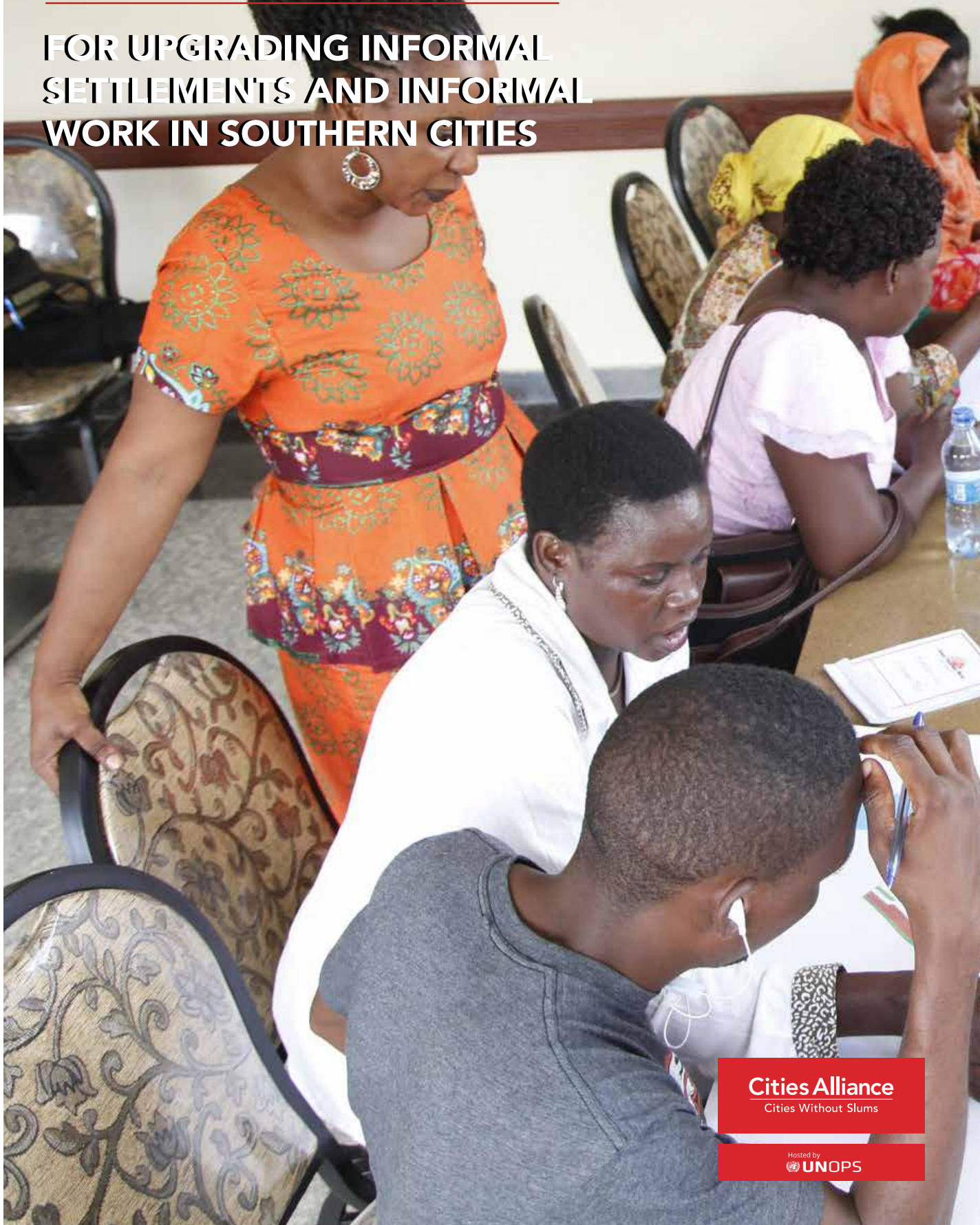


COMMUNITY-LED MECHANISMS

FOR UPGRADING INFORMAL
SETTLEMENTS AND INFORMAL
WORK IN SOUTHERN CITIES



Cities Alliance
Cities Without Slums

Hosted by
 **UNOPS**

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KEY MESSAGES



Programs and projects aimed at addressing informality in cities in the global south generally recognize that communities can and should play a central role in designing and driving these interventions. This mirrors the trend of development discourse at large, which has - at least on paper - moved away from top-down approaches.



It is important to unpack the specific ways communities can drive urban development in the context of informality. At the same time, it is useful to identify the limitations and complexities of this involvement in practice.



This paper focuses on several key areas where donor and NGO efforts to support community-driven mechanisms have featured strongly. These include community-led: planning, tenure security, housing and service delivery, climate risk management, and livelihood creation.



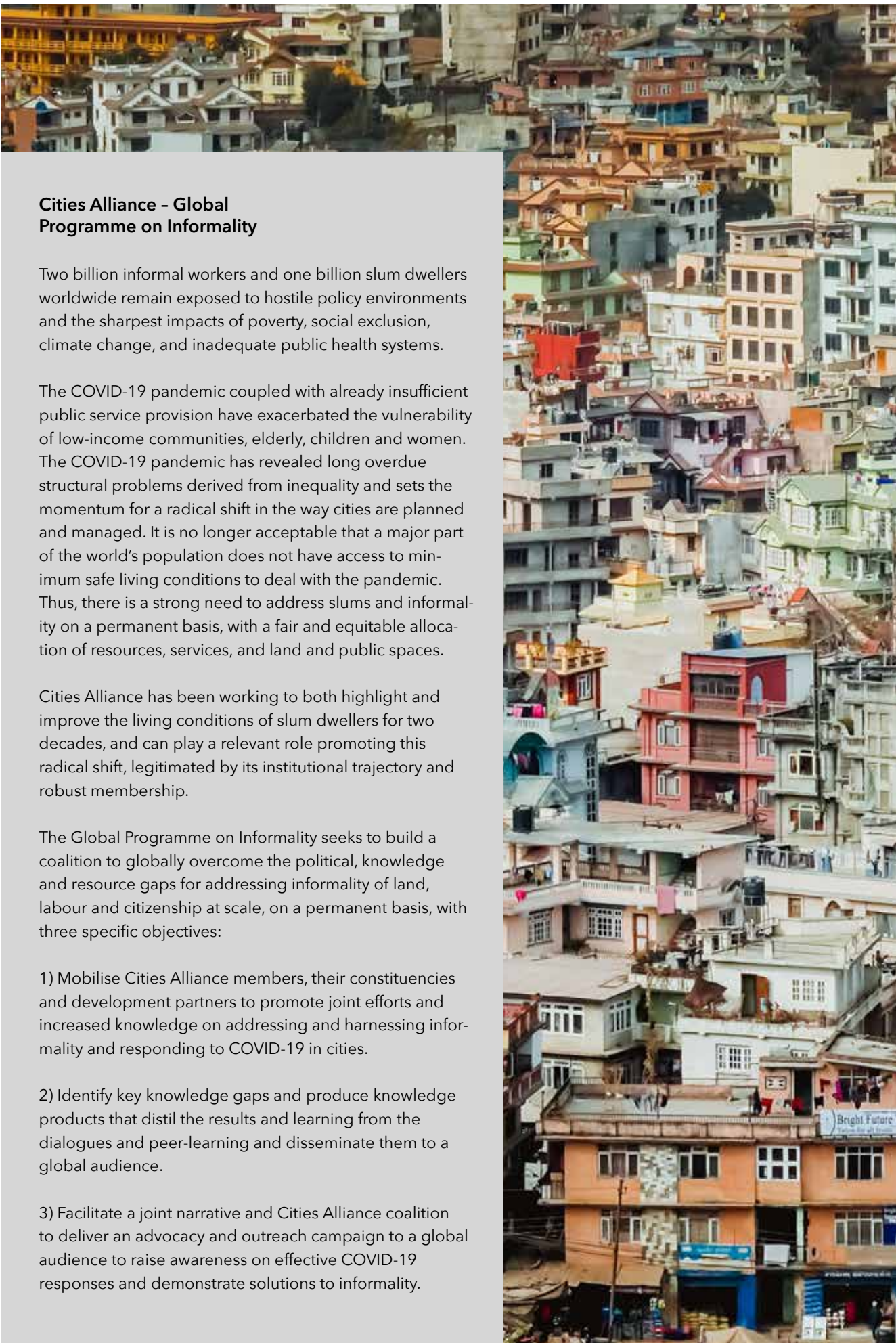
The report identifies several key insights related to community-led development in the context of informality.



It is necessary for sub-national governments to recognize the limitations that community-driven approaches have, for example when it comes to multi-scalar, multi-sectoral and integrated development. For community-based organizations, there is a clear need to develop structures that are adaptive and responsive.



For donors and lenders interested in mobilizing/harnessing community energy, it is vital to ensure that understandings of communities and their potential are practical, reflecting a deep understanding of the power dynamics that exist within communities and between communities and other actors.



Cities Alliance - Global Programme on Informality

Two billion informal workers and one billion slum dwellers worldwide remain exposed to hostile policy environments and the sharpest impacts of poverty, social exclusion, climate change, and inadequate public health systems.

The COVID-19 pandemic coupled with already insufficient public service provision have exacerbated the vulnerability of low-income communities, elderly, children and women. The COVID-19 pandemic has revealed long overdue structural problems derived from inequality and sets the momentum for a radical shift in the way cities are planned and managed. It is no longer acceptable that a major part of the world's population does not have access to minimum safe living conditions to deal with the pandemic. Thus, there is a strong need to address slums and informality on a permanent basis, with a fair and equitable allocation of resources, services, and land and public spaces.

Cities Alliance has been working to both highlight and improve the living conditions of slum dwellers for two decades, and can play a relevant role promoting this radical shift, legitimated by its institutional trajectory and robust membership.

The Global Programme on Informality seeks to build a coalition to globally overcome the political, knowledge and resource gaps for addressing informality of land, labour and citizenship at scale, on a permanent basis, with three specific objectives:

- 1) Mobilise Cities Alliance members, their constituencies and development partners to promote joint efforts and increased knowledge on addressing and harnessing informality and responding to COVID-19 in cities.
- 2) Identify key knowledge gaps and produce knowledge products that distil the results and learning from the dialogues and peer-learning and disseminate them to a global audience.
- 3) Facilitate a joint narrative and Cities Alliance coalition to deliver an advocacy and outreach campaign to a global audience to raise awareness on effective COVID-19 responses and demonstrate solutions to informality.



1 INTRODUCTION

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Informality is a complex topic with a long history.

Five decades ago, a study in Ghana resulted in the first comprehensive discussion on informality in a development context.¹ Hart coined the term informal economy that became an important concept to describe national economies in the developing world.² The idea of informality has been used in different knowledge domains and discourses. Several have made important contributions to improving our understanding of the Global South's urbanization processes: informal economy, informal housing, informal land markets, informal law, and informal institutions.

This paper is part of a larger review series on informality launched by Cities Alliance. Since its creation in 1999, this multi-institutional platform has been at the forefront of the debate on slums, slum upgrading, and the role of informality in cities of the Global South. Cities Alliance has recently launched the Global Program on Informality. The overall aim is to fundamentally alter how knowledge is created and shared on informal settlements and related topics. One of its objectives is to build a coalition to globally overcome the political and geographic as well as knowledge- and resource-related gaps for addressing the issue of informality in housing, land, economy, and citizenship at scale, on a permanent basis.

The “Practice Review of Informality” is embedded in the **Global Program on Informality** and proposes a new take on cross-sectoral knowledge sharing. Each paper addresses an important topic of informality by reviewing the literature produced by Cities Alliance, its members, and other important knowledge stakeholders whenever needed. Developed in close collaboration with the restructuring

of the knowledge library, several elements have been developed to enable better access and more targeted impact. The paper and its content have been tagged to unlock the potential of text-based online searches to make the content more accessible.

Our world is changing at an unprecedented pace.

This also imposes new demands on knowledge creation. The authors of this paper perceive the paper as a current snapshot of the practitioner's knowledge on the given topic. We encourage the readers to get in touch with us for further suggestions and comments. This feedback is very valuable to us and may include, among others, specific references to new projects and case studies, missing concerns, and proposals for future review topics. Interested parties can also sign up for the mailing list of the Global Programme on Informality. The papers shall be updated regularly (traceable in the version index) to keep pace with the evolving knowledge of the Global Community of Practice.

by Anthony Boanada-Fuchs, Vanessa Boanada Fuchs, Anaclaudia Rossbach and Susana Rojas Williams

1 – Hart, 1973.
2 – Chen, 2012.



2 SETTING THE STAGE

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In cities across the global south, informality is the norm, not the exception.³ Informality manifests in many (and often muddled ways) across geographies and sectors. There exists a wide diversity of regulatory forces and regimes which shape urban life, the built environment, and economies – both large and small. There is a pressing need to understand better how the substantive issues of informality – those that hamper the ability of individuals and communities to survive, live, and thrive in cities – can be confronted and reconfigured. It is vital to understand how communities are mobilizing to improve their conditions and address injustices that they individually and collectively face.

This report is based on a desk-top review of the best practices in community-driven mechanisms, particularly of Cities Alliance members. To do this, several databases of research and advocacy documentation were reviewed and analyzed. The primary mined sites include: IIED, World Bank, WIEGO, UCLG, SDI, and UN-Habitat. Materials from these sites (and several others) were synthesized and grouped according to the community-based mechanism. Prior identification of mechanisms was undertaken and adapted during the process in response to the findings. In order to stay relevant and focus on the most current thinking and work, we only included references

from 2000 to 2021. Interview with experts in the field to triangulate insights and sense-check the findings.

This report is structured into four parts: In the introduction, we provide an overview of the imperatives which underpin this work. We also outline the method, scope, objectives, and structure of this report. The second part of the report focuses on the evidence and framing. In addition to outlining what we mean by informality and community-based mechanisms, we summarize the main reasons why Cities Alliance members have advocated for community-based mechanisms as tools to address challenges related to informal settlements and informal economics in southern cities. Part three is the paper's substance – here, we focus on the specific areas and mechanisms deployed in the Cities Alliance members' literature. We use examples and mini-cases. We draw on cases from Africa (South Africa and Kenya), Asia, and Latin American/Caribbean (Haiti and Brazil). The final part, four, provides an overview of some of the key insights from across these mechanisms and key takeaways for sub-national governments, community-based organizations, and donors/lender communities.

3 – UN-Habitat, 2016.



3 FRAMING THE ISSUE

Simone D. McCourtie © World Bank

The most essential conceptual advancement in the recent work on informality in the global south has been the rejection of a binary understanding: informality is no longer understood as a discrete categorical antithesis to formal governance institutions, development processes, settlement typologies, or economic systems.⁴ Instead, there has been a shifting focus towards the substantive questions that underpin complex systems and long value chains that are regulated by poly-actor systems, often with overlapping and contested claims to urban authority. For example, as UN-Habitat points out,⁵ there are infinite and complex linkages between formal and informal sectors, economies, and spaces.

Owing to this messiness, the concept of informality can only be usefully deployed where it is clearly scoped. For the purpose of this paper, we focus on informal living (e.g. 'informal settlements', 'unregulated settlements' and 'slum housing'⁶ and informal working (e.g. 'the informal economy' or 'informal sector' (addressed in the review paper on the informal economy)).⁷

Many governments have resigned themselves to the reality of informal living and working conditions in cities. Particularly in post-colonial contexts, where archaic rules and regulations are still part of formal building codes,

planning systems, and permitting processes, many officials and politicians recognize that informality is a necessary and inevitable way for people to survive in the face of limited resources, dysfunctional markets for labor and housing, high-levels of inequality, and unresponsive bureaucratic and political systems.⁸ While this tacit acceptance may exist within the state – the wider governance system is often too brittle. Developing planning, financing, and service delivery systems that can respond to informality remains a challenge.

Since the 1980s, the donor community, supported by the broader development discourses, has taken a strong interest in centering communities in the address of informality – shifting from the top-down to bottom-up approaches. While not all of this interest translates into material commitments, it is nearly impossible to have projects or programs that do not make mention of supporting community-led, community-based, community-driven – or at the very least participatory – approaches.

4 – Cities Alliance, 2016.

5 – UN-Habitat, 2016.

6 – See review paper on the challenge of slums

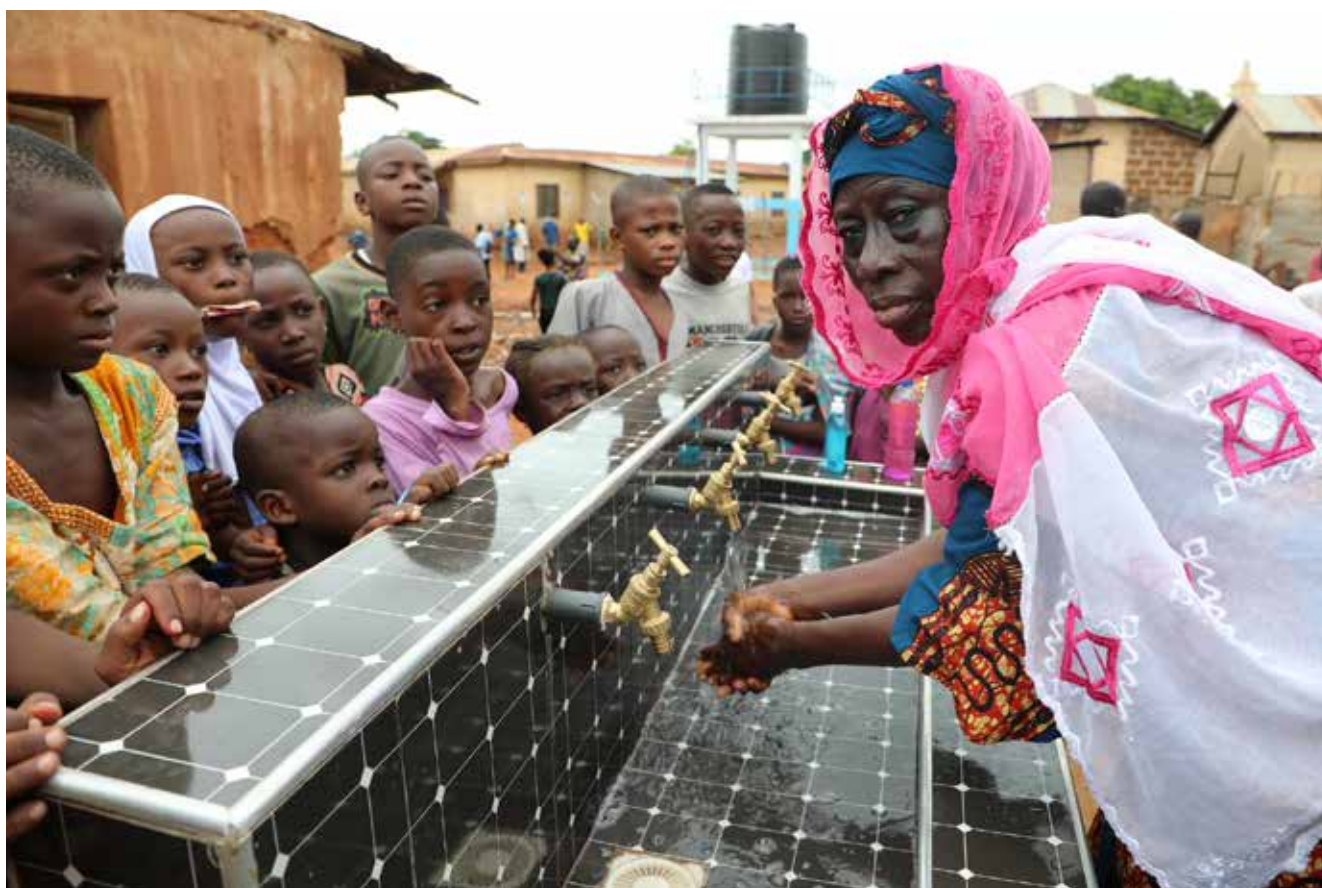
7 – UN-Habitat, 2016. As researchers suggest, informality – both in how people live and work – is not solely the condition of the poor; many middle and even upper-class communities operate outside of state regulation, circumventing legal planning systems (Roy, 2009). Nor is the state necessarily absent, with many officials directly implicated in producing and exploring the complexity and dysfunction of urban legislation (Cirolia and Haber, 2021; Zinnbauer and Berrisford, 2021; Yifitachel, 2009). However, for this review, we focus on how poor people in urban areas respond to the challenges faced in their exclusion from formal systems.

8 – Watson, 2009.

“

According to the World Bank, community-driven development (CDD) “is broadly defined as giving control of decisions and resources to community groups. CDD frameworks link participation, community management of resources, good governance and decentralization”⁹

The existing literature celebrates participatory approaches to informality for a variety of reasons: First, there is widespread agreement that projects aimed at community development, but without the support of communities themselves, have problematic outcomes.¹⁰ Second, research claims that community-driven responses allow for tailored approaches that make use of the expertise and knowledge of those most affected by the challenge.¹¹ Third, community-led development has shown greater long-term sustainability as communities can sustain projects even when donors or lenders have closed out projects.¹² Fourth, they have the potential to have more comprehensive contributions to community-scale empowerment beyond the context of informality and with public authorities.¹³



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9 – Nitti and Dahiya, 2004, p.1.

10 – UN-Habitat and GLTN, 2019, a, b; UN-Habitat, 2008.

11 – World Bank, 2014.

12 – Nitti and Dahiya, 2014; UN-Habitat, 2008.

13 – World Bank, 2015.



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4 COMMUNITY-LED MECHANISMS IN PRACTICE

In this section, we provide deep dives into particular community-driven mechanisms related to informality. In order to provide an overview of the wide range of tools and their various uses, we have curated and selected specific areas. The areas we specifically focus on are community-led: planning, tenure security, finance, housing and service delivery, climate risk management, and work.¹⁴

4.1 Community-led Planning

“With community-driven data collection, grassroots organisations collect relevant data to help address their needs”¹⁵

In the context of informality, community-driven, -led, or -based planning generally refers to a suite of tools used at the settlement – or neighborhood scale to develop knowledge both on the current spatial dynamics of communities and what is aspired to in terms of spatial development. Cities Alliance members have regularly documented the

importance of communities in planning processes in the context of informal settlements, as well as wider development processes. Key themes and insights from the reviewed databases include:

Data on households and businesses. A key part of community-led planning involves data collection.¹⁶ There are many different tools for community-led data collection, such as community enumerations or community-led surveys. Enumerations collect data on every household and sometimes include a photo and a geolocated point, using mobile phones or tablets.¹⁷ Surveys can focus on identifying wider community perspectives and needs, such as tensions between landlords and tenants or among various types of vendors in an informal market.¹⁸ Enumerations have been a central part of the SDI approach, employing community members to undertake these studies, often with the support of NGOs partners and donors.¹⁹

14 – Notably, there are other important areas, such as community-based learning (e.g. SDI members often undertake to learn from slum communities in other cities and countries) and community-based governance (e.g. the more and less democratic arrangements that can be used for things like dispute resolution or mediation). These are not addressed in this typology but would be helpful in future research and work.

15 – IIED toolkit, 2017, p.1

16 – Beukes, 2015.

17 – Ahmed et al. 2015.

18 – IIED, 2017.

19 – CODOHSAPA and FEDURP, 2011.

Text Box 1: Mini case Africa – South Africa: Southern Corridor Enumeration, Cape Town

While South Africa has primarily focussed on the mass-scale delivery of greenfield housing projects, since 2004, the National Government has had a National Upgrading Informal Settlements Programme (UISP), supported by the National Upgrading Support Programme (NUSP). Notably, upgrading – as part of the housing function – is a sub-national function, falling under the purview of the provinces. In Cape Town, the responsibility for upgrading, while funded in part by national subsidies, rests with the Western Cape Provincial Government and the City of Cape Town. In 2012, the SDI Alliance developed a partnership agreement with the City of Cape Town to support the enumeration of informal settlements in the city. In 2016, the Western Cape Government and the City of Cape Town joined together to upgrade the informal settlements that stretch along a major highway, the N2. The program formed part of the (highly contentious) N2 Gateway project, launched in the early 2000s, covering several informal settlements between Cape Town's central areas and the airport.²⁰ Many of these settlements were located on dangerous sites, for example, landfills.

In order to understand what these settlements needed, community-led enumeration studies were undertaken as part of the pre-planning phases. The Western Cape Government funded this enumeration, and appointed the Community Organisation Resource Center (CORC) to undertake the enumeration. The enumeration methodology used for the project included a household level questionnaire,

a community mapping exercise in each settlement, and an assessment of the leadership capacity. Enumerators were selected from the community and were paid to undertake the work. This created work opportunities in very poor areas. They were also given tablets to collect data with. This allowed them to take pictures and geolocate plots. It also allowed the data to be stored digitally so that nothing got lost. Notably, it also created some risks as the technology was very expensive and put enumerators at risk. The enumeration process was highly contested, because of the role of the Western Cape government and powerful and competing interests within the community (for example among political parties and other representative structures, with varying degrees of local legitimacy).

The enumeration found that there were a total of 13 950 structures in the ten settlements.²¹ It has since been used to support the upgrading of some settlements, and relocate others to new housing projects. It has also set a precedent and is now a common way for the Western Cape government to partner with communities to collect data for the upgrading process. Not only did the process empower communities, but it also empowered NGOs, such as CORC, to bid and tender for government projects that had, till then, been controlled by the major construction and engineering firms. By doing so, the project created an improved understanding of the importance of working with intermediaries that are trained in community dynamics and involved at the local scale.²²

Participatory spatial mapping and forward planning:

The process of data collection discussed above is not only important in supporting dialogue with the state, it also serves an important role in developing a community-driven understanding of the sorts of planning interventions that are required and desired.²³ Participatory (spatial) planning is the process of articulating and designing new spatial imaginaries for a community, developed jointly by

residents and planners.²⁴ One crucial tool for spatial planning in the context of informal settlements is reblocking. Reblocking refers to the process of shifting a settlement's layout to manage risks such as fires and flooding, prepare for state-delivered infrastructure, and ensure a democratic process of spatial allocation.²⁵ Reblocking offers an interim solution after community-based planning and before state-support upgrading. One of the components of reblocking is that each house is given a street address, which can facilitate many things, including access to a bank account or utility bills.²⁶ Reblocking and other interim and participatory planning tools allow communities to develop a collective picture of how they want their space to evolve, including issues related to housing, infrastructure, public space, and social and cultural services.

20 – Barcelona, Gxagxa, Kanana, Lusaka, Europe, Vukuzenzele, Thabo Mbeki, KTC, Hlazo Village, Tsunami IDA/TRA and Kosovo.

21 – Western Cape Government, 2017, p.16.

22 – Information based on Western Cape documentation and interviews with officials involved in the process.

23 – Ahmed et al., 2015.

24 – UN-Habitat, 2018.

25 – Beukes, 2015.

26 – UCLG, 2019.

Data and plans as bargaining power: These processes of data collection and visualization are not only meant to inform community-level planning; they also intend to improve the bargaining power of communities as they engage with more powerful actors such as local governments or utility companies.²⁷ Reflecting on the case of the Philippine Homeless People's Federation, Mitlin and Barlett explain that community groups "mapping became a participatory process of increasing significance, as they secured the commitment of both the barangay (ward-level) and city governments."²⁸ As d'Cruz shows in the case of Uganda, community enumerations were used to stop evictions in the Kikaramoja settlement in Jinja.²⁹

Community engagement in city-wide plans: In most countries, some regulatory provision is made for community participation in city-wide planning processes. This includes spatial plans (such as Spatial Development Frameworks), financial plans (such as budgets), and development plans (such as city-development strategies or integrated development plans). While most government departments do attempt to synthesise, balance, and incorporate comments or submissions received through planning participation processes, these plans are generally not led or driven by communities. Moreover, active participation in these planning processes is often driven by elite lobbies or interests (such as NIMBYism) and thus not pro-poor in nature. More work is needed to understand how community-scale planning can engage more closely with city-wide plans.

4.2 Community-led Tenure Security

“Conventional slum upgrading approaches have addressed land issues in a piecemeal fashion, usually with a preference for providing individual land titles to the poor”³⁰

'Land tenure' refers to the legal, customary, or religious relationships that exist among people with respect to land.³¹ In most informal settlements, land tenure reflects a mix of de jure and de facto rights and claims, which might be documented or undocumented and overlap in contested ways.³² While many informal settlements have been partially regularized and residents are given some form of rights to the land, informal settlements are often developed on land which is not designed for residential development (such as steep cliffs or under power lines), legitimizing forced removals, relocations, and evictions. Ensuring secure tenure, which allows people to feel safe to live and invest, is a well-established lynchpin in the informal settlements upgrading debates. Key themes and insights from the reviewed databases include:

Tenure security: Land and tenure are highly political and contentious issues.³³ There have now been decades of debates over the best way to enable tenure security in the context of informal settlements and communities; there are severe tensions between advocates of de facto or de jure, community or individual, tenure mechanisms.³⁴ Many large-scale tenure programs (such as the Site and Service projects implemented in most global south cities) were top-down programs, resulting in very mixed results across contexts. At the same time, they failed to attend to the real structural barriers faced in converting land into an asset (e.g. dysfunctions in banking systems, speculation etc.).³⁵ Currently, there are many ways communities work to secure tenure, both within and outside of legal and formal systems. One way, common in peri-urban areas, is through customary tenure.³⁶ Customary land tenure systems "often have complex arrangements for allocating land and resources, and dispute-resolution mechanisms which are well understood by members of the community."³⁷ However, they also tend to reflect, rather than overcome, potentially exclusionary community-level dynamics, such as the exclusion of women or ethnicity-based systems of land allocation and control.³⁸ There are many examples of communities working together to buy land outright in order to secure their tenure, as well as the deployment of land trusts.³⁹

'Fit for purpose' tenure tools: Many donors call for tenure tools that are fit-for-purpose and driven by communities. Key to this is developing tools that allow for transparent, simple, and low-cost documentation and updating. These tools are often a mix of analog and digital documentation. In the African context, examples of tools used for informal settlements upgrading programs are flexible land tenure models (Namibia), residential licenses (Tanzania), and certificates of occupancy (Botswana).⁴⁰ As UN-Habitat and GLTN point out,⁴¹ tenure security tools require merging community-based and local knowledge and practices with official records and registers. This allows communities to document their rights, while also ensuring that these rights are understood and respected in official

27 – Beukes, 2015; CODOHSAPA and FEDURP, 2011.

28 – Mitlin and Barlett, 2018, p.5.

29 – d'Cruz, 2020.

30 – UN-Habitat, 2009, p.2.

31 – UN-Habitat and GLTN, 2019a, p.6.

32 – World Bank, 2015.

33 – UCLG, 2019.

34 – Ley and Herle, 2007; UCLG, 2019.

35 – UN-Habitat, 2009.

36 – UN-Habitat and GLTN, 2019; UN-Habitat, 2009.

37 – UN-Habitat and GLTN, 2019a, p.7.

38 – UN-Habitat and GLTN, 2019b.

39 – Teodora and Rayos Co, 2009; Ley and Herle, 2007.

40 – UN-Habitat and GLTN, 2019b; UN-Habitat, 2009

41 – UN-Habitat and GLTN 2019a.

capacities. One of the tools for this is the Social Tenure Domain Model, piloted by Cities Alliance in Uganda and further supported in Kenya.⁴²

Tenure and technology: Technological advancements have been creating new mechanisms for community-driven land tenure management.⁴³ For example, in South Africa, efforts are being made to address informal transactions of low-income housing through block-chain.⁴⁴ Block-chain is already being used in formal property rights systems in several countries but may have wider applicability. Simpler technologies, coupled with computer literacy training, have scope for improving tenure management in informal settlements.⁴⁵ In most developing countries, there has been a radical surge in digital access in the past decade. The use of mobile phones for documenting rights allows for geo-located tenure rights, coupled with digital images of settlements and households. Another example of a digital tool for tenure is the Open ReBlock: “OpenReblock platform is part of an ecosystem of open-source tools co-designed by slum-dwellers, technologists, and scientists to re-plan and integrate slums and informal neighborhoods to their city networks with minimal disturbance and cost.”⁴⁶

Tenure and taxation: Many tenure tools allow governments to develop more appropriate systems of land taxation in informal contexts.⁴⁷ While some authors have argued that such attempts to get informal settlement communities to contribute to the local government finance reflect neo-liberal urban management, there is a case to be made that such communities a) are already paying huge amounts in informal taxation measures and b) such taxation potentially allows for communities to solidify a more progressive relationship with local authorities. More work is needed on how taxation may allow for increased accountability at the local scale.

4.3 Community-led Financing and Funding

“Community finance offers urban residents the ability to develop alternative models of decision-making with stronger horizontal accountabilities and peer support”⁴⁸

Community-driven or community-based finance refers to a range of tools that allow communities to increase their financial capacity to respond to their specific priorities. Notably, there is considerable blurriness in the existing literature both in terms of what makes finance community-based or community-driven, as well as what counts as finance in the first place. Community-based finance has been a major focus area of donors, particularly in the Asian context where advanced local and regional development tools have been developed.



42 – Cities Alliance, 2019; 2020b.

43 – Cities Alliance, 2020b.

44 – CAHF, 2020.

45 – Cities Alliance, 2020b.

46 – SDI, 2018.

47 – UN-Habitat and GLTN, 2019b.

48 – Mitlin et al., 2018a, p.8.

Text Box 2: Mini case Asia - Community-based Finance in Asian cities

The community savings and fund process in Asia has grown in the past three decades.⁴⁹ Community savings and funds emerged as powerful community development tools, in a context and at a time when most countries in Asia had no solution for housing the poor, no policies to address urban poverty at scale, and no mechanisms to get finance to the poor.⁵⁰ Community-managed savings and funds were one key process ACHR decided to support and strengthen, and over the years, ACHR programs have played a significant role in that work.⁵¹ The Asian Coalition for Community Action Program (ACCA), supported by the Asian Coalition for Housing Rights (ACHR) and funded by the Gates Foundation, focussed on city-wide upgrading in Asian cities.⁵² The program used community finance and community-managed funds to help people plan and undertake various community-driven development projects. Built into ACCA's approach were funds to set up or strengthen city-level community development funds, which then financed the projects communities designed and built, to address their most urgent housing and infrastructure needs. ACCA projects are being implemented by key groups already working on urban poverty and housing issues, or by several key groups who link and work together. Most of these groups (which include grassroots community organizations, NGOs, development institutions, and architects) already link together, and most have collaborated

within the ACHR network. The ACCA Program has been designed to offer new tools to these groups to enhance, strengthen and scale-up the work they are already doing and expand the space in their cities for community people, the local government, and different stakeholders to sit together. The core activities of the program, which account for 58% of the program budget, are the small upgrading projects and big housing projects, which are being implemented in poor communities, by people themselves. The plans for these projects, as well as the citywide surveying, saving and partnership-building processes they are part of, are developed by the local groups and proposed to the regional ACCA committee, which reviews the proposed projects and approves them. The budgets are then released in two of three disbursements, according to schedules the groups work out themselves. The budget ceilings are not high, but the implementing groups have much flexibility in using those small resources to address diverse needs in their cities. These Community Development Funds (CDF) linked together savings groups with about 400,000 members and \$34 million in collective savings. As part of the ACCA Program, a regional revolving loan fund was also established to channel additional loan funds to urgent projects, and that fund has so far financed \$337.000 worth of group housing loans in five countries, benefiting 405 households.⁵³

49 – ACHR, 2017.

50 – ACHR, 2014.

51 – ACHR, 2014.

52 – ACHR, 2017.

53 – Insights for the case are drawn from: AHHR, 2017 and 2014; Archer, 2012 and Boonyabancha and Kerr, 2018.

In the table below, we have outlined some of the key mechanisms that are identified within the literature. We have created a brief taxonomy: Targeted; Group-based savings/credit; Co-funded (gov/donor); Aligned/devolved and; Equity/asset ownership.

TYPE	NAME	DESCRIPTION	HOW IT WORKS	EXAMPLES
Targeted	Remittances	A sum of money sent by someone working abroad to his or her family back home	Remittances are generally sent by the diaspora community to low-income households. They leverage the relative earning potential of the diaspora community for investments 'back home'.	Remittances are an important part of most developing countries' economies. According to the World Bank, remittance flows are now more than three times larger than official development assistance (ODA). Many remittance tools, such as the well-known hawala network, are both informal themselves and serve informal communities in various ways. In recent years, venture capital -supporting platform-based start-ups - has also sought to lower the cost of remittances supporting low-income communities.
	Crowdfunded	Provide resources to small-scale projects that have difficulties to access other funding sources	Crowdfunding can be in the form of grants, debt, or equity. In the context of informal settlements or businesses, it is generally in the form of grants. Directly from people, usually using online platforms such as Indigogo, Gofundme, and Kickstarter	There are few examples of crowdfunding in the developing world and in the context of informality. However, there are examples of start-ups in many countries in East Africa, some of which operate in the 'paratransit' space. Ideame is a crowdfunding platform in LAC that connects members who are called creators to individuals that can contribute small amounts to their funding goal. The platform offers two types of funding types to creators fixed and flexible.
Group-based savings and micro-credit	Rotating credit and savings association (ROCSA)	Set contributions, made over a set period, with rotating disbursements to each member	For ROCSAs, monthly deposits from each member of the group are pooled and given to one member of the group. Disbursements are allocated on a rotational basis. The group is disbanded after a set period, once each member has had a turn. ROCSAs are generally small saving groups of between 10 - 15 members.	Rotational Stokvel Clubs include members who contribute a fixed amount to a common pool on either a weekly, fortnightly or monthly basis. Members receive a lump on a rotational basis.
	Accumulating savings and credit associations (ASCA)	Variable contributions by individual members, with the option to take loans from the pooled funds	For ASCAs, monthly deposits from each member are made to a group fund. The group fund is used to make loans to the members that are paid back with or without interest. ASCAs are small savings groups of around 30 members that can be federated to settlement or city level.	Village Savings and Loans Associations (VSLA) in Malawi members make savings contributions to a common pool. Members can request a loan from the group, which is repaid with interest.
	Community savings groups (often women-led)	A group of individuals that save together either for loans to the group or outside of the group	For community savings groups, deposits from each member are made to a group fund. The internal deposits depend on the terms set by the group. Groups tend to be small, with up to 30 members operating at the neighborhood scale. Members of the groups pool their savings to make loans on which they charge a high service fee or interest rate which in turn increases the loan fund.	Towns in the Rift Valley region active women-led community savings groups in Kenya. They developed a strong track record of small-scale lending to boost livelihood activity. This led to larger projects, including the purchase of 24 acres of land for housing construction in the town of Nakuru. The purchase of land was completed using members' savings, accumulated from earnings over several years.
	National federated savings groups	A group of individuals that actively participate in the collection, banking, and auditing of savings and loans	Collective savings (often of smaller savings groups such as ASCAs) are pooled to create revolving funds at the city and national levels. Federated savings is also the basis for co-funding instruments, discussed below.	The Asian Coalition for Housing Rights (ACHR) savings groups have 399,686 savers across 206 cities in 16 countries. By the end of 2014, these groups had collectively saved approx. US\$ 34 million. In all 206 cities, citywide community surveys are being conducted, and these surveys are being used to identify, prioritize and plan settlement-upgrading projects.

TYPE	NAME	DESCRIPTION	HOW IT WORKS	EXAMPLES
Co-funded (gov/donor/ community savings)	City-fund	Cofounding instruments which aggregate at the city-scale	City-funds are instruments that aggregate funding at the city scale. This funding can be mobilized in a variety of ways, including using community savings, donor funds, and funds from the local or national government. There is considerable diversity in how these funds are set up and managed, depending on the city (and national) contexts.	ACCA Program funded Belinda and Lemi-daer Gates Foundation. See text box on Community-based finance in Asian cities (above).
	Urban Poor Fund (national)	Cofounding instruments which aggregate at the national-scale	Urban Poor Funds are funds that aggregate community savings with co-contributions from state and external donors (for example, in the case of SDI, this can include funding from the NGO's fundraising efforts). Communities can borrow from the fund and/or make investments into the fund. This funding is pooled predominantly at the national scale and distributed to qualifying projects on a demand-driven basis.	SDI established the Urban Poor Fund International (UPFI) to direct capital funds, available from large international charitable foundations, to support national federations to deliver targeted housing, infrastructure and environmental improvements. The fund is flexible, offering loans, grants, and bridging finance to national SDI federations where these funds are a catalyst for large-scale public and private investment.
Aligned/ Devolved Aligned/ Devolved	Social Fund	Agencies or programs that channel grants to communities for small scale development projects	All Social Funds have multiple sources of funding (international donors, central governments, local governments, and beneficiaries of projects. These tools are International scale with multiple sources of funding.	Between 1992 and 1998, the Peruvian Social Fund (foncodes) spent about US\$ 570 million funding micro-projects throughout the country. Many of these projects involved constructing and renovating school facilities.
	Community Led Infrastructure Financing Facility	The facility that provides venture capital and other financial products directly to organizations of the urban poor to support community-led slum upgrading schemes conceived in partnership with city authorities	International donor-based and governmental funding. These funds operate at the city scale and as part of a national network.	CLIFF loan finance was provided to a housing project in Dharavi, Mumbai, whilst negotiations with banks and government authorities took place. Later, the National Housing Bank provided loan finance that took over the majority of the CLIFF loan finance that had been approved for the project, freeing up CLIFF loan finance for helping kickstart other new schemes.
	Community Upgrading Fund	A financing mechanism that allows slum dweller, settlement-based community organizations to access grants and financing for small infrastructure initiatives that meet the community's basic needs under clearly defined criteria)	Governmental, internal donor agencies, and private sector funding. Co-contributions from communities through financial and non-financial sources. These funds operate at the city scale and as part of national networks. Grant awards to eligible applicants. Grants disbursed in tranches of UGX 10 million maximum.	The Community Group in Arua undertook a community-led waste management project that improved the management of municipal waste.
Community equity/asset ownership	Community mortgage programs	A mortgage finance facility that allows low-income communities to purchase the land that they occupy or the land that they identified for the site and housing development	Groups of members that have that have collective savings. These funds operate at the neighborhood and city scale. Members can apply for 25-year loans to the Social Housing Finance Corporation at a flat interest rate of 6% per annum, and the land being bought serves as collateral.	The Golden Shower Homeowners Association in Payatas sought to use the CMP to acquire land tenure.
	Community Trusts	A trust formed through electing representatives from the community	Community members elect a set number of representatives to serve on the trust. For community trust equity, repayment terms are usually financed by loans from development finance institutions (DFIs). The trust has a shareholding in the project that is financed through debt.	Kathu Solar Community Trust is a 2,5% shareholder in REISA solar (Renewable Energy Investments SA (RF) Pty Ltd), a 75 MW solar plant located in the Northern Cape Province.

4.4 Community-led Housing and Service Delivery



Informal area residents have not waited for government to act. Instead, they have built their own systems, tapping into public water lines where possible. Self-built systems offer a much preferred alternative to relying on expensive trucked water or sparse public standpipes (if the latter exist) until such time as the formal system reaches the area, which may take decades.”⁵⁵

Community-led housing or service delivery refers to the many ways that communities coordinate themselves to directly provide or oversee the provision of housing and services. This could include building housing or providing

services – or it could include managing and overseeing the process of construction, delivery, and operations.⁵⁶ It also includes both the hard engineering services necessary for urban settlement, as well as the softer social services necessary for social and cultural life. Key themes and insights from the reviewed databases include:

Community-built housing: The concept of community-built or managed housing delivery has a long history within the development debates. Self-help housing and upgrading, for example, formed part of large urban programs in the 1970s in Latin America.⁵⁷ These programs took various approaches, addressing issues of land delivery (site and service) and sweat equity through community-building. In some cases, these programs have been linked to lending schemes. However, many have experienced significant levels of default and challenges around payment.⁵⁸ The current literature has come far from early thinking on self-help housing and now works to situate community-driven housing approaches in longer supply chains for things like affordable materials, pre-approached building plans, micro-financing, and micro-contractors. This work has reduced the often romantic view of self-help housing, working to engage with pressing realities such as the need for densification of well-located areas and the prominence of explorative rental markets in many informal and regularized areas.



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55 – Bremer and Bhuiyan, 2014, p.259.

56 – Nitti and Dahiya, 2014.

57 – Nitti and Dahiya, 2014.

58 – UN-Habitat, 2008.

Text Box 3: Minha Casa, Minha Vida, Brazil

Brazil has a robust urban policy framework, consisting of legal and regulatory systems, city master plans, housing, and land tenure regularization programs, a governance structure with local governments taking a leading role and institutionalized democratic participation channels. Through the Growth Acceleration Program – PAC, there were significant improvements in infrastructure in informal settlements, with the implementation of extensive sewage networks, housing, drainage, elimination of risk, pavement, public facilities such as schools, health units, leisure, sports, and cultural spaces, through projects implemented by local governments and private companies as contractors, with a robust social component and guidelines reinforcing a participatory approach. One of the programs that fell under the PAC was The Minha Casa, Minha Vida – which translates to ‘My house, My life’. Launched by the Ministry of Cities in 2009, the Minha Casa, Minha Vida program was divided into several subprograms – one subprogram that was designed for and with the social organizations or entities, the MCMV – Entidades. Notably, and despite a long history of trying to support self-help home building in Brazil, self-managed housing schemes play only a secondary role in the real implementation of the housing policy. As the MCMV – Entidades production

of 72.196 houses represents only 2% of the MCMV, a program of 4 million houses. Several challenges are identified. The most important is affordable well-located land. Despite the progressive legal and policy framework in Brazil, the price of well-located land combined with the competition with the private sector (in times of real-estate boom) and technical challenges faced by both social organizations and their professional technical assistance teams, constitutes important barriers for replicating and scaling up self-managed housing schemes. In addition, the enormous gap between policy design and implementation on the ground, demonstrating that the recognition and legitimization of social organizations by corporate professionals, proactive engagement, learning from the past (e.g. institutional memory), and other factors are key for making systems work towards the effective implementation of public policies. The case of Brazil clearly demonstrates the difficulties in institutionalizing and scaling up alternative models of community-led projects, in Brazil technical and political walked side by side throughout recent history of policy design and made possible the creation of national housing programs targeted and led by social organizations.⁵⁹

Delivery of ‘soft’ services: While urban engineering services are a commonly discussed gap in informal settlements, other softer services are also required to support social, political, and cultural life. Important services include things like daycare/creche, the distribution of basic health services (such as ARVs etc.), places for people to use the internet, and investments in cultural life through Faith-Based Organizations and the like. Community-led efforts to provide these services, sometimes through small-scale businesses, are less well documented within the development literature but are equally important. Notably, not all of these efforts are without issue. In many places, community-led security services may be touch sides with gang activities or vigilante justice. Understanding the nuances of how these softer services are provided is essential.

Delivery of urban utility services: Many upgrading programs aim to improve service delivery in informal settlements or spaces of informal work (such as markets). This may include projects related to waste, sanitation, energy, water, or other key urban services.⁶⁰ As the research shows, it is not uncommon for communities to work together to create service delivery options that serve their immediate needs in the event of the state failing to deliver. These may take the form of small-scale enterprises⁶¹ or direct provision by communities.⁶² Both have the potential to be catalyzed and scaled up. For example, in Uganda, “organized communities developed the capacity to construct community sanitation blocks. Such pilot projects became precedent-setting,”⁶³ providing the basis for the Transformation of Urban Settlement Upgrading (TSUPU) Project, a collaboration between Cities Alliance, SDI, the Gates Foundation and the National Slum Dwellers Federation of Uganda (NSDFU). Notably, the value proposition rests in the collective effort. As Miltin et al. argue, “the benefits of improved services cannot be achieved by households acting alone.”⁶⁴ Not only are there losses associated with economies of scale, but many of the externalities associated with poor service delivery are experienced at the community scale.

59 – Note: This case is extracted from work produced by Anacláudia Rossbach. The full text is entitled ‘CDD Paper – Case Study: Brazil, Minha Casa, Minha Vida Entidades.

60 – UCLG, 2013.

61 – Cities Alliance, 2021.

62 – UCLG, 2013.

63 – d’Crus, 2020, p.3.

64 – Miltin et al. 2018, p.5.

Text Box 4: Urban Community Driven Development Project, Haiti

The PRODEPUR was a large-scale program, with a total budget of US\$ 54,2 million. According to the World Bank documentation, 14,7 million was allocated for community-driven program. The program ran from 2008 to 2015, building on established efforts to mobilize communities already underway in Haiti. The program began before the 2010 earthquake and was augmented with additional funding to provide emergency relief and rebuilding following the disaster.

When launched, the high-level objectives of PRODEPUR were: To improve access to basic and social infrastructure and services, as well as income-generating opportunities for residents of targeted urban slums. The program included: Community Subproject Funding, Management, and Support; Capacity-Building and Technical Assistance; Project Administration, Supervision, Monitoring and Evaluation, and Housing repair and reconstruction. The program design recognized that local government was (and continues to be) very weak and that a huge gap exists between communities and the state, riddled with mistrust. The community sub-project funding aimed to address this by financing and supporting small-scale infrastructure and productive/income-generating sub-projects, identified and prioritized by communities. To ensure the development of community structures, the program developed Community-Driven Project Development Councils (COPRODEP) to identify and develop community and municipal subprojects based on local needs and demands. Following the earthquake,

these were transformed into Councils for Community Development Support (CADEC). CADECs differ from COPRODEPs in that they intended to integrate the local government and become permanent features of local institutions at the communal level rather than temporary structures financed by the project.

A key part of this process included co-management of the community resources. Subproject funds were managed jointly by the Service Providers and the Councils, using joint bank accounts to ensure transparency and cooperation. Specific results of the project include: (i) the establishment of 14 Community Councils (COPRODEP) in targeted areas of Port-au-Prince and three other cities; and (ii) the financing of 493 subprojects (467 subprojects were originally planned, so this reflects a successful process). From a community-driven perspective, there are several lessons from the program. First, the formation of regional technical offices to support implementation enabled higher-quality technical skills to be deployed at the community level was important for ensuring capacity was in place. Second, the Community Reconstruction Centers (established after the 2010 earthquake) provided a one-stop-shop for residents for training, information, complaints, allowing for communities to engage in efficient ways with projects. Finally, the projects would not have worked in donuts and lenders had not been willing to engage with 'unconventional' local actors, such as those involved in criminal activities.⁶⁵

4.5 Community-led Climate Risk Management

“Poor people in developing countries bear the brunt of climate change impacts while contributing very little to its causes”⁶⁶

Informal settlement communities and informal economies face many risks associated with changing climatic conditions.⁶⁷ In most cases, “The strategies that communities use to manage risk are often poorly understood or ignored by governments and development partners.”⁶⁸ Key themes and insights from the reviewed databases include:

Engineering interventions: Many informal settlements are built on sites where development is not allowed due to environmental issues, such as high water tables and extreme slopes. Common interventions in these areas include basic engineering projects, such as community-developed drainage, a relatively low-cost intervention that can be undertaken largely through sweat equity of communities, or waste management, a contributor to flooding in informal settlements.⁶⁹ Larger interventions may require external donors to get involved. For example, the Saint Lucia's Second Disaster Mitigation Project (2009-11) supported the expansion of the Management of Slope Stability in Communities (MoSSaiC) program, which helps communities manage landslide risk.

65 – Note: This case is extracted from World Bank documentation on the program, See <https://projects.worldbank.org/en/projects-operations/project-detail/P106699>; <https://documents1.worldbank.org/curated/en/323791468038042827/pdf/PAD10140JP0R0P-010Box385226B00OUO090.pdf>, last accessed 19.11.2021

66 – Arnold et al., 2014, p.1.

67 – Arnold et al., 2014; Cities Alliance, 2020a; Satterthwaite, 2017; World Bank, 2014.

68 – World Bank, 2014, p.22.

69 – Cities Alliance, 2020a.

Adaptive community structures: Research suggests that the formation and ongoing management of reputable community structures allows for communities to respond quickly and with agility to the diversity of risks associated with climate change: pre-existence of community governance structures is a major determinant of disaster risk reduction capacity. When these structures are in place and functioning, residents are more likely to be organised into committees and trained.⁷⁰ The World Bank Group uses the example of Madagascar to illustrate this: “In Madagascar, the Community Development Fund Project supported communal development plans, subprojects in communities, and capacity building of community associations and officials. When cyclones hit the country in 2004, the already-established local participatory platform of the project executing unit served as a vehicle for emergency response.”⁷¹

Livelihood loss: Climate change is affecting many industries. Informal livelihoods are often part of long and complex supply chains, and by extension, both directly and indirectly impacted by the challenges faced in climate-affected industries and sectors. As the World Bank Group points out, many avenues exist for community-driven responses to livelihood losses associated with climate change.⁷² These include programmes to diversify livelihood strategies, community public works programmes, insurance products which protect in cases of extreme shocks, and micro-loans in order to enhance the adaptive capacity of businesses.⁷³

4.6 Community-led Work and Livelihoods Creation



The urban informal workforce is comprised primarily of construction workers, domestic workers, home-based producers, street vendors, transport workers, waste pickers, and informal employees, some of whom work in sweatshops or other hazardous work environments.”⁷⁴

In every city in the global south, the informal economy provides a significant amount of work for people structurally excluded from key formal sectors. For example, in Accra (Ghana), over half of the city’s workforce is in the informal economy.⁷⁵ These numbers scale-up, with informal sectors contributing significantly to the national GDPs of developing countries.⁷⁶ People working in the informal economy tend not to have formal employment contracts, social protection and benefits, or workers’ representation.⁷⁷ Key themes and insights from the reviewed databases include:

Community-based enterprises for urban service delivery:

From food systems and energy access, across the global south, small scale enterprises have come to fill the gaps left by the state and formal sector delivery systems. For example, studies by WIEGO in Thailand and other Asian countries show the important role that waste pickers play in the urban economy, in particular providing ways for women to create livelihoods, mobilize together, and contribute to everyday urban management.⁷⁸ Beyond the conventional urban services, small-scale vending also contributes to food security by facilitating small-scale and highly distributed vending for both prepared food and raw produce.⁷⁹ Notably, these studies show that governments often place punitive measures on informal workers even in contexts where people are organized, supported by NGOs, and contributing in meaningful ways to city greening and urban service delivery. Deep structural issues shape the potential for agency, mobilization, wealth creation and even basic survival.

Lending for livelihood creation: As discussed in previous sections, small-scale lending facilities for individual or community businesses can address some of the constraints that entrepreneurs are operating in the informal economy face when trying to access finance. Many examples of this are documented by WIEGO reports, such

70 – Satterthwaite, 2017, p.2; CA, 2020a.

71 – World Bank, 2014, p.16.

72 – World Bank, 2014.

73 – World Bank, 2014; Cities Alliance, 2020a.

74 – UN-Habitat, 2016, p.8.

75 – WIEGO, 2021.

76 – UN-Habitat, 2016.

77 – Chikarmane and Narayan, 2009.

78 – Chikarmane and Narayan, 2009.

79 – Ahmed et al. 2015.

as lending to waste picking self-help groups in Mumbai and Manilla.⁸⁰ However, as the World Bank points out, it is important to use debt with care: “[w]ithout a clear understanding of local markets, grassroots organizations and self-help groups who start economic activities can end up being unable to pay back loans or to sustain businesses.”⁸¹ Notably, as with all finance, macroeconomic factors, such as changing interest rates and exchange rates, impact the viability of these programs.⁸² This work clearly suggests that lending is not a panacea but a tool that requires careful consideration to avoid burdening already vulnerable people and communities with debt.

Work for vulnerable groups: While the informal economy has a wide reach, its importance is particularly necessary for vulnerable groups, such as migrants and women. WIEGO research has drawn significant attention to the important ways in which migrants and women mobilize to develop, product, and sustain their work and livelihoods. In many countries, women are disproportionately repre-

sented in informal sectors.⁸³ What is often missing from this work, however, is how even more precarious groups, such as LGBTQI+ create livelihoods in the informal economy, in sectors such as sex work or traditional healing. Shying away from so-called ‘illicit’ sectors may be a strategic choice on the part of international organizations. However, it risks excluding some of the most vulnerable.

COVID-19: Notably, and despite narratives of flexibility and resilience, the informal economy was hit very hard by COVID across the global south.⁸⁴ In many places, government relief failed to reach the informal sector, and when it did, key constituents (such as migrants) were excluded from relief. Despite many of the challenges of accounting for informal sectors, community-led and participatory efforts to create and expand livelihoods options in the informal economy, improve working conditions for informal works, and help informal workers respond to shocks and stresses which face these sectors (e.g. related to climate change, COVID, regulatory crack-downs etc.) are well documented.⁸⁵

Text Box 5: Motorcycle taxis in Kisumu, Kenya

Across the global south, investments in public transportation fail to attend to the diverse and distributed needs of urban populations. In many African cities, one of the ways in which the informal sector is responding to this gap is through ‘paratransit’. This includes privately owned mini-buses, motorcycle taxis, and tuk-tuks. In the case of Kisumu, a secondary city in Kenya, motorcycle taxis – known as *boda boda* – are instrumental in ensuring that urban mobility is not hampered by the complete lack of public transport infrastructure.

The self-organization of the *boda boda* sector, a community dominated by young men, reflects a commitment to ensuring that the sector is just and safe. *Boda boda* operators pay a small fee to join a ‘staging area’

– a public space where they can wait collectively for customers, store some of their belonging etc. These stages, and the micro-communities that form around them, also act as sites for community mobilization, savings, and support. When, on several occasions, *boda boda* operators were asked by the Kisumu County Government to pay for permits to operate, these stages were used as sites of mobilization to demand that services (such as shaded areas) first be provided before any fees or tariffs would be paid. In Kenya, *boda boda* operators are increasingly being compelled to join digital platforms such as Uber (and many home grown equivalents) which are used for both commuting and micro-logistics. The use of these platforms may fundamentally shift how mobilization and coordination take place in Kenyan cities.⁸⁶

80 – Chikarmane and Narayan, 2009.

81 – WB, 2015, p.6.

82 – UN-Habitat, 2009.

83 – UN-Habitat, 2016.

84 – WIEGO, 2021.

85 – WIEGO, 2021.

86 – Note: this case is based on the author’s ongoing work on Kenyan cities.



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5 KEY INSIGHTS AND TAKE-AWAYS

The above mechanisms, and supporting cases and examples provide a useful scaffold for unpacking the lessons and learnings of community-based mechanisms.

Complex System and Interventions

Whether considering climate risks or infrastructure systems, the issues that communities face are not limited to their geographical areas. Most issues which communities face have complex and systematic drivers. The mandate to address them often sits with local governments or utility companies. While communities should work to respond to these issues, community-led processes in an informal settlement or localized sectors have obvious limitations. Reflecting on the question of risk management, for example, Satterthwaite points out: “community organisations can only act on risks in their community – they cannot put in place city-wide systems for risk reduction.”⁸⁷ Many risks are directly linked to the huge gaps in the provision of infrastructure and services, few of which can be addressed at the settlement scale.⁸⁸ The ability of communities to respond effectively to local issues requires on-going engagement with city systems, such as state authorities, as many of the climate risks, infrastructure systems, tenure management systems etc. are linked to wider systems.⁸⁹

Engaging the State and Professionals

As both the literature and cases suggest, there is a strong need to blend community-knowledge with hard science, including climate knowledge, engineering, financial management, and planning.⁹⁰ Communities cannot be expected to engage in community-led processes without the support of professionals.⁹¹ This includes trained professions, for example, planners and engineers. Part of this is much closer engagement with the state. Because of the multi-scalar nature of urban informality, Mitlin and Barlett point out, “Aiming to go from individual interventions to the citywide scale, or larger forces a recognition that, however innovative and effective community groups may be, they need that deep engagement with the state to achieve more far-reaching change.”⁹² This suggests that engaging with interventions which span scale and space require also engaging with the complexity of the urban state. Core to this is a keen understanding that the state itself is heterogeneous – composed of technical, administrative, and political arms that span many levels of government. Therefore, it is essential that the local and regional governments (as well as utility companies and sometimes national line departments) are involved in these processes, partnering with communities to aggregate perspectives and incorporate them into medium and long-term planning.

87 – Satterthwaite, 2017, p.3.

88 – Satterthwaite, 2017.

89 – World Bank, 2014.

90 – WB 2014.

91 – ACHR, 2017.

92 – Mitlin and Barlett, 2018, p.4

Resourcing

While communities can save and invest in their own development, it is essential that community-based mechanisms are adequately resourced and supported by donor funding and states themselves. Informal settlement communities and informal worker communities are often very poor, and the needs are incredible. Efforts to enable their participation in their own development must be supported with financial resources that enable projects to be affordable and ensure that the scale of the project provides a real benefit.⁹³ It is also important, as the Asain case shows, that this resourcing is sufficiently flexible and that there are the appropriate (clear, and minimal) levels of reporting on this funding in order to minimize the amount of time, poor people have to spend accounting for their spend. As many studies indicate, grants/programs that are too small, or where there is excessive reporting, may not lead to meaningful impacts on people's lives. Poor people will spend their limited time and energy without much outcome. From a resourcing perspective, it is also important to understand that the time and energy of communities to contribute to (and even lead) their own development comes at a cost as people could be doing other things (like working, spending time with friends or family, or resting).⁹⁴ While people may want to input into their own development, attending meetings or workshops, saving money in a context of extreme scarcity, sweat equity contributions etc., all displace resources that are required for everyday survival. Appropriate resourcing of these mechanisms is thus essential.

Substantive Community-groups

As this work shows, there are many important subgroups within communities. Some of these sub-groups are highly visible (such as women or youth), while others may be harder to distinguish (such as LGBTI, religious groupings, landlords, or gangs). Wherever possible, deploying an approach that engages with these existing communities, and the ways in which they are mobilizing, is essential. While failing to acknowledge existing sub-communities is an issue, imposing a community, where it does not exist, should also be avoided.

It is vital that the consensus around the importance of community-driven and -led projects does not compel communities and their intermediaries to construct groups that in fact do not have real community-backing or energy. As UN-Habitat points out, and this scan confirms, community participation has become a buzzword in the donor space.⁹⁵ Many new groups have formed to respond to these calls. While some of these groups have enabled the voices of the poor to feature more prominently in the address of challenges related to informality in cities, some have "turned out to be pretty weak because their only purpose was to comply with project rules or to ensure that the community members made "cost-sharing" contributions in cash or labor."⁹⁶ This suggests that more work is needed to discern and make sense of community-driven efforts and the extent to which government or donor requirements in fact shape the substance of these groupings.



93 – McGranahan, 2013.

94 – World Bank, 2015.

95 – UN-Habitat, 2008.

96 – UN-Habitat, 2008, p.4.

Community Fragmentation and Cohesion

In nearly every informal settlement upgrading project, issues around gender, class, nationality, ethnicity and the like all come to shape community dynamics, shaping whose priorities and voices are foregrounded. The substance of this varies from place to place (for example, in South Africa, the question of race is particularly important whereas in Kenya, the issue of ethnicity is more central). At the community scale, minority voices – such as LGBTI people or migrants – may not be visible in democratic processes which focus on consensus building or majority preferences.

As the World Bank Group pointed out, as instrumental as community networked are “social networks also represent power structures that have the potential to capture project benefits.”⁹⁷ Moreover, the darker side of community mobilization should be considered: vigilante justice and policing, the formation of cartels, shack lords, NIMBYism, and other efforts to mobilize communities in the informal sector or informal settlements challenge blanket ideological claims about community action and its benefits. In the case of Nairobi, for example, water delivery through community-based groups inflates the prices of services significantly, forcing poor people to pay significantly more per liter than those connected to the formal network.

Digital Possibilities

The concept of community is increasingly dislodged from its common conflation with geographically bounded interest groups, as new constituencies and alliances are formed in the digital sphere. As the World Bank Group points out, for particular types of programs, “Target groups—such as the poorest of the poor, ethnic minorities, and female-headed households—may be scattered in ‘pockets’ throughout the city, and local authorities tend to have little information that can be used to identify beneficiaries.”⁹⁸ There are many ways to imagine bringing scattered communities into a conversation, and there are also new community formations that are coming to shape urban development.

The digital era provides new ‘sites’ through which communities can be mobilized and effect change. It also creates new sites of belonging, connecting people who may not have thought of themselves as part of a shared project. For example, in the South African context, migrant communities from across Africa are using a wide variety of digital platforms to coordinate the pooling of resources for various purposes, such as bulk purchases of food or clothing for resale. Similarly, online spaces for LGBTI youth are being formed in South Africa’s townships and informal areas in order to share resources, ensure people remain safe from hate-crimes etc. These digitally enabled mechanisms provide new ways for de-spatialized communities to mobilize.



Curt Carnemark © World Bank

97 – WB 2015, p.6.

98 – WB 2015, p.26.



6 CONCLUSION

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A review of the diverse mechanisms for community-driven response to the challenges of informality in southern cities revealed lessons for local and regional governments, community-based organizations, and the international donor and lender community. There is a clear need for local and regional governments to better understand the existing community-led efforts that are already underway responding to the challenging conditions related to informal settlements and economies. These existing efforts provide a valuable entryway for harnessing the possibilities that community-driven approaches offer, and avoiding compliance-responsive community formations.

Building on this, **it is necessary for sub-national governments to recognize the limitations that community-driven approaches have**, for example when it comes to multi-scalar, multi-sectoral and integrated development. Sub-national governments must work to balance and integrate disparate, competing, or myopic community-driven efforts with wider city and regional systems (see, for example, a review paper on systematic approaches to slum upgrading).

For community-based organizations, there is a clear need to develop structures that are adaptive and responsive. This means building systems that can: work with or without government support; respond quickly to shocks and stresses posed by extended events and conditions (COVID, climate change etc.); and ensure that intra- and inter-community tensions have adequate platforms for resolve. The creative use of emerging digital technologies provides another useful site to consider improving mobilization efforts.

Finally, **for donors and lenders interested in mobilizing/harnessing community energy, it is vital to ensure that understandings of communities and their potential are practical**, reflecting a deep understanding of the power dynamics that exist within communities and between communities and other actors (such as the state or private sector). It is vital to avoid an over-romanticized view of community engagement in the address of informality and ensure that the wider systems that support the mobilization of people's collective energy fit into more comprehensive urban development frameworks.

This paper is part of a larger review series on key topics of informality published in 2021. We encourage the readership to also engage with the review of slum upgrading programs, National approaches to slums, informal land markets, informal rental solutions, informal economy, the impact of COVID-19 on informal settlements, and informality concepts.



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