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Unifying the Divided City

Slum Upgrading Policies and Strategies that Work

Many city leaders and national governments assume that slum growth is a natural consequence of urban growth – that as cities grow economically, and as incomes improve, slums will disappear naturally over time. However, evidence indicates that innovative and inclusive policies and institutions that are tailor-made to local needs have a key role to play in determining whether slums will grow, whether they will be upgraded or whether they will be ignored in national development plans and policies. In this section, we use policy evidence drawn from the experiences of 23 countries analyzed in 2005/6 and another survey of 52 cities in 21 countries conducted by UN-HABITAT and the Cities Alliance more recently to understand the impact of policies on bridging the divided city.

The evidence shows that political will and political support for slum upgrading, slum prevention and urban poverty reduction are critical to the success of any programme aimed at improving the living conditions of the urban poor. Success in managing slum growth is not accidental. It requires strategies, policies and procedures that are clear, concise, and easy to follow. It also requires innovation, both in institutional performance and in the development of inclusive policies. Unfortunately, in many countries and cities of the developing world, slum growth management has experienced limited success, and in others it has failed completely. While it is typically easier to explain failures of policy responses than the reasons for success, this part of the report presents policy evidence on what has worked in efforts to unify the divided city – to reduce disparities between the formal and the informal city and knock down the wall that separates them physically, socially and economically.

Some governments choose to largely ignore the rapidly growing slums in their cities, treating them as “zones of silence” with regard to public knowledge, opinion and discussion about urban poverty,¹ even though, quite often, “invisible” or informal parts of cities are growing faster than the “visible” or formal areas. Many governments confine their actions on slums to symbolic gestures and political

slogans while deeming informal settlements “illegal”, thereby legitimizing their neglect of slums and making slum clearance and mass evictions legitimate actions in the eyes of the state. All such cases of policy failure in the developing world have a common denominator: a benign neglect of “spontaneous” housing solutions that are considered pathological responses to urban growth.²

Failure to address the slum challenge can take several forms; cities may recognize slums but blame their existence or proliferation on a neighbouring municipality, migrants from other countries or other government departments and institutions. In these cases, institutional responses are permeated by a lacklustre tone of quasi-resignation: “*the problem is not really ours, and besides it is too huge to be tackled*”.³ Most governments’ responses lie somewhere between action and inaction: they are aware of the slum problem and they plan to pursue institutional strengthening and some level of reforms, but it is difficult to implement actions because insufficient support and funding limit capacity, or because good programmes do not have financial support, or because they lack co-ordination.⁴

When actions are put into practice, they are often linear processes, designed, implemented and monitored as new, separate, stand-alone initiatives – “pilot” projects that develop without continuity carried over from past experiences, and without making use of built-up learning systems. Often, there is inadequate time for experimentation, feedback, debate, and attitudinal change – what innovation is all about. One of the major reasons for the limited success of many strategies is that they lack high-level political support and willingness to take the necessary steps and make the choices to address slums as part of sustainable development policies.

Harnessing the drivers of change

On the other end of the spectrum are national and local governments that are making concerted efforts to reduce slum growth by taking the issue of slums seriously and making a real difference in the lives of urban residents.



▲ Low- and high-income housing in São Paulo.
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Strategies that work not only improve the physical living conditions of slum dwellers, but they also preserve non-tangible assets, such as sense of place, sense of belonging and culture of mutual solidarity. Such strategies improve existing slums without disturbing social ties and create conditions to prevent the formation of slums of the future.

Policy evidence drawn from the experiences of 23 countries analyzed by UN-HABITAT in 2005/6⁵ and a later one of 52 cities in 21 countries conducted by UN-HABITAT and the Cities Alliance sums up the formula for successful slum upgrading and prevention as follows: a) governments recognize the existence of slums; b) they commit to addressing the issue of slums by taking innovative actions or instituting bold policy reforms; c) they adopt planning measures to meet their commitments; d) they implement effective actions that they check and revise, setting up conditions to learn from experience; and e) they scale up the adopted system to the national level. These governments take the responsibility for improving the lives of slum dwellers squarely on their shoulders by committing, planning and doing, checking, learning, and redoing again at the national level. Policy and

institutional analysis of responses to surveys from the 52 cities in the UN-HABITAT/Cities Alliance study points to six key ingredients that explain the success of any large-scale slum upgrading strategy. When governments harness all or some of the following six elements together, the possibility of success is higher.

1. Awareness and political commitment

Awareness precedes action. Governments that recognize the existence of slums understand the need to do something about them because they are persuaded by the benefits of the intervention. In the early 1990s, the government of Egypt declared the existence of slums in its cities as an emergency situation, which led to the creation of an emergency budget plan for slum upgrading. Since then, the country has reduced its proportion of slum dwellers by more than 22 per cent nationwide. Sri Lanka has for a long time acknowledged the difficult conditions endured by urban residents living in slums, shanties and tenements, and the environmental hazards often present in their poor neighbourhoods. As early as the 1970s, the



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Bangkok
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country enacted pro-poor reforms, including free education, health care and housing programmes.⁶ In the last 15 years, the country has more than halved the nationwide slum prevalence from 25 per cent in 1990 to 11 per cent in 2005.⁷

Awareness in most countries is related to basic service delivery and public health, particularly improving sanitation and hygiene conditions. Attending to slum conditions has historically been important for urban development in general; in the late 19th century and the early part of 20th century, for example, concerns about the impacts of poor sanitation and overcrowding in slums on the health of non-slum residents led to large low-cost public housing programmes in cities such as London and Paris. The urban poor may live in appalling conditions, but governments often do not intervene until slums threaten the social fabric of society or pose a general health hazard. Disaggregated information on slum and non-slum indicators can provide valuable information on differences in access to health, education and other basic services, which can help prompt governments to take action. In this regard, the establishment of monitoring systems and indicators, as UN-HABITAT has done, to collect information and analyze trends in slum and non-slum areas is critical. Thailand, for example, developed a low-income housing programme in the late 1970s with a strong slum upgrading component following a comprehensive and reliable analysis of the situation of the urban poor conducted by the National Housing Authority. The country has since managed to dramatically reduce the proportion of slum dwellers from nearly 20 per cent in 1990 to less than 1 per cent in 2005.

Awareness also means assessing and forecasting trends and risks. The city of Cape Town has developed an incremental-phase approach to upgrading informal settlements in response to the growing housing backlog and associated slum formation, which the authorities recognize have the potential of undermining social stability, slowing down economic expansion and even deterring future investments. As a response, this South African city has created an informal settlement master plan with clear targets for the future provision of services and areas to be progressively upgraded. This focus on priorities and outcomes permits the city to develop a more coherent system of implementation, linking budget and investment processes.

Electoral and political processes can also raise governments' awareness of slum issues, particularly in countries where the poor form significant voting blocs. Even if in some cases political pronouncements are not backed by actions, the electoral process can contribute to raising the profile of slums and integrating them into the social and economic development agenda. In Costa Rica, for instance, electoral political commitment resulted in the integration of slum upgrading as one of the seven pillars of the national social policy in the mid-1980s, and more recently in the reform of the national financial system of housing that increased by 20 per cent the financial resources of informal settlements, known as *tugurios*.

Raising awareness is often the job of non-governmental organizations (NGOs) and civil society at large. Advocacy organizations champion the positions and rights of slum

dwellers and of the poor in general. Some of them act as watchdogs scrutinizing the fulfillment of policies and actions. For instance, the NGO *Réseau Social Watch Bénin* has set itself the task of monitoring the fulfillment of the Millennium Development Goals and the national poverty reduction strategy in Benin. In other cases, the interaction between the government and civil society translates into legislative norms and government-funded programmes for urban poverty reduction. In Mexico, for instance, the central government programme, Re-appropriation of Public Space, has integrated consultations with the target beneficiaries as a mechanism for identifying the specific interventions to be included in the executive plan. Sometimes civil society organizations, such as Shack/Slum Dwellers International perform both an advocacy and executive role.

In all successful cases, awareness-raising and advocacy comprise the first step towards a strategy of action that can lead to high-level political and government commitment and that can influence key institutions to take responsibility for implementation.

2. Institutional Innovation

Policies and institutions that impact harmony in cities can be broadly classified into two main categories: long-term policies and institutional innovations. The first category comprises policies that encapsulate how states perceive urbanization issues, their broad agendas for reform and the institutional and organizational set-up and mandates that will be put in place to achieve the policy goals. While the presence of such policies shows a vision for long-term action in the realm of urban development that could parallel other economic and industrial policy initiatives in the long run, developing countries more often than not lack one or all of the essential components to see them through: organizational competence, sustained finances, adequate physical and institutional infrastructure, and human skills for planning and implementation. More often than not, implementation of long-term policies suffers because the necessary governmental agencies are neither sufficiently coordinated nor independent enough to undertake the associated projects. Managing urbanization also tends to fall to city planning agencies, which are given little or no extra resources to tackle the problems unleashed by economic development.

The potential gaps in implementing a long-term vision are what make the second category of policy initiatives – institutional innovations – extremely important. Institutional innovations serve the needs of local contexts and are effective because they entail the introduction of a new scheme or organizational form that improves policies and institutions, helping them work better for those within them and those who benefit from them. They are innovative because they target the usage of existing resources and capacity to tackle urbanization issues through simple changes in organizational structures for the provision of services, and because they are tailor-made to suit the needs of the local context in the

short term. Institutional innovations may or may not be coordinated with the long-term integrated policy frameworks of countries to tackle urbanization.

What is critical about innovative policies and institutions is that they target the informal institutions that support people in rapidly urbanizing and growing areas, honouring their cultural and social habits and practices and their perceptions. Most institutional innovations have focused on two important areas: facilitating the provision of housing and other services for the poor in urban and peri-urban areas, and improving administrative coordination amongst organizations to promote effective delivery of services using existing resources.

Innovations in institutional and organizational practices that seek to provide services

Findings from the city surveys show that many countries have embarked upon initiatives that attempt to better coordinate policymaking and service delivery, creating a direct relationship between government and civil society initiatives and the improvement of urban residents' lives. The following innovations in institutional and organizational practices have helped ensure better delivery of services and greater security of tenure in cities.

The government of the Philippines grants an exemption in the payment of transfer taxes for landowners who donate property to community associations, seeking to create an incentive for such initiatives. In addition to allowing free transfer of land titles to community groups, the government of the Philippines has also developed mechanisms for the issuance of rights-based security of tenure or interim titling instruments that entitle settlers to use plots of land. As a complementary effort, local housing boards have developed a community mortgage programme and housing microfinance scheme through which the poor can receive mortgages and access to financing for low-cost housing needs. A total of 140,000 families gained security of tenure in 2006 under these schemes.

The Namibian government has developed an upgrading strategy for poor and very poor populations called the Incremental Upgrading and Development Strategy. This strategy provides minimum service levels and gives poor households an option to obtain ownership and upgrade services in a progressive manner. What is novel about this initiative is that it provides solutions for informal settlements across a wide spectrum of income groups, and it provides social, health and education services along with housing and other more typical physical services.

The South African government emphasizes a social housing policy that provides so-called Community Residential Units. Through the policy, the government seeks to convert existing buildings – mainly hostels that once housed single men – into low-rent, family friendly units to provide accommodation for people near their areas of work. Land reform policies also seek to redress loss of land or housing as a result of Group Areas

Apartheid Legislation. The city of Cape Town has adopted an incremental approach to upgrading informal settlements by improving the capacities of the management team and the institutional responses to the provision of affordable land. An interesting aspect of the city's policy towards slum prevention and improvement is its prioritization model, which weighs different demands on the limited resources through a priority rank scoring system. The government of Cape Town has compiled a comprehensive informal settlement-ranking database, which is used to make decisions on how to commit resources for the city's poor. Cape Town's initiatives reflect the local context, where the price of land is more than 10 times greater than in Johannesburg or 14 times greater than in other South African cities such as Durban.

In South Africa's Gauteng province, a Backyard Rental Housing Policy focuses on interventions from an income, tenure and housing perspective. As part of this policy, the rental housing stock is upgraded to improve the living conditions of landlords and tenants, as well as whole communities. The Backyard Rental Policy will eventually regularize the rental market in urban areas of the Gauteng Region. Housing allocation is based on a Housing Demand Database that is compiled for the region and is meant to ensure that sustainable community projects that respond to collective needs are implemented in the region. The policy is a move towards more inclusive housing policy and integrated human settlements.

In Zambia, the government has implemented a cost-sharing policy in an attempt to maintain a continuous process of improvement in peri-urban areas, where it retains 35 per cent of the amount collected from ground rent in informal settlements to invest in the improvement process. The government has also initiated a funding programme, called Squatter Upgrading Bank Accounts, through local authorities, which identify priority settlements for upgrading and facilitate funds.

These are not the only innovative efforts in the developing world that have the chance to turn around existing systems without expending huge amounts of resources. Others include the Nepalese attempt to establish municipal partnership development funds in more than half of the municipalities around the country. In China, more than 120 prefecture-level cities have adopted an innovative policy to fund slum upgrading by allocating a fixed ratio of 10 per cent from land transfers to bolster low-rent security funds; 37 such cities have dedicated the money raised through this strategy to slum upgrading initiatives.

Administrative innovations

UN-HABITAT and the Cities Alliance also found that most administrative innovations in surveyed cities were targeted at improving inter-municipal coordination for urban development, by creating more intermediate levels of government, encouraging greater civil society participation and granting greater autonomy to local administrative

authorities within metropolitan areas. For example, the Egyptian government has acknowledged the variegated nature of slums in its cities and hence seeks to develop, approve and promote strategies and tools to deal with each type of slum in the typology created for differentiated policy interventions. South Africa is committed to devising management decision-making tools for upgrading poor informal settlements in a community-involved manner. A dedicated housing section now exists in all of the municipalities in the country to improve access to low-cost housing for the poor. Several countries and cities have also sought to establish administrative mechanisms that ensure greater transparency of operation and equitable distribution of resources. The prioritization model created in Cape Town is a case in point. Some other countries, such as Sri Lanka, are seeking to create organizational innovations that promote common strategy development and priorities in urban services, and that enhance civil society participation and social responsibility.

Several other such innovations go towards institution strengthening, and hence are discussed in the next section. The common thread through all such interventions is that they seek to address the disjuncture in the present organization of services for the urban poor, through important yet context-specific, low-cost organizational reforms.

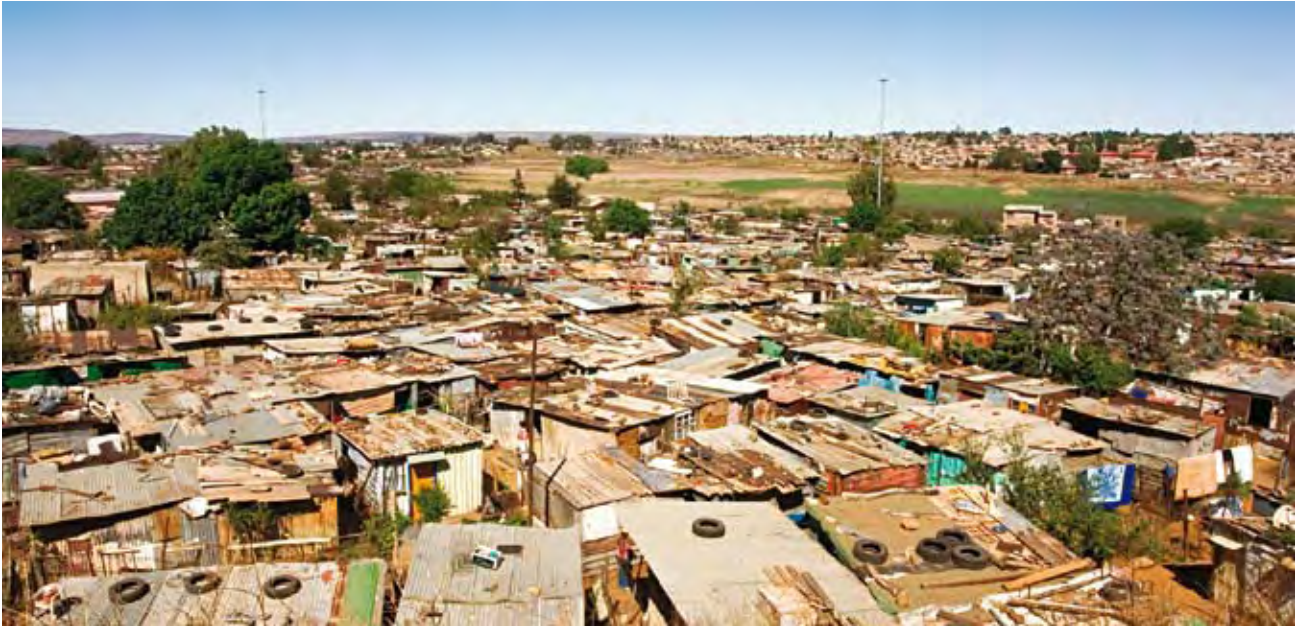
3. Policy Reforms and Institutional Strengthening

In many countries and cities, priority needs and actions are not translated into policies, or policies are not supported by budgets. Sometimes policies and priorities change when new leadership or new governments take over with new development agendas. Long-term, institutionalized policy reforms and visions are thus needed to ensure that slum upgrading and urban poverty reduction programmes do not suffer setbacks whenever the city leadership or government changes.

Some countries have overcome this obstacle by undertaking progressive pro-poor reforms to improve the tenure status of slum dwellers or to improve their access to basic services and better housing. Successful policy reforms share similar attributes: they target investments with a pro-poor focus supported by clear legislation; they have a long-term vision and they are normally the result of consensus.

The UN-HABITAT and Cities Alliance study of 52 cities identified two types of policy responses to slum upgrading: stand-alone interventions, in which informal settlements are either the main objective of the intervention or are a special component of a broader response; and integrated approaches, in which slum upgrading is part of a broader response within national or regional frameworks of poverty alleviation and national development plans – where slum operations do not appear as specific actions, but rather as a set of interventions that directly or indirectly reduce poverty or improve basic services in slums.

Focused slum upgrading initiatives take different forms in different countries and cities; they can be the result of national



▲ Shacks in Soweto, South Africa
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policies on improving slum conditions with full or limited involvement of local authorities and communities, or they can be the result of local initiatives, where local authorities take centre stage in slum upgrading actions. Effective central government responses to slums have taken place in Cuba, Egypt, Jordan, Morocco, and Tunisia, while successful actions resulting from local government initiatives have taken place in several cities in Brazil, Colombia and Mexico.

It is increasingly apparent, however, that coordinated actions of central and local governments are taking place as a result of new forms of national governance based on principles of subsidiarity, institutional coordination and democratic participation. South Africa's Slum Act, for example, has created a new social institutional compact as part of the national policy to eliminate slums. The compact involves different levels of governments and actors: wards, councils and communities propose and approve projects; municipalities define action plans, coordinate implementation and supervise; and provincial authorities set up selection criteria and apply for funding to the central authorities, who allocate resources.

A coordinated approach in the development and implementation of policies among different levels of government is taking place in decentralized governments such as Brazil, India and Mexico, and also in centralized governments, such as Egypt, where the national slum upgrading programme is evolving towards more participatory processes in terms of decision-making and resource allocation. Governors in this country are now establishing management boards for slum areas with representation of civil society and the private sector.

Central and local authorities in some countries are adopting a coordinated approach, as in Nepal, Namibia and Burkina Faso, which are all witnessing rapid political changes. Nepal,

for instance, has developed a slum upgrading strategy and investment plan with support from the Cities Alliance that aims to upgrade 100 slums between 2007 and 2010. This initiative has yet to prove that it can scale up to the appropriate level, but innovative governance arrangements have created an *ad hoc* committee for slums with a clear distribution of responsibilities, whereby central authorities formulate policies, rules and regulations, allocate resources, facilitate stakeholder participation, and monitor implementation. Local authorities, in turn, prepare programmes and projects, generate some resources and implement selected projects.

Indirect interventions that have been shown to reduce slum growth include those that address the larger issue of economic growth and development, with or without an explicit reference to slums. Malawi's growth and development strategy, for instance, includes basic services as part of infrastructure development, and the provision of services to slum dwellers is part of the country's overall infrastructure development. In Sri Lanka, the national poverty reduction strategy includes slum interventions, and in Burkina Faso, slum improvement and prevention is an integral part of the country's strategic framework to fight urban poverty. In other cases, interventions are defined based on the spatial delimitation of a physical area such as a deprived neighbourhood or a zone in which inhabitants live in extreme poverty. In Mexico, the Habitat Programme intervenes in well-demarcated informal settlement areas through integrated actions that involve central, provincial and local authorities.

Another trend is also emerging, in which slum dwellers are active partners in slum upgrading projects, rather than just beneficiaries. Policies of entitlement are shifting to policies of co-operation, through which slum dwellers' financial viability, their ability to make down-payments or to actively



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Nairobi skyline
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participate in programmes are factors in determining access to government subsidies for new housing or house improvements. This approach has been adopted in Cuba, for instance, where a new focus on community involvement in the planning, preservation and rehabilitation of homes has developed, and where reliance on volunteers and self-help housing rather than on state-led construction is becoming more common.

Policy reforms also take place on the institutional front – particularly changes in modes of operation and practices, and a deeper transformation of the patterns of behaviour within the public sector, including governments’ relationships with private and social actors. These reforms comprise, for instance, strengthening municipal decentralization, reinforcing municipal structures, supporting better horizontal and vertical coordination of government agencies, and training civil servants.

The restructuring of institutions can be interpreted as a kind of policy reform, as the strengthening of existing government agencies or the creation of new ones may lead to more effective action on slum and urban poverty issues. Some countries have established ministries that deal mainly with cities; the establishment of the Human Settlements Ministry in Burkina Faso (established in 2005), the Ministry of Social Development and Human Settlements in Costa Rica (established in 2006), and the Ministry of Cities in Brazil (established in 2003) are positive developments, as they enable governments to allocate more resources and budgets to urban issues. In some countries, entire ministries have been established to deal with specific metropolitan areas, such as Kenya’s Ministry of Nairobi Metropolitan Development (established in 2008), which focuses on developing the

capital city and its larger metropolitan area. The existence of a dedicated line ministry can help make urban issues more visible in the public eye and ensure their continuity in public policy discussions.

At the city level, the creation of municipal “slum units” shows the commitment of local authorities to devoting special attention to slum upgrading, as with the urban poor affairs office in Iloilo City in the Philippines, the post of settlement improvement officer in the Zambian city of Kaitwe, or the office of community architects in Cuba. When these local units work well, they not only cater to the housing and basic service needs of the urban poor, but they also eliminate duplication and overlapping functions with regard to poor neighborhoods’ needs, facilitate policy coordination and enhance the effective monitoring of activities within sectors.

Other countries that perform well in managing slum growth are implementing long-term pro-poor policy reforms. These reforms include the development of legal and regulatory frameworks, as well as policy and institutional environments that foster economic activity and promote social development. In some countries, reforms are integrated into economic and social development plans aimed at further expanding the size of the economy, cutting poverty and creating jobs. In most countries, however, reforms are sectoral solutions in land, housing and finance that are enabling central government bodies, local authorities and urban poor communities to improve people’s access to land, housing and basic services.

Some of the major pro-poor reforms are conventional interventions combined with innovative solutions in specific areas. This is the case, for instance, with Sri Lanka’s Ceiling and Housing Property Housing Reform, instituted in 1972,

complemented in the year 2000 by a financial reform to use municipal funds for slum upgrading in areas where residents do not have tenure rights. This combined solution aims both to prevent the growth of new slums and to upgrade existing ones. A number of other individual states and cities are also drawing on conventional interventions to create innovative solutions. India's use of transferable rights to free up land for low-income housing and slum dwellers, and Namibia's incremental approach to slum improvements as part of the National Development Plan, are good examples of this approach.

In other countries, innovative solutions include a set of pragmatic responses developed by the central government or local authorities. For instance, in the Philippines, a combination of land, finance and housing reforms are taking place simultaneously. More than 60 governmental proclamations have provided secure tenure to approximately 70,000 families as part of the efforts of the Housing and Urban Development Coordinated Council to provide full recognition and acceptance of rights-based secure tenure arrangements. Concurrently, a Community Mortgage Programme has been initiated with funds allocated from the national Social Housing Finance Corporation and local authorities. This innovative scheme is helping people who live in informal settlements to purchase the land they occupy under the concept of communal ownership. From 2004 to 2007, the financing scheme enabled more than 52,000 families to own the land they occupy in more than 450 slum settlements. A housing reform strategy is also tapping investments of the private sector to help in the production of social housing for underprivileged families by allocating a percentage of commercial housing projects to social housing. This balanced housing requirement and other innovative measures have yet to prove their impact on reducing slum growth. However, the reforms are empowering local governments and community associations to respond in a more coordinated manner to informal settlement growth in cities.

In some countries, reforms are more unusual solutions that respond to specific conditions. China's slum upgrading strategy, for example, combines land, administrative, fiscal, economic, and housing reforms as part of the country's efforts to change the agricultural status of "city villages" – or slum areas – to urban areas with a permanent status. This is the case, for instance, in the capital city of Beijing, where Tong County was reclassified and renamed as the Tongzhou District of Beijing, as part of a strategy to integrate the slum into the urban fabric. The process begins when the government changes land uses and acquires community land, then hands it over to developers, who upgrade the "city villages" according to approved urban plans. Social and economic reforms follow. Housing reforms and programmes expand the housing supply, particularly for low-income groups, and improve basic services and existing housing conditions. This process is not exempt from distortions that bring benefits to non-poor urban residents, but it also paves the way to improve the urban living environment in deprived areas.

4. Effective Policy Implementation

"Delivery" is the key word in effective policy implementation, but delivery presupposes the existence of a sound policy that is ready to put into practice. There are, however, serious and often neglected issues about how policies and programmes can be effectively implemented locally and what elements must be in place for implementation to occur. All too frequently, a plethora of initiatives from various agencies exist at the same time, operating in a disconnected manner rather than as a coordinated effort. There are also "too many players and at the same time none", as a senior official from Malawi noted when qualifying government interventions. In many cases, slum upgrading projects aim to improve only one aspect of a settlement, such as housing, without addressing other infrastructure and social needs, such as roads, schools and employment opportunities. A lack of holistic, integrated planning for these settlements ends up negating or duplicating different groups' efforts to improve urban living conditions. In other cases, institutional relations are dysfunctional or disabling rather than productive and empowering; national and local governments do not have clear financial, legal and technical criteria for intervention.

In addition to experiencing organizational hitches, line ministries and local authorities in many developing countries lack technical expertise; thus, "decisions are taken by persons with limited knowledge in the area", as stated by one of the respondents to the 52-city UN-HABITAT/Cities Alliance survey. Effective policy implementation should instead start at the top level of decision-making with processes that are transparent and involve key actors. In such a process, participants first define priorities and set up targets that are realistic, commonly agreed upon and presented as part of a common vision; follow with an implementation strategy that has clear financial and human resources allocated; and conclude by producing the intended results or outcomes. By implementing this three-step process at different levels, some countries and cities are reducing the prevalence of slums and preventing their formation in the first place. In general terms, these countries and cities are implementing policies in a transparent, pro-poor and well-coordinated manner. In Sri Lanka, for instance, the urban development authority at the central government level is in charge of slum upgrading planning and funding, and municipal councils carry out consultations. The projects are normally implemented by private or state-owned enterprises. Community-based organizations participate in city and community development councils, and slum dwellers' organizations receive community contracts from the municipality. This multi-level, multi-organizational and multi-professional response is bringing together not just slum upgrading and prevention agendas, but also the democratic decision-making structure of local and central authorities.

The ability to get things done involves, in most cases, a coordinated response from different levels of government with the active participation of other actors. This is not just

a technical issue: effective policy implementation cannot be separated from matters such as transparency, public accountability and public participation.⁸ Policy analyses of country performance on slum upgrading and prevention by UN-HABITAT and the Cities Alliance confirms that governments that are doing well in this area are developing coordinated responses in the formulation and implementation of policies with clear responsibilities for central and local governments. Central governments typically take the lead on slum- and poverty-related policies, as they have the power and authority to institute pro-poor reforms and the mandate and ability to allocate resources. This is the case in India, for example, where the central government has allocated a budget of US\$12.5 billion to upgrade infrastructure and basic services in 63 cities over a period of seven years through the Jawaharlal Nehru National Urban Renewal Mission project launched in 2005. On the other hand, local authorities often coordinate operational actions to bring together different actors and, in some cases, they develop innovative approaches to slum upgrading and prevention that can be replicated nationwide. The city of Cape Town, for instance, recently developed a model that prioritizes slum upgrading interventions by weighting and ranking them as part of a city scoring system that is linked to budgetary allocations. This model could easily be replicated at a larger scale across the country.

Clearly, effective policy implementation requires well-coordinated responses by national and local authorities. Approaches may be top-down or bottom-up; what matters is the presence of a governance structure that focuses on the link between the two levels of government, where issues such as trust, freedom to act within agreed regulatory frameworks, and complementary efforts form the basis of a successful relationship. It is true that central and local governments can have different political orientations or strategic interests. However, established rules and regulations with clear institutional arrangements and budgets, and agreed-upon conflict resolution mechanisms, can ease tensions, disputes and controversies. In Mexico, for instance, after several discussions about roles, mandates and responsibilities, the central, provincial and local authorities agreed to jointly implement the Habitat Programme for poverty reduction, which has an important slum upgrading component. Various other countries as diverse as Burkina Faso, Namibia, the Philippines, Cambodia, and Brazil are building new houses, improving existing ones and upgrading informal settlements through well-coordinated relationships between central and local authorities.

“Getting things done” also requires the participation of other actors, particularly civil society and the private sector. The UN-HABITAT/Cities Alliance 52-city questionnaire and analysis shows that despite frequent policy discourses about public-private partnerships, the private sector is not a key player in slum upgrading and prevention. This does not mean, however, that the private sector is absent in the lower end of the housing market; on the contrary, informal landlordism is prevalent in many sub-Saharan African

countries, including Kenya and Zambia. In some countries, the private sector’s involvement actually hinders pro-poor policies, as a questionnaire response from Cambodia suggests: *“Policies are supposed to upgrade the living conditions of urban poor dwellers in Phnom Penh and other cities in Cambodia, but the real implementation provides little benefit to urban poor communities; sometimes it also threatens the poor, as the private sector has gained more and more influence in the government”*.

Participation of community members has become an important way to ensure poor residents’ needs and interests remain at the forefront of policy and programme implementation. In recent years, local governance and decentralization policies have opened more and more room for direct, broad-based participation of communities both in decision-making and implementation. Participation is described in many forms. One is simply the inclusion of urban residents on special policy committees, boards, or discussions of non-government representatives; residents may also have individual or collective interests as members of the private sector, civil society or associations of the urban poor more broadly. In other cases, however, participation occurs along much more structured lines. This is the case in South Africa, where, through the Integrated Development Planning process, municipalities prepare five-year strategic plans that are reviewed annually in consultation with communities and stakeholders. In the Philippines, too, ward forums and city development councils facilitate participatory processes involving local communities to ensure transparency and more equitable distribution of resources. In other cases, traditional forms of implementation are still effective mechanisms for slum upgrading; for example, the city of San José contributes building materials, while communities provide labour as part of a cooperative plan to improve housing conditions in poor neighborhoods.

In most countries of the developing world, transparency and participation in public decision-making is increasingly supported by the law of the land. Public inquiries are often mandatory; they not only facilitate participation, but in some cases they also inform decision-makers who can ensure that all relevant issues are taken into account and weighed accordingly. For instance, the creation of the residential development committees in Zambia is a major institutional change to help people in slums to participate in development activities. Other governments are also making community and neighbourhood associations their official counterparts in local governance, with community groups playing an intermediary role between residents and local authorities. In Kenya, for example, the establishment of the Community Development Fund has ensured greater participation of communities in decisions regarding the use of public funds. However, in many countries, the concerns of poor communities remain sectoral and neighbourhood-oriented, focused on separate issues such as waste disposal, basic service delivery and secure tenure; this sectoral approach leaves decisions regarding the whole of the city to other actors who may or may not attend to the needs of marginalized groups.

Finally, effective policy implementation also means “getting the right people to do the job” –particularly engineers, surveyors, architects, planners, accountants, and project managers – by placing them properly and improving the service culture, capacity and work ethic. The organizational development plan of Cape Town includes such a strategy to facilitate the optimal provision, organization and deployment of its staff so as to enable the city to achieve its goal and objectives. The focus of the transformation plan is shifting the culture and managerial practices of the city to ensure delivery and high-quality performance.

5. Setting up Monitoring and Evaluation Mechanisms

Although the practice of monitoring and evaluating urban policies and programmes is not new, few countries and cities are systematically carrying it out, and when they do, the evaluation process rarely goes beyond the traditional *post facto* approach. Since monitoring and evaluation are not part of the policy cycle, it is difficult for many countries to identify what has worked in previous policies; it is also difficult to improve policy and programme implementation, to learn from the process and even to identify the impact of policies and programmes.

Some countries and cities, however, are showing strong commitment to monitoring and evaluation by creating or

revising objectives, outputs and targets and by setting up benchmarks to help them increase the potential for effective policy formulation and implementation. It is therefore not surprising that countries and cities with monitoring and evaluation plans are more successful in the delivery of basic services and housing improvements than those without such plans. For instance, in 2002, the Government of Chile committed to reducing slum prevalence from 10.65 per cent to 3.6 per cent⁹; to do so, it initiated an aggressive programme called Chile Barrio, which has a strong monitoring and evaluation component. Similarly, the government of Thailand has been implementing programmes to construct homes for one million low-income households since 2003 in close collaboration with commercial and public banks that are carefully supervised by government agencies. Recently, Cambodia committed to upgrading 100 slum communities per year in the capital city of Phnom Penh over five years with full involvement of poor communities, both in implementing and monitoring activities. Other countries, such as Brazil and South Africa, are making concerted efforts to develop long-term action plans for slum upgrading and urban poverty reduction by setting clear targets and establishing monitoring systems and institutions to ensure policies are implemented.

Of course, there is no one perfect model for evaluation and monitoring; some countries adopt top-down approaches while others prefer bottom-up approaches. In countries such as Cuba,



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Beijing
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Cambodia, China, and Viet Nam, upward accountability for municipal implementation of housing and infrastructure is strict; in this monitoring system, the state remains the sole authority exercising performance monitoring,¹⁰ whereas in countries such as Brazil, Colombia, Mexico, and South Africa, local governments are in charge of the monitoring process, often including stakeholders' views in the evaluation process. Bottom-up performance monitoring creates more chances to generate and encourage citizen participation in planning and decision-making, as has been the case in Sri Lanka and Indonesia, where client and resident satisfaction indicators are collected through household surveys.

An increasing number of cities are implementing local monitoring systems and indicators to collect information and to analyze trends. The city of Makati in the Philippines, for example, has set up a mechanism to review sectoral accomplishments *vis-à-vis* targets set on a monthly basis. Windhoek, the capital city of Namibia, has recently created a national community land information programme to collect data and information as part of the city's Informal Settlement Upgrading Programme. Quito, Ecuador, also has a system of citizen participation and performance evaluation standards to monitor improvements in slum areas and public spaces. And the South African city of Cape Town has recently established a monitoring system to scrutinize the implementation of the newly created informal settlement master plan.

Few local authorities use external advisory panels of academics or professionals in the private sector as peer review mechanisms that can help them track progress, distill and capture lessons, and signal when a change of direction is necessary. Peer review, however, could facilitate the use of evaluation findings to prepare a further critical stage of policy formulation.

6. Scaling Up Actions

Most developing countries lack the financial, human and institutional resources to support large-scale slum upgrading. The revenue base of most governments is weak, and actors that could provide funding, such as entities in the private sector, typically do not consider the implementation of slum upgrading policies and programmes a priority. Even when governments embark on scaling-up activities, they do not adequately assess the associated pitfalls and setbacks and often embark on these programmes without testing their viability, leading to a high risk of failure. Frequently, governments scale up some programmes too quickly, without having the necessary proof that the new approaches really lead to other positive social or economic benefits and results. In some cases, local or regional policies and actors prevent large-scale initiatives that have some potential of success simply because slum upgrading does not serve their interest. In many countries, slum dwellers are an important voting bloc for politicians, and upgrading activities could potentially disperse voters or make them less accessible.

Successful scale-up operations, therefore, require strong political will on the part of policymakers and other actors. They also require leadership and commitment and the capacity to bring together different people and institutions. For instance, Costa Rica committed to reducing slum prevalence by 50 per cent and is now organizing institutions and groups around the newly created Ministry of Social Development and Human Settlements to develop the necessary capacity to improve the well-being of slum residents.

Once governments have tried and tested pilot or preliminary interventions, they need to document, define and refine successful approaches. Countries that are doing well



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City street in Mombasa, Kenya.
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are setting up monitoring and evaluation mechanisms than enable them to determine the effectiveness of their approach in any moment of the project cycle. Countries such as Brazil, Mexico, South Africa, and Thailand developed a vision to scale up from the beginning of the project, using a method that has been designed, pre-assessed and tested for large-scale coverage. Other countries decided to expand slum upgrading and prevention operations once they knew that initial results were successful. This is the case, for instance, with Indonesia's Kampung Improvement Programme, which began on a modest scale and grew from covering a few neighbourhoods or a single city to the whole nation.

For the scaling-up process to be sustainable, governments need to support institutional and system development to meet the new requirements of a larger volume of operations. They also need to develop partners' capacity to implement the programme, particularly that of local authorities, whose organizational responses must be strengthened to carry out the work.

Contrary to common perception, scaling up is not always about quantity of operations – quality matters, too. This could mean replicating approaches and methods, and expanding partners and funding sources. Some countries in Latin America and Asia, for instance, are experimenting with public-private partnerships to upgrade slums through land-sharing deals that benefit both slum dwellers and private developers. This often entails building consensus among all those who participate in the programme. Consensus-building becomes critical in countries where interests of various stakeholders are conflicting. South Africa's relative success in managing slum growth is the result of the active participation of various layers of government in addressing slum upgrading at a large scale and preventing slum growth in some cities. For example, in 2003, the Gauteng Department of Housing formed a provincial housing agency, Xhosa ATC, that is closely working with local authorities and the National Department of Housing. Scaling up also entails involving community organizations that can serve as platforms for decision-making

and action at the local level. In Malawi, the Ndirande squatter upgrade that took place in the 1990s and led to the formation of the Community Development Committees has now been replicated in all low-income areas in virtually all cities in the country. In Nepal, the Slum and Community Empowerment and Upgrading Programme that was initiated in Kathmandu has now expanded to other municipalities with the strong involvement of slum communities.

In most cases, success in scaling up is driven by a huge mobilization of domestic resources. National governments and local authorities used multiple funding sources to reach a large-scale programme. The South African Breaking New Ground Initiative is bringing together public, private and social financial efforts to support slum upgrading programmes with significant government subsidies for the very poor. The City of Makati in Metro Manila is implementing economic and social development strategies that are private sector-led with innovative means of delivering basic service to the economically disadvantaged sector of the society. Slum communities are contributing to upgrading through their own savings and by leveraging various sources of local funding; the city of Johannesburg, for instance, has identified priority poor settlements, where neighbourhood upgrading banks are collecting community funds that are combined with other government sources. Donor financing has also played an important role in supporting slum upgrading over the last few decades through investments and loans, but perhaps more importantly, by supporting technological and financial innovation and the implementation of strategic pilot projects. In Costa Rica and Cuba, for instance, external financial support is used to develop the local building materials industry.

Finally, success in scaling up slum upgrading interventions requires multifaceted responses merging different products and tools and targeting different social groups. In Sri Lanka, for instance, government interventions include self-help construction programmes, financial mechanisms to enable slum dwellers to access domestic private capital, social housing policies, and pro-poor budgetary allocations.

NOTES

¹ Moreno, 2002b.

² A quote from the UN-HABITAT/Cities Alliance questionnaire collected in Egypt: *"The results so far are that many slum areas have improved physically but did not take out the stigma of being informal areas and are usually still expanding and increasing in densification. An acceptance of different nature/standard of such areas compared to the formal city is needed on the part of government officials, and at the same time an identity of the locality has to be created/promoted with the local communities"*.

³ Questionnaire responses to the UN-HABITAT/Cities Alliance Survey.

⁴ Garau, 2008.

⁵ Findings of this analysis were described in UN-HABITAT's *State of the World's Cities 2006/7*.

⁶ The Parliamentarian Act on Ceiling and Housing (1970s) followed by the creation of the National Housing Development Authority that promoted the implementation of mass housing programmes such as the One Hundred Thousand Housing Programme and the One Million Housing Programme. UN-HABITAT, 2006b.

⁷ All slum data in this chapter is based on estimates and projections by UN-HABITAT'S Global Urban Observatory.

⁸ Hunter & Marks, 2008.

⁹ Gobierno de Chile, 2004.

¹⁰ Bazoglu, 2007.