



Citywide Slum Upgrading

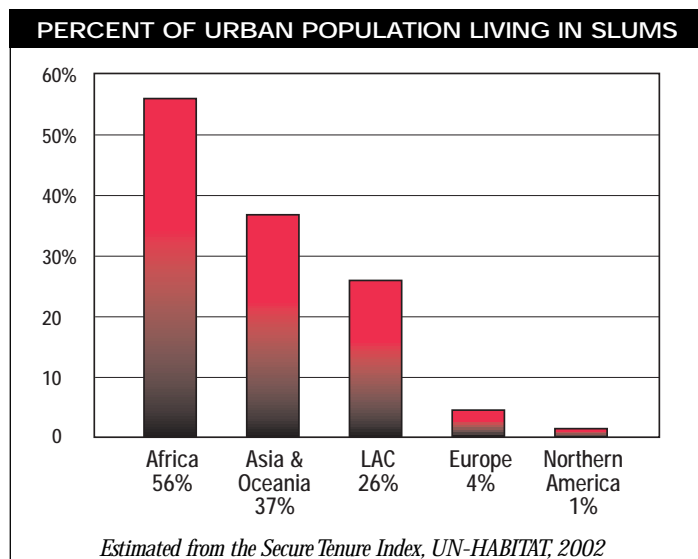
The endorsement by all UN Member States of the Alliance's Cities Without Slums initiative in the Millennium Declaration and the adoption of "improved sanitation" and "secure tenure" as the two indicators to measure progress in achieving this goal have greatly empowered Alliance partners worldwide who are already striving to meet this goal.

The commitment to provide secure tenure directly responds to a key causal factor of poverty, social exclusion and the continued proliferation of slums all over the world. The provision of secure tenure enables the poor to build their assets and income, and is fundamental to distributing the benefits of economic growth.

Alliance partners in this effort include organisations of slum dwellers, some of the world's major cities, and national authorities who are committed to establish the environment necessary to support nationwide slum upgrading. The challenge of scaling up slum

upgrading is not a call for bigger projects. It requires regulatory, institutional, and policy reforms, coupled with long-term strategies. Citywide strategies should have clear targets and involve virtually all of the city's service providers, and must be coupled with effective land management policies to manage future growth and to prevent the formation of future slums.

Alexandra, Johannesburg



UN-HABITAT estimates that there are a total of 840 million slum dwellers worldwide.

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Cities Alliance's Approach to Citywide Upgrading: Key Principles

- ▲ The urban poor already produce the housing they can afford. Both the poor and their housing are an asset, not a liability, for developing cities. The urban poor are already solving the housing challenge. Our job, as their partners, is to help them do it better, faster, and more permanently, and not to hamper their efforts.
- ▲ City governments and their partners should facilitate housing production by the poor through broad, participatory strategic planning in advance of slum construction (this is CDS), and the provision of basic services to slum areas after they are built (this is citywide slum upgrading).
- ▲ It is essential for national governments to encourage and support the efforts of city governments (not substitute for them) to facilitate the production of housing by and for the urban poor. This approach needs to be implemented consistently across ministries responsible for budget and finance, planning, local government, public works, and environment ... as well as ministries directly responsible for housing.

David Painter

Director, Office of Urban Programs, USAID

As presented at Casablanca, Morocco, June 2002 at INTA's "Habitat for the Poor: Policy for Reducing Urban Poverty" seminar.

Security of tenure is a fundamental requirement for the progressive integration of the urban poor in the city... It guarantees legal protection from forced eviction... and is one of the most important catalysts in stabilising communities, improving shelter conditions, reducing social exclusion and improving access to basic urban services.

UN-HABITAT: Global Campaign for Secure Tenure, Concept Paper (1999).



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Mexico

Scaling Up Upgrading and Managing Informal Urban Growth in the Metropolitan Mexico City Area



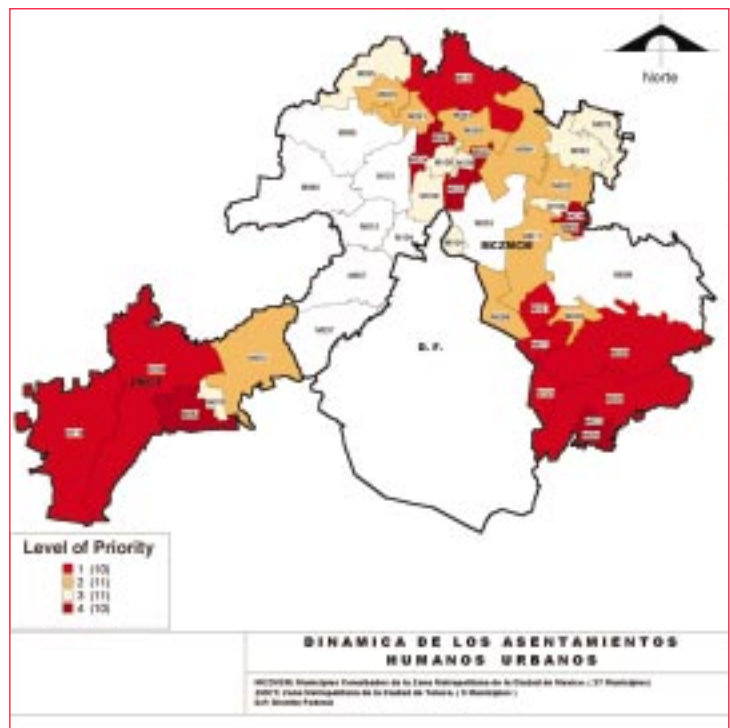
Informal housing on the urban periphery in the State of Mexico.

The Government of Mexico has made the provision of low-income housing a major priority in its five-year development plan, targeting the creation of 750,000 units by 2006. An estimated 4.6 million Mexican families are considered under-housed, and an additional 3.5 million households live in poor quality stock requiring remedial action, from repair to replacement. Approximately 1.1 million housing units are needed to alleviate the extreme overcrowding in existing stock.

Added to this existing backlog, the formation of new households creates demand for an additional 750,000 units annually. The defining feature of these new households is their poverty: more than half earn less than three minimum wages (equivalent to US\$13 per day, at January 2002 exchange rate), and are unable to access the mortgage market to finance the purchase of a finished house.

New house supply in the formal market is almost entirely new developer-built units for the middle class.

This new housing initiative of the government will require an estimated 21,000 hectares of land annually. The significance of this figure is highlighted by the Ministry of Social Development's (SEDESOL) estimate that only 32,000 hectares of land are currently available – enough for some eighteen months of construction. Of the land available for urban use, only 9 percent has basic services. To complicate matters further, a significant proportion of the land is held by property developers interested in middle- to high-income development.



The State of Mexico identifies its poorer urban municipalities whose 'Basic Needs' are not met in terms of urban infrastructure, social services, municipal services and income.

Source: Centro de la Vivienda y Estudios Urbanos A.C.

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Logging on: the original Web Concept created by slum dwellers in their efforts to access electric energy. State of Mexico.

Mexico's urban land market has three major obstacles: First, cumbersome procedures result in long lead times. Second, there is widespread jurisdictional overlap over urban land, leading to legal uncertainty. Third, the standards regime is inflexible and largely inappropriate to the needs of the poor. These obstacles severely limit the supply of urban land accessible to the poor.

Cities Alliance assistance to the State of Mexico is expected to have a direct bearing on policy options in the metropolitan areas of Mexico City and Toluca, with a combined concentration of some 10 million living in poverty. Like so many other cities in the developing world, the lack of basic information and accurate statistics hampers the policy process.

A major component of this assistance, managed through the World Bank and Metropolis, has focused on the related issues of land markets, urban infrastructure, and micro-finance, with an emphasis on the relationship between informal land delivery systems and statutory authority. The aim is to move to a citywide strategy. In the words of the local manager of the project:

The most important lesson so far is related to the importance of defining an integrated set of policies that tackles the problems associated with the poor. Traditionally the State of Mexico has alleviated the effects of poverty with isolated programs at state or regional levels. From this (Cities Alliance) assistance we have clearly seen the importance of defining actions that coordinate the state efforts with other stakeholders. It will not solve poverty, but will start new paradigms.

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São Paulo

Bairro Legal Programme

The metropolitan region of São Paulo comprises 41 municipalities with a total population of some 16.6 million, of which 60 percent live in the city of São Paulo itself. The metro region accounts for more than 18 percent of Brazil's GDP and 15 percent of its industrial output.

Between 1973 and 1999, *favela* residents increased from 72,000 to 1.9 million, or from 1 percent of the city's total population to 13.3 percent. Another 38 percent lived in *loteamentos clandestinos* – almost 3,000 informal subdivisions lacking infrastructure that house the poor, alongside São Paulo's 612 main *favelas*, or slums. In all, over half of the population of the world's fourth-largest city now live in informal settlements and slums. Paradoxically, in this same city, there are 420,000 empty homes, 27 percent of which are in the central region with ready access to infrastructure and a wide range of urban services.

The City of São Paulo has selected the ten most deprived neighbourhoods for an integrated, area-based approach to citywide slum upgrading. The Bairro Legal Programme, launched at the end of 2001, will commence with interventions in four areas of the city to target close to 790,000 people: Paraisópolis (42,900), Jardim Angela (260,203), Brasilândia (246,932), and Cidade Tiradentes (239,938).

The city intends to draw on the lessons of previous urban upgrading interventions, including the large-scale Guarapiranga programme, as well as the unsuccessful "verticalisation" experience that focused on the resettlement of slum dwellers to new high-rise apartments built in the area of the

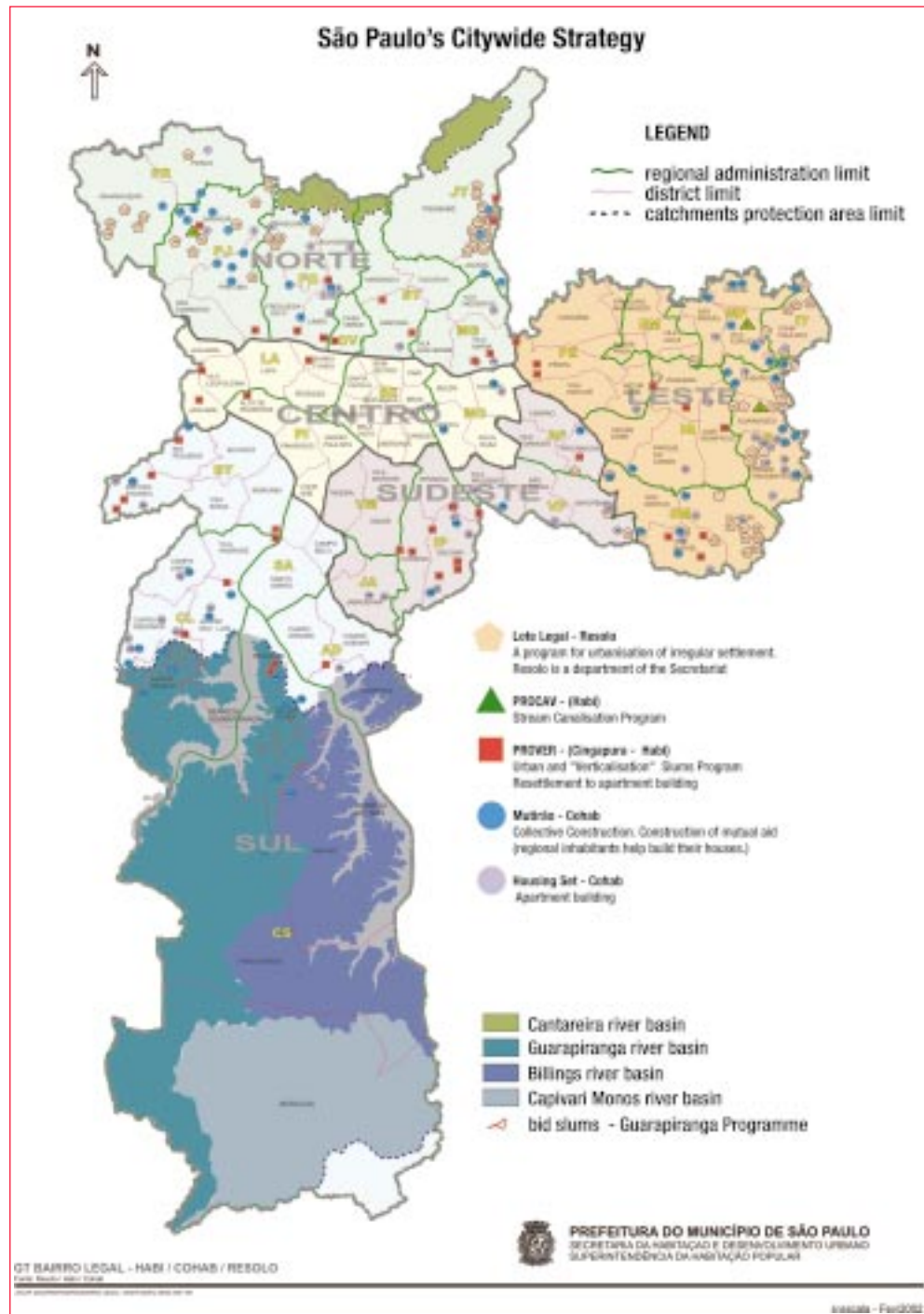
original *favela*. The current city management has a clear idea as to why the impact and sustainability of previous interventions were limited. As observed in its proposal to the Cities Alliance:

Most of the housing and urban development interventions undertaken by the municipality of São Paulo in recent years focused on restricted areas and had a limited, project-based character that made them unable to have citywide impacts. The implementation of such projects brought about partial improvements. They did enhance the quality of urban space in these regions and improve the living environment and daily life of the poor, but not at a scale commensurate with the need. Too many people remained marginalized, without access to quality social services and urban equipment and, above all, without access to the legal, formal city.

The real challenge is to face up to the precariousness of the tenure and ownership of shelter on the part of those who are physically and socially excluded. In order to do this, what is really necessary is a paradigm shift: a project-based approach that is based on the production of new housing. Production and the extension of urban infrastructure networks, conceived and implemented in a sector-based way by the various line departments of a municipal administration, must be replaced by a programmatic, integrated approach.

The Bairro Legal Programme is being designed by the Housing and Urban Development Secretariat of the City of São Paulo, and Cities Alliance support for this programme includes the World Federation of United Cities (UTO), the World Bank, and the Governments of France and Italy. The Alliance is contributing US\$300,000, matching the city's own contribution to programme design. For the long-term development of the programme, the City of São Paulo has budgeted US\$189 million.

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“In the future, São Paulo without slums”

São Paulo City Secretary for Housing and Urban Development, Paulo Teixeira, talks to “Jornal da Tarde” (June 10, 2002) about the Bairro Legal Programme.

Jornal da Tarde: *Mr. Teixeira, will the slums really disappear?*

Teixeira: *Our plan has as its main goal making a neighborhood out of a slum through urbanisation: laying out streets, paving them and equipping them with curbs and water drains, installing lights, basic sanitation and public equipment, as well as regularising land ownership. For the first stage, 14 areas were selected. Another aspect of the project is working on violence. There is a superposition between unacceptable housing conditions and violence....*

Jornal da Tarde: *Laying out squares and streets will require the eviction of some dwellings. How will that be done?*

Teixeira: *Since many of those neighbourhoods have no formal ownership registration, any family evicted will have the right to a similar dwelling in the same region, to be provided by the Housing and Urban Development Secretariat. After compensation and the cost of a new dwelling are computed, any remaining balance will be financed for the families. This financing system will also apply to families who will have their houses upgraded.*



Paulo Teixeira, São Paulo City Secretary for Housing and Urban Development

Jornal da Tarde: *Will the Department organise financing on its own?*

Teixeira: *The resources are being allocated under the city budget. The money will come from foreign, federal, state, and municipal sources. We will also be carrying out a decoding of the IBGE (the Brazilian Statistics Institute) census so as to, on the one hand, quantify slum dwellers, and, on the other hand, create a plan that would provide us with a timeframe and a cost range to achieve a city without slums.*

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Jornal da Tarde: *Who will negotiate with the slum people? Will there be any form of registration?*

Teixeira: *The Secretariat has already begun to register families and to settle plots for the existing dwellings, through surveying and photographs. That would also, as a matter of fact, serve as a barrier against any outsiders taking advantage of the plan. This stage, the diagnosis, is already complete. The second one, involving the design work itself, is starting this June. The designer will present his/her study, proposing a set of different solutions, and then we will consult with the people, who will choose which plan is to be implemented.*

Jornal da Tarde: *Mr. Secretary, how long will it take until a slum such as Jaguaré is turned into a neighborhood?*

Teixeira: *That is not the point. The main problem is resource-related. With money, there are no problems in the work front. The main thing is giving priority to the slum upgrading programme. And Mayor Marta Suplicy is doing that. This provides a key thing, the involvement of forces that can channel resources. To that end, we must see*

what the city's Master Plan defines. A share of the money raised through the sale of building potential will be allocated to an urbanisation fund, and part of this money will be given to slum upgrading. As soon as we find resources, we will create a building timeframe.

Jornal da Tarde: *Will there be any citywide policy to fight the creation of new slums?*

Teixeira: *It is already being implemented by regional administrators who block any new settlement or clandestine occupation in their areas. It is a combined action, because, at one stroke, the existing problem is being fought and the formation of new irregular settlements is avoided. The private sector is also invited to fight for its own rights. What does that mean? Plenty of slums and clandestine settlements arise in private areas neglected by their owners. We will invite landowners in urban expansion areas to...reach an agreement with us and create new regular settlements through land parceling.*



São Paulo, Brazil

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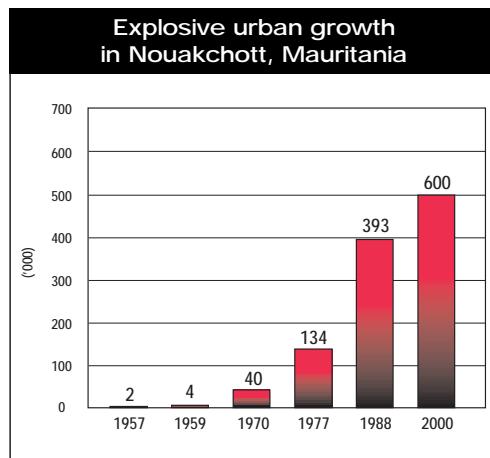
Nouakchott, Mauritania

Mauritania

Slum Upgrading and Poverty Alleviation

An estimated 61 percent of Mauritania's population of 2.6 million live in urban areas, a dramatic increase from just four decades ago, when less than 4 percent of the population was urban. The population of the two largest cities, Nouakchott and Nouadhibou, has grown fivefold in 20 years, far outpacing the capacity of both state and municipal governments to extend necessary urban infrastructure and services and to generate employment. Poverty has accompanied this rapid urbanisation. An estimated 35 percent of the urban population lives a hand-to-mouth existence. The urban poor reside in substandard squatter settlements, lacking basic infrastructure and services. In Nouakchott, close to 40 percent of the population lives in slums.

The Government of Mauritania is strongly committed to reducing urban poverty, signaled not least by the prominence of urban development in its national Poverty Reduction Strategy Paper (PRSP): a strategy whose implementation contributed significantly to the country's recent eligibility for



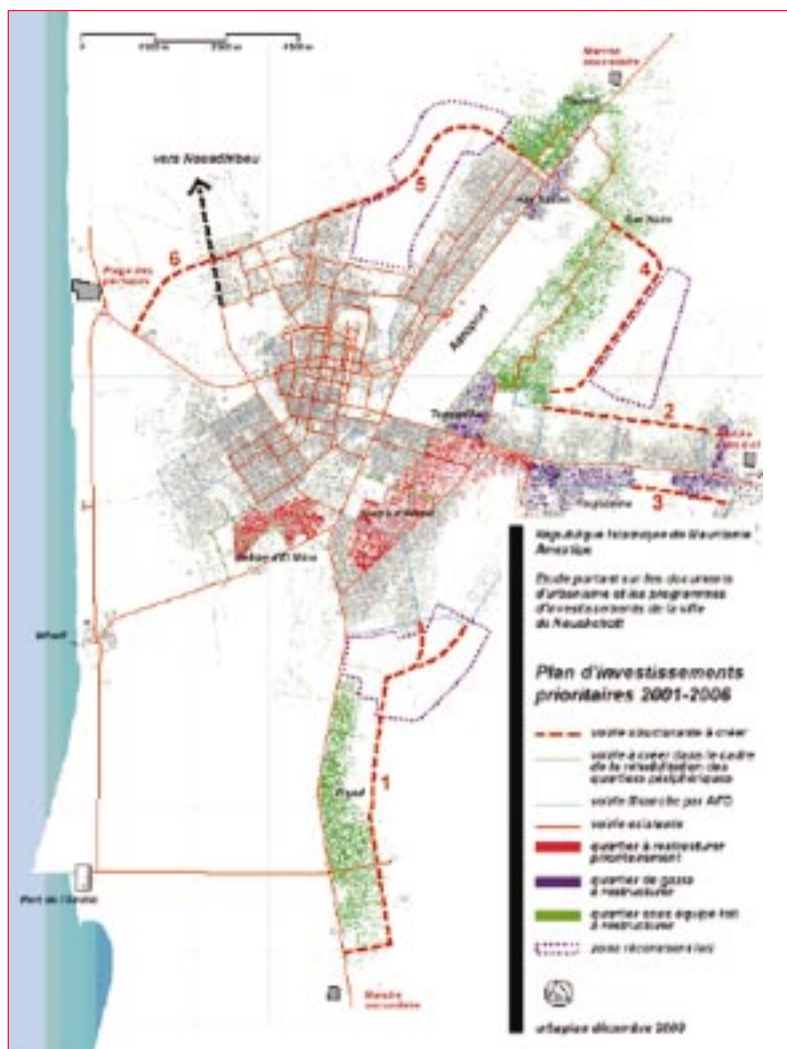
Source: Commissariat aux Droits de l'Homme à la Lutte contre la Pauvreté et à l'Insertion, July 2002.

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debt service relief under the enhanced Heavily Indebted Poor Countries (HIPC) initiative.

Improving the living conditions of the urban poor and reducing the proliferation of slums are central to the government's strategy to alleviate urban poverty. In recent years central and local governments have demonstrated strong commitment to finding adequate solutions and mobilising resources

to address these issues. A specialised poverty institution, *the Commissariat aux Droits de l'Homme, à la Lutte contre la Pauvreté et à l'Insertion (CDHLCPI)*, was created and has already initiated participatory pilot operations for slum upgrading in Nouakchott. This includes a micro-credit programme for housing and income-generating activities, known as the Twize (or solidarity) programme, which CDHLCPI has been implementing with support from local and



Slum areas of Nouakchott and where priority investments have been planned.
Source: Mauritania - Urban Development Program, Project Appraisal Document, 26 September 2001, World Bank.

Mauritania set targets for improvements in the lives of its urban poor

Progress expected through a ten-year urban development programme will be measured by, among other things, increased access to basic services, increased access to credit for and improvements in shelter and sanitary facilities, increased involvement of CBOs in decision-making and service delivery, and simplified and accelerated procedures for tenure regularisation. Specific targets include:

- ▲ Dramatic improvements in the lives of at least 163,240 slum dwellers by 2005, a total of 281,590 slum dwellers by 2010, and 220,000 other urban inhabitants;
- ▲ Increased access to credit for improved shelter and facilities to result in 7,500 houses by 2005 and 15,000 by 2010;
- ▲ Employment generated or conditions of work improved for 40,000 workers;
- ▲ Affordable serviced land and/or shelter for 100,000 inhabitants to prevent development of new slums.

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A slum in Nouakchott's Arafat district.

international NGOs. The government plans to extend this programme to all poor areas.

The government's national urban strategy, built on priorities identified through participatory processes, has resulted in a ten-year urban development programme to support Mauritania's central and local governments in improving living conditions and generating employment in the country's main towns, especially in slums. The US\$99 million programme, funded by the government, the World Bank, the African Development Bank, AfD and KfW, also aims to strengthen the institutional framework and capacity for urban and land management.

Basic urban structure plans and investment programmes have been completed for 13 cities, including Nouakchott and Nouadhibou, through a participatory process. These plans are expected to assist municipalities in identifying investment pri-

orities and city growth. The government will clarify the responsibilities for all aspects of urban development among the central government, local governments, communities, and the private sector. Municipalities, particularly Nouakchott and Nouadhibou, and CBOs are expected to have a more active role in infrastructure planning and delivery. Increased government transfers to municipalities will strengthen their management and investment capacities and allow them to earmark funds to promote community and private sector involvement. Pilot CDS elaborated for Nouakchott, Nouadhibou, and Kaedi have been very successful and will be extended to other cities and the regional capitals.

Vietnam

Slum Upgrading in Four Cities in Vietnam

Poverty in Vietnam has traditionally been considered as largely a rural phenomenon: the urban population in 2000 was estimated at 18 million, accounting for 23.5 percent of the total population. However, this figure is expected to increase to 46 million by 2020, largely as a result of the current rural-urban migration rate of some 3-4 percent per annum.

Rapid economic and urban growth has resulted in significant disparities, particularly uneven development of urban infrastructure and services which, in turn, has led to very poor housing and infrastructure provision for the urban poor.

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The poor tend to settle in marginal urban areas, isolated from economic activities and with little infrastructure. On the urban periphery, makeshift private accommodation has been built without planning permission. Dwellings are often only one room, in very poor condition, and referred to colloquially as “rats’ nests”. In Ho Chi Minh City and Can Tho many poor have settled in the city centre, often alongside the city’s canals, and have been targeted for clearance by the city authorities.



Haiphong slums

Many low-income neighbourhoods are characterised by such housing, compounded by poor drainage and regular flooding. Sanitation is a major concern, as many of the public toilets are dilapidated and unusable. Many inhabitants have no access to toilets and dispose of human waste into plastic bags or directly into rivers and canals.

Until the 1990s, housing was provided by the state to state employees. There was little emphasis on comprehensive urban planning, resulting in inadequate public utilities and sanitation in many cities. In 1991, the Housing Ordinance recognised private ownership of housing, which led to a housing boom. However, housing development has been dominated by production for the higher end of the market, leaving the poor to fend for themselves. The poor thus either continue to occupy dilapidated state housing, or rent, or squat on unoccupied land and build whatever form of shelter they can afford. Much of this housing is outside the planning and building control system and is usually not adequately serviced.

In 1998, the government produced a draft National Housing Strategy through 2010, which attempted to place housing within a coherent urban planning framework. Although the strategy is still in draft form, it has nevertheless prompted larger cities like Ho Chi Minh City and Haiphong to move ahead and develop their own housing programmes.

The Cities Alliance is supporting work being undertaken by the Ministry of Construction, with the World Bank, UN-HABITAT, UNDP, and a number of other Alliance partners working through the Urban Forum. The objective is to establish a national urban upgrading programme.

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The Alliance is funding studies which include an assessment of constraints faced by the urban poor in housing and infrastructure; a review of recent and ongoing urban upgrading programmes in Vietnam and comparison with international best practices; the development of a national policy statement on the provision of shelter and access to basic infrastructure services for the urban poor; and the development of a detailed action plan for a selected city (Can Tho) based on the draft policy statement.

These studies are also being used by the Government in the preparation of a national upgrading programme, the first component of which will be supported by a proposed World Bank urban upgrading project covering the following four cities:

- Haiphong, a major port centre;
- Nam Dinh, one of the main urban centres in the high-density, low-income Red River Delta;
- Ho Chi Minh City, the largest city in the country, experiencing significant immigration; and
- Can Tho, the centre of trade for the Mekong Delta, experiencing strong growth in the manufacturing and tourism sectors.



Can Tho



Railroad track through Manila is lined with shacks housing tens of thousands of squatters. Metro Manila, Philippines, 1999.

Metro Manila

Going to Scale in Metro Manila

The failure to cope with rapid growth in Metro Manila, a megacity of more than 12 million people, has given rise to a host of problems on a mega-scale: polluted rivers, smog-choked air, and a proliferation of slums. Some 35 percent of the city's population, or 4 million people, are living in poverty and informal slum settlements, many of which serve as gateways to a continuous influx of poor rural migrants. The demand for services has simply overwhelmed the capacity of Metro Manila's 17 local governments.

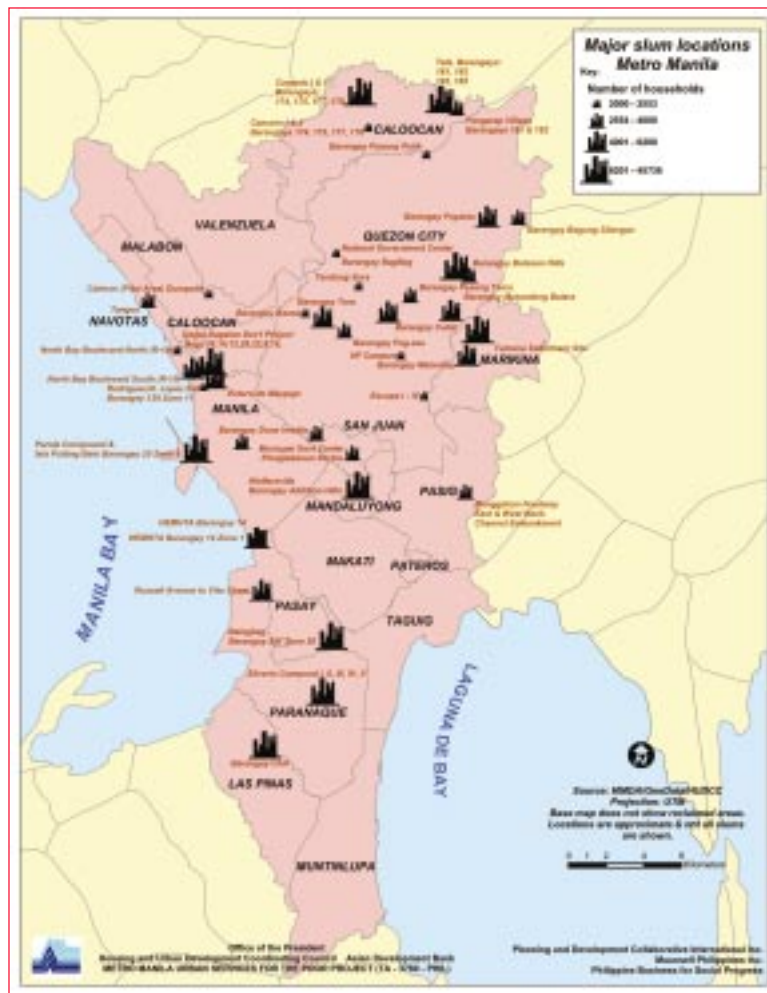
The Asian Development Bank (ADB) is piloting new approaches for on-site urban upgrading and off-site relocation of informal

settlements under the Japan Fund for Poverty Reduction (JFPR). Two innovative US\$1 million grant-financed initiatives are underway: the first is in Payatas, Quezon City, site of the tragic garbage slide in 1999, where 525 families are undertaking a community-led urban upgrading programme assisted by the Vincentian Missionaries for Social Development. The second initiative is in Muntinlupa, along the heavily invaded Philippine National Railroad right-of-way, where 565 families are working with the Muntinlupa Development Foundation to voluntarily relocate to a safer, off-site location. Both efforts involve sustainable revolving funds, and will be replicated in surrounding communities over time. A third JFPR project aims to develop strategic private sector partnerships for urban poverty reduction in Metro Manila with Philippine Business for Social Progress. Once

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approved, the programme will leverage US\$8 million in assistance from JFPR and leading Philippine corporations for slum communities throughout the city, to include training, capacity-building, and the provision of revolving funds for financing home improvements, urban services, and microenterprise development.

These activities are providing important lessons in the design of a Metro Manila Urban Services for the Poor Project (MMUSP), which includes the formulation of a 15-year metro-wide urban upgrading strategy in keeping with the Cities Alliance Cities Without Slums action plan. ADB is assessing the feasibility of a proposed US\$50 million loan in early 2003 for this project, part of a larger US\$200 million urban upgrading programme. Under the proposed loan, ADB intends to invest in three integrated urban development subprojects on large tracts of vacant national government land, with the catalytic aim of triggering further investments. Consideration is also being given to further scale up these activities by local authorities, NGOs, the private sector, and the communities themselves on a broad, metro-wide scale under the umbrella of the Cities Alliance.



The Manila Services for the Poor Project (MMUSP) involves the formulation of a 15-year metro-wide urban upgrading strategy in keeping with the Cities Without Slums action plan.