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Medellin: Global Model

The IDB annual meeting will take place in a city that has become a global model for positive urban change.

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MEDELLIN — When 4,000 foreign visitors – including bankers and policymakers – gather here on March 27-31 for the 50th annual general assembly of the Inter-American Development Bank, they will encounter plenty of red-hot topics to discuss, including the growing global crisis and its effect on Latin America.

However, outside the city's modern Plaza Mayor convention center they will also encounter another red-hot topic – how to radically transform cities considered basket cases into models of urban renewal.

"Medellin has experienced an impressive change," says Mateo Restrepo, a former New York banker and presidential advisor who is the day-to-day manager of this year's IDB assembly. "Medellin is today an urban model for the whole world."

The change is made even more relevant by the crisis, since economists and policymakers alike fear the economic downturn will lead to a reversal in the progress made in recent years in reducing Latin America's poverty.

While Colombia in general has received much attention for its dramatic improvement of security since 2002, when President Alvaro Uribe came to power and started his aggressive "Democratic Security" policies, Medellin also deserves its share of attention.

Once plagued by infamous drug traffickers like Pablo Escobar, Medellin is today an example for poverty- and crime-ridden cities elsewhere in Latin America and in the developing world.

To be fair, Medellin was never as bad as its image. Within Colombia, it was known as the leading business hub and home of leading companies such as Almacenes Exito and Bancolombia (the largest bank in Colombia). But it clearly suffered from years of bad news related to drug traffickers. Today, it proudly shows off its city to any and all visitors.

The IDB delegates, for example, are expected to try out Medellin's 13-year old metro which is cleaner than its counterparts in London and New York. They can also try the connecting MetroCable, which links the metro to the slum areas overlooking Medellin. The MetroCable is also clean – and safe – and gives a perfect bird's eye overview of the change that has taken place in the Colombian city.

EASIER ACCESS

The MetroCable has provided the citizens of poor areas overlooking Medellin with a faster and less expensive alternative to buses. Typically, a Metro Cable route now takes 30 minutes versus an hour and a half and costs half as much. It allows citizens in the mountains overlooking

Medellin to connect with the city's downtown, hospitals, university and convention center through easy links with the Medellin metro.

And crime at the MetroCable stations, even in the previously dangerous areas it reaches, are practically non-existent. "Nothing happens because the community watches over it," says Angela Maria Duque, a spokeswoman for the Medellin Metro.

The construction of the MetroCable was the catalyst for an urban project that won first prize in Mexico in October. The Swiss-based Holcim Foundation for Sustainable Construction, which organized the Latin America-wide competition, gave its top prize to a project developed by Empresa de Desarrollo Urbano that includes the refurbishment and extension of a road network and public utilities and construction of several health, education and sports facilities as well as the implementation of social development programs.

"This project complements the effort of available social investment by developing along the MetroCable a range of programs for the regeneration of the area through self-responsibility, community participation and inter-institutional coordination," José Luis Cortés, the jury head and Dean of Architecture at the Universidad Iberoamericana (UIA) in Mexico City, said in a statement. "It is, in short, exemplary in its contribution to reaching the Millennium Development Goals."

LATIN ROLE MODEL

The MetroCable was built by France-based Poma, a company more known for building ski-lifts in exclusive resorts in Europe. Now, city officials in Brazil and Venezuela are studying the success of MetroCable for possible emulation in the Alemão favela in Rio and the slum areas of Caracas, Medellin officials say.

The MetroCable is just one part in a larger scheme to transform Colombia's second-largest city. When Sergio Fajardo, a math teacher at the University of the Andes, became mayor in 2003 he brought together a team of aides that -- like him -- were mostly political outsiders with a keen sense that Medellin needed radical change after years of violence.

"When there's violence you survive, but don't construct," he says at his relatively humble office in Medellin from where he today leads his effort to become Colombia's next president. "We have to get rid of violence and provide social opportunities."

By chance, Fajardo got a little help from President Alvaro Uribe, who on a national level was able to significantly reduce the violence and crime. In Medellin alone, homicides have dropped from 386 per 100,000 inhabitants in the 90's to 27 last year, city officials say.

COMMUNITY CENTERS AND LIBRARIES

Fajardo's team set about changing the poorest areas of the city, moving squatters living in shacks to new buildings with electricity and phone lines. They built community centers and five *Parque Bibliotecas* (library parks) which offered an attractive venue for the poor, especially young people, to meet. They also built the Explora Park and its Aquarium and a botanical garden. The Explora Park was inspired by a similar one in San Francisco, California and received 450,000 since it was opened in January last year, city officials say.

The MetroCable and extensive public works were done "so the kids don't do what the bad guys did," Fajardo says, referring to the infamous drug traffickers that terrorized the city and Colombia in the 1980's.

The library parks typically attract some 1,300 visitors a day. "The child today has as his reference the library and not a *sicario* (hitman)," adds Mauricio Valencia, the public works director of Medellin who was originally hired by Fajardo and continued in the new administration of current

mayor Alonso Salazar (also a former aide of Fajardo).

"We wanted to create urban points where people could congregate," Valencia says. "Before, people typically would live in different parts and not meet," he said at the Moravia Community Center. The center was built in an area that used to be a garbage dump and now offers a wide range of cultural activities focusing on reading, music and movies for kids and adults.

IMPROVED FINANCES

However, a reduced climate of violence and the will to create a new social environment wasn't enough. After all, the new community centers and libraries had to be financed. So the Fajardo team had to improve the city's financial books, including reducing its debt and raising tax collections. For their ambitious projects, they have also been able to receive outside help. The Moravia center, for example, received private donations of \$2 million.

The Fajardo team worked on four pillars to improve Medellín: Solidarity, competitiveness, transparency and security. "The social area is fundamental," Valencia says. "The investments had to go to areas that most needed it."

Some 80 percent of Medellín's population are considered in the social strata 1 through 4 (with 1 being the poorest and 6 being the wealthiest). One of the programs include building 19 public and free kindergardens for kids up to five years old. The move is important, Valencia says, because previously access to kindergardens was a privilege for the few. "At the kindergarden, that's where the social inequality began," he says. Many of the poor mothers would leave the children at home alone while working or the kids would congregate at malls, according to Valencia.

In transparency, they borrowed an idea from Brazil – participatory budgeting, allowing the 16 local neighborhoods to decide how to the city should spend the allocated public works budget of \$7 million annually. That effort, which started in 2004, also undermined the influence of local self-proclaimed neighborhood bosses. "Even poorest lady could stand up and say 'No, we need a health center,'" Valencia says.

NEW POLICE STATIONS

Meanwhile, in addition to the efforts from the central government of President Uribe to fight crime, local officials looked at the police stations themselves. "People used to be scared to enter," Valencia says. Now, many of the police stations have a friendly and modern look.

The efforts helped raise tax payments. "Our government plan is to boost tax collections by 30 percent," Valencia says. To do so, the city is including many people who never previously paid taxes, he says.

And the transformation of Medellín continues. Plans call for an expansion of the urban transport network through 2020 and the construction of 15,000 homes, Valencia says. Meanwhile, the city is now preparing a major program to rehabilitate a key river and improve the quality of life of local communities thanks to a \$450 million credit from the IDB approved last week by its board. The loan is the largest credit ever approved by the IDB for wastewater treatment and will help turn Medellín into one of the first large Latin American cities to adequately treat nearly 100 percent of the wastewater it collects, the bank said.

"Medellin is a powerful example of how investing in water and sanitation can yield benefits that go far beyond public health and the environment," IDB President Luis Alberto Moreno said in a statement. "These projects have become a key driver of Medellín's emergence as a dynamic, inviting and socially progressive metropolis." Restrepo agrees: "Medellin is today an urban model for the whole world," he says.