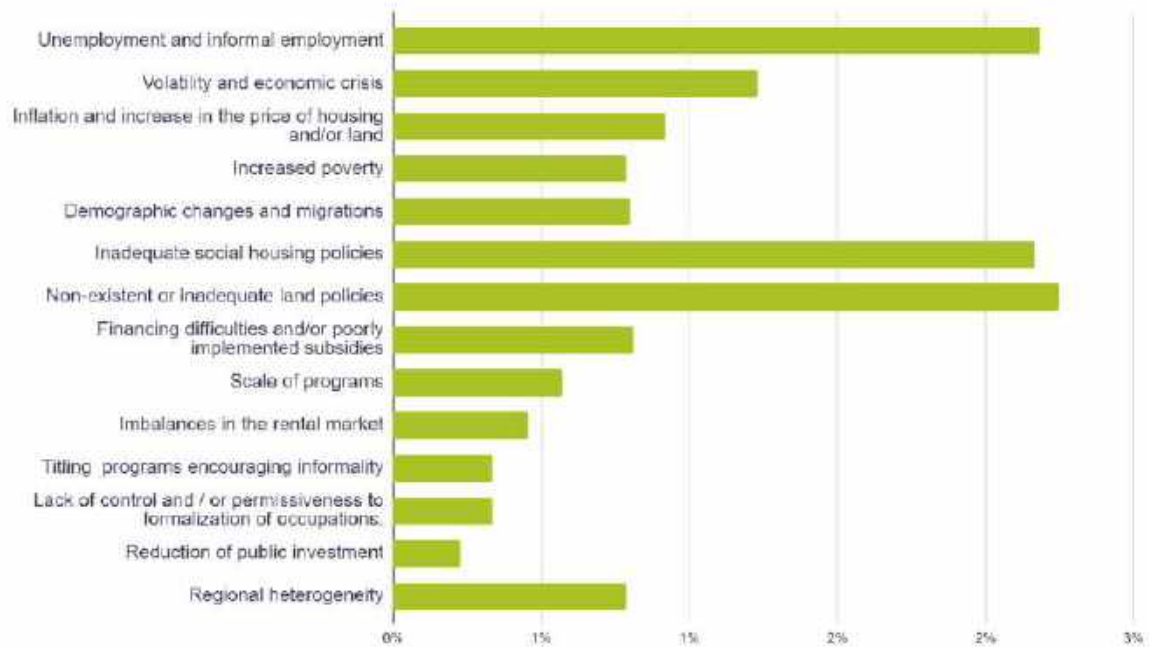
Figure 1. If current urban policies continue, how do you envision the dynamics of informal urbanization in the region's countries over the next five post-pandemic years?



The explanations offered by the panel highlight land and housing supply constraints. About 60 percent of responses mentioned at least one factor related to supply, such as inadequate housing or land policies, urban financing restrictions, poorly implemented and/or targeted housing subsidies, lack of control, and permissiveness regarding informal occupations, and perverse incentives that titling programs might be producing. Another 48 percent of respondents mentioned at least one factor that limits affordability and thus affect the *demand* for housing and land. Factors included unemployment, poverty, volatility, demographic changes, migration, inflation, and an overall decline in affordability.

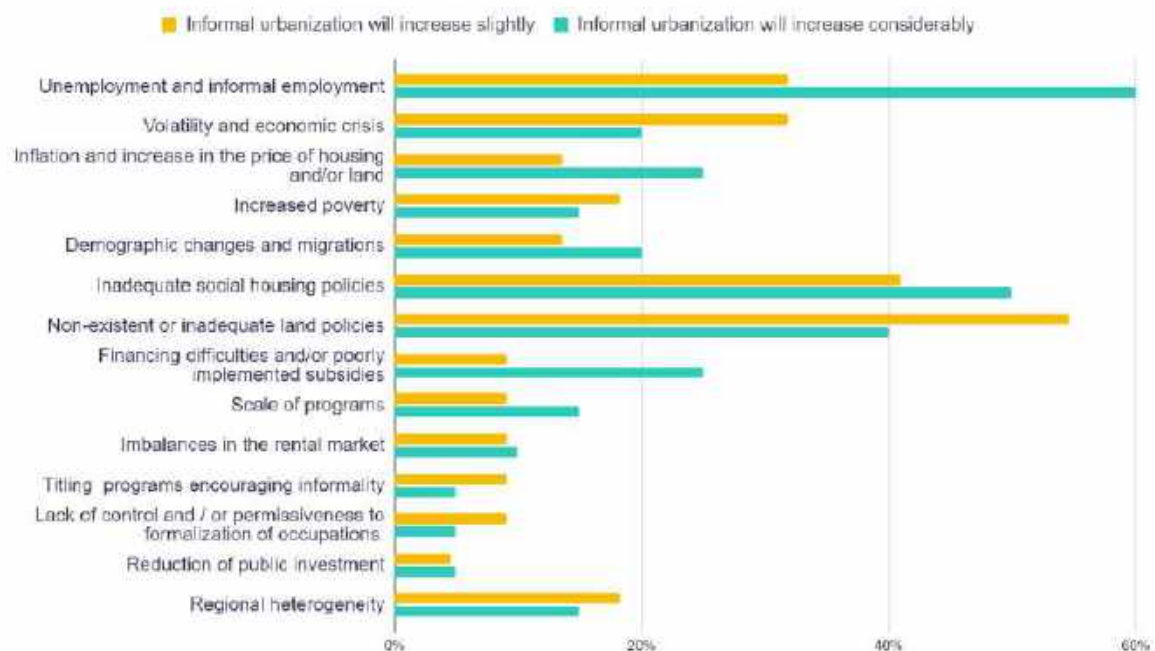
In cases where experts felt that informality will grow, the reasons given included rising unemployment or informal employment, which are associated with the inability of social housing and land policies (and land management) to respond to this problem, as can be seen in figure 2.

Figure 2. What existing urban policies or post-pandemic transformations in the region’s countries contribute to increasing informal development?



For a more detailed analysis, these same data are rearranged below in figure 3, now broken down by those who answered that informality will increase either *slightly* or *considerably*.

Figure 3. What existing urban policies or post-pandemic transformations in the region’s countries contribute to increasing informal development?



Responses expecting a considerable increase in informality over the next five years highlighted the effects of growing unemployment and informal employment, demographic changes, migration, inflation, and rising land prices. They consider both housing policies and poorly targeted financing and subsidy schemes to be inadequate.

In turn, the panel's responses anticipating slight growth in informality emphasize the economic crisis and regional variation, with countries better prepared to face it economically,

with better urban programs and policies to address this situation. Beyond considering inadequate housing policies in general, they place even greater weight on responses associated with *inadequate or non-existent land policies*, and to a lesser extent, *permissiveness of occupations*. In some cases, *titling programs* encourage more informal development.

On the other hand, for those who foresee regional informality remaining constant or even declining slightly, the explanations revolve around cities achieving *very* stable performance in terms of the magnitude of post-pandemic informality. In addition, they highlight that post-pandemic planning and interventions are more sensitive to informality, seen as drivers of an adjustment of this dynamic that accommodates public-policy interventions at the micro and macro levels.

Dynamics of Informality at the Individual City Level

As can be seen in figure 4, when consulted about **cities with which the respondents are familiar**, they expected regional trends to continue. Indeed, most felt that informal urbanization will increase (either slightly or considerably). While 68 percent of the panel supported this prediction in general terms for the region, that proportion decreased slightly to 66 percent when answering specifically about the cities with which each expert is more familiar. Cities where the number of responses allows one to infer that informality will increase included *Santiago* (Chile), the *Metropolitan Area of Buenos Aires* (Argentina) and *Lima* (Peru). In centralized countries, the limited flexibility of policies and programs defined by the national government could make it difficult to diversify responses to their very diverse land and housing needs.

However, while less than 2 percent of the panel argued that informality will decrease in the region, the expectation rises when experts are asked about their own cities. Indeed, 13 percent of respondents stated that informality will decrease in their cities. Among the most mentioned cities in which informality will eventually fall are *Mexico City* and the *City of Buenos Aires* (rather than the metropolitan area); although, in both cases, answers vary considerably. The scarcity of vacant land, which appears as an explanation for the decline in informality in the City of Buenos Aires, may also imply growth in bordering areas with a greater supply of vacant land, or even densification of existing informal neighborhoods.

Finally, 21 percent of the panel stated that informal urbanization will remain constant in their cities, a substantially lower percentage than observed in the first question on the dynamics of informality expected at the regional level. However, the low number of responses per city and their wide variability suggest there is no broad consensus on this dynamic in the experts' cities of origin. For this reason, table 1 contains all the explanations given for each of these predictions.

Figure 4. In your city of origin (or the one you know the most about), how do you envision the evolving dynamics of informal urbanization in a post-pandemic stage, considering both the policies in place today and post-pandemic urban transformations?

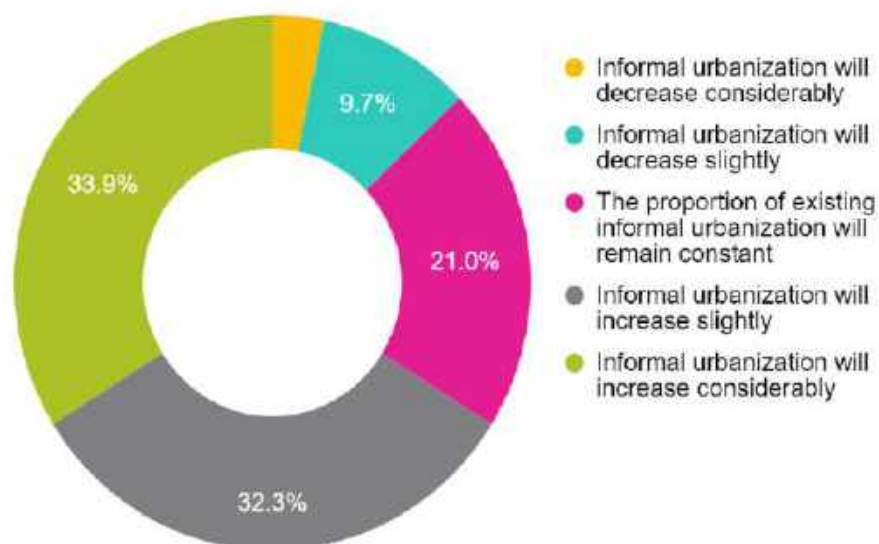


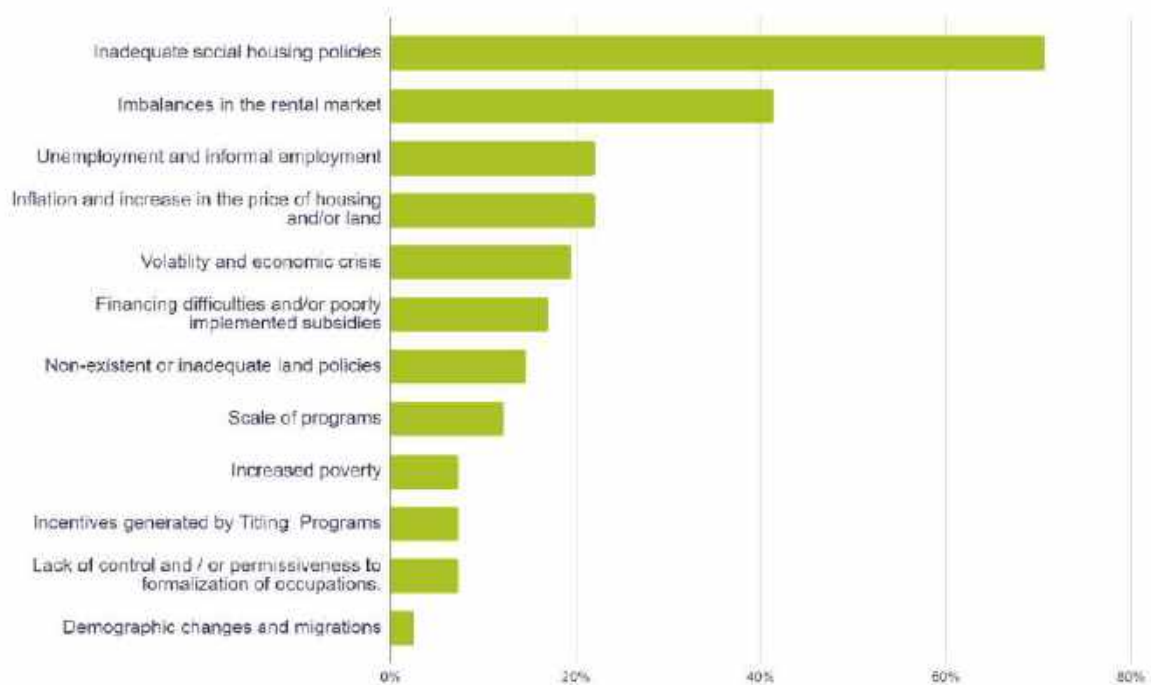
Table 1. In your city of origin (or the one you know the most about), how do you envision the evolving dynamics of informal urbanization in a post-pandemic stage, considering both the policies in place today and post-pandemic urban transformations?

	Informality in the post pandemic stage will...		
	Decrease	Remain constant	Increase
Buenos Aires Metropolitan Area		1	13
Mexico City	2	2	2
File	1	1	3
San Pablo		2	3
Santiago			4
Autonomous City of Buenos Aires	3		1
Medellin		1	1
San Salvador de Jujuy		2	
Córdoba	1		
Culiacan	1		
Cipolletti		1	
Conception of Uruguay		1	
Mendoza		1	
Montevideo		1	
Acapulco			1
Assumption			1

Belo Horizonte			1
Bogota			1
Cochabamba			1
Curitiba			1
Quito			1
Rio de Janeiro			1
San Jose, Costa Rica			1
Tegucigalpa			1
Tijuana			1
Toluca			1
Viña del Mar			1

Figure 5 presents the arguments espoused by experts who believe that informal urbanization will increase either slightly or considerably in their cities.

Figure 5. Which existing urban policies or post-pandemic urban transformations will contribute to increasing informal development during this period?



Overall, the panel gave more weight to supply considerations: 92 percent of those who feel that informality will increase mentioned at least one factor related to supply, such as inadequate *housing policies* (lack of appropriate housing, absence of progressive housing programs, and lack of housing policies based on demand subsidies), or imbalances in the rental market and its growth in informal areas. Regarding inadequate *land policies* (highlighted by 18 percent of responses), the panel highlighted a lack of affordable lots, rising

land prices, along with no or low implementation of land management instruments. Among other elements identified by the panel were the inadequate scale of informal-settlement improvement programs and the harmful incentives for greater informality that titling programs might cause. In large metropolitan areas, such as Buenos Aires, the lack of an active policy to address informality, along with population growth, will lead to growth in informal urbanization.

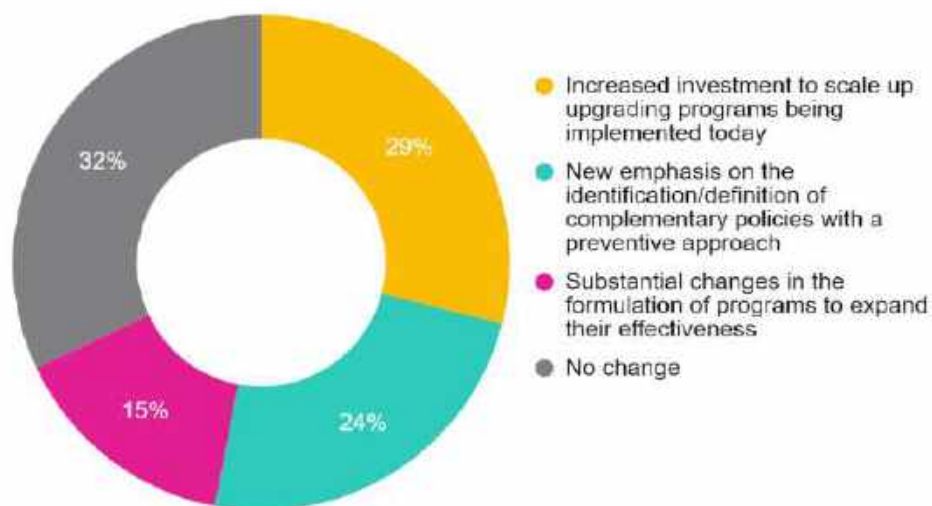
Among those who believe that informality will grow, 54 percent highlighted factors linked to *demand*.

The second round attempted to clarify the attributes in land policies that enable certain cities to better respond to conditions in a post-pandemic world. The panel highlighted urban development policies that *improve the supply of quality urbanized land*, with good accessibility, and integrated into the urban habitat. More specifically, the panel highlighted the specific zoning that generates an affordable supply with lower standards (like ZEIS, in Brazil) and instruments that enable potential vacant land to be identified, taken advantage of, and mobilized to offer housing and public-space solutions to low-income sectors.

The Future of Policies to Improve and Urbanize Informal Neighborhoods

Visions differed regarding the progress that will be made post-pandemic among the **most common improvement and urbanization policies**.

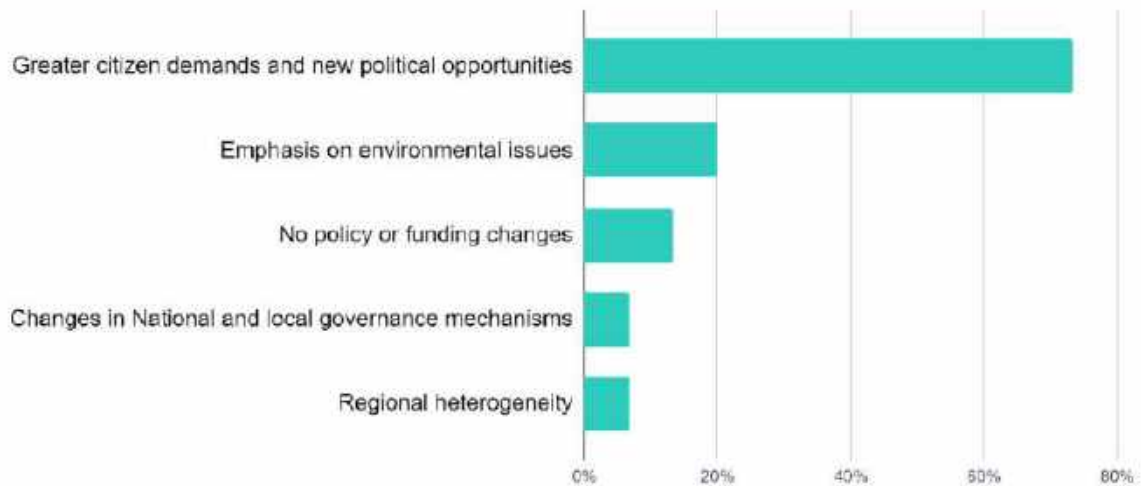
Figure 6. Regarding the future of the most common urban policies for improving and urbanizing informal neighborhoods, do you think that the post-pandemic will result in...?



As figure 6 shows, the panel is clearly divided. Around 30 percent of the panel believed *the scale of existing programs* will increase, while a quarter of responses indicated that a new emphasis will be placed on *identification and definition of policies with a focus on greater prevention*. To a lesser extent, 15 percent of respondents believe there will be changes to existing programs to make them *more efficient*, or in some cases, that progress will be made only in granting title deeds, with *less emphasis on improvement*. However, about one in three respondents felt that no change will occur with respect to current improvement and urbanization policies.

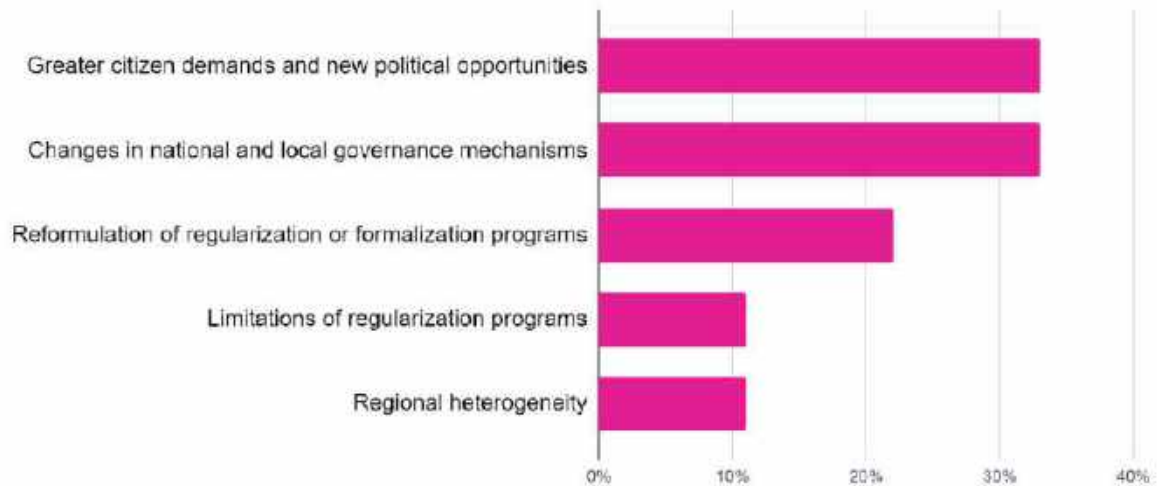
The study was also interested in the future of the most common public policies to address informality. The panel suggested there will be a *new emphasis on preventive policies*, as a result of growing citizen demands, along with new political opportunities. For instance, concern about environmental issues creates momentum in the push for new regulations. Figure 7 reports these results.

Figures 7. Regarding the future of the most common urban policies for improving and urbanizing informal neighborhoods, do you think the post-pandemic reality will mainly drive...?



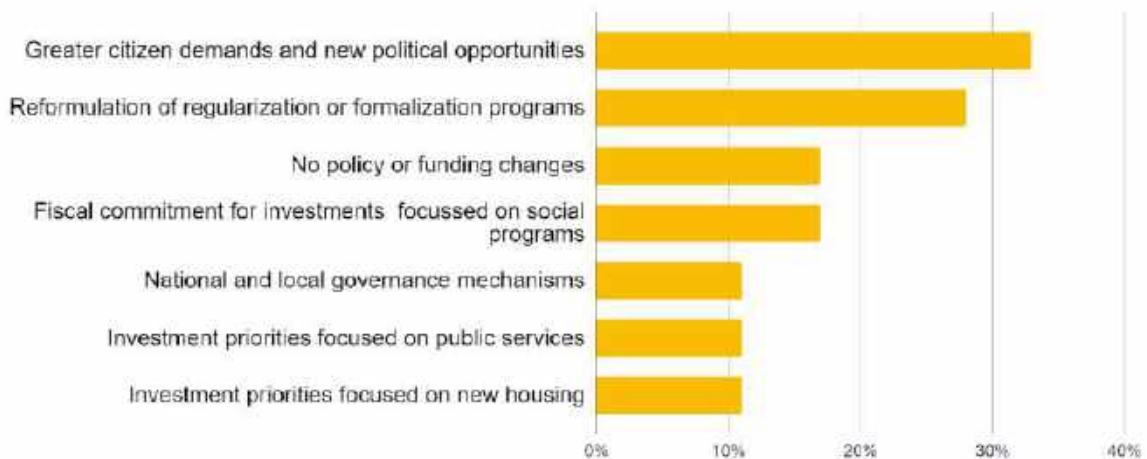
On the other hand, those who argued that there will be *substantial changes in the formulation of programs to expand their effectiveness* believe this will result from greater investments and economies in scale among upgrading programs. While they also included increased citizen demands as an incentive, they pointed to the fiscal commitment created by social demands during the pandemic as a limitation on any new allocation of funding to programs. At the same time, they stated that investment priorities will continue to focus on building new housing, as can be seen in figure 8.

Figure 8. Regarding the future of the most common urban policies for improving and urbanizing informal areas, do you think that the post-pandemic reality will mainly drive...? (*Substantial changes in the formulation of programs to expand their effectiveness*)



For their part, experts who expect greater investment and larger programs expect it to be caused by an increase in citizen demands and program reformulations. However, they point to the fiscal commitment created by social demands during the pandemic as a limitation on the allocation of funds. In turn, they underline that investment priorities continue to focus on public services and building new housing (figure 9).

Figure 9. Regarding the future of the most common urban policies for improving and urbanizing informal neighborhoods, do you feel the post-pandemic reality will mainly drive...? (*Increased investment and scale of programs*)



Finally, experts who answered they do not expect a future change in usual urban policies felt that fiscal constraints will impose a limit, as figure 10 reveals.

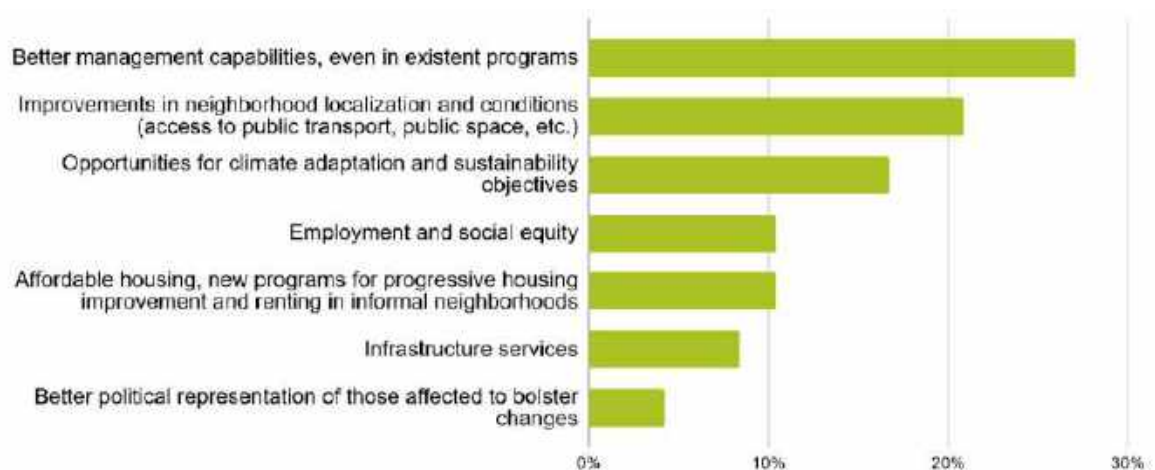
Figure 10. Regarding the future of the most common urban policies for improving and urbanizing informal neighborhoods, do you think the post-pandemic reality will mainly drive...? (*No change*)



One of the first-round consensus is that future changes in urban policies associated with informality will be explained by an increase in social demands and new policy opportunities. As such, the second survey asked about these new demands and opportunities. The results are presented in figure 11.

The panel's consensus on these new demands and opportunities seems to revolve around public management and a central role of *infrastructure service improvements*. Indeed, as can be seen in figure 11, 27 percent of second-round responses mentioned demands for management and improvements to implementation of both existing and future programs.

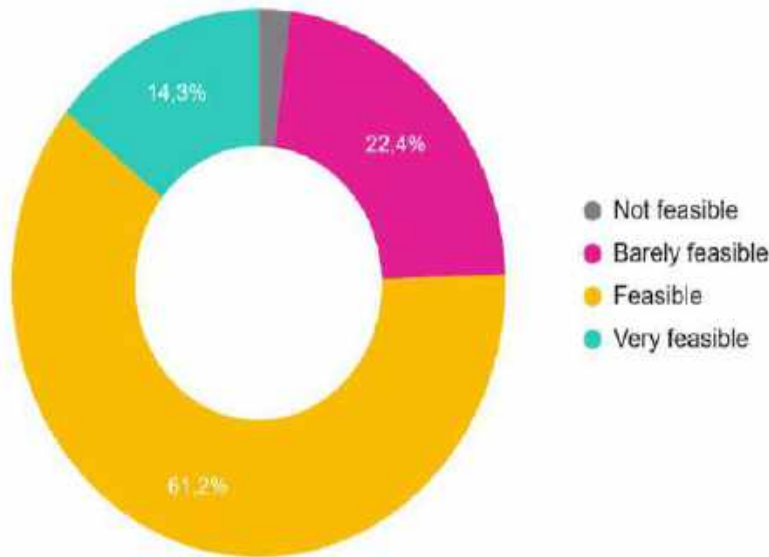
Figure 11. There is a consensus within the panel that one of the reasons for future changes lies in the increase in social demands and policy opportunities. In this context, what new demands and opportunities do you think will be able to drive these changes?



On the other hand, 21 percent of responses mentioned the demands to improve infrastructure conditions, such as access to transport, water, and sanitation, and the quality/recovery of public space, while another 8 percent of responses focused exclusively on demands for more infrastructure services; classic demands not yet met, such as access to drinking water and sanitation. A little more relegated, the experts highlighted the opportunities brought about by *climate change adaptation* as an important driver for such changes, based on environmental

pressures and international commitments. This item was mentioned in 17 percent of responses. Other responses (10%) highlighted the need to improve the future design of housing policies, with a progressive approach and greater rental programs in informal neighborhoods.

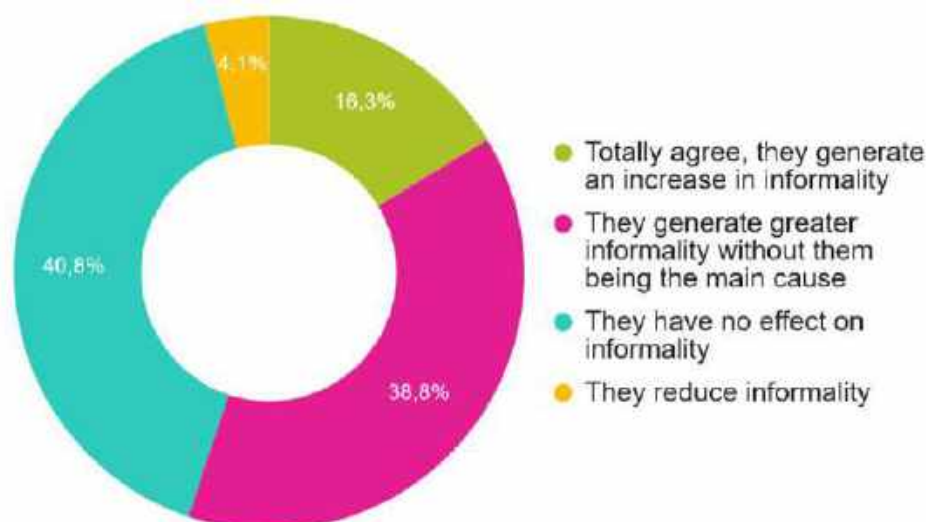
Figure 12. Do you think, in the context of regional variation, it is feasible to foresee the emphasis on defining complementary policies with a preventive approach being developed more in the region?



The panel agreed that a *preventive approach might develop* in the region. However, it is important to note that several experts warned the approach will be limited by budget constraints. This implies that progress will only be made in specific countries *where land management is a priority and the complexity of the issue is understood*, as can be seen in figure 12.

As noted above, the panel mentioned that either titling programs, or new laws to facilitate/make titling more flexible, might be creating incentives for greater informality. In this regard, the second round asked experts how much they agreed with the assertion that these urbanization and titling programmes might lead to greater informality, as figure 13 shows.

Figure 13. When the panel was consulted, titling programs or new law initiatives to facilitate/make the granting of title deeds more flexible, were mentioned as possibly creating for greater informality. How much do you agree with the statement that they might be having an effect on creating greater informality?



Over 55 percent agreed with the assertion but with some provisos. Sixteen percent of experts believed titling programs increase informality through negative incentives. Note that these responses represent more respondents from certain cities, such as experts from Lima, where titling programs are the norm for addressing informal development, while at the same time they have been very ineffective in mitigating informal land development. On the other hand, 39 percent of respondents felt urbanization and titling policies increase informality, but they thought the causes were broader and the problem more multidimensional. In addition to lacking a preventive approach to urban informality, other causes, such as labor informality, poverty, and lack of opportunities, were relevant.

Whereas, 41 percent of respondents answered that these titling programs do not affect informality. Some of these responses highlighted that they are two independent phenomena. Others consider titling and regularization programs positive for reducing existing informality, but their effect depends on implementation and the development of new informalities. Here again, the heterogeneity of responses might be affected by the variability in countries' experiences. Finally, 4 percent of respondents said that urbanization and titling policies reduce (not increase) informality, highlighting titling programs as a way to mitigate the problem.

Section II. Adaptation of Urban Policies

Relevance of Urban Policies for Preventing Informal Land Development

When asked about the relevance of different *preventive urban-policy options*, respondents reported the following results, listed in table 2:

Table 2. How do you rate the relevance of these options being included as policies to prevent informal land development?

	Irrelevant	Little relevant	Relevant	Very relevant
<i>Increasing the supply of land with services by financing urban</i>	3%	5%	26%	66%

<i>infrastructures</i>				
<i>Formalization mechanisms for informal land developers</i>	8%	37%	39%	16%
<i>Regulatory incentives for social developers</i>	3%	31%	31%	35%
<i>Special Areas of Social Inclusion</i>	5%	15%	37%	44%
<i>Batch programs with services</i>	6%	23%	40%	31%
<i>Financing of housing/social housing</i>	5%	5%	31%	60%
<i>More inclusive land-use regulation and standards</i>	3%	15%	23%	60%
<i>Increased enforcement of existing land use regulation</i>	9%	19%	30%	42%
<i>Use of land-based financing instruments</i>	5%	5%	29%	61%

When asked about the relevance of different urban policies that might be implemented to *prevent informal land development*, a certain consensus emerged around the relevance of three urban-finance instruments: (a) *increasing the supply of serviced land by financing urban infrastructure*, (b) *home financing*, and (c) *using land-based instruments to contribute to finance urban development*. More than 90 percent of respondents described at least these three policies as relevant.

On the other hand, policies related to regularizing informal or social developers did not reach these levels of agreement, with a wide range of opinions on their relevance. Experts considered *site and services programs* "not very relevant".

Between these two extremes are (a) *Special Zones of Social Inclusion*, and (b) greater *enforcement* of existing regulations. Experts considered ZEIS "very relevant" (44%) and "highly relevant" (88%). Enhanced enforcement was considered "very relevant" (42%) and "highly relevant" (74%). These results are presented in table 2.

Relevance of Factors to Facilitate the Provision of Affordable Serviced Land

The panel was asked to rate the relevance of different instruments to expand the supply of affordable serviced land. The results are in table 3.

To expand the supply of affordable serviced land, the panel considered the use of *land management instruments* very relevant. They facilitate the development and supply of land for public purposes and thus *capture land value* for urban infrastructure and neighborhood improvement funding. Both instruments were rated "highly relevant" by more than 70 percent of the panel. Also, the use of land-based finance instruments that enable infrastructure and social equipment to be financed enjoyed a broad consensus as "very relevant" and "relevant" in the panel's responses.

However, the panel’s opinions varied widely about the relevance of other policies aimed at increasing the supply of serviced affordable land. Among them, promoting *less restrictive zoning standards* in general, as well as increasing the *enforcement* of existing regulations or *reducing bureaucratic processes* to grant lot and construction permits, were considered "relevant" or "very relevant", but face a larger number of opinions that understate their relevance. For example, 45 percent of the panel believed that less restrictive zoning is irrelevant or not very relevant.

Along those same lines, *more flexible zoning standards* were also considered relevant, yet 21 percent of the panel considered them "not very relevant", while 6 percent thought they were "irrelevant".

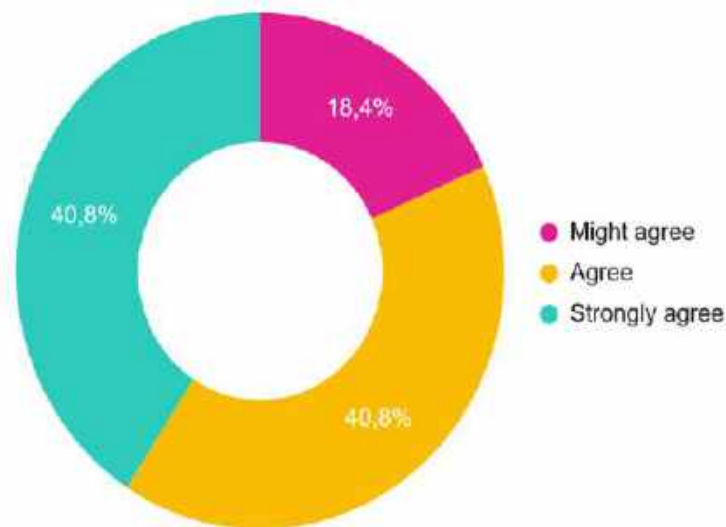
When asked about different policies that might help prevent an increase in informal land development, the panel highlighted the importance of *increasing supply through urban infrastructure financing*, with 92 percent of experts saying it was either “relevant” or “very relevant”. It was also pointed to as the most urgent instrument for mitigating informal development. This topic was explored further in the second round.

Table 3. If you have the ability to directly influence the definition of urban regulations, what factors should be calibrated to facilitate the supply of affordable serviced land in the coming years?

	Irrelevant	Little relevant	Relevant	Very relevant
Less restrictive zoning standards overall	6%	39%	39%	16%
Less restrictive zoning standards in areas of social inclusion	6%	21%	31%	42%
Increased enforcement of existing planning/regulation	6%	21%	34%	39%
Widespread use of land-based financing instruments	2%	6%	29%	63%
Capture land valorization to finance urban infrastructures / neighborhood improvement	0%	6%	16%	77%
Use of management tools that facilitate the provision of land for public purposes	0%	8%	21%	71%
Use of management tools that facilitate the provision of land in general	3%	11%	44%	42%
Use of ground-based instruments that allow the financing of infrastructure and social equipment	0%	5%	31%	65%

Use of instruments to capture valorization associated with the definition of urban regulations (for example, densification, changes of use)	2%	8%	32%	58%
Use of instruments to capture the value generated by public investments	0%	6%	40%	53%
Use of land realignment (or similar) in areas of peripheral development	2%	16%	39%	44%
Reduce bureaucratic processes for granting lot/build permits	6%	24%	50%	19%

Figure 14. Increasing the supply of land by financing urban infrastructure was rated either "relevant" or "very relevant" by 92 percent of respondents. Do you agree it is the most important aspect to address?



As figure 14 reveals, the panel still agreed that funding public infrastructure is a priority (82 percent of responses), while 18 percent disagreed. This contrasts with the 92 percent of experts who highlighted this policy as relevant or very relevant in the first round.

Inclusive Instruments Implemented in Specific Latin American Cities

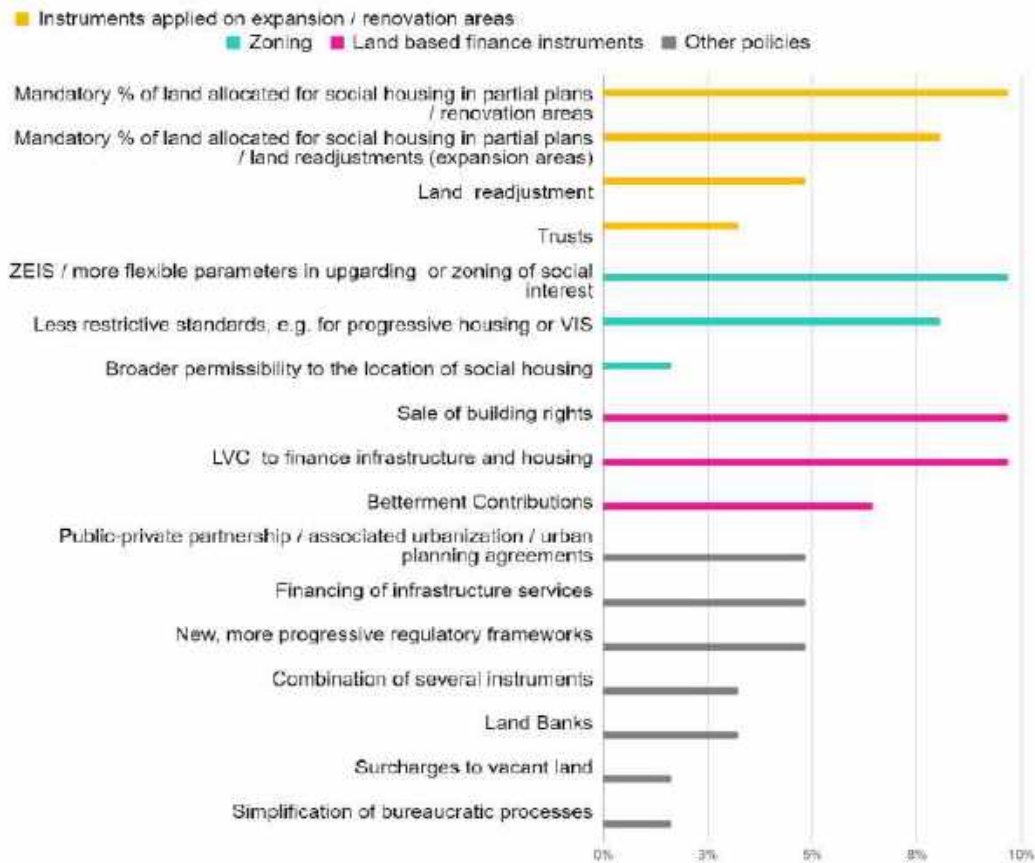
When identifying inclusive instruments implemented in specific cities, the most mentioned tools or regulations were mandatory percentages for social housing, flexible parameters, such as social interest zones (ZEIS) in Brazil, and again, mobilizing land value to finance infrastructure and housing, as can be seen in figure 15.

As for the specific cities most mentioned by the panel in terms of implementing inclusive instruments and regulations, the following stand out:

- São Paulo, Brazil (15 percent of responses)
- Medellin, Colombia (12 percent of responses)

- Bogotá, Colombia (10 percent of responses)
- Guadalajara, Mexico (7 percent of responses)
- Belo Horizonte, Brazil (7 percent of responses).

Figure 15. Can you identify examples of cities that are successfully using instruments to mitigate informal development? (Instruments / inclusive regulations)



Considering the policies mentioned in the previous point, the second round of the survey asked the panel about the relevance of specific policies. The results appear in figure 16.

Figure 16. The panel identified different *inclusive land-use standards* that might contribute to mitigating informal land development in their cities.

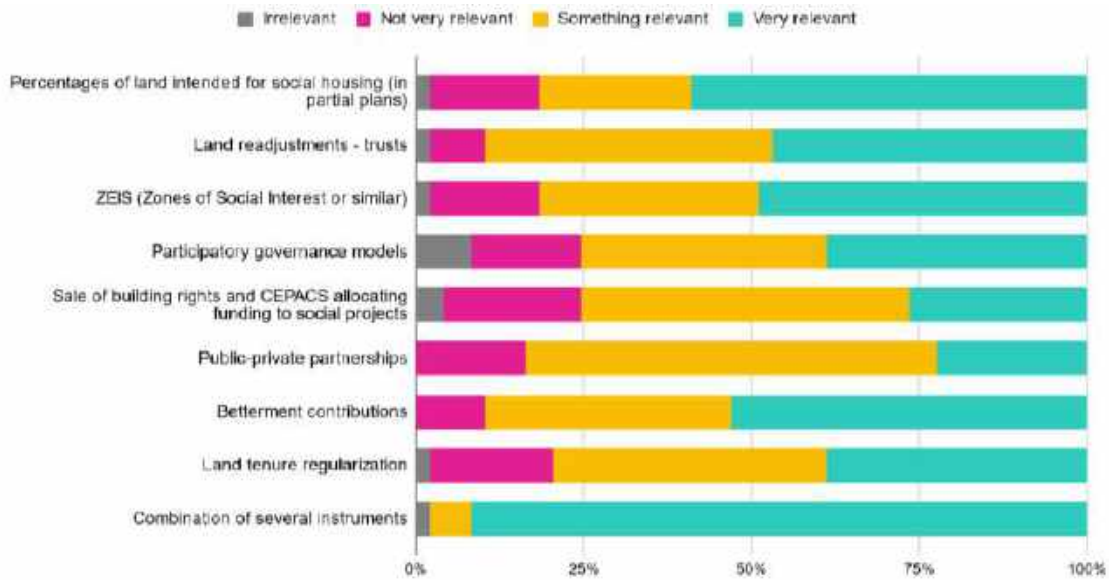
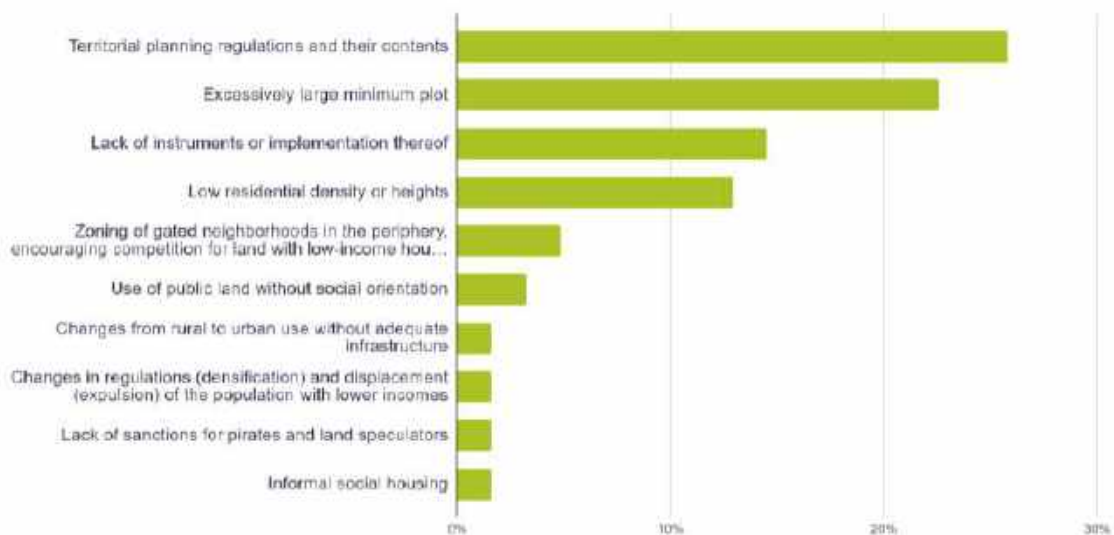


Figure 16 suggests that the combination of *several land management instruments* is, by a large majority, the most significant point for the panel. It is followed by establishing *mandatory percentages of land for social housing* and the *betterment contribution* as the two policies the highest percentage of the panel considered "very relevant", at 59 percent and 53 percent, respectively. *Land readjustments and land trusts* also received significant attention. At the other extreme, the sale of building rights and social projects were considered the "least relevant" (20%).

“Exclusionary” Regulations in Latin American Cities

By contrast, when asked about *exclusionary land-use regulation* features that may encourage informal development, the panel agreed on the relevance of land-use regulations and *exclusionary plans, lot size* (too large), lack of adequate land-management instruments, and *building standards*, as can be seen in figure 17.

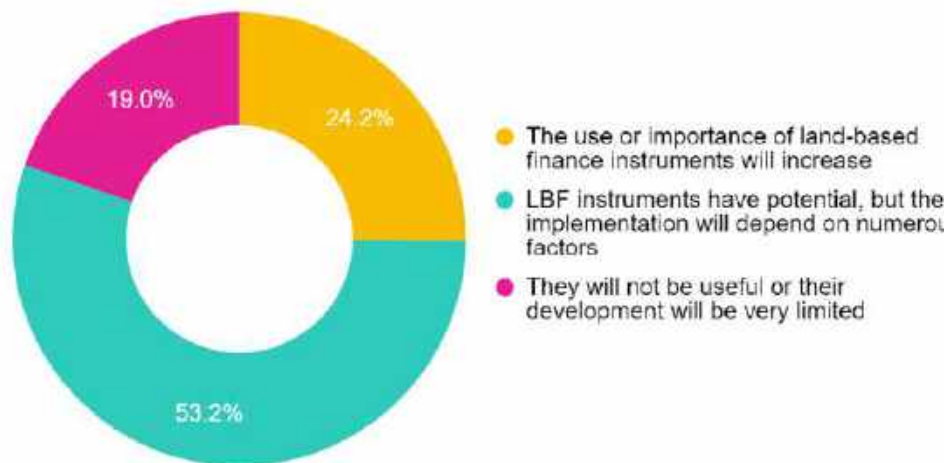
Figure 17. Are you able to identify any exclusionary land-use regulation feature(s) that encourage informal land development?



Development of Land-based Financing Instruments

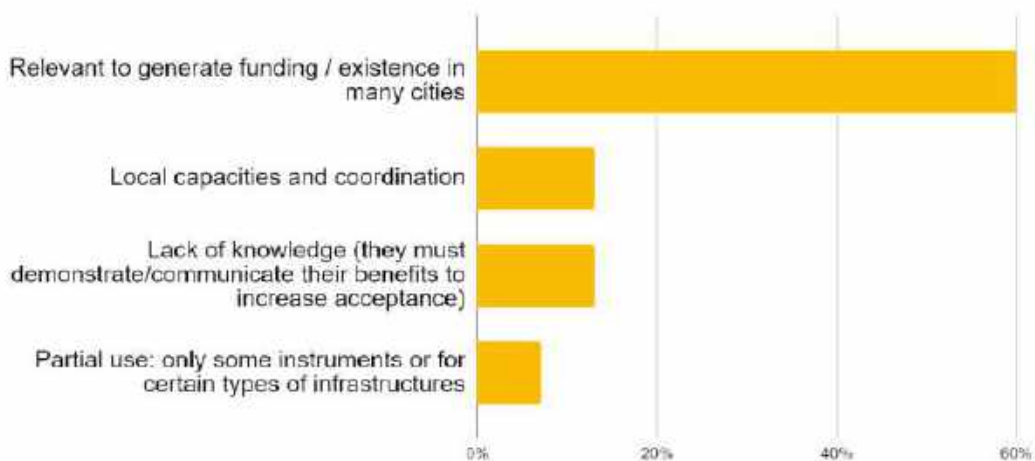
The post-pandemic phase will require a greater provision and expansion of infrastructure services in cities. Respondents had different visions about the future development—and more generalized adoption—of land-based financing instruments as a tool to finance urban infrastructure.

Figure 18. Given the potential of land-based financing instruments to finance urban infrastructure, how do you envision these instruments developing in the coming years?



As can be seen in figure 18, those who felt the use of land-based instruments will grow (24%) underline the following aspects in their justifications (figure 19): their usefulness in generating funding, and their extensive use. However, they also suggest demands for training and coordination, and that they still need to communicate or demonstrate their benefits to increase their acceptance.

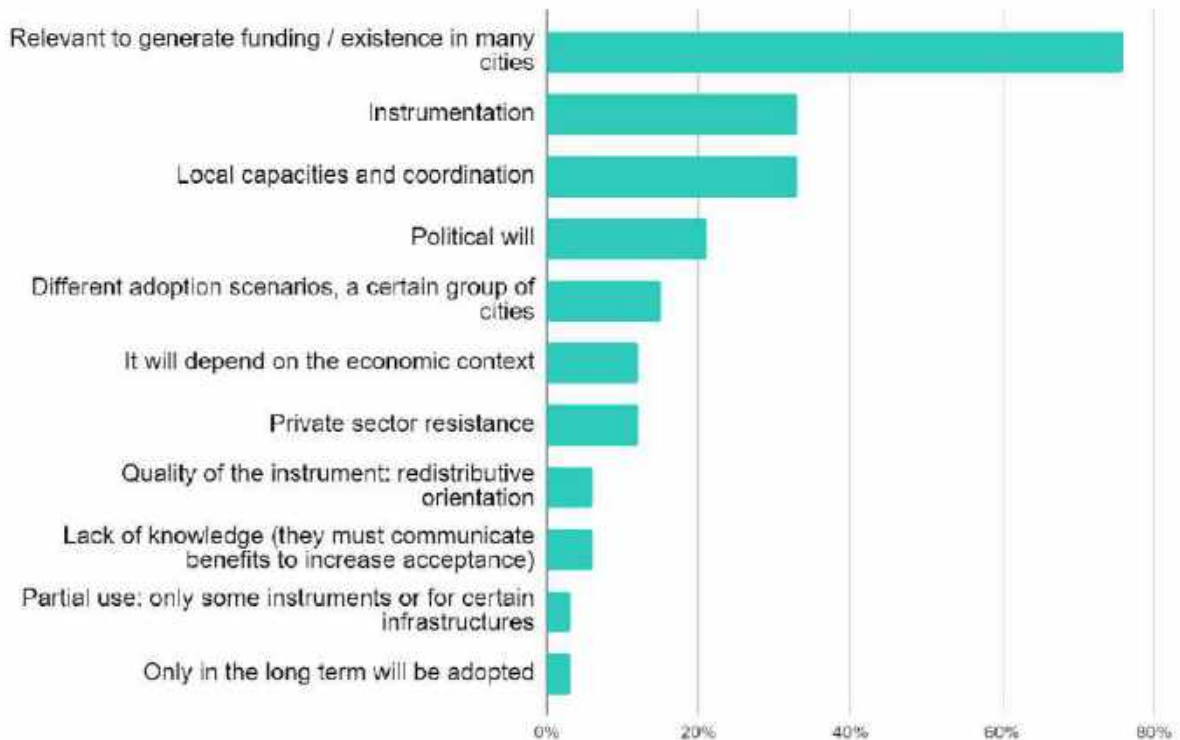
Figure 19. Given the potential of land-based financing instruments to finance urban infrastructure, how do you envision these instruments developing in the coming years? (Increased use or importance of land-based financing instruments)



Secondly, respondents who recognized the potential of land-based finance instruments but stressed that their implementation depends on numerous factors, felt that the most relevant of

the latter were adequate instrumentation and differences in local capacities, as can be seen in figure 20.

Figure 20. Given the potential of land-based finance instruments to finance urban infrastructure, how do you envision these instruments developing in the coming years? (They have potential, but their implementation depends on numerous factors)



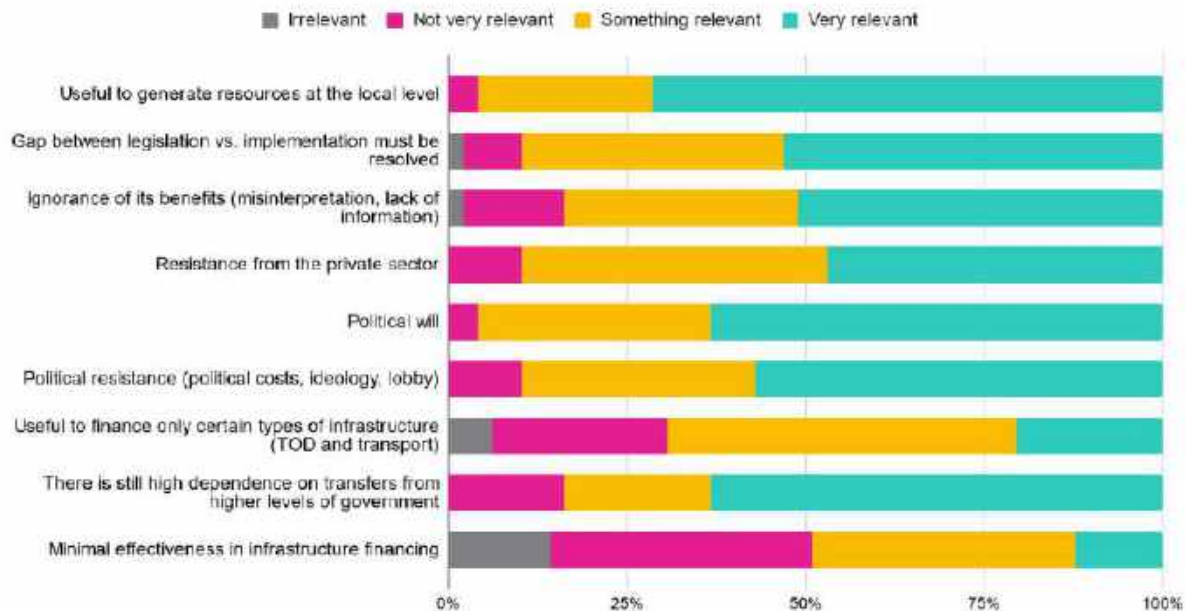
Finally, the most cited explanation among those who feel that land-based instruments *will not be useful in the future, or their development will be very limited* (as can be seen in figure 21) was that different cities face different scenarios; hence, it is difficult to generalize. In addition, experts considered it a long-term policy that has yet to demonstrate its benefits for its adoption to be expanded. Plus, it is very complex, among other challenges.

Figure 21. Given the potential of land-based finance instruments to finance urban infrastructure, how do you envision these instruments developing in the coming years? (They will not be useful, or their development will be very limited or very slow)



Considering the significant percentage of experts who responded that implementation of these instruments will depend on various factors, the panel was asked about the latter in the second survey. Results are presented in figure 22.

Figure 22. How do you assess the following conditions regarding the adoption of these land-based financing instruments in the region's countries?



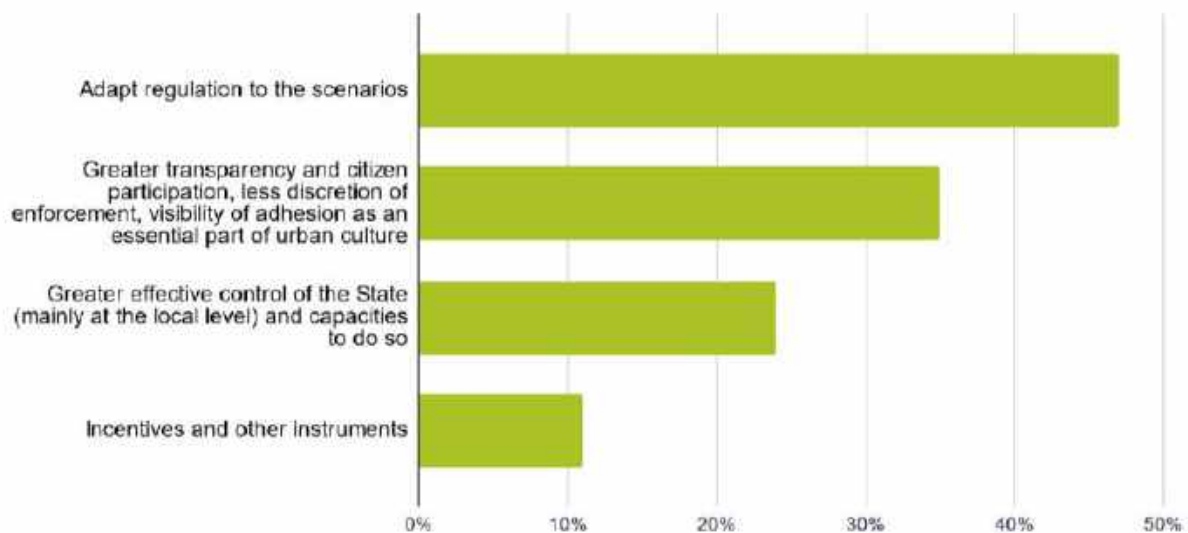
The panel agrees that the most relevant factor (71 percent of "very relevant" responses) is the instruments' usefulness for bringing in revenue at the local level. This finding is consistent with the high percentage of responses (63%) that considered the barrier of heavy dependence on transfers from top levels of government to be "very relevant", which is also an opportunity when they decline, as is currently the case in several countries in the region. On the other hand, political considerations were also described as very important for adopting land-based financing instruments, with both "Political Will" and "Political Resistance" recording high

percentages of relevance.

Appropriate Urban Policy Responses to Low Enforcement

A well-known aspect of urban regulations is the low level of compliance (or *enforcement*). Some studies claim that more excessively restrictive regulations or rules, compared to households' ability to pay, actually increase the level of non-compliance. When asked about possible urban policy responses to current low levels of compliance with regulations in many of the region's cities, the panel highlighted the following policies, listed in figure 23.

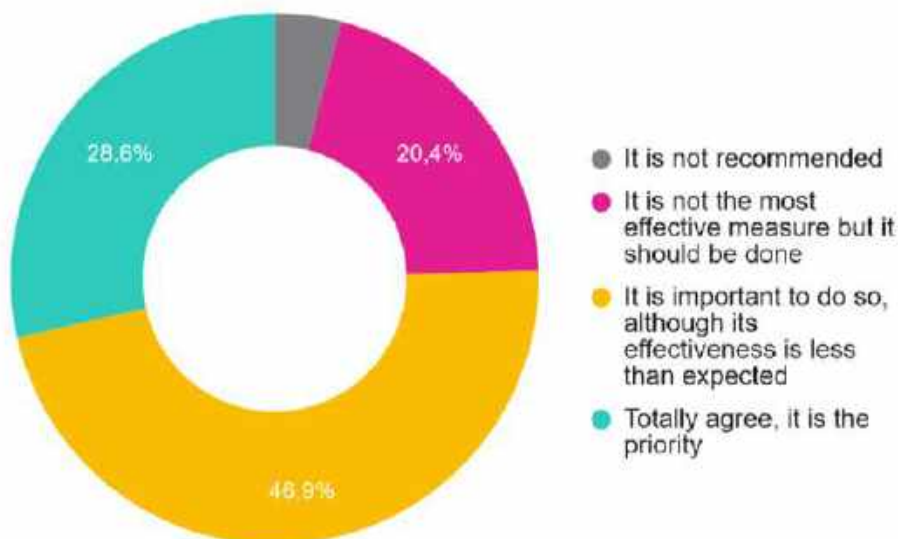
Figure 23. What do you see as an adequate urban-policy response to address the low level of compliance with regulations in many of the region's cities today?



The panel agreed in that in order to address the low level of compliance, it may be necessary to *adapt regulations* to different scenarios (a reasonable reduction in the size of the land, minimum densities, etc.), without affecting urban standards, such as the provision of public space and equipment. It also emphasized the need for greater transparency and citizen participation, less *discretion* when enforcing, and greater visibility of how adherence adds to culture, urban life, and progress. The panel highlighted the need for greater community participation—for example, by disaggregating regulations through *neighborhood plans* or *special plans*, and giving the community a *voice* in urban operations that have a major local impact. To a lesser extent, the responses considered the need for *greater effective state control* (mainly at the local level) and capacity building to do so. Finally, they noted the need to create incentives for certain results-based behaviors set out in urban development plans and programs.

The second round asked how much the panel agreed with the adaptation of regulations as a way of increasing compliance. Their answers are presented in figure 24.

Figure 24. The panel believes that, to address low levels of compliance with regulations in many of the region's cities today, the highest priority is to adapt regulations (such as a reasonable reduction in lot size, or revising minimum densities, etc.) without affecting urban standards, such as the provision of public space and facilities. Do you agree that it is the most important aspect to address?

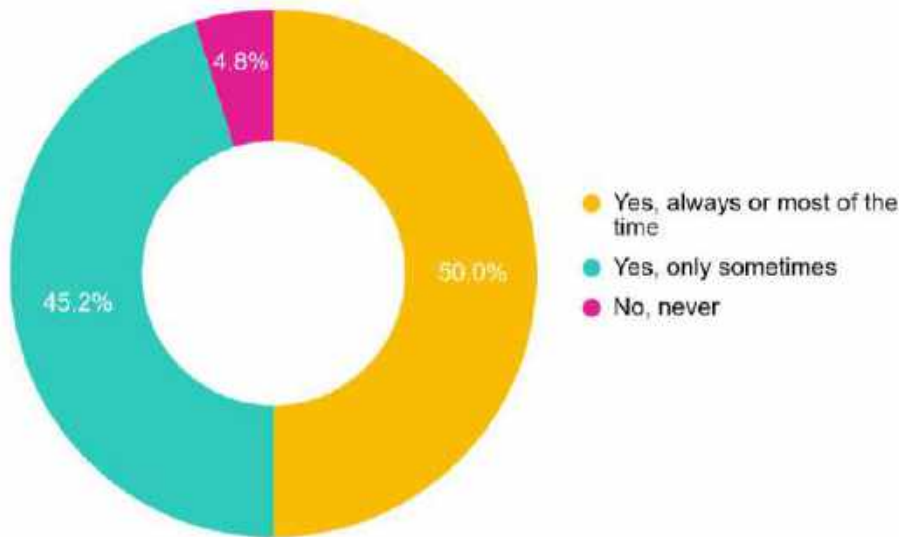


The panel agreed (47 percent of responses) it is important to adapt regulations, but the usefulness of doing so is less than expected. This effort needs to be complemented by other important public-policy issues (including education, citizen culture, and the economy, along with political will). Those who felt that adapting regulations is a priority (29%) emphasized that to ensure compliance with regulations, they must be realistic and flexible. Urban regulations need to be defined with clarity, transparency, and the greatest possible social agreement, considering the challenges of equity, sustainability, prosperity, and democracy. Another 20 percent responded that adaptation was important, though they had reservations about its effectiveness. Good management is also needed. Finally, experts who do not recommend changes to regulations to mitigate informality agreed that regulatory changes should be considered, along with territorial planning, and that informality falls outside regulations and hence will not have a major effect.

Implementation of Betterment Contributions in Informal Neighborhoods

In terms of implementing betterment contributions, respondents were asked how often this instrument should be applied to cover the costs of infrastructure (or at least part of them) in informal neighborhoods. Their responses painted the following picture, presented in figure 25.

Figure 25. Should betterment contributions be applied systematically to cover the costs of infrastructure services (or at least part of them) in informal neighborhoods?



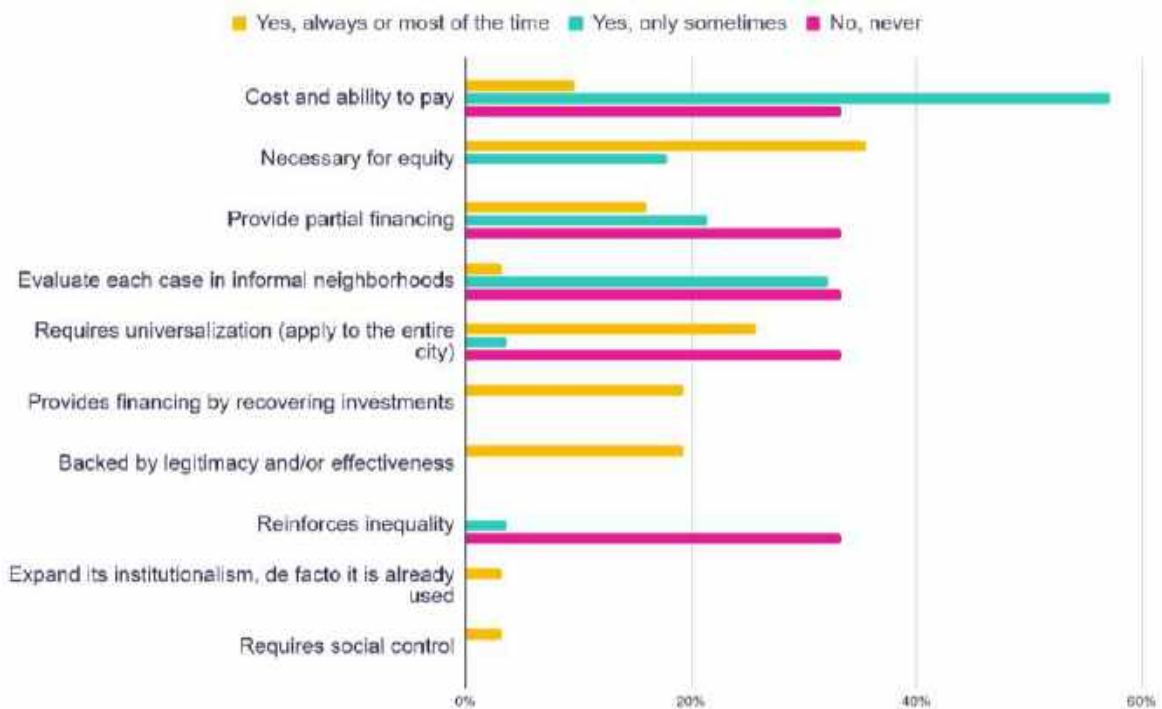
Most respondents held a positive view of *implementing betterment contributions*. However, there was nuance among their answers. For instance, some believe this public policy should be applied systematically citywide, while on the other hand, there were those who, despite agreeing with its need, emphasized certain complexities in implementing it. In the latter case, they highlighted the importance of determining informal-neighborhood residents’ ability to pay. They also emphasized that this instrument should not be the only one used to finance infrastructure works, since revenue collection in informal neighborhoods will be lower than the costs of improvements.

The panel’s explanations for why betterment contributions should *always or almost always* be implemented consider them more necessary for equity and an important financial contribution to recovering investments, even if recovery is partial with respect to the total cost of investments. They felt this use is endorsed by its effectiveness and/or legitimacy, even if it is universal across the entire city.

Those who responded *it should only sometimes be implemented* focused mostly on the need to consider adjustments to household payment capacity and an evaluation of context, as the most relevant justifications to take into account.

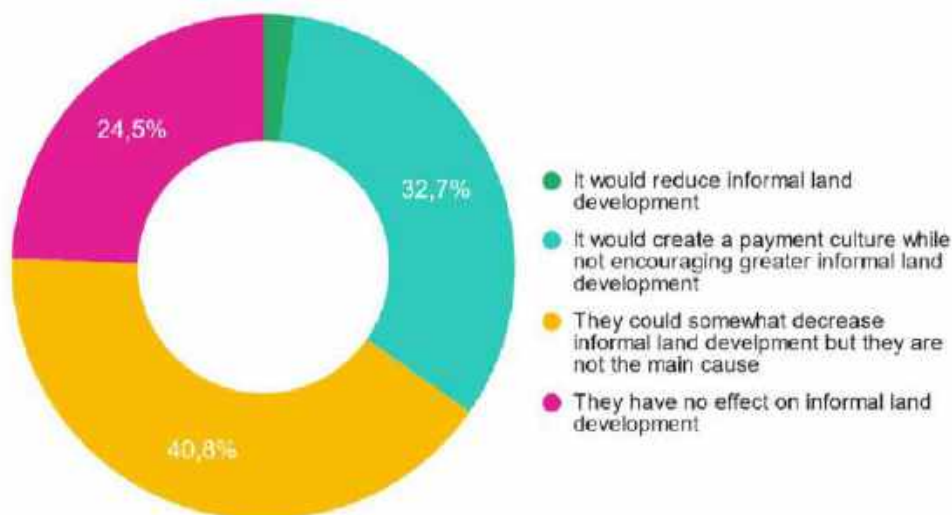
Finally, 5 percent of respondents *opposed the systematic application* of betterment contributions in informal areas. They emphasized possibly reinforcing inequality and that any contribution should be applied universally throughout the city, pointing to the difficulties of affordability and minimizing the magnitude of their financial contribution to the cost of investments, if applied in informal neighborhoods. Along these lines, the main factors mentioned are summarized in figure 26 below.

Figure 26. Do you think betterment contributions should be applied systematically to cover the costs of infrastructure services (or at least part of them) in informal neighborhoods?



Based on the responses and the factors involved in implementing betterment contributions, highlighted in the first round, the second round asked the panel the following question: How relevant do you think it would be in mitigating incentives for higher occupancy to collect a betterment contribution, considering households' payment capacities? The results are shown below in figure 27.

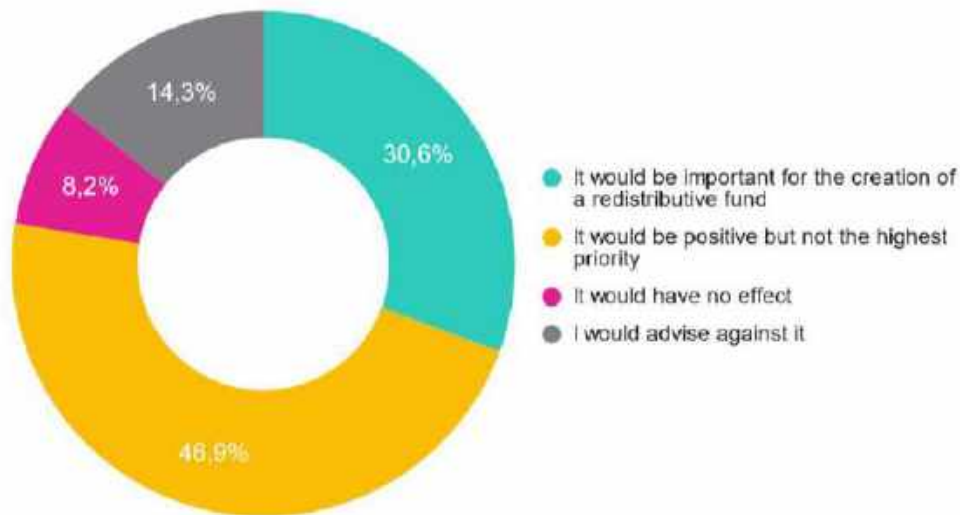
FIGURE 27. How relevant do you think it would be in mitigating incentives for higher occupancy to collect a betterment contribution, considering households' payment capacities?



The panel did not reach a consensus. Nearly half (41 percent of responses) argued that contributions to improve proposed conditions might reduce occupancy in part, but implementation was not the main cause. Whereas 33 percent of the panel felt that such a policy would create a culture of payment, while not increasing informality. Finally, a relevant portion argued that the policy would have no effect on occupation, with a very small minority maintaining that a betterment contribution would decrease occupation.

Thereafter, in the second round, in line with appropriate instruments based on payment capacity, the panel responded to its opinion on establishing a charge for additional construction rights, considering households' payment capacities to create a redistributive fund to address infrastructure investments needed in neighborhoods. The results are presented in Figure 28.

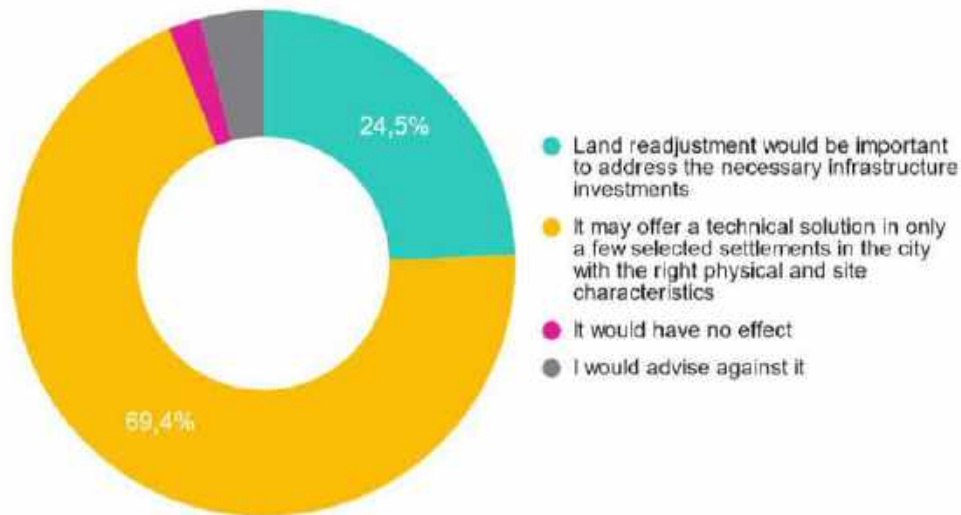
Figure 28. In informal neighborhoods with dynamic construction and building capacity, how do you envisage charging for additional construction fees, considering households' payment capacities, to create a redistributive fund to address infrastructure investments needed in neighborhoods?



There was consensus on this issue. Seventy-eight percent of the panel valued the proposed policy, but 47 percent of responses, despite being positive, indicated it would not be a priority. On the other hand, 8 percent said it would have no effect, while 14 percent advised against its implementation.

In line with the factors mentioned above, the second round asked about the use of land readjustment tools in informal neighborhoods where there is vacant land, allocating part of it to apply to a redistributive fund that would fund infrastructure needed in those neighborhoods. The results are presented in figure 29.

Figure 29. How do you view land readjustments being applied to informal neighborhoods that have vacant land, allocating part of the (vacant) land to a redistributive fund that helps finance infrastructure investments needed in neighborhoods?



There seems to be consensus on this issue. A large majority of the panel (69%) argued that such a policy could offer a solution but only in certain settlements, while 25 percent of the panel considered the policy as important to implement. In contrast, the proportion that dismissed its impact or considered it inadvisable totals 6 percent.

Implementation of More Successful Land-Management Instruments in Specific Cities

When asked to identify the most successful land-management instruments implemented in specific cities, respondents mentioned the tools shown in figure 30 below. They include a mandatory share of social housing units in land readjustment programs or partial plans in expansion areas, land readjustment, betterment contributions, ZEIS, charges for additional building rights, and land trusts. The main land-management instruments reported in figure 30 have been categorized into four types: instruments applied to expansion or renovation areas, zoning, land-based finance instruments, and other policies.

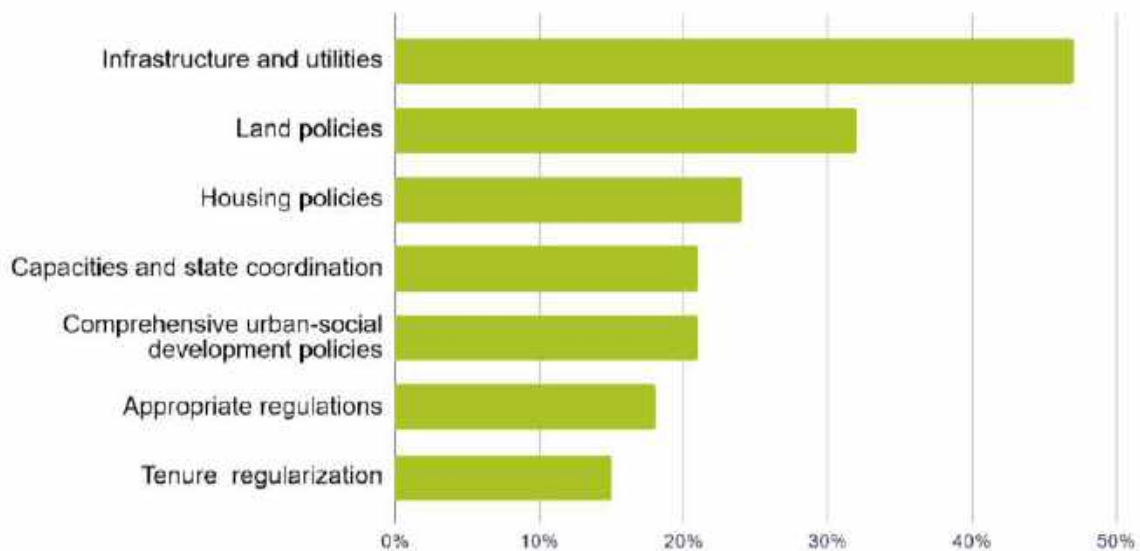
Figure 30. What land-management instruments have been successfully implemented in specific cities of the region, which might be contributing to the prevention of informal development?



Implementing More Urgent Investments to Mitigate Informal Development

Finally, when the panel was asked about the most urgent type of investments to implement to mitigate informal development, it agreed that infrastructure and public services are the priority, as shown in figure 31. Investments in infrastructure and utilities are the most urgent of all, but land policies also followed suit. These investments were mentioned by 47 percent and 33 percent, respectively.

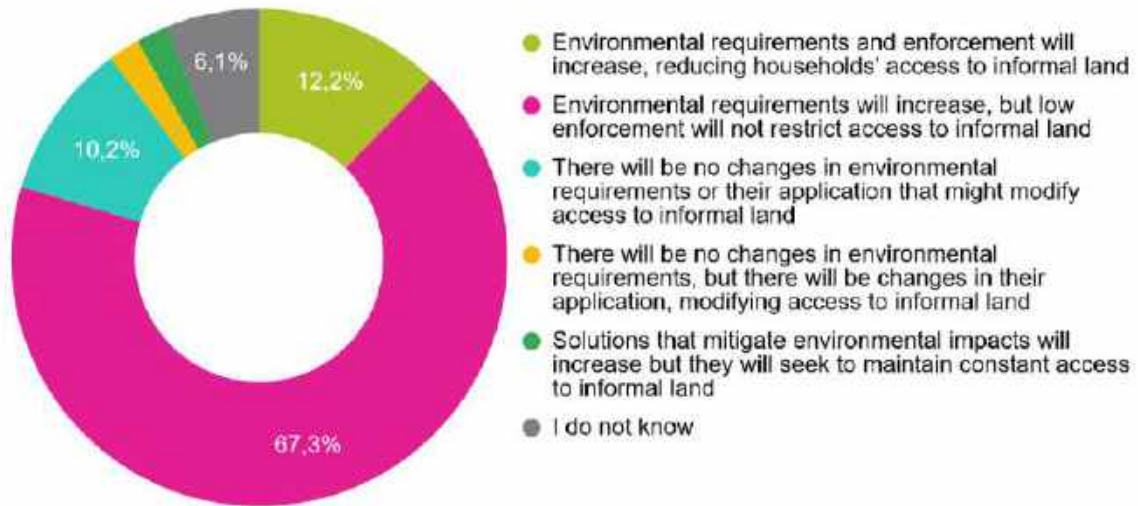
FIGURE 31. What are the most urgent investments to implement to mitigate informal development?



Climate Change and Urban Regulations

In the first round, the panel highlighted environmental issues, which might become more relevant in the region's cities. In the second round, the experts were asked if, as a result of a greater concern for the environment and related risks, city governments might change environmental requirements, which could modify access to (informal) land markets. The results can be seen below in figure 32.

Figure 32. Do you think that as a result of increased concern about the environment and related risks, city governments might change environmental requirements, which could modify access to (informal) land markets?



The panel reached consensus. The vast majority (67 percent of responses) felt that, while environmental requirements will increase, application and/or enforcement will be low, so informal access to land will not be restricted.

The 12 percent of experts who believe that both environmental requirements and application of such measures will increase, thus reducing access to informal land, argued that this can already be glimpsed in certain policies—though with varying effectiveness—such as actions by PROMEBA and the work of ACUMAR in the Matanza-Riachuelo basin in Argentina. Finally, 10 percent of the panel stated there would not be any changes in environmental requirements or their application that modify access to informal land, given that it continues to be difficult to coordinate the regulatory frameworks of territorial planning (and urban planning) with ecological or environmental planning

Conclusions

This section presents the most salient conclusions of this research. The most significant aspects highlighted by the experts were as follows:

- They believe urban informality will worsen
- Supply-side issues, such as inadequate housing policies, are the main explanation for this pessimistic scenario
- They agreed on the usefulness of some preventive policies that focus on funding, such

as financing urban infrastructure and housing, and using land-based instruments to help finance urban development

- Citizen demands will increase, which will help with the development of preventive policies. New pressure from environmental issues will also push in this direction
- Our panel considered the use of *land management instruments* to facilitate the development/supply of land for public purposes and to enable *land value capture tools* to finance urban infrastructures very relevant. This instrument likely garnered the most agreement for addressing urban informality
- In addition, *inclusive land management instruments*, such as mandatory percentages for social housing, more flexible standards, and mobilizing land value to finance infrastructure, were also listed as very relevant
- Experts agreed that all policies and instruments are heavily dependent on budgetary constraints and implementation issues.

Coda: The Future

There is still a lot to learn about policies that deal with urban informality in Latin America. Informative as it is, this exercise did not delve into successful experiences of informality mitigation. There is further work to be done to translate the insights suggested by our experts into actual public policy. A case study might be informative in determining the most effective way for specific cities to succeed in addressing informality. Case studies might also help elucidate which policy interventions make the biggest differences.

Appendix I. Questionnaires

First Consultation (March 20-30, 2022)

We greatly appreciate your commitment and participation in this project. The data you provide the CIPUV at Torcuato Di Tella University will be kept confidential and treated exclusively for this study's scientific and statistical purposes, using a DELPHI methodology framework that assures sufficient security measures to protect your personal data from harm, loss, alteration, destruction, or unauthorized access. Your identification and contact data will never be made public.

We kindly ask that you complete the following form:

SECTION I. POST-PANDEMIC URBAN INFORMALITY IN LATIN AMERICA

This section asks about perceptions during the post-pandemic stage of development of informal land markets in the region's cities.

1.1. For starters, in a context of continuing current urban policies, how do you imagine the dynamics of informal urbanization over the next five years in the region's countries?

- Informal urbanization will decrease considerably
- Informal urbanization will decrease slightly
- The proportion of existing informal urbanization will remain constant
- Informal urbanization will increase slightly
- Informal urbanization will increase considerably

1.1.a. If you believe informal urbanization will DECREASE, use this space to justify your belief. In particular, what urban policies or post-pandemic urban transformations would contribute to reducing informal development?

1.1.b. If you believe informal urbanization will INCREASE, use this space to justify your belief. In particular, what urban policies or post-pandemic urban transformations would contribute to increasing informal development?

1.2. In your city of origin (or the one about which you know the most), how do you envision the evolving dynamics of informal urbanization during the post-pandemic stage, based on policies implemented today and post-pandemic urban transformations?

- Informal urbanization will decrease considerably
- Informal urbanization will decrease slightly
- The proportion of existing informal urbanization will remain constant
- Informal urbanization will increase slightly
- Informal urbanization will increase considerably

1.2.a. If you believe informal urbanization will DECREASE, use this space to justify your belief. Which urban policies or post-pandemic urban transformations would contribute to decreasing informal development in this period?

1.2.b. If you believe informal urbanization will INCREASE, use this space to justify your previous choice. Which urban policies or post-pandemic urban transformations

would contribute to increasing informal development in this period?

1.2.c. City (or Municipality) about which you responded:

1.2.d. Country:

1.2.e. Metropolitan area (if applicable):

1.3. Regarding the future of the most conventional, informal-settlement upgrading and urbanization policies, do you believe the post pandemic stage will mainly boost...?:

- Major investment to expand the scale of upgrading programs implemented today
- Substantial changes to the formulation of upgrading programs to expand their effectiveness
- New emphasis on the identification/definition of complementary policies with a preventive approach
- No change

1.3.a. Please explain your response:

SECTION II. ADAPTATION OF URBAN POLICIES

This section investigates urban policies that contribute to preventing or mitigating the development of informal settlements in the region's cities, with special emphasis on contributions from urban regulations, planning, and land use regulation.

2.1. How do you rate the relevance of these options as policies to prevent informal land development? (Rate each option as: very relevant, relevant, not very relevant, irrelevant)

- Increasing the supply of serviced land by financing urban infrastructure
- Formalizing informal land developers
- Regulatory incentives for social developers
- Special Areas of Social Inclusion
- Site and services
- Housing financing/social housing
- More inclusive land use regulations and standards
- Effective enforcement of existing land use regulation
- The use of land-based financing instruments

2.1.a. If you have considered another option not mentioned in the previous question (2.1.), please mention it here, rating and justifying its relevance:

2.2. If you had the ability to directly influence the definition of urban regulations, which factors should be calibrated to increase the supply of affordable and serviced land in the coming years? (Rate each factor as: very relevant, relevant, not very relevant, irrelevant)

- Make zoning standards less restrictive, in general
- Less restrictive zoning standards in areas of social inclusion
- Increased enforcement of existing planning/regulation
- Widespread use of land-based finance instruments
- Use of land value capture with the objective of financing urban

- infrastructure/informal neighborhood improvements
- Use of management tools that facilitate the provision of land for public purposes
- Use of management tools that facilitate the provision of land in general
- Use of land-based instruments that allow the financing of infrastructure and social equipment
- Use of land value capture instruments associated with the definition of urban regulations (i.e., densification, changes of use)
- Use of land instruments that capture the increases in value generated by public investments
- Use of land readjustments (or similar tools) for the development of peripheral areas
- Reduction of the bureaucratic processes required for granting lot/building permits

2.2.a. If you have considered another option not mentioned in the previous question (2.2), please mention it here, rating and justifying its relevance:

2.3. Please identify examples of cities that are successfully using some of these items to mitigate informal development:

2.3.a. City:

2.3.b. Including urban norms/instruments:

2.4. For comparison's sake, can you identify any current exclusionary norms/land use regulations that may be reducing the supply of affordable and serviced land? Please provide examples of cities where this is happening:

2.4.a. City:

2.4.b. Exclusionary Urban norms/regulation:

2.5. The post-pandemic period will require an increase in the provision and expansion of infrastructure services in cities that have greater coverage deficits. Given the potential for land-based financing instruments to contribute to financing urban infrastructure, how do you foresee the development of these instruments in the coming years, to help reverse the infrastructure deficit?

2.6. Do you think betterment contributions should be systematically applied to informal neighborhoods?

- Yes, always, or most of the time
- Yes, sometimes
- No, never

2.6.a. Please explain your response:

2.7. A well-known aspect of urban norms and land use regulations is their low level of compliance (or enforcement). Some studies claim that more excessively restrictive regulations or rules compared to households' ability to pay increase non-compliance levels. What would be an adequate urban-policy response to address low levels of compliance with regulations in many of the region's cities today?

2.8. In your opinion, which cities in the region have been the most successful in implementing land-management tools that may be contributing to preventing informal land development?

2.8.a. City:

2.8.b. Instruments:

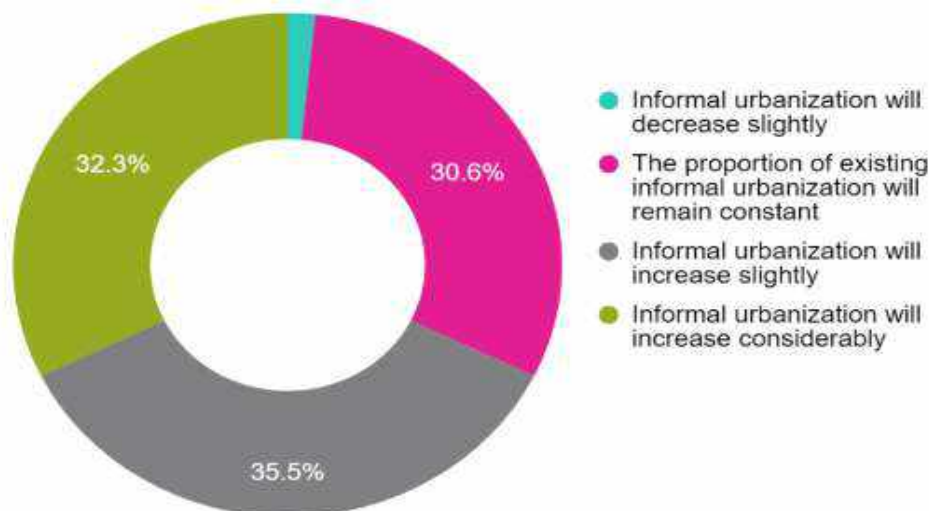
2.9. Finally, in your opinion, what type of interventions are the most urgent today to prevent/mitigate informal land development?

Second Consultation (April 27th to May 12th, 2022)

The first round of consultations with the panel of experts inquired into post-pandemic urban policies and their capacity to mitigate informality in the region, with a special focus on land norms and planning. Below is a summary of results and follow-up questions.

A. SCENARIOS OF THE DYNAMICS OF INFORMAL DEVELOPMENT AND URBAN POLICIES

There is some consensus among participants that informal urbanization will not decrease in the region over the next 5 years. Sixty-eight percent predicted it will grow (slightly or considerably), while 30 percent responded it would remain constant at the regional level.



Participants agreed that the increase in informality will be motivated to a large extent by addressing deficiencies, in particular social housing and/or land policies, which are insufficient or inadequate (61.3 percent of responses mentioned at least these supply factors). In turn, 48 percent of respondents mentioned at least one factor involving a strong impact on demand expected in the next five years (unemployment, informal employment, increase in poverty, volatility, and economic crisis caused by the pandemic, demographic changes, and inflationary contexts). Regional and contextual heterogeneity indicates that, although participants are pessimistic about the possibility of land and housing informality

declining in the region (only 1.6 percent of respondents think so), they are not so pessimistic about their own cities (where 12.9 percent think informality may decrease).

1. Which housing and land-policy attributes indicate that a given city may be in a better position to respond to demand conditions during the post-pandemic phase?

1.a. Local housing policy conditions that will best respond to the growing demands caused by the pandemic:

1.b. Urban land policy conditions that will best respond to the growing demands caused by the pandemic:

1.c. Please list the cities you are referring to, or if your answer is generic:

The market for land and its management are central elements for promoting an increase in the supply of urbanized, well-located, affordable land, enabling an expansion in the supply of both conventional and social housing. To expand the supply of affordable land, experts agree (92%) on the relevance of using management instruments that facilitate the provision of land for public purposes.

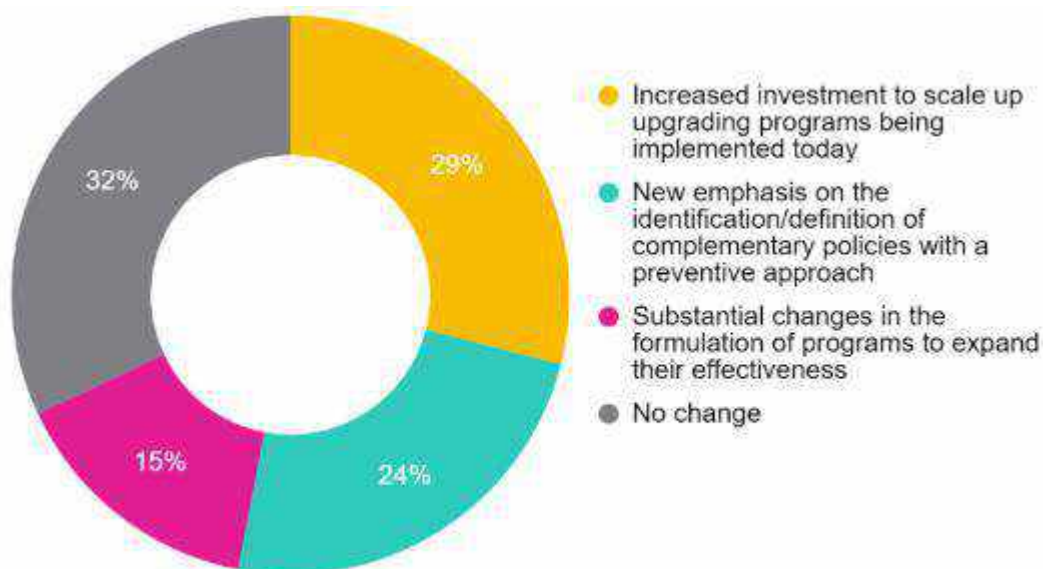
2.a. Can you name a city that has implemented or is implementing policies/instruments to increase the supply of land for social housing programs?

2.b. What policy/instrument has been used?

2.c. What level of effectiveness has it had?

B. FUTURE OF POLICIES TO IMPROVE AND URBANIZE INFORMAL NEIGHBORHOODS

Regarding the future of the most common urban policies for improving and urbanizing informal neighborhoods, there was a clear division of opinions.



Sixty-eight percent of participants in the first round agreed there will be changes in urban policies after the pandemic, notably, greater investment in upgrading programs already in place (29 percent of participants), but also a new emphasis on identifying preventive policies (24%), and changes in the formulation of programs to expand their effectiveness (15%). However, others predicted no change will occur (32%). Important regional variations were also apparent.

The panel's responses indicated a new emphasis on preventive policies as a result of growing citizen demands, along with new policy and regulatory adoption opportunities in some countries, as their main justification. Additionally, a new emphasis on environmental issues will also create momentum for this preventive policy drive. Lastly, the panel emphasized regional variations, with countries that had already been prioritizing the issue while others continued to lag behind.

3. There is a consensus among the panel that one of the reasons for future changes lies in the increase in social demands and policy opportunities. In this sense, what new demands and opportunities do you think will drive these changes?

3.a. Please explain your answer:

4. Considering this context of regional variation, do you think it is feasible that the emphasis on defining complementary policies with a preventive approach may result in greater development in the region?

- Not feasible
- Barely feasible
- Feasible
- Very feasible

4.a. Please, explain your answer:

C. POLICY RELEVANCE TO PREVENTING INFORMAL LAND DEVELOPMENT

When asked about different policies that can help prevent the increase in informal land development, the panel highlighted the importance of increasing land supply through urban infrastructure financing, with 92 percent of respondents stating it was either relevant or very relevant. It was also deemed the most urgent investment to be implemented to mitigate informal development.

5. Do you agree this is the most important aspect to address?

- Disagree
- Agree somewhat
- Agree
- Strongly agree

Another policy highlighted by the panel is the use of land-based financing instruments. Ninety percent of respondents considered them relevant or very relevant. However, respondents had differing visions of the future development of land-based financing instruments as a tool to finance urban infrastructure. In this sense, 54 percent of responses

pointed to its potential but highlighted that implementation will depend on several factors.

6. How do you evaluate the following conditions regarding the adoption of these land-based finance instruments in the region's countries? Please mention the relevance you assign each of these factors in the region's adoption scenario (rate each factor as: very relevant, relevant, not very relevant, irrelevant).

- Useful to generate revenue at the local level
- The gap between legislation vs. implementation must be resolved
- Ignorance of its benefits (misinterpretation, lack of information)
- Resistance from the private sector
- Political will
- Political resistance (political costs, ideology, lobby)
- Useful to finance only certain types of infrastructure (TOD and transport)
- There is still high dependence on transfers from higher levels of government
- Minimal effectiveness in infrastructure financing

7. The panel identified different, inclusive, land-use standards that might help prevent informal land development in each of their cities. In your opinion, how relevant are they? What others would you add? Can you provide examples where these types of policies are implemented and their effects?

- Percentages of land intended for social housing (in partial plans)
- Land readjustments - trusts
- ZEIS (Zones of Social Interest or similar)
- Participatory governance models
- Sale of building rights and CEPACS allocating funding to social projects
- Public-private partnerships
- Betterment contributions
- Land tenure regularization
- Combination of several instruments

7.a. Please provide other examples of inclusive land use regulations and their application, not included above:

7.b. City involved:

The panel identified different, exclusionary, land-use standards that might be promoting informal land development in their cities: zoning standards in general and their standards, excessively large minimum lots, low residential density or heights allowed in certain areas, and finally, a lack of management instruments or low implementation thereof.

8.a. Please provide an example of this type of exclusionary policy being applied and its effects:

8.b. City involved:

D. HOW TO RESPOND TO ENFORCEMENT CHALLENGES?

The panel felt that to address low levels of compliance/enforcement of regulations in many

of the region's cities today, the highest priority is to adapt the regulations to different scenarios (reasonable reduction in lot size, revision of minimum densities, etc.) without affecting urban standards, such as the provision of public space and facilities.

9. Do you agree this suggestion is the most important aspect to address?

- Yes, totally agree, it is the priority
- It is important to do so, although its effectiveness is less than expected
- It is not the most effective measure but it should be done
- It is not recommended

9.a. Please briefly clarify your answer:

E. TITLING AND INCENTIVES FOR HIGHER INFORMAL OCCUPANCY

The panel mentioned that titling programs or new legal initiatives to facilitate granting title deeds, or making them more flexible, could create incentives for greater land occupancy that might cause more informality.

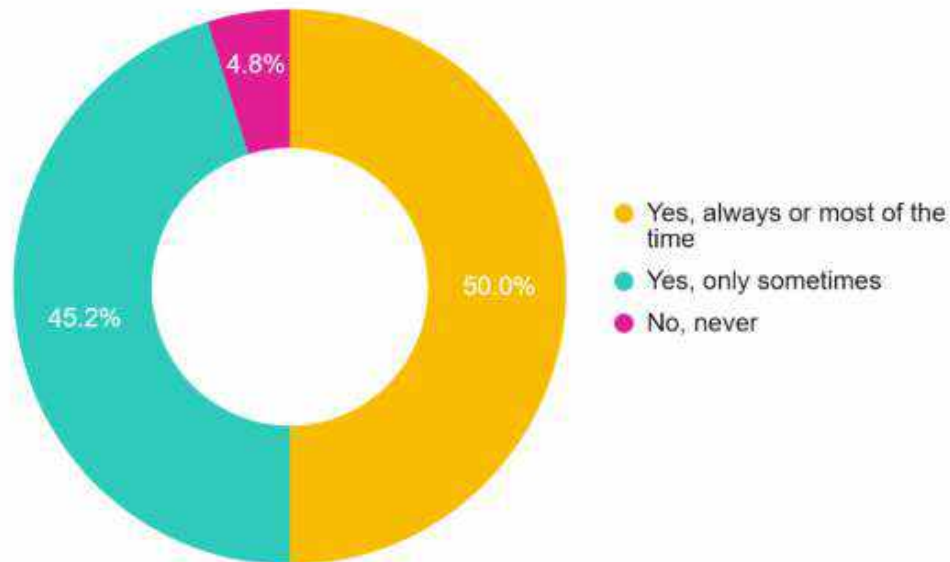
10. How much do you agree with the statement that they might be causing more informality?

- Totally agree, they increase informality
- They create more informality, without being the main cause
- They have no effect on informality
- They reduce informality

10.a. Please explain your answer:

F. APPLYING BETTERMENT CONTRIBUTIONS OR INSTRUMENTS TO FORMALIZE INFORMAL NEIGHBORHOODS

The vast majority of respondents held a positive view of betterment contributions, though with important nuances. There are those who believe this public policy should be applied systematically across cities (50%) and those who, despite agreeing with its need, emphasize certain complexities for its implementation (45%). In the latter case, respondents highlighted the importance of taking informal-neighborhood residents' ability to pay into account (57 percent mentioned this factor), and they also emphasized that this instrument should not be the only one used to finance infrastructure works (21 percent mentioned this last factor).



11. Do you think that collecting betterment contributions, taking households' payment capacities into account, even if they only cover part of the costs of a neighborhood's improvements, might mitigate those incentives for higher occupancy, asked about in the previous question?

- They would reduce informal land development
- They would create a payment culture while not encouraging more informal land development
- They might decrease informal land development somewhat, but they are not the main cause
- They have no effect on informal land development

12. In informal neighborhoods with dynamic construction and building capacity, how do you feel about charging additional construction fees, taking households' payment capacities into account, to create a redistributive fund to address infrastructure investments needed in neighborhoods?

- It would be important for the creation of a redistributive fund
- It would be positive, but not the highest priority
- It would have no effect
- I would advise against it

13. Many informal neighborhoods have low densities that often make it impossible to invest in the infrastructure they need. In the same way that land readjustment is applied in formal areas, with each owner allocating a part of the land to cover the costs of infrastructure, how do you view allocating part of the land to be applied to a redistributive fund that contributes to financing infrastructure investments needed in informal neighborhoods with vacant land?

- Land readjustment would be important for addressing the necessary infrastructure investments
- It may offer a technical solution in only a few selected settlements in the city with the right physical and site characteristics

- It would have no effect
- I would advise against it

14. The concentration of informal neighborhoods in either the most frequently flooded areas or ones affected by environmental risks foregrounds the need for city-level planning and land use regulations that consider future climate change impacts. Do you think that, as a result of increased concern about the environment and its risks, city governments might change environmental requirements, which could modify access to (informal) land markets? Please choose the scenario that best represents your opinion.

- Environmental requirements and enforcement will increase, reducing households' access to informal land
- Environmental requirements will increase, but low enforcement will not restrict access to informal land
- There will be no changes in environmental requirements or their application that might modify access to informal land
- There will be no changes in environmental requirements, but there will be changes in their application, modifying access to informal land
- Solutions that mitigate environmental impacts will increase but they will seek to maintain constant access to informal land for households
- I do not know

Appendix II. Participants' Background

Respondents came from a variety of backgrounds. The graph below presents the distribution of participants across background categories: public, private and third sector, academia, and multilateral organizations.

