PRESENTATIONS PSUP TRAINING

TRAINING
Financing Citywide Informal Settlements Upgrading Strategy
The demand by countries for innovative financing strategies for slum upgrading at global, national, city, and community levels is well understood by the Participatory Slum Upgrading Programme (PSUP). Participatory Citywide Slum Upgrading (CWSU) is an alternative to top-down, piecemeal, project-based slum improvement. It promotes strategic, incremental, and a participatory and programmatic way to address the challenge of slums and informal settlements. It takes the entire city as the planning unit, such that upgrading is not limited to a few slum communities but becomes a programmatic process encompassing all slums of the city.

By approaching slum upgrading at citywide scale, the PSUP implementing cities can achieve participation of broad stakeholder representation to prioritize slum upgrading interventions in an incremental manner and at the same time integrate slum upgrading into the national and city development frameworks.

PSUP implementing countries will develop, review and integrate the Citywide Slum Upgrading (CWSU) strategy, with complementary financing strategies to mobilize resources towards transformative slum upgrading programmes.

PSUP aims at aiding countries to develop these financing strategies for up-scaling participatory slum upgrading at the citywide and/or national level. This requires exploration of innovative financing partnerships at regional and country scales and consultations with international financial institutions with a purpose of facilitating investments into basic infrastructure and slum upgrading.

To this end, the Slum Upgrading Unit in the Housing and Slum Upgrading Branch of UN-Habitat, within the 3rd cycle of PSUP, has developed a Financial Strategy Toolkit for Upscaling Participatory Slum Upgrading to assist countries in developing realistic and innovative finance mobilization models that can be used to fund citywide slum upgrading strategies.

The Financial Strategy Toolkit is designed to provide guidance on how to structure interventions that can address the full magnitude of the need for slum improvement and prevention at the city and/or national level. It further equates the interventions against the resources available locally and leveraged internationally.
INTRODUCTION

Mr. Emrah Engindeniz, Regional Programme Advisor Slum Upgrading Unit, Housing and Slum Upgrading Branch, UN-Habitat

Implementing SDGs and NUA in informal settlements

“To improve access to adequate and sustainable housing, improve the standard of living in slums and curb the growth of new slums in an inclusive manner.”

**Target 11.1:**
“By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums”

**Principle:**
“Leaving No One Behind”

**Commitment:**
“Sustainable Urban Development for Social Inclusion and Ending Poverty”

but also:

**SDG 11.1.1 Indicator**

- Slum definition
- Inadequate housing definition
Defining slums, informal settlements and inadequate housing

<table>
<thead>
<tr>
<th></th>
<th>Slums</th>
<th>Informal settlements</th>
<th>Inadequate housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Access to water</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>Access to sanitation</td>
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<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>Sufficient living area, overcrowding</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Structural quality, durability and location</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Security of tenure</td>
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<tr>
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<td>Affordability</td>
<td>✓</td>
<td></td>
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<tr>
<td>7</td>
<td>Accessibility</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Cultural adequacy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 billion people

One in eight of us, globally

One in four of us, in Urban Areas

Global urban population living in slums & Informal settlements

Legend
- Low-income & The Caribbean
- Sub-Saharan Africa
- North Africa & Western Asia
- South Asia
- East Asia & the Pacific
- Europe
- Central & Southern Europe
- Latin America & the Caribbean
- North America & Western Europe
- South Asia

1990 19

2014 46%

23%
The challenge of slums and informal settlements

The number of people living in slums grew from 689 million in 1990 to 881 million in 2014. By 2050, they are expected to increase by another 2 billion people.

Decrease in % of slum dwellers globally
- From 39% in 2000
- To 30% in 2016

But, due to rapidly increasing urbanization

Increase in absolute numbers
- From 1 billion in 2016 to 3 billion in 2030

In Sub-Saharan Africa slum dwellers are the majority: in 2013, 60 percent of the urban population lived in slums.

SOURCE: Urbanet

Transforming urban poverty and inequality

INFORMAL SETTLEMENT UPGRADING
- Elevates the quality of life of communities and the city as a whole
- Increased safety and security
- Providing more citizenship

REDUCED INEQUALITIES
- systematic re-distribution of the economic benefits of growth or development
- legal frameworks ensuring a ‘level playing field’
- institutions protecting the rights of the poor, minorities and vulnerable groups.

CITY PROSPERITY
No city can claim to be prosperous when large segments of the population live in abject poverty and deprivation.

Source: UN–Habitat, 2015 Global City Report
Trends in the Pacific

- Over 80 percent of the total population in the Pacific live in the Melanesia sub-region PNG, Fiji, SIs and Vanuatu,
- Annual urban growth rates is over 2% ;
two key consequences
  - i) growing urban poverty
  - ii) the increasing number of informal settlements,
    - both of which are linked and caused by the marginalization of formal land and housing supply systems.
    - squatter settlements now cater for much of the population growth ; i.e. PNG, SLs, 35-50% of residents in informal settlements.
Providing a vision for strategic engagement

Global outlook, Principles

https://www.youtube.com/watch?v=hFcJKXjwCC0&feature=youtu.be

Online Platform: https://www.mysup.org/
UN-Habitat’s flagship programme

Participatory Slum Upgrading Programme:
• 40 countries
• 190 cities
• 5 million slum dwellers

Engaging at multi-governance level and providing capacity development, tools and action-oriented solutions for all urban actors;

An integrated approach to upgrading

<table>
<thead>
<tr>
<th>UN-Habitat approach to Slum Upgrading</th>
<th>Other approaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Including the socio-economic and livelihoods components</td>
<td>VS Approach only focused in infrastructural issues</td>
</tr>
<tr>
<td>Integrated at city level</td>
<td>VS Localised and punctual interventions</td>
</tr>
<tr>
<td>Aligned with bigger frameworks and strategies at local, national and regional levels</td>
<td>VS Non strategic investments</td>
</tr>
<tr>
<td>Multi-governance framework and coordination</td>
<td>VS Engaging only with one group of stakeholders.</td>
</tr>
<tr>
<td>Enabling environment and institutionalization of the approach</td>
<td>VS No anchoring of the approach</td>
</tr>
<tr>
<td>Increased political commitment and visibility of the actions for higher resource allocation and impact</td>
<td>VS Reliance on external support and non integration of slums in budgets and other interventions</td>
</tr>
</tbody>
</table>
Incremental, Participatory & Strategic
@ City-wide

Diverse entry-points to upgrading

Basic urban services and infrastructure
Local economic development and job creation
Human rights and gender equality – women and youth
Climate change and environment
Public space
Health and security
Participation, social integration and cohesion
Governance and land questions
Capacity development and institutional strengthening
SCALING UP TO MEET THE TARGET

- WHAT ARE OPPORTUNITIES OF DIVERSIFICATION?
- HOW CAN WE INVEST STRATEGICALLY TODAY TO ATTRACT INVESTMENT TOMORROW BY:
  - Diverse government partners
  - Private sector
  - People themselves
- HOW CAN WE REDUCE COSTS:
  - Legislation and standards
  - Innovative solutions
  - Contribution by the people
  - Localize actions
- HOW CAN WE DIVERSIFY INVESTMENT TOOLS AND DELIVER COORDINATED?

HOW DO WE PLANT THE SEEDS TODAY FOR TOMORROW’S SUSTAINABLE TRANSFORMATION FOR PROSPERITY FOR ALL

GOING TO SCALE

INTEGRATION OF FINANCE IN ALL OUR THINKING AND THE WHOLE APPROACH

National strategy
Legislation, guidelines and standards
Citywide strategy
Neighbourhood planning
Finance Strategy Toolkit - Dashboard

**Understand the magnitude of the need and available resources**
- Undertake City Wide Slum Upgrading & Prevention Strategies and Planning
- Improve affordability and access to finance
- Identify strategic interventions at different scale: Maximize cost and impact
- Design subsidy/incentives to create enabling environment

Establish a participatory governance structure and institutional arrangement to coordinate efforts and effective local delivery

Programme development & delivery

---

**Financing Strategy**

**Policy and inclusive legal framework**
- Enabling environment and national development priority

**City wide strategies and plans**
- Addressing five slums deprivations at citywide

**Technical Assistance**
- Using resources strategically to match with magnitude of the need to steer sustainable upgrading

**In-situ upgrading**
- Affordable cost for upgrading

**Multi governance / Institutional Capacity**
- Prioritized Transformative Actions at Citywide/neighborhood/household scale
- Incremental/phased approach to institutionalize sustainable upgrading at city wide

Financing strategy must be aligned with the Citywide / National Strategy
Roles and partnerships

- Private sector
- The UN organizations and multi and bilateral development agencies
- Grassroot organizations, civil society and non-profit organizations, I/NGOs
- Academia, research inst., associations of practitioners and local governments
- National governments
- Local authorities
- Communities

Slums and Informal Settlements Network
For Monitoring, Knowledge and Action

VISIT OUR E-LEARNING
https://elearning.mypsup.org/home

Thank you!
Financing of Citywide Informal Settlements Upgrading

Emrah Engindeniz
Regional Programme Advisor
Participatory Slum Upgrading Programme (PSUP)
Emrah.Engindeniz@un.org

Finance Strategy Toolkit

Streamline policy decisions into an integrated citywide/national slum upgrading and prevention programme

Session 1: Understand the magnitude of the need and available resources

Session 2: Undertake City Wide Slum Upgrading & Prevention Strategies and Planning

Session 3: Improve affordability and access to finance

Session 4: Identify strategic interventions at different scale: Maximize cost benefit impact

Session 5: Design subsidy/incentives to create enabling environment

Session 6: Establish a participatory governance structure and institutional arrangement to coordinate efforts and effective local delivery

Programme development & delivery
Training on Financing Citywide Informal Settlements Upgrading Strategy

Day 1: July 1st, 2019

16:30-17:00: Session 0, Introduction to UN-Habitat approach to Informal Settlements Upgrading and a Financing Strategy Toolkit- Key principles and the methodology framework

17:00-18:00: Session 1, Understand the Magnitude of the Need and Available Resources
- i) Undertake citywide /national assessment of slums and informal settlements upgrading including, policy and legislation; capacity building need for stakeholders; affordable housing sector; finance assessment including subsidies, incentive community savings, available private and public financing; governance; urban profiling and vulnerability assessment.
- ii) Establish standards and targets to incrementally address the needs of slum dwellers.

08:00-08:45: Session 2, Undertake City Wide Slum Upgrading and Prevention Strategies and Planning
- i) In-situ upgrading, ii) land sharing and iii) relocation for slum improvement; iv) new settlements, and v) infill/densification for prevention.

Group Exercise

08:45-09:30: Session 3, Identify Strategic Interventions at Different Scale: Maximize Cost benefit Impact
- i) City scale: Trunk infrastructure to connect slums in cities and improve connectivity to life-affirming jobs & amenities; (ii) Neighbourhood scale: Branch infrastructure and public space to improve access and livelihood opportunity within slum neighbourhoods; iii) Community/cluster scale: enable access to local infrastructure in semi-private space; (iv) Household scale: support progressive investment towards adequate housing, livelihood improvement.

Training on Financing Citywide Informal Settlements Upgrading Strategy

Day 2: July 2nd, 2019

08:00-08:45: Session 2, Undertake City Wide Slum Upgrading and Prevention Strategies and Planning
- i) In-situ upgrading, ii) land sharing and iii) relocation for slum improvement; iv) new settlements, and v) infill/densification for prevention.

Group Exercise

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Training on Financing Citywide Informal Settlements Upgrading Strategy
Day 3: July 3rd 2019

11:00-11:45: Session 3, Identify Strategic Interventions at Different Scale: Maximize Cost and Impact
- Case 1: Planning Scenarios for Majengo, Kenya
- Case 2: Incremental Housing, ciudad Bachue, Colombia
- Group Exercise

11:45-12:30: Session 4, Improve affordability and access to finance
- i) Improve supply by reducing supply cost to attract public and private sector engagements; ii) Strengthen livelihood of community to contribute in and benefit from; iii) Strengthen local and national government capacity to access low cost international finance, including mobilizing local resources and designing finance products available for different income groups to access and benefit from.
- Group Exercise

Training on Financing Citywide Informal Settlements Upgrading Strategy
Day 4: July 4th 2019

09:00-09:30: Session 4, Improve affordability and access to finance
- Case 3: Improving Livelihoods through Community managed Funds (PSUP), Ghana,
- Case 4: Improving Livelihood through supporting SMEs (PRRA), Cabo Verde

09:30-10:30: Session 5, Design subsidy/incentives to create enabling environment
- i) Strategically allocate public resources to create a basic enabling environment; incremental approach for housing, infrastructure provision, tenure security, private sector engagement.
- ii) Blend public and private resources, including community savings and donor funding to support city wide and networked local delivery.
- Group Exercise

10:30-11:30: Case 5: An enabling environment to support large scale affordable housing and slum upgrading in Brazil,
Case 6: Land Readjustment (PILAR), Colombia

11:30-11:45: Coffee Break
Training on Financing Citywide Informal Settlements Upgrading Strategy
Day 4: July 4th 2019

11:45-12:15: Session 6, Establish a participatory governance structure and institutional arrangement to coordinate efforts and effective local delivery
   □ i) Arrange permissions (regulatory and political arrangement) for funding and cooperation
   □ ii) Establish special delivery mechanisms (institution) responsible for delivery, coordination and management of slum upgrading programme

□ Group Exercise
12:15-12:45: Case 7: Institutional Setup and PPPs for urban regeneration, Tunisia
12:45-14:00: Lunch break
14:00-15:00: Session 7: Integrated Programme and Finance
   □ Case 8: Parivartan Slum Upgrading Programme, India
   □ Case 9: Solanda Affordable Housing Programme, Ecuador
15:00-15:45: Session 8, Working with Excel Model of Financing Strategy Toolkit
   □ Group Exercise
15:45-16:15: Q&A
16:15-16:30: Recap and Closing Remarks and Reflecting

Session 0

16:30-17:00: Session 0, Introduction to UN-Habitat approach to Informal Settlements Upgrading and a Financing Strategy Toolkit - Key principles and the methodology framework
**Implementing SDGs and NUA in informal settlements**

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**Defining slums, informal settlements and inadequate housing (MDG/SDG Definition)**

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Annual urban growth rates is over 2% ;

two key consequences

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- ii) the increasing number of informal settlements,
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  - squatter settlements now cater to much of the population growth ; i.e. PNG, SLs, 35-50% of residents in informal settlements.
INITIATED BY THE SECRETARIAT OF AFRICAN, CARIBBEAN AND THE PACIFIC (ACP) GROUP OF STATES.
FINANCED BY THE EUROPEAN COMMISSION AND
IMPLEMENTED BY UN-HABITAT

40 countries, 190 cities

UN-Habitat Approach

- Addressing Five Slum Deprivations through Citywide Integrated Approach that is people centered, right based, gender sensitive, and climate competitive

**Principles**
- Create and enforce enabling environment
- Introduce incremental and sustainable upgrading at city scale
- Promote people-centered participatory approach
- Empower and build partnership (community, governments, private sector)
- Promote in-situ and climate resilient upgrading
- Facilitate scaling up and transferability
- Make use of data for evidence based policies and decisions
Incremental, Participatory & Strategic
@ City-wide

Addressing urban poverty and inequality

**INFORMAL SETTLEMENT UPGRAADING**
- Elevates the quality of life of communities and the city as a whole
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No city can claim to be prosperous when large segments of the population live in abject poverty and deprivation.

---

Source: UN-Habitat, 2015 Global City Report
Citywide Informal Settlements Upgrading Strategy

SITUATION ANALYSIS (including mapping) → understand the magnitude of the need

STAKEHOLDER ANALYSIS

POLICY AND REGULATORY FRAMEWORK REVIEW

CITY WIDE SLUM UPGRADING STRATEGY:
Definition of concrete priority actions
Short term  Medium term  Long term

FINANCING / resource mobilization strategy

NEIGHBORHOOD PLANNING (including enumeration and survey and community mapping)

Area based transformative projects

Finance Strategy Toolkit

Understand the magnitude of the need and available resources

Baseline

Scenario analysis

Undertake City Wide Slum Upgrading & Prevention Strategies and Planning

Improve affordability and access to finance

Identify strategic interventions at different scale: Maximize cost benefit impact

Design subsidy/incentives to create enabling environment

Establish a participatory governance structure and institutional arrangement to coordinate efforts and effective local delivery

Delivery mechanisms

Streamline policy decisions into an integrated city wide national slum upgrading and prevention programme
Session 1

17:00-18:00: Session 1, Understand the Magnitude of the Need and Available Resources

- i) Undertake citywide /national assessment of slums and informal settlements upgrading including, policy and legislation; capacity building need for stakeholders; affordable housing sector; finance assessment including subsidies, incentive community savings, available private and public financing; governance; urban profiling and vulnerability assessment.

- ii) Establish standards and targets to incrementally address the needs of slum dwellers.

to establish adequate baselines and determine if currently available resources are sufficient for addressing the slum challenge at a meaningful scale and/or if an increase in resource allocation to meet the full magnitude would be fiscally viable with the current strategy.

Understand the magnitude of the need

The Context

“*The increase of the urban population of 2.8 billion people between 2010 and 2050 is forecast to be higher than the total population of the world of 2.5 billion in 1950*”. (UN Secretary-General, 2012)

“*Double population—triple area: the urban built-up area is expected to triple between 2000 and 2030*” (World Bank, 2005)

“*3 billion people could be living in urban slums by 2030.*” (UN-Habitat)
Rapid Urbanization: Double Population, Triple Area – Accra, Ghana

The land cover map of Cairo showing the exchange between agricultural land, bare desert and urban area between 1973 and 2006.
Situation Analysis and Slum Characterization

Involves:
- Urban Profiling
- Identification of different Slums/Informal settlements in the city (how are they related to the city frame)
- Mapping of informal settlements/Slums (structure, tenure, location, population)
- Evaluation of slums that are ‘upgradable’
- Includes Stakeholder Mapping/Analysis

Example: City Level Information for Banjul, Kanifing and Brikama

<table>
<thead>
<tr>
<th>NO</th>
<th>VARIABLES</th>
<th>BANJUL City</th>
<th>KANIFING Municipality</th>
<th>BRIKAM A Town</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Total city population (including slums)</td>
<td>31,301.0</td>
<td>382,096.0</td>
<td>102,093.0</td>
</tr>
<tr>
<td>02</td>
<td>Total city population (disaggregated by sex):</td>
<td>14,347.0</td>
<td>189,679.0</td>
<td>-</td>
</tr>
<tr>
<td>03</td>
<td>Total city land area (including slums) (ha)</td>
<td>1,200.0</td>
<td>7,500.0</td>
<td>1,612.9</td>
</tr>
<tr>
<td>04</td>
<td>Population density (pers/ha)</td>
<td>26.1</td>
<td>50.9</td>
<td>63.3</td>
</tr>
<tr>
<td>05</td>
<td>Total population in slums (pers)</td>
<td>6,291.0</td>
<td>10,052.0</td>
<td>2,957.0</td>
</tr>
<tr>
<td>06</td>
<td>Total land area covered by slums (ha)</td>
<td>27.6</td>
<td>50.7</td>
<td>43.4</td>
</tr>
<tr>
<td>07</td>
<td>Average population density in slum areas (pers/ha)</td>
<td>227.9</td>
<td>107.3</td>
<td>68.1</td>
</tr>
<tr>
<td>08</td>
<td>Total number of slum settlements or pockets</td>
<td>1.0</td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td>09</td>
<td>Households sharing dwellings (%)</td>
<td>-</td>
<td>31.5</td>
<td>29.4</td>
</tr>
<tr>
<td>10</td>
<td>Slums with prevalent overcrowding (%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11</td>
<td>Available vacant public land /</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Available vacant land for housing (customary or other informal tenure)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>13</td>
<td>Average household size (Pers)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Average residential plot size (m²)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Average living area in dwellings (m²)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Average construction cost of house (D'000)</td>
<td>-</td>
<td>346,751.0</td>
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<tr>
<td>17</td>
<td>Average monthly income per household (D 000)</td>
<td>2,501</td>
<td>-</td>
<td>5,000</td>
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<tr>
<td>18</td>
<td>HIV/AIDS prevalence (%) HIV2, 2013 HIV1, multiple years</td>
<td>1.9</td>
<td>0.26</td>
<td>-</td>
</tr>
<tr>
<td>19</td>
<td>Percent of female headed households</td>
<td>36.6</td>
<td>28.9</td>
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</tr>
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</table>

Typologies

<table>
<thead>
<tr>
<th>Informal settlement/area</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slum</td>
<td>25</td>
<td>28.7</td>
</tr>
<tr>
<td>Slum and informal settlement/area</td>
<td>5</td>
<td>5.8</td>
</tr>
<tr>
<td>Squatter area</td>
<td>4</td>
<td>4.6</td>
</tr>
<tr>
<td>Unplanned area</td>
<td>3</td>
<td>3.5</td>
</tr>
<tr>
<td>Deprived area</td>
<td>2</td>
<td>2.3</td>
</tr>
<tr>
<td>Refugee camp</td>
<td>2</td>
<td>2.3</td>
</tr>
<tr>
<td>Sub-standard area</td>
<td>2</td>
<td>2.3</td>
</tr>
<tr>
<td>Informal homesteading</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>Informal and unplanned settlement</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>Migrant and informal housing</td>
<td>1</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Total                           | 87        | 100         |
Toolkit: Urban profiling questionnaire

WHAT:
Tool covering 12 themes to assess the urban situation in relation to slum upgrading.

1. A general background of the urban sector in the city/country based on the findings of the assessment report and the desk study, as well as on the interviews and consultations held.
2. A synthesis of the main thematic areas in terms of institutional set-up, regulatory framework, resource mobilization, and performance. This section also highlights participatory identified priorities.
3. A SWOT analysis for each urban theme. An action-oriented analysis for the prioritization of needs and the development of project proposals.

HOW?

Theme 1: Urban Demographics
Theme 2: Urban Governance
Theme 3: Urban Planning and Design
Theme 4: Urban Economy
Theme 5: Land and Property Rights
Theme 6: Basic Urban Services
Theme 7: Housing
Theme 8: Social Facilities
Theme 9: Climate Change and Risk Reduction
Theme 10: Crime and Safety
Theme 11: Culture and Heritage
Theme 12: Slums and Slum Living Conditions

Crosscutting issues: Gender, Human Rights and climate Change, integrated in all the themes.

General City Profile Data

<table>
<thead>
<tr>
<th>Data required</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total city population (including slums)</td>
<td>Persons disaggregated by sex</td>
</tr>
<tr>
<td>Total city land area (including slums)</td>
<td>ha</td>
</tr>
<tr>
<td>Population density</td>
<td>Persons/ha</td>
</tr>
<tr>
<td>Total population in slums</td>
<td>Persons segmented by sex</td>
</tr>
<tr>
<td>Total land area covered by slums</td>
<td>ha and %</td>
</tr>
<tr>
<td>Average population density in slum areas</td>
<td>Persons/ha</td>
</tr>
<tr>
<td>Available vacant public land for housing and services</td>
<td>ha</td>
</tr>
<tr>
<td>Available vacant private land for housing and services</td>
<td>ha</td>
</tr>
<tr>
<td>Available vacant land for housing and services under customers or other informal tenure</td>
<td>ha</td>
</tr>
<tr>
<td>Average household size at city level</td>
<td>Number of persons/household</td>
</tr>
<tr>
<td>Average residential plot size in formal areas</td>
<td>m²</td>
</tr>
<tr>
<td>Average living area in dwellings in formal areas</td>
<td>m²</td>
</tr>
<tr>
<td>Average construction cost of house in formal areas</td>
<td>Local currency &amp; USDW²</td>
</tr>
<tr>
<td>Average monthly income per household at city level</td>
<td>Local currency &amp; USD</td>
</tr>
<tr>
<td>HIV/AIDS prevalence</td>
<td>% or # of persons infected, disaggregated by sex</td>
</tr>
<tr>
<td>Female headed households</td>
<td>% or #</td>
</tr>
</tbody>
</table>

- Normally already available
- Gives an understanding of the scope
- Sometimes consensus is required in absence of authenticated data
Mapping City Slum Areas

- Identify slum areas using available tools
- Overlay this with other maps
- Calculate the area occupied by informal settlements
- Communities/community groups should be involved in identifying extents of settlements
- Ranges from….Simple Techniques

Example: Implementation in Fiji

the communities show each other their ideas for change
Example: Implementation in Fiji

Identifying who can help..

Starting to make change..

More techie and advanced

To complex processes (AI based)

Machine Learning can be used to predict population patterns, urban-rural distribution and poverty levels.

Ariel photography has become cheaper. Drone mapping of Zanzibar Island-EA
Slum Mapping ... Building GIS Databases

CREATING A DATA BASE: The enumeration permits to create the building owners’ database and numbering including the following information:

- Name of the structure owners
- Identification details: Identity card/passport number
- Structure owners’ address
- Condition of Structure

Consider the tools used for enumeration (GIS, GPS, printed maps, etc.) so they are accessible and participatory.

“It is important for policy makers to remember that the focus should remain on people, organizations and processes rather than the technologies themselves”.

Housing Profiling

In addition to the data collected on Housing through the Urban Profiling, if further data and information on housing is required for decision-making, a housing profile may be commissioned.

The Housing Profile is a diagnostic tool that provides governments and other stakeholders with a systematic analysis of housing delivery systems at city and national level, helping to identify bottlenecks, identify gaps and opportunities in the housing sector that prevent the housing market from working properly.

Housing Profiles help to identify critical constraints that prevent the provision of diversified housing opportunities and support the formulation of appropriate recommendations and policy responses.
**Toolkit: Stakeholder mapping and analysis tool**

**WHAT:** Tool to identify stakeholders and their respective roles and responsibilities at the different levels, including community organizations; ministries of national government; municipalities and local government; academia; external support agencies; and the private sector and enables to understand the institutional framework for slum upgrading.

**WHY?** The full participation of stakeholders in both programme planning and implementation:
- is key for impact and for identifying the issues and solutions;
- ensures sustainability as it generates ownership;
- builds capacity and enhances responsibility.

**STAKE:** Who are the stakeholders?

**ROLES:** What roles do they play and what contributions do they make?

**RELATIONSHIPS:** How do they relate to each other?

---

**Stakeholder Capacity Assessment**

It is essential to assess the capacities of different stakeholders to identify the strengths and gaps that need to be harnessed and addressed.

Capacity assessment refers to identifying capacity on three levels: individual, organizational and enabling environment. It looks at the interrelations between each of these levels of capacity.

Training needs assessment looks specifically at the skills, knowledge and attitudes of potential trainees.
**Toolkit: Legal framework analysis and review tool**

**WHAT:**
- Identification of the core legislation
- Identification of other relevant instruments
- Analysis of legal instruments
  - Provisions facilitating
  - Provisions hindering
  - Gaps and contradictions
- Recommendations
- Report and validation

**HOW?**

**Legal Analysis Toolkit for Slum Upgrading**

**Intervention area:**
**REGULATORY FRAMEWORK AND INSTITUTIONAL SET-UP OF HOUSING**

<table>
<thead>
<tr>
<th>Helpful</th>
<th>Harmful</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STRENGTHS</strong></td>
<td><strong>WEAKNESSES</strong></td>
</tr>
<tr>
<td>• The Housing (Statutory and Improvement Areas) Act deals with squatter settlements</td>
<td>• The act only grants the developer ownership of the improvements made on a piece of land while the council retains ownership of the land.</td>
</tr>
<tr>
<td>• Council works in partnership with community organizations and NGOs in the development of unplanned settlements.</td>
<td>• Council lacks capacity to effectively implement development policies and enforce building regulations.</td>
</tr>
<tr>
<td><strong>OPPORTUNITIES</strong></td>
<td><strong>THREATS</strong></td>
</tr>
<tr>
<td>• Review of the act in order to make it responsive to development issues such as provision of secure tenure through land ownership</td>
<td>• Political interference cadres in enforcement of the act and unchecked illegal land allocations in unplanned settlements by political cadres affect development in legalized informal settlements.</td>
</tr>
<tr>
<td>• Donor support for development of regularized unplanned settlements.</td>
<td>• External support is not sustainable.</td>
</tr>
</tbody>
</table>
5TH PACIFIC URBAN FORUM: Training on Financing Citywide Informal Settlements Upgrading Strategy

Day 2: July 2nd, 2019

08:00-08:45: Session 2, Undertake City Wide Slum Upgrading and Prevention Strategies and Planning

- i) in-situ upgrading, ii) land sharing and iii) relocation for slum improvement; iv) new settlements and v) infill/densification for prevention.
- Group Exercise

08:45-09:30: Session 3, Identify Strategic Interventions at Different Scale: Maximize Cost benefit Impact

- i) City scale: Trunk infrastructure to connect slums in cities and improve connectivity to life-affirming jobs & amenities; (ii) Neighbourhood scale: Branch infrastructure and public space to improve access and livelihood opportunities within slum neighbourhoods; (iii) Community/cluster scale: enable access to local infrastructure in semi-private space; (iv) Household scale: support progressive investment towards adequate housing, livelihood improvement.

Session 2

08:00-08:45: Session 2, Undertake City Wide Slum Upgrading and Prevention Strategies and Planning

- i) in-situ upgrading, ii) land sharing and iii) relocation for slum improvement; iv) new settlements, and v) infill/densification for prevention.
- Group Exercise
Citywide Informal Settlements Upgrading Strategy

SITUATION ANALYSIS (including mapping) → STAKEHOLDER ANALYSIS → POLICY AND REGULATORY FRAMEWORK REVIEW → CITY WIDE SLUM UPGRADING STRATEGY: Definition of concrete priority actions (Short term, Medium term, Long term) → FINANCING / resource mobilization strategy → NEIGHBORHOOD PLANNING (including enumeration and survey and community mapping) → Transformative projects

Finance Strategy Toolkit - Dashboard

Understand the magnitude of the need and available resources

- Undertake City Wide Slum Upgrading & Prevention Strategies and Planning
- Improve affordability and access to finance
- Identify strategic interventions at different scales: Maximize cost benefit impact
- Design subsidy/incentives to create enabling environment

Establish a participatory governance structure and institutional arrangement to coordinate efforts and effective local delivery

Programme development & delivery
Neighbourhood Planning Principles

• Provide (public/common good) multi-use space for socio-economic development (for livelihoods, cultural expression and social networks) and mobility
• Ensure equitable and efficient multi-level density and compactness
• Preserve/promote social mixed use and land use including the informal economy activities
• Ensure adequate blocks and preserve multiple land use
• Climate compatible slum upgrading and prevention

Neighborhood Planning: Approaches to slum improvement & prevention

All approaches COMPLEMENT: Often any program will have mixed of them
Indication of the likely best-suited approach to slum improvement

**Enumeration and Mapping**
- Site is tenable and land use is non-objectionable?
  - Yes
  - No
- Mitigate hazards (if not yet tenable)
  - Yes
  - No
- Improvable?
  - Yes
  - No
- New site required for safety/health

**In-situ Solutions:**
- people can stay on site
- Site is tenable and land use is non-objectionable?
  - Yes
  - No
- Improvable?
  - Yes
  - No
  - Rezone/notify (if not permitted)
- Land as a viable resource for cross-subsidies to improve the city and the lives of the urban poor?
  - Yes
  - No
- Mitigate hazards (if not yet tenable)
  - Yes
  - No
- Land as a Resource
- Voluntary Relocation

**Enumeration and Mapping of Slums**
- Site Tenable?
  - Yes
  - No
- Site Non-objectionable?
  - Yes
  - No
- Mitigate hazards (if not yet tenable)
  - Yes
  - No
- Rezone/notify (if not permitted)
- Site is tenable and land use is non-objectionable?
  - Yes
  - No
- Improvable?
  - Yes
  - No
- Land as a viable resource for cross-subsidies to improve the city and the lives of the urban poor?
  - Yes
  - No
- Mitigate hazards (if not yet tenable)
  - Yes
  - No
- Land as a Resource
- In-situ Upgrading
- Voluntary Relocation

**Decision Making Matrix (Example in India)**
- Individual household (non-slum)
  - Site Tenable?
    - Yes
    - No
  - Site Non-objectionable?
    - Yes
    - No
- Mitigate hazards (if not yet tenable)
  - Yes
  - No
- Rezone/notify (if not permitted)
- Site is tenable and land use is non-objectionable?
  - Yes
  - No
- Improvable?
  - Yes
  - No
- Land as a viable resource for cross-subsidies to improve the city and the lives of the urban poor?
  - Yes
  - No
- Mitigate hazards (if not yet tenable)
  - Yes
  - No
- Land as a Resource
- In-situ Upgrading
- Voluntary Relocation
- Design project proposal
  - Proposal accepted?
    - Yes
    - No
  - Improve proposal
  - Proposals accepted?
    - Yes
    - No
  - Voluntary Relocation
  - Increase FSI, coverage? Reduces setbacks, margins, ROW, parking requirements? Change land use for jobs?
  - Proposal accepted?
- Access to services?
  - Upgrade services
  - Upgrade homes
  - Poor
  - Low Income
  - Subsidy for Beneficiary-Led Construction
  - Credit-linked Subsidy Scheme
Participatory Selection of the Slum Improvement Approach

Example: Institutionalizing a participatory slum improvement process

What should happen if the people say ‘NO’ to all proposals?

Compulsory 20-20 Scheme: In-situ Upgrading with limited land title

In-situ Upgrading
Land as a resource
Voluntary relocation
New Settlements
Bottom-Up Densification

Slum Improvement 1,355,900
Slum Prevention 1,409,534

Simple Upgrading
Land as a resource
Voluntary Relocation
New Settlements
Bottom-Up Densification

677,950
542,360
135,590
845,721
563,814

Each approach has specific implications in regard to planning, resource/finance (cost and revenue) and socioeconomic development!
YOUR TURN… DEBATE

Approaches:
1. What are the pros and cons of each approach?
2. Which approaches are known in your environment?
3. Which approaches are formally supported in public programs?
4. Which approaches are followed by private sector and/or communities?

Resources:
1. Which resources are required for realizing any of the approaches?
2. ...and which resources are available?
3. How could any resource gap be mobilized for any of the approaches?

Policy implications:
1. Which approaches would you suggest to consider where and when?
2. What is the best way for delivering them, who should be involved, how to coordinate?

Discuss in small groups. Then report back to the forum.

Session 3

08:45-09:30: Session 3, Identify Strategic Interventions at Different Scale: Maximize Cost and Impact

- City scale: Trunk infrastructure to connect slums in cities and improve connectivity to life-affirming jobs & amenities; (ii) Neighbourhood scale: Branch infrastructure and public space to improve access and livelihood opportunity within slum neighbourhoods; (iii) Community/cluster scale: enable access to local infrastructure in semi-private space; (iv) Household scale: support progressive investment towards adequate housing, livelihood improvement.
Identify Strategic Interventions: maximise benefit

1. **City/Metro**
   - **City access and connectivity**
   - Objectives: Improve access to economic and social opportunities, and embed participatory upgrading in urban policies and plans (right to the city)
   - Physical products: Design spatial support for self-help: e.g., group units around private streets, alleys, footpaths or court-yards and/or in multi-story buildings that may align with shared tenure, production and finance.

2. **Neighborhood**
   - **Public space and services**
   - Objectives: Increase land security (tenure & hazards) and infrastructure access in mixed-use, mixed-income, mixed-housing, mixed-tenure neighborhoods
   - Physical products: Support access to basic & safe starter homes and enable their progressive improvement.

3. **Cluster/Support**
   - **Shared space and services**
   - Objectives: Design spatial support for self-help: e.g., group units around private streets, alleys, footpaths or court-yards and/or in multi-story buildings that may align with shared tenure, production and finance.
   - Physical products: Support access to basic & safe starter homes and enable their progressive improvement.

4. **Unit/infill**
   - **Private space and services**
   - Objectives: Improve access to economic and social opportunities, and embed participatory upgrading in urban policies and plans (right to the city)
   - Physical products: Design spatial support for self-help: e.g., group units around private streets, alleys, footpaths or court-yards and/or in multi-story buildings that may align with shared tenure, production and finance.

4 planning scales:

- City scale: City wide strategy for slum upgrading and embed participatory upgrading in urban policies and plans
- Community scale: Improve land security and infrastructure access
- Cluster scale: Provide shared facilities in an incremental upgrading perspective
- Household scale: Support livelihoods and household investment on infrastructure and housing

Identify Strategic Interventions: maximise benefit
Identify Strategic Interventions: maximise cost-benefit

1. City/Metro
   4 planning scales:
   Objectives: Improve access to economic and social opportunities, and embed participatory upgrading in urban policies and plans.
   Physical products:

2. Neighborhood
   4 planning scales:
   Objectives: Increase land security (tenure & hazards) and infrastructure access in mixed-use, mixed-income, mixed-housing, mixed-tenure neighborhoods.
   Physical products:

Trunk Infrastructure
- Critical for developing an enabling environment for local development.
- City wide development strategies and plans.
- Relevant for participatory governance beyond the community level –central policy decisions.
- Typically funded from other sources.
- Social, economic and environmental impacts.

Branch Infrastructure
- Critical for infrastructure access and land security, thus for public health and de-risking of private investments.
- Water, sanitation, solid waste, storm water drains, street paving, street lights, electricity, landscaping, health, education.
- Two slum deprivations: access to water and sanitation.
- Promotes community involvement through participatory planning and labour-intensive infrastructure construction.
- Key determinant for infrastructure cost-project cost.
- Community contribution.
- Land value capture.
Neighbourhood Planning Principles

Planning in informal settlements requires flexibility to maximize on limited space, relocation and maximize on provision of infrastructure.

**Original Proposal**
All public roads, small urban blocks

**Cluster alternative**
Semi-private clusters mimic larger blocks

Land use distribution

<table>
<thead>
<tr>
<th>Land use</th>
<th>Area</th>
<th>Share</th>
<th>cost per m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large public roads</td>
<td>5,605 m²</td>
<td>5.2%</td>
<td></td>
</tr>
<tr>
<td>Articulated slums (any)</td>
<td>23,549 m²</td>
<td>22.5%</td>
<td></td>
</tr>
<tr>
<td>Public roads, overall</td>
<td>28,551 m²</td>
<td>26.0%</td>
<td></td>
</tr>
<tr>
<td>Other public space</td>
<td>12,059 m²</td>
<td>11.0%</td>
<td></td>
</tr>
<tr>
<td>Public space, overall</td>
<td>30,399 m²</td>
<td>27.9%</td>
<td></td>
</tr>
<tr>
<td>&amp; private areas</td>
<td>71,426 m²</td>
<td>66.0%</td>
<td>551/m²</td>
</tr>
<tr>
<td>In collective blocks</td>
<td>50,024 m²</td>
<td>46.0%</td>
<td>538/m²</td>
</tr>
<tr>
<td>Private plots, overall</td>
<td>72,359 m²</td>
<td>70.0%</td>
<td>518/m²</td>
</tr>
<tr>
<td>Private plots, overall</td>
<td>45,432 m²</td>
<td>41.0%</td>
<td>511/m²</td>
</tr>
<tr>
<td>Total area</td>
<td>113,433 m²</td>
<td>100.0%</td>
<td>510/m²</td>
</tr>
</tbody>
</table>

**Scenario Planning**
Original proposal versus cluster

**Original Proposal**
All public roads, small urban blocks

**Cluster alternative**
Semi-private clusters mimic larger blocks

Per private area served, the original proposal costs 2 to 12 times the cost of clusters. Reason: too narrow blocks and too dense spacing of public
Identify Strategic Interventions: maximise cost-benefit

3 Cluster/Support

Shared space and services

Design special support for self-help: e.g.: group units around private streets, alleys, footpaths or court-yards, and/or in multi-story buildings that may align with shared tenure, production and finance.

- allows to strategically reduce (public) infrastructure cost
  - Clusters of housing units around private streets, footpaths or court-yards allow to mimic larger lots with more efficient (larger) urban block patterns
  - Breaks dilemma: affordable, smaller lots (for low-income housing) result in expensive urban layouts

- allows to strategically design special support for self-help
  - Incremental construction of shared infrastructure and/or individual homes
  - Can be financed by community savings
  - Allows for land tenure security through a shared lease

Image Credit: ITDP Caminos and Goethert Wakeley Sparc
Some criteria for allocation of scarce public resources

1. Severely constrained public resources (especially budgets, possibly capacity)
2. Unprecedented magnitude of need (rapid urbanization and urbanization of poverty)
3. Market failures to be corrected (externalities and collective action problems)

Some criteria for allocation of scarce public resources

**Higher Priority**
- Basic infrastructure
- Basic & safe starter homes
- City & market
- Improved social amenities
- Complete homes
- De-jure tenure
- Land security against eviction/hazards

**Lower Priority**

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**YOUR TURN... GROUP WORK**

**Scales and objectives:**
1. Which interventions at which scale would you prioritize and why?
2. What is the principle sphere of action (scale) of slum upgrading in your environment? And, what is it for slum prevention / adequate housing?

**Resource mobilization:**
1. How do the typical budget items for each of the four scales get funded in your case (e.g. trunk infrastructure, basic services, home improvement or starter housing)?
2. What is the role of government, private sector (e.g. PPPP), and communities in financing?

**Resource gap:**
1. Which resource gaps do you face when scaling up integrated urban development now?
2. Revisiting your answer to the previous group exercise: did the gap increase or decrease, and by how much, and why?

**Closing the gap:**
1. How could the (updated) gap be addressed within a national/domestic strategy?

Discuss in a group. Then report back to the forum.
Mr. Emrah Engindeniz, Regional Programme Advisor Slum Upgrading Unit, Housing and Slum Upgrading Branch, UN-Habitat

**5TH PACIFIC URBAN FORUM: Training on Financing Citywide Informal Settlements Upgrading Strategy**

**Day 3: July 3rd, 2019**

**11:00-11:45: Session 3, Identify Strategic Interventions at Different Scale: Maximize Cost and Impact**
- Case 1: Planning Scenarios for Majengo, Kenya
- Case 2: Incremental Housing, ciudad Bachue, Colombia
- Group Exercise

**11:45-12:30: Session 4, Improve affordability and access to finance**
- i) Improve supply by reducing supply cost to attract public and private sector engagements; ii) Strengthen livelihood of community to contribute in and benefit from; iii) Strengthen local and national government capacity to access low cost international finance, including mobilizing local resources and designing finance products available for different income groups to access and benefit from.
- Group Exercise

**Session 3**

**11:00-11:45: Session 3, Identify Strategic Interventions at Different Scale: Maximize Cost and Impact**
- Case 1: Planning Scenarios for Majengo, Kenya
- Case 2: Incremental Housing, ciudad Bachue, Colombia
- Group Exercise
Current situation
Majengo settlement

Original proposal
all plots are on public 9m road
Original proposal
all plots are on public 9m road
Proposed Alternative
clusters mimic larger blocks
Proposed Alternative clusters mimic larger blocks

Scenario Planning Original proposal versus cluster

Original Proposal All public roads, small urban blocks

Cluster alternative Semi-private clusters, semi larger blocks
Scenario Planning
Original proposal versus cluster

Original Proposal
All public roads, small urban blocks

Cluster alternative
Semi-private clusters mimic larger blocks

Original proposal requires relocation of 185 households (32%). Cluster alternative reduces relocation to 59 households only (10%).

Per household, the original proposal is 33 to 1,172 percent more expensive for excessive supply of infrastructure.

- Public roads, RoW 9-15m, incl. pavement, carriageway, storm water drainage and street lights
- Private roads, RoW 1-3m, incl. compacted subgrade and natural storm water runoff

NB: road items include...

Public roads
- Infrastructure cost
- Per household, 33% to 1,172%

Private roads
- Infrastructure cost
- Per household, 33% to 1,172%

Scenario Planning
Original proposal versus cluster

Per private area served, the original proposal costs 2 to 12 times the cost of clusters. Reason: too narrow blocks and too dense spacing of public roads.

Conclusion – the advantages of clusters mirroring larger blocks:
- Less public network length = lower starter cost
- Less households relocated = less disruption + lower cost.
- Less public road space = more private land = higher private wealth = higher public revenues.

Clusters impose lower cost, generate more private land and increase flexibility for self-governed blocks and provide the option of collective block tenure.
Concluding remarks

Benefits of clusters
• Public infrastructure network length and cost is significantly reduced.
• The land use share of private residential land is significantly increased.
• Consequently, a lower number of households needs to be relocated.
• The larger share of private land will eventually also lead to larger private assets and higher public revenue.
• All infrastructure can be phased according to available resources and preferences. This is especially true for semi-private clusters where community facilities or individual services may be provided.
• Differentiating the road hierarchy and width as well as service provision creates heterogeneity, enabling socioeconomic inclusion and reducing market pressures.

Concluding remarks

Alignment with land management – shared tenure
• Block titles permit deviation of private infrastructure standards (right of way) and therefore allow to accommodate more households within the existing fabric.
• Block titles can be aligned with community development models (e.g. community based enterprise to operate shared facilities), community savings, joint liability group, collective production, etc.

Balancing / managing risks:
• Individual titles and higher infrastructure standards may be preferred by community members, especially households unaware of relocation risks or households not needing to pay for the cost increment of the original proposal.
• Community facilities require different management model.
• Community needs technical assistance and access to finance to ensure timely and quality development.
CASE STUDY: Incremental housing strategies in Ciudad Bachué, Colombia 1/3

The Ciudad Bachué incremental housing project in Bogotá, Colombia: focusing subsidy and intervention in starter homes.

2 starter units provided adapted to different land costs:

- Single-story starter core row houses on narrow lanes, which are expanded vertically. This approach may be suitable for areas with low and medium land costs.

- Multi-story core buildings stack starter apartments on top of each other, which can be safely expanded with local technology and labour. The structural core is designed to support up to 5 floors. The multi-story buildings and improved finishings provide an attractive modern image for a neighborhood. This approach could be adapted in locations with high land cost.

CASE STUDY: Incremental housing strategies in Ciudad Bachué, Colombia 2/3

<table>
<thead>
<tr>
<th>Single-story starter core row houses</th>
<th>Multi-story core buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>A2</td>
</tr>
<tr>
<td>B1</td>
<td>B2</td>
</tr>
<tr>
<td>C1</td>
<td>C2</td>
</tr>
<tr>
<td>D1</td>
<td>D2</td>
</tr>
<tr>
<td>E1</td>
<td>E2</td>
</tr>
<tr>
<td>F1</td>
<td>F2</td>
</tr>
</tbody>
</table>

Legend: Initial Provision, Planned Expansion, Unplanned Expansion
CASE STUDY: Incremental housing strategies in Ciudad Bachué, Colombia 3/3

Lessons learnt:

• Combining the two approaches on a single site, differentiating between locations with higher and lower land values, for example on larger access roads and smaller side lanes (multi-story development pools land cost).
• Incremental construction reduces initial construction cost and enables affordable housing projects.
• Households have realized the planned but also unplanned expansions, exceeding the expectations for incremental development. Owner-driven expansions correct urban planning presumptions, by occupying excessive open spaces—thus improving property values and land use efficiency.

YOUR TURN... GROUP WORK

Scales and objectives:
1. Which interventions at which scale would you prioritize and why?
2. What is the principle sphere of action (scale) of slum upgrading in your environment? And, what is it for slum prevention/adequate housing?

Resource mobilization:
1. How do the typical budget items for each of the four scales get funded in your case (e.g., trunk infrastructure, basic services, home improvement or starter housing)?
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Resource gap:
1. Which resource gaps do you face when scaling up integrated urban development now?
2. Revisiting your answer to the previous group exercise: did the gap increase or decrease, and by how much, and why?

Closing the gap:
1. How could the (updated) gap be addressed within a national/domestic strategy?

Discuss in a group. Then report back to the forum.
Session 4

11:45-12:30: Session 4, Improve affordability and access to finance

- Improve supply by reducing supply cost to attract public and private sector engagements;
- Strengthen livelihood of community to contribute in and benefit from;
- Strengthen local and national government capacity to access low cost international finance, including mobilizing local resources and designing finance products available for different income groups to access and benefit from.

Group Exercise

Finance Strategy Toolkit

Streamline policy decisions into an integrated city wide/national slum upgrading and prevention programme

- Session 1: Understand the magnitude of the need and available resources
- Baseline

- Session 2: Undertake City Wide Slum Upgrading & Prevention Strategies and Planning

- Session 2: Identify strategic interventions at different scale: Maximize cost benefit impact

- Session 4: Improve affordability and access to finance

- Session 5: Design subsidy/ incentives to create enabling environment

- Session 6: Establish a participatory governance structure and institutional arrangement to coordinate efforts and effective local delivery

Programme development & delivery
Affordability as a function of supply, demand, finance and governance

### AFFORDABILITY before innovation and subsidies

<table>
<thead>
<tr>
<th>Social Group</th>
<th>Monthly income</th>
<th>Rent Capacity</th>
<th>Term</th>
<th>Rate</th>
<th>Credit</th>
<th>Downpayment</th>
<th>Supply affordable price, housing option</th>
</tr>
</thead>
<tbody>
<tr>
<td>High income</td>
<td>D10</td>
<td>$1,200</td>
<td>40%</td>
<td>$480</td>
<td>15%</td>
<td>$11,167</td>
<td>$55,834</td>
</tr>
<tr>
<td></td>
<td>D6</td>
<td>$600</td>
<td>30%</td>
<td>$180</td>
<td>15%</td>
<td>$4,188</td>
<td>$20,938</td>
</tr>
<tr>
<td>Upper middle income</td>
<td>D8</td>
<td>$450</td>
<td>28%</td>
<td>$124</td>
<td>8%</td>
<td>$6,896</td>
<td>$8,262</td>
</tr>
<tr>
<td></td>
<td>D7</td>
<td>$350</td>
<td>25%</td>
<td>$88</td>
<td>8%</td>
<td>$4,876</td>
<td>$6,095</td>
</tr>
<tr>
<td>Lower middle income</td>
<td>D6</td>
<td>$300</td>
<td>23%</td>
<td>$60</td>
<td>5%</td>
<td>$1,063</td>
<td>$3,185</td>
</tr>
<tr>
<td></td>
<td>D5</td>
<td>$260</td>
<td>20%</td>
<td>$52</td>
<td>5%</td>
<td>$637</td>
<td>$2,455</td>
</tr>
<tr>
<td>Low income</td>
<td>D4</td>
<td>$220</td>
<td>18%</td>
<td>$39</td>
<td>3%</td>
<td>$800</td>
<td>$1,000</td>
</tr>
<tr>
<td></td>
<td>D3</td>
<td>$180</td>
<td>15%</td>
<td>$27</td>
<td>3%</td>
<td>$561</td>
<td>$702</td>
</tr>
<tr>
<td>Poor &amp; Vulnerable</td>
<td>D2</td>
<td>$140</td>
<td>13%</td>
<td>$18</td>
<td>1%</td>
<td>$130</td>
<td>$162</td>
</tr>
<tr>
<td></td>
<td>D1</td>
<td>$100</td>
<td>10%</td>
<td>$10</td>
<td>1%</td>
<td>$74</td>
<td>$93</td>
</tr>
<tr>
<td>Factor (D10/D1)</td>
<td>12x</td>
<td>4x</td>
<td>48x</td>
<td>15x</td>
<td>10x</td>
<td>600x</td>
<td>600x</td>
</tr>
</tbody>
</table>

Please mind the differences ....

From monthly income to affordable house in the market

Affordability equation

Market-driven debt structure

- **Soft Costs** (entitlements, legal, taxes, financing costs, staff time, etc.)
- **Hard Costs** (infrastructure, utilities, housing construction)
- **Land**
- **Equity / Savings**
- **Disposable Income**

COST of SUPPLY = DEMAND x FINANCE
Balancing public interventions to improve affordability

Please mind the gap…

…and there is ALWAYS a gap between what the market will produce in whole home solutions and what lowest-income families can afford.

Reality: the ever-present challenge

<table>
<thead>
<tr>
<th>Cost of Supply</th>
<th>Demand x Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disposable Income</td>
<td>Debt x disposable income x lending terms</td>
</tr>
<tr>
<td>Soft Costs (entitlements, legal, taxes, financing costs, staff time, etc.)</td>
<td></td>
</tr>
<tr>
<td>Hard Costs (infrastructure, utilities, housing construction)</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td></td>
</tr>
<tr>
<td>Equity / Savings</td>
<td></td>
</tr>
</tbody>
</table>

Subsidy?

Gap

cost gap = relative to low-end market

affordability gap = relative to what target population can afford

Think outside of the subsidy box…

Introduce measures to improve the affordability!

How to respond to the cost/affordability gap?

COST of SUPPLY | DEMAND x FINANCE

Nohn, Rapid Urbanism. Adapted from Schmidt in Goethert, Schmidt, Nohn, 2014

Balancing public interventions to improve affordability
Balancing public interventions to improve affordability

1. Reduce supply costs
   - Efficient land use and infrastructure
   - Incremental development
   - Cost-effective technology
   - Process engineering
   - Acceptable standards
   - Partnership for supply of infra, housing, land and finance, social services
   - Restructuring contracts

   **Diagram:**
   - Cost savings
   - Soft Costs (entitlements, legal, taxes, financing costs, staff time, etc.)
   - Hard Costs (infrastructure, utilities, housing construction)
   - Land
   - Subsidy?
   - Debt (disposable income x lending terms)
   - Equity / Savings
   - Disposable Income
   - Disposable Income x  lending terms
   - COST of SUPPLY
   - DEMAND x FINANCE

   Note: Nohn, Rapid Urbanism. Adapted from Schmidt in Goethert, Schmidt, Nohn, 2014

2. Strengthen demand
   - Increase payment capacity
     - Livelihoods
     - Safety nets
   - Provision of basic services
   - Community participation, capacity building

   **Diagram:**
   - Cost savings
   - Soft Costs (entitlements, legal, taxes, financing costs, staff time, etc.)
   - Hard Costs (infrastructure, utilities, housing construction)
   - Land
   - Subsidy?
   - Debt
   - Disposable Income Increase
   - Equity / Savings
   - Disposable Income Increase
   - COST of SUPPLY
   - DEMAND x FINANCE

   Note: Nohn, Rapid Urbanism. Adapted from Schmidt in Goethert, Schmidt, Nohn, 2014
Balancing public interventions to improve affordability

3. Deepen Financial Access
- Lower interest rates and long term
- Diversified housing finance products
- Alternative loans
- Liquidity facility
- Guarantees
- Blending finance

Ideal combination (3/4)

3a. Optimize the subsidy

4. Governance
- A multi-level governance model
- Regulations
- Policy
- Incentives
- Subsidy
- Incentives – duty, tax exemptions etc

COST of SUPPLY

Disposable Income

Financial innovation

Subsidy cost

Disposable Income Increase

Subsidy impact

Financial innovation

Disposable Income Increase

Debt

Equity / Savings

Disposable Income Increase

DEMAND x FINANCE

Note: Rapid Urbanism. Adapted from Schmidt in Goethert, Schmidt, Nohn, 2014
YOUR TURN... GROUP WORK

Reducing the cost of supply:
1. How do you reduce land cost / improve access to adequate land?
2. How do you reduce hard costs / enable access to adequate infrastructure and housing?
3. How do you reduce soft costs (e.g. profits, taxes, finance, overhead)?

Increasing the capacity to pay/disable income:
1. How do you strengthen access to life-affirming livelihoods (on site and off site)?
2. How do you reduce household costs (e.g. services or transport)?
3. How do you help to manage household risks (e.g. income and expenditure shocks)?

Improving access to finance:
1. How do you address/mitigate major lending costs and risks?
2. How can you remove eligibility barriers (e.g. formal tenure, formal income)?
   …to enable access to longer-term loans?
   …to aid in reducing interest rates?

Optimal strategies:
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Programme development & delivery

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**5TH PACIFIC URBAN FORUM: Training on Financing Citywide Informal Settlements Upgrading Strategy**

Day 4: July 4th, 2019

- **09:00-09:30:** Session 4, Improve affordability and access to finance
  - Case 3: Improving Livelihoods through Community managed Funds (PSUP), Ghana,
  - Case 4: Improving Livelihood through supporting SMEs (PRRA), Cabo Verde

- **09:30-10:30:** Session 5, Design subsidy/incentives to create enabling environment
  - i) Strategically allocate public resources to create a basic enabling environment; incremental approach for housing, infrastructure provision, tenure security, private sector engagement.
  - (ii) Blend public and private resources, including community savings and donor funding to support city wide and networked local delivery.

- **Group Exercise**

- **10:30-11:30:** Case 5, An enabling environment to support large scale affordable housing and slum upgrading in Brazil,
  - Case 6: Land Readjustment (PILAR), Colombia

- **11:30-11:45:** Coffee Break
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>11:45-12:15</td>
<td>Session 6</td>
<td>Establish a participatory governance structure and institutional arrangement to coordinate efforts and effective local delivery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- i) Arrange permissions (regulatory and political arrangement) for funding and cooperation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- ii) Establish special delivery mechanisms (institution) responsible for delivery, coordination and management of slum upgrading programme</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Group Exercise</td>
</tr>
<tr>
<td>12:15-12:45</td>
<td>Case 7</td>
<td>Institutional Setup and PPPs for urban regeneration, Tunisia</td>
</tr>
<tr>
<td>12:45-14:00</td>
<td>Lunch break</td>
<td></td>
</tr>
<tr>
<td>14:00-15:00</td>
<td>Session 7</td>
<td>Integrated Programme and Finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Case 8: Parivartan Slum Upgrading Programme, India</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Case 9: Solanda Affordable Housing Programme, Ecuador</td>
</tr>
<tr>
<td>15:00-15:45</td>
<td>Session 8</td>
<td>Working with Excel Model of Financing Strategy Toolkit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Group Exercise</td>
</tr>
<tr>
<td>15:45-16:15</td>
<td>Q&amp;A</td>
<td></td>
</tr>
<tr>
<td>16:15-16:30</td>
<td>Recap and Closing Remarks and Reflecting</td>
<td></td>
</tr>
</tbody>
</table>
Community Managed Funds (CMF)

A financing facility for a multi-stakeholders platform to support community led delivery
- Trust
- Capacity building
- Engagement
- Scale-up

Community Managed Funds (PSUP)

CMF implemented in 9 African Countries
- Kenya, Ghana, Senegal, Niger, Burkina-Faso, Cameroon, Malawi, Mozambique and DRC

GHANA: the Accra Municipal Assembly (AMA) + National Ministry and UN-Habitat.

- Gha-Mashia Development Community (GDC)
- CMF becomes a revolving funds to lending for small scale entrepreneurs to develop livelihood (small business development) while financing for community led physical projects to upgrade the neighborhood
CASE STUDY: Community Managed Funds for livelihood generation in Ghana (PSUP) 1/2.

Small and medium enterprises within Ghana’s informal sector find it increasingly difficult to access from traditional financial institutions as interest rates are high and robust collateral is required. The fund operated by a Community Development Committee (GDC) gave over 800 loans with 4000 indirect beneficiaries of the lending facility.

- Interest charged: 20% flat rate
- Method of Repayment: daily or weekly
- Repayment schedule: 4 to 6 months

GN Bank was selected to partner the GDC to manage the CMF for:

- Technical back stopping
- To open a branch within the Ga-mashie community
- To recruit community members to collect monies on behalf of the GDC

Challenges:
- Poor administration start up
- Funding – out of every 10 applicants 3 beneficiaries are served.
- The demand for the loan has increased hence without an increased in the funds.
- Over reliance on the Bank for technical support
- Poor record keeping by loan beneficiaries

Measures taken:
- An administration set up have been established with 3 permanent employees working on the micro credit services
- The GDC has acquired license from the central bank to operate micro credit services.

Lessons learnt:
- Community engagement was mainstreamed across the intervention and enabled value for money of interventions.
- Revolving fund for promotion of livelihood generating activities created at neighborhood level with the partnership of a local bank (micro-loans).
- Community facilities (community center, youth center, sport fields) integrated as priority interventions of the project.

CASE STUDY: Community Managed Funds for livelihood generation in Ghana (PSUP) 2/2

Challenges:

Lessons learnt:
CASE STUDY: Supporting SMEs in Cabo Verde through the PRRA 1/3

Reinforcing SMEs through the PRRA, Program for Regeneration, Rehabilitation and Accessibility.

The PRRA is a Programme led over the last 10 years by the government of Cabo Verde for the renewal and integration of neighborhoods in all the country. Programme managed by the central government in coordination with Local Authorities to ensure that interventions are aligned to city strategies.

CASE STUDY: Supporting SMEs in Cabo Verde through the PRRA 2/3

National Government
Ministry of Infrastructures, Territorial Planning and Housing (MIOTH).

funds

INGT. National Institute for Territorial Management

Funds and technical support

Coordination and alignment

Increased capacities

Small and medium enterprises at neighborhood level

Local Authorities

Local labour
CASE STUDY: Supporting SMEs in Cabo Verde through the PRRA 3/3

Lessons learnt:

- Infrastructure development is done through public contests and call for proposals opened to small and mid-size enterprises from the area.
- Infrastructure interventions promote local economic activities as they employ local workforce and reinforce the existing SME’s fabric and capacities which will later impact in the dynamism of the economic activities of the area.
- Such programmes can be implemented with a capacity building component.
- The government is studying the proposal to create a revolving fund at community level for facilitating the access to finance to enable investment in housing upgrading by the families.

Session 5

09:30-10:30: Session 5, Design subsidy/incentives to create enabling environment

- i) Strategically allocate public resources to create a basic enabling environment; incremental approach for housing, infrastructure provision, tenure security, private sector engagement.
- (ii) Blend public and private resources, including community savings and donor funding to support city wide and networked local delivery.

- Group Exercise
Design subsidy/incentives to create Enabling Environment

• Strategically allocate public resources to create a basic enabling environment –
  - incremental approach for housing, infrastructure, tenure security, private sector engagement...
How to restructure the formal market:
Include – don’t formalize!

How much can the government afford? How much can the community afford?

Both sides need to change!

1. Slums need to become more formal, supported with strategic subsidies (e.g. to improve public health with access to safe water and sanitation through public investments, incl. subsidies).

2. The city needs to enable more affordable solutions (e.g. re-regulate to improve de-facto land and planning/building rights).

Continuum/range of land rights
The tenure continuum (or ladder)

The tenure continuum (or ladder)

The provision of full, formal tenure status, and/or of full infrastructure access, raises commercial property value. Therefore, it likely reduces tenure security for the most vulnerable groups, such as squatter tenants. It also creates new or intensifies existing land and property market distortions.
To create Enabling Environment (Land Tenure)

- Remove gradually slum deprivations in all settlements city-wide
- Reduce market distortion and policy failures, avoid gentrification
- Promote social equity: wide and (initially) shallow programmes instead of narrow and deep interventions

To create Enabling Environment (Housing)

- Expandable House (typically less preferred by households b/c costly & less flexible)
- Starter Core House (often designed for middle income, but typically preferred by low income b/c move-in ready and livable)
- Serviced Lot-only (often designed for low income, but typically preferred by middle income b/c maximizes flexibility)

The traditional range of starter housing options
To create Enabling Environment (Housing)

- More complete
- Higher livability
- More starting support
- Higher Cost $$$

- Capacity of cities
- Economic strength
- Image concerns
- Special locations
- Higher absolute profit

The modern range of starter homes

Economic Comparison Starter Housing Prototypes

<table>
<thead>
<tr>
<th>TYPE 0/I</th>
<th>TYPE II</th>
<th>TYPE III</th>
<th>TYPE IV/V</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Cost Before Moving In</td>
<td>Immediate Moving In</td>
<td>Relatively Higher Starter Cost</td>
<td>Improves access to higher value land</td>
</tr>
<tr>
<td>Flexibility for middle income</td>
<td>Shelter for low-income</td>
<td>(not recommended)</td>
<td>for inclusion and connectivity</td>
</tr>
<tr>
<td>$</td>
<td>$$$</td>
<td>$</td>
<td>$ $$ $$ $$ $$ $$</td>
</tr>
</tbody>
</table>

Process Cost

Starter Cost

Capacity to carry land + service cost
Consider staged infrastructure to reduce entry cost

Possible staged infrastructure development in a hierarchical network

- Artery
- Trunk infrastructure
- Access road
- Branch line
- Local road
- Local line
- Semi-private cluster with staged on-site infrastructure
- Public amenities

Adapted from Caminos & Goethert, Urbanization Primer

To create Enabling Environment (Planning)

Recognize locational attributes: STREETS = activity = desirability = high value

Consider DIFFERENTIAL LAND PRICING – a form of cross subsidy

Mixed use, mixed infrastructure and mixed housing prototypes enable cross-subsidies, local job opportunities and mixed-income

- Best infrastructure (trunk road)
  - Commerce or mixed use, bigger plot size, high level
- Medium level of infrastructure
  - e.g. middle income housing
- Medium level of infrastructure
  - e.g. public housing
- Lowest level of infrastructure
  - e.g. lower middle income hsg
- Public amenities

Recognize locational attributes for Cross-subsidies & Social Inclusion

Adapted from Caminos & Goethert, Urbanization Primer
To create Enabling Environment (Land value sharing)

Tools:
- Betterment contributions
- Land Pooling & Readjustment
- Exactions
  - Social housing or community benefits
  - Donation of land for public facilities
  - Charges/auctions for building rights

Understanding windfalls; scenario

<table>
<thead>
<tr>
<th>Productive land size and value</th>
<th>Increment</th>
<th>Windfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural land</td>
<td>$2/sqm</td>
<td>$320,000</td>
</tr>
<tr>
<td>160000sqm</td>
<td>+ 400%</td>
<td>1,280,000</td>
</tr>
<tr>
<td>Non-agricultural permit</td>
<td>$10/sqm</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>160000sqm</td>
<td>+ 50%</td>
<td>&gt; 0</td>
</tr>
<tr>
<td>Informal, unserviced subdivisions</td>
<td>$20/sqm</td>
<td>$2,400,000</td>
</tr>
<tr>
<td>120000sqm</td>
<td>+ 50%</td>
<td>&gt; 0</td>
</tr>
<tr>
<td>Formal peripheral residential land</td>
<td>$50/sqm</td>
<td>$5,200,000</td>
</tr>
<tr>
<td>104000sqm</td>
<td>+ 117%</td>
<td>&gt; 0</td>
</tr>
<tr>
<td>Increasing the FAR to 2.0</td>
<td>$80/sqm</td>
<td>$8,320,000</td>
</tr>
<tr>
<td>104000sqm</td>
<td>+ 60%</td>
<td>3,120,000</td>
</tr>
<tr>
<td>Changing land use to commercial</td>
<td>$20/sqm</td>
<td>$20,800,000</td>
</tr>
<tr>
<td>104000sqm</td>
<td>+ 150%</td>
<td>12,480,000</td>
</tr>
<tr>
<td>Access to Bus Rapid Transit</td>
<td>$240/sqm</td>
<td>$24,960,000</td>
</tr>
<tr>
<td>104000sqm</td>
<td>+ 20%</td>
<td>4,160,000</td>
</tr>
<tr>
<td>Increasing the FAR to 5.0</td>
<td>$480/sqm</td>
<td>$49,920,000</td>
</tr>
<tr>
<td>104000sqm</td>
<td>+ 100%</td>
<td>24,960,000</td>
</tr>
</tbody>
</table>

Total Windfall approx. 144x $46,000,000

Share unearned income from publicly driven urbanization.

Design subsidy/incentives to Leverage Enabling Environment

- Blend public and private finance resources, including community savings and donor funding to support city wide and networked local delivery,

- Leveraging enabling environment through access to affordable finance on the demand-side (households and firms) for incremental investments (inter alia addressing especially dwelling material and size but also microloans for livelihoods) that sustain inclusive local economic development.
Design subsidy/incentives to Leverage Enabling Environment

A. Domestic resource mobilization

Government allocations.
To co-finance the enabling environment at community, cluster and household scales consider:
• Cross subsidies from ‘land as a resource’ at the project level (e.g. ‘land sharing’ or ‘differential land pricing’)
• Private/community investments for progressive physical development (e.g. micro savings or microcredit), possibly community labour and other in-kind contributions.
• Private/community contributions in exchange for tenure security – in addition to any cross-subsidies from unlocked land value. (e.g. acquire the land in exchange for the community’s lease payments).
• Local taxes and user fees (e.g. for land value or water),
• Pegged cesses could be introduced and piggy back on any existing levies in order to finance large scale programme.

To finance access to the city, consider other resources to minimize charges to poor communities:
• Land value capture (land pooling and readjustment along approach roads).
• User fees in case of economic activities (e.g. vending permits or leases for markets).
• Allocations of other government lines, especially if the previous options are unavailable.

Design subsidy/incentives to Leverage Enabling Environment

B: International resource mobilization addressing costs and risks

• Reduction of severe urban poverty, focusing subsidies at the bottom 40 percent of the income distribution (SDG10) while supporting middle-income through market-making
• Environmental gains / protection of the commons soil, air, water health through basic services (water, sanitation, solid waste)
• Climate change adaptation addressing hazardous sites (e.g. flood mitigation) & strengthening the durability of dwellings
• Correction of market failures (e.g. lack of basic infrastructure provision, due to collective action problems)
• Market-making for new technologies through de-risking (e.g. incremental shelter finance, starter homes, tenure security, credit history)
• Local Economic Development and productivity growth (e.g. labor-intensive job creation, development of new businesses; electrification)
• Increase in tax revenues from improved neighborhoods
• Size and timing of public program

Envisage additionalities to mobilize international support
Design subsidy/incentives to Leverage Enabling Environment

B: International resource mobilization Financial Cooperation Instruments

1. Technical Assistance Grant
   Tailored assistance to improve the design and implementation of projects, including ex-ante market scooping, sector assessment, pre-feasibility.

2. Direct Investment Grant
   Directly reduce cost for users through co-financing. Used for projects with high economic returns but low financial profitability. Allows to address challenges in regard to debt sustainability.

3. Interest Rate Subsidy Grant
   Indirectly reduce cost on end users by lowering financing cost. Also used to relax IMF debt ceiling.

4. Risk Capital
   Addresses perceived high risk by providing funding which absorbs a portion thereof to lower investors’ risk perception (often to mobilize private capital).

5. Guarantees
   Addresses perceived high risks by partly guaranteeing certain types of investments (often to mobilize private capital).

Design subsidy/incentives to Leverage Enabling Environment

B: International resource mobilization Financial Cooperation Instruments

- European Delegations
- Development Banks, including inter alia the World Bank, the European Investment Bank (EIB as a sister organization of the EC), other European Financial Institutions (EFIs, such as KfW), regional development banks, such as IDB, ADB, AfDB, CAF.
- Bilateral organizations, such as DFID, SIDA or USAID may be able to provide funds or technical assistance (e.g. GIZ).
- The European Commission
- Climate Finance (Adaptation Fund, Green Climate Fund, The Global Environment Facility)
- The International Finance Corporation (IFC)
- The Consultative Group to Assist the Poor (CGAP) is the World Bank’s microfinance wing
- The Government Pension Fund Global, e.g. Norway, Japan, etc
- Philanthropy, e.g. Soros’ Open Society Foundation, Rockefeller, Dell, Gates
- Private equity and hedge funds
### Design subsidy/incentives to Leverage Enabling Environment: Blending Finance

#### Programme components
- Supply of basic infrastructure: water and sanitation, but also electricity, street lights and paving, etc.
- Land security through hazard mitigation: e.g. drainage against flooding in climate change-vulnerable communities, terracing and retention walls on slopes
- Land security through de-facto tenure: e.g. no eviction guarantees
- Livelihood generation through labour-intensive construction

#### Domestic financial strategy
- Government allocations to subsidize the affordability/cost gap
- Utility fees (e.g. for water)
- Taxes (e.g. on land value)

#### International cooperation
- Focus on budget support
- Technical assistance for programme development
- Capital grants and concessional debt, i.e. for directly reducing the cost to end-users beneficiaries and/or by enabling governments to reach a larger target with the same national allocation.

### All of the above components plus:

#### Incremental private investments
- Incremental private investments to improve basic infrastructure (e.g. individual water and sanitation, dwellings (e.g. durable materials and expansion of living area)
- De-jure tenure security (e.g. through long-term lease or lease-to-own)

#### Livelihood generation through labour-intensive construction
- Livelihood generation through labour-intensive incremental construction and operation and maintenance of community facilities (e.g. water kiosk); support to MSMEs (e.g. street vendors, waste pickers, small-scale construction firms, material vendors)
- Linked city-scale projects improving the connectivity of low-income settlements (e.g. supply of trunk infrastructure)

### Enabling Environment: Blending Finance

#### Design subsidy/incentives to Leverage

**Subsidy-based

### Market-based

#### Focus on liquidity for the LED

**All of the above plus:

- Technical assistance also for business development
- Capital grants also for de-risking of private investments
- Concessional debt also to refinance longer-term loans of endusers
- Risk capital e.g. to inculcate liquidity facilities and to mobilize respective private investments for refinancing the demand for housing investments and of microenterprises
- Guarantees to partially hedge against risks (e.g. individual loan or portfolio losses)

### Subsidies to Leverage across spatial scales and development phases

#### Development phase

<table>
<thead>
<tr>
<th>Spatial scales</th>
<th>Subsidy-based aid: creating the enabling environment</th>
<th>Market-based development: incremental improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trunk infrastructure</td>
<td>Optional Cross-subsidies through land value sharing: e.g. 'land as a resource' and 'differential land pricing'</td>
<td>Optional 100% Recoverable taxes + User fees</td>
</tr>
<tr>
<td>Local Economic Development (LED) / Employment</td>
<td>Optional 100% Recoverable taxes + Land readjustment Betterment levies</td>
<td>Optional 100% Recoverable taxes + Long-term lease + vending permits</td>
</tr>
<tr>
<td>Land security (hazard / tenure)</td>
<td>Optional 25% Land readjustment Betterment levies</td>
<td>Optional 75% Recoverable taxes for nonviable LVS</td>
</tr>
<tr>
<td>Community</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic services</td>
<td>Optional 75% Recoverable taxes for nonviable LVS</td>
<td>Optional 50% Land value sharing, differential pricing</td>
</tr>
<tr>
<td>LED / Employment</td>
<td>Optional 25% Land readjustment Betterment levies</td>
<td>Optional 50% Land value sharing, differential pricing</td>
</tr>
<tr>
<td>Decent shelter</td>
<td>Optional 50% Land readjustment Betterment levies</td>
<td>Optional 50% Land value sharing, differential pricing</td>
</tr>
<tr>
<td>Household</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LED / Employment</td>
<td>Optional 90% Land readjustment Betterment levies</td>
<td>Optional 100% Land value sharing, differential pricing</td>
</tr>
</tbody>
</table>
YOUR TURN... DEBATE

The starter environment helps to reduce the cost of supply while it also needs to strengthen demand and enable access to finance:

Which starter land tenure would you consider?
Which starter infrastructure would you consider?
Which starter shelter would you consider?

- Informal
- Customary
- Alternative to eviction
- Group tenure
- Individual household
- Formal
- Complete
- Temporary
- Serviced lot
- 1-room Core
- Larger unit
- Permanent

- Informal off-grid
- Self-organized off-grid
- Shared
- Individual on-grid

- Which alternatives are adequate and affordable?
  - meaning culturally and financially viable for both households and government?
  - What do they cost and who will pay which share of the cost (and how)? Any subsidies?
  - Discuss in small groups. Then report back to the forum.

Session 5

10:30-11:30: Session 5, Design subsidy/incentives to create enabling environment

- Case 5: An enabling environment to support large scale affordable housing and slum upgrading in Brazil,
- Case 6: Land Readjustment (PILAR), Colombia
CASE STUDY: An enabling environment to support large scale housing and slum upgrading in Brazil 1/5

Brazil: building an enabling environment for housing delivery and urban renewal at scale.

The principles of the City Statute (2001) guided a significant part of housing investments in Brazil and effectively enabled the housing policy where precarious settlement regularization and upgrading are concerned.

The focus on serving segments with the lowest income in the country, aims to enable, in practice and in people’s daily life, the Right to the City guiding principle of the City statute and led to the establishment of a robust urban policy framework which enhanced the impact of investments.

CASE STUDY: An enabling environment to support large scale housing and slum upgrading in Brazil 2/5
CASE STUDY: An enabling environment to support large scale housing and slum upgrading in Brazil 3/5

Lessons learnt on the legal framework:

- Brazil, recognized the **Right to the City**, motivated and stimulated social movements which led a bottom up process to build a **national urban legal framework**.
- The **framework guided the investments**. Furthermore, before the investment in the upgrading several policy and regulatory measures were taken to ensure the success of the programmes. Amongst these the review of the building codes but also the increase of the minimum salaries to ensure investment capacity of the targeted populations.
- Participation was mainstreamed in frameworks.

Lessons learnt on the implementation set up:

- **Diversified housing solutions** for different target groups according to socio-economic profiles.
- **Diversified implementation mechanisms** adapted to each of the housing solutions and socioeconomic groups with different subsidy levels and mechanism and including the **participation of other stakeholders in the process such as private sector, NGOs, housing cooperatives, etc.**

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CASE STUDY: An enabling environment to support large scale housing and slum upgrading in Brazil 4/5

<table>
<thead>
<tr>
<th><strong>Federal government</strong></th>
<th><strong>Community</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ministry of Cities</strong></td>
<td><strong>Bracket 1 (lowest income)</strong></td>
</tr>
<tr>
<td><strong>Land use planning</strong></td>
<td><strong>Bracket 2 (low-mid income)</strong></td>
</tr>
<tr>
<td><strong>Property tax</strong></td>
<td><strong>Bracket 3 (mid income)</strong></td>
</tr>
<tr>
<td><strong>Enabling policy environment</strong></td>
<td><strong>Financing cooperatives for self management</strong></td>
</tr>
<tr>
<td><strong>Capacity building and support of LA</strong></td>
<td><strong>TA, Support and subsidy: different for each bracket</strong></td>
</tr>
<tr>
<td><strong>Leveraging of finance at larger scale (private sector, communities, banks other government levels)</strong></td>
<td><strong>Private sector (construction)</strong></td>
</tr>
<tr>
<td><strong>Compulsory contribution to the Housing Fund</strong></td>
<td><strong>Private sector (all)</strong></td>
</tr>
</tbody>
</table>

- **TA, Support and subsidy**: different for each bracket
- **Financing mortgages**
- **Subsidy of units**
- **Construction job creation**

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Cases Study: An enabling environment to support large scale housing and slum upgrading in Brazil

Lessons learnt on the implementation set up:

- **Diversified housing solutions** for different target groups according to socio-economic profiles.
- **Diversified implementation mechanisms** adapted to each of the housing solutions and socioeconomic groups with different subsidy levels and mechanism and including the participation of other stakeholders in the process such as private sector, NGOs, housing cooperatives, etc.

Cases Study: Enabling environment for investment through land tenure. PILAR

Participatory and Inclusive Land Readjustment (PILaR), La Candelaria, Medellín, Colombia.

The project proposed an innovative **financing mechanism for urban renewal** by achieving a balance between cost for development and the expected revenue from the sale of the new buildings acknowledging that **land tenure is the basis for investment and development.**

PILaR developed a methodology for land management through an inclusive and participatory process. It proposed a re-allotment solution based in a system of equitable sharing of benefits and burdens involving current owners and tenants respecting their preferences: to sell and receive compensation for their houses or to remain in the neighbourhood by exchanging their dwellings by other properties of new construction.
CASE STUDY: Enabling environment for investment through land tenure. PILAR 2/3

Regularizing land to leverage its value:

The neighbors do not have the means to invest financially in the re-allotment operation. By considering their current housing as their participation, PILaR enables them to enter in the market and formal economy, enhancing and regularizing their homes, by leveraging the high cost of land.

Enabling investment:

In the negotiation process, the whole community - including house owners and tenants - was considered as an equal partner in the investment for the neighbourhood upgrading ensuring the non-exclusion of the most vulnerable members of the population.

1. Engagement of the community
2. Participatory planning and design of future structure
3. Negotiation process with tenants and land owners
4. Mobilisation of investment (public or private)
5. Reconstruction (in phases and relocating in-situ gradually if possible)
6. Re-allocation of housing

CASE STUDY: Enabling environment for investment through land tenure. PILAR 3/3

Lessons learnt on the legal framework:

PILaR’s model of considering neighbours as equal partners in the investment for urban renewal - instead of the expropriation or purchase of the land - has 2 main benefits:

- Financially, it makes the investment capital needed smaller and paid later since it avoids compensations to the families who exchange the current house for a future home.
- Socially, this system fosters a participative and inclusive model respecting the existing social fabric.

Planning session with the community.
Source: @UN-Habitat
Session 6

11:45-12:15: Session 6, Establish a participatory governance structure and institutional arrangement to coordinate efforts and effective local delivery

- i) Arrange permissions (regulatory and political arrangement) for funding and cooperation
- ii) Establish special delivery mechanisms (institution) responsible for delivery, coordination and management of slum upgrading programme

- Group Exercise

- REDUCING COSTS FOR EFFICIENT USE OF RESOURCES AND AFFORDABILITY
- MANAGING OF THE DEMAND
- UNLOCKING ADEQUATE SUPPLY

MAXIMIZING THE COST BENEFIT
Challenges

• Large number of weakly capacitated local authorities
• Asymmetrical decentralization
• Retrenchment of central transfers
• Weakness of local revenue sources
• Lack of strong domestic capital markets
• Development of municipal credit institutions
• Weak public finance management at local and national levels
• Lack of mechanisms to finance urban investments
• Lack of funds for maintaining existing assets

Institutions/Governance

- Enables implementation of integrated inclusive policies
- Aligns with citywide strategies and approaches away from projects
- Targets the lowest income groups for social coherence and sustainable affordable transformation
- Expands partnerships and leverages maximum inputs
- Builds opportunities for new markets and economic transformation
- Facilitates the implementation at the smallest scale following the principle of subsidiarity
- Facilitates efficient delivery
- Allows for diversity and diverse solutions to minimize risk
- Facilitates enforcement and accountability
- Guides socio-economic transformation
- Ensures maintenance

→ INCREASE THE AREA OF INFLUENCE
• Blended funding, crowding in, not one institutions job

• Local control – the great strength of community-led approaches to delivery is the in-depth engagement and interaction by neighbourhood residents in designing, managing and delivering slum upgrading.

• Infrastructure investment – in addition to improvements to specific settlements the citywide approach allows for public agencies (city and national government plus utilities companies or transport operators) to inform investment in infrastructure.

CASE STUDY: An enabling environment to support large scale housing and slum upgrading in Brazil 5/5

Lessons learnt on the implementation set up:

• Diversified housing solutions for different target groups according to socio-economic profiles.

• Diversified implementation mechanisms adapted to each of the housing solutions and socioeconomic groups with different subsidy levels and mechanism and including the participation of other stakeholders in the process such as private sector, NGOs, housing cooperatives, etc.
Community Organization Development Institute (CODI) – Thailand

- In January 2003, one million poor households within five years. Two programs

1. **Baan Ua Arthorn Program** ("We care" in Thai), the National Housing Authority designs, constructs and sells ready-to-occupy flats and houses at subsidized rates to lower-income applicants on a "rent-to-own" basis.

2. **Baan Mankong Collective Housing Program** ("Secure housing" in Thai), channels government funds, in the form of infrastructure subsidies and soft housing loans, directly to poor communities. Through local collaborations for land tenure security negotiations and arrangements, communities plan and carry out improvements to their housing, infrastructure, and environment, and manage their finances collectively for all aspects of development.
   - encourages existing slum communities to form cooperatives to develop collective housing;
   - a collective land title.
   - discourages speculators from buying off individual housing units from the poor and selling them out to higher income groups.
   - Collective housing provides the security for low-income families so that they can have access to jobs in the city - usually as day laborers and street vendors - and where they can have the opportunity to get out of poverty.
   - Commitment of the central government to allow people to be the core actors and to decentralize the solution-finding process to cities.

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**THAILAND CASE OF UP-SCALING**

- Public organization – flexibility, wider linkages, expanded possibilities for collaboration, application to annual government budget, loans and other financing;
- CODI scaled up by organizing communities to connect to housing finance, welfare funds and savings groups;
- CODI was active in both rural and urban settings – neighbourhood, city and national strategies became guiding principles
THAILAND - CODI

**Bann Mankong Program Mechanism**

- Municipality
- University
- NGOs
- Others
- Community Network
- City Dev. Committee

**CODI**

- Coordinate
- Support

**Government**

- Ministry of Social Development and Human Security
- Pass development budget and housing loans

**Community Network**

- C C C

**External Support**

- Community Housing Security Welfare (CHSW) Committee (National Committee)

**Regional Level**

- Provincial committee
- City committee
- Community committee

**Provincial Level**

- Provincial committee

**City Level**

- City committee

**Community Level**

- Community committee

**Land and Housing Security Fund**

- Government allocates through CODI, total 30 million baht
- Semiannual 30,000 baht per family, total 300 families (1 million baht)
THAILAND - CODI

### Administrative Structure

- **National government**
- **Community Organization Development Institute (CODI)**
- **NGOs**
- **Banks**
- **Local Planners Architects University**
- **Local government authorities** (municipalities and public land owners)
- **Working Group for Housing Development (WGHD)**
- **Community’s housing saving group**
- **Field working group**

**Policy and decision making level** (the upper formal institutions)

**Community level**

- Housing design and environment upgrading group

**Key actors and stakeholders**

### Integrated Financial and Institutional Structure (Example)

**FINANCE**
- **Finance Facility (Liquidity & TA)**
  - Senior (Private investors)
  - Mezzanine (international/Public Finance Institution)
  - Finance Facility (Liquidity & TA)
- **Financing needs**
  - Senior (Private investors)
  - Mezzanine (international/Public Finance Institution)
  - Finance Facility (Liquidity & TA)
  - Junior (risk capital)
  - Further diversification

**GOVERNANCE**
- **Regulating, taxing and investing for socioeconomic inclusion, environmental sustainability and local economic development**

**NATIONAL PSUP**
- **Inter-Agency Steering Committee or Statutory Authority**
- **Participation and coordination**
- **LOCAL PSUPs**
  1. Strengthening capacities demand-side solutions
  2. Safety Nets
  3. Savings
  4. Savings

**DEMAND**
- **Safety Nets**
- **Livelihoods**

**SUPPLY**
- **Minimizing cost, balancing with livability & maximizing revenues, balancing with risk capital**
- **Supply-side finance**

**Public Macro Developer**
- **Medium or Large scale in construction**
- **Competitive tendering**
- **Output based payments**

**CMFs**
- **Participatory platforms for community-driven development and risk sharing**

**CMFs**
- **Participatory platforms for community-driven development and risk sharing**

---

**SHG**
- **Product diversification**
- **Income-generating Microloans**
- **Formal Micro-Mortgages**
- **Collector long-term lease**

**FINANCE**
- **Improving access to affordable and low-risk financial intermediation**

**SHG**
- **SHG**
- **SHG**

**GOVERNANCE**
- **Regulating, taxing and investing for socioeconomic inclusion, environmental sustainability and local economic development**

**NATIONAL PSUP**
- **Inter-Agency Steering Committee or Statutory Authority**
- **Participation and coordination**
- **LOCAL PSUPs**
  1. Balancing supply, demand & finance during design, planning and implementation of local projects.
  2. Informing national PSUP about challenges and need for regulatory, fiscal and planning adjustments.

**NATIONAL PSUP**
- **MoUD**
- **MoLD**
- **MoF**
- **Other public Financiers**
- **Constructors**
- **Communities**
- **Academia**

**DEMAND**
- **Financial Intermediaries**
- **Market-based finance**
- **Geographic diversification**

**SUPPLY**
- **Supply-side finance**

---

**SHG**
- **Product diversification**
- **Income-generating Microloans**
- **Formal Micro-Mortgages**
- **Alternative Tenure**
  - e.g. collective lease-to-own,
  - collective long-term lease

**SHG**
- **SHG**
- **SHG**

**GOVERNANCE**
- **Regulating, taxing and investing for socioeconomic inclusion, environmental sustainability and local economic development**

**NATIONAL PSUP**
- **Inter-Agency Steering Committee or Statutory Authority**
- **Participation and coordination**
- **LOCAL PSUPs**
  1. Balancing supply, demand & finance during design, planning and implementation of local projects.
  2. Informing national PSUP about challenges and need for regulatory, fiscal and planning adjustments.
Session 6

12:15-12:45: Session 6, Establish a participatory governance structure and institutional arrangement to coordinate efforts and effective local delivery

- **Case 7**, Institutional Setup and PPPs for urban regeneration, Tunisia

**CASE STUDY: An enabling institutional set up for urban regeneration in Tunisia 1/3.**

Tunisia’s Government Program (PRIQH) for urban renewal in several cities, aiming at the regeneration and integration of neighborhoods in decay.

- Programme led by national government through a dedicated institution for urban renewal.
- Important part of the funding was dedicated to social facilities and to industrial facilities to promote employment at neighborhood level.
CASE STUDY: An enabling institutional set up for urban regeneration in Tunisia 2/3.

Lessons learnt:

- Urban renewal management is centralized by one institution at national level which ensure coordination and the set up of a framework for participation of different stakeholders.

- High investment in social facilities such as community centers vs. reduced cost of infrastructure and very little investment in housing considering families’ investments for the improvement of the existing housing stock as part of the financial contribution to the urban renewal as a whole.

- Partnerships with private sector for job creation at neighborhood level though the leasing of the soft industrial facilities compatible with residential use in exchange of employment of the community in the area and promoting mixed use neighborhoods.
Session 7

14:00-15:00: Session 7, Integrated Programme and Finance
- Case 8: Parivartan Slum Upgrading Programme, India
- Case 9: Solanda Affordable Housing Programme, Ecuador

CASE STUDY: Financing strategy: Parivartan, India 1/6

Context and scale

The Parivartan Slum Networking Programme established a model that worked at scale and benefitted more than 14,000 households.

Intervention for slum upgrading and housing improvement, developed in partnership between the Local Government service provider (AMC) which provides basic services and subsidizes basic housing and the NGO MHT which provides social, financial and technical services in the community in order to ensure the proper use of funds and to enhance construction quality.
### CASE STUDY: Financing strategy: Parivartan, India 2/6

<table>
<thead>
<tr>
<th>Identify strategic interventions at different scale: Maximize cost and impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government subsidizes:</strong></td>
</tr>
<tr>
<td>- the cost of infrastructure construction,</td>
</tr>
<tr>
<td>- facilitates access to trunk infrastructure and</td>
</tr>
<tr>
<td>- provides de-facto tenure security through a verbal 10-year no-eviction guarantee.</td>
</tr>
<tr>
<td><strong>Neighborhood scale and basic needs</strong></td>
</tr>
<tr>
<td><strong>The households’ contribute with:</strong></td>
</tr>
<tr>
<td>- nominal co-payment for basic infrastructure which ensures buy-in</td>
</tr>
<tr>
<td>- home improvement through loans.</td>
</tr>
<tr>
<td><strong>Household scale and incremental improvements</strong></td>
</tr>
</tbody>
</table>

### CASE STUDY: Financing strategy: Parivartan, India 3/6

<table>
<thead>
<tr>
<th>Improve affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key elements of the approach ensuing affordability:</strong></td>
</tr>
<tr>
<td>- LABOUR INTENSIVE techniques</td>
</tr>
<tr>
<td>- TRAINING (Further, MHT has founded the Karmika School for Women Construction Workers to train its low-income women members in construction trades. The women then execute the work, and many women continue working as construction labourers.)</td>
</tr>
<tr>
<td>- INCREMENTAL improvement.</td>
</tr>
</tbody>
</table>

*Two women trained in Karmika construct an individual toilet block.*
CASE STUDY: Financing strategy: Parivartan, India 4/6

**Improve Access to Finance:**

Key elements of the approach ensuing access to finance:

- **SAVING GROUPS:** The community is mobilized and organized around community savings for the 10% down payment of infrastructure costs. The savings and the meetings that take place around the ritual empower the community who starts to believe that change is possible and engages around development projects.

- **INCREMENTAL LOAN CYCLES:** Successive home improvement loans are provided to the families, increasingly high amounts which enable to build a credit history, reducing the risk as only successful clients graduate to the next product cycle.

CASE STUDY: Financing strategy: Parivartan, India 5/6

**Design subsidy and incentives to create an enabling environment:**

**Phase I. Allocating subsidies strategically to create an enabling environment**

- Investment Cycle 1 (USD 30): *basic services* and tenure security.
- Cycle 2 (typical loan of USD 75): individual toilet block construction (USD 150, still 50%-subsidized through a complementary public scheme).
- Cycle 3 (typical loan of USD 150): small home improvement (e.g. floor tiling, possibly still partially subsidized).

**Phase II. Leveraging the enabling environment for market-based self-help.**

- Cycle 4 (typical USD 250): medium home improvement (e.g. wall repair).
- Cycle 5 (typical USD 400): large home improvement (e.g. roof or slab).
- Cycle 6 (typical USD 800): home extension (e.g. additional room on slab).
CASE STUDY: Financing strategy: Parivartan, India 6/6

Governance structure and institutional set up:

- International financing institutions
  - Leveraging finance from individuals
  - Funds
- Local Government
  - Security of tenure
- Public service provider (Ahmedabad Municipal Corporation)
  - Trunk infrastructure
- NGO (Mahila SEWA Housing Trust)
  - Affordable finance
  - Technical assistance and training
- Community
  - Housing improvements
- Private sector

CASE STUDY: Incremental housing strategies in Solanda, Ecuador 1/5

Context

The Solanda Project was developed as an alternative to the growth of informal settlements in Quito, Ecuador. The Project was the Ecuadorian government’s first effort to construct low-income housing with cost recovery.
The Solanda Project was originally programmed to build 4,500 “housing units”, but eventually built 6,211 incrementally expandable “shelter solutions” of various prototypes on lots ranging from 60 to 123m².

**CASE STUDY: Incremental housing strategies in Solanda, Ecuador 2/5**

**Identify strategic interventions at different scale: Maximize cost and impact**

The Solanda Project was originally programmed to build 4,500 “housing units”, but eventually built 6,211 incrementally expandable “shelter solutions” of various prototypes on lots ranging from 60 to 123m².

The project’s aim for affordability resulted in a broad array of incremental “solutions”, all of which required residents to upgrade and expand through self-help.

**CASE STUDY: Incremental housing strategies in Solanda, Ecuador 3/5**

**Improve affordability and access to finance: Different locations with different typologies**

- **622 serviced lots**
  - Service provision was the part identified that families could not do for themselves.

- **Floor-and-roof starters**
  - Were simple structures providing a solid roof and a solid floor while families self-enclosed the structure with materials of their choice and upgraded them incrementally.

- **Bridge Units**
  - Were the least popular model, created over pedestrian walkways and included a bathroom, kitchen and multi-purpose room.
  - **Two-family units** built on the corners of squares to promote commercial activity.

- **Tri-family units of initially two floors**

**Source:** adapted from Goyes in Vidal & Goyes, 2016
CASE STUDY: Incremental housing strategies in Solanda, Ecuador

Governance structure and institutional set up:

- International financing institutions (USAID)
- Community
- NGO (Fundación Mariana de Jesus)
- Ecuador Housing Bank
- Local government urban service provider
- National government agency (Junta Nacional de Vivienda)

Trunk infrastructure:
- Land donation

Beneficiary selection Social programmes

Community

Leveraging finance from individuals

Cost recovery policies and mortgages for families

Private sector

Financial model

Project scenarios: adequate unit costs & revenues

Program Finance: 5-year projection

Community & cluster scale

Basic services

Land security

Starter home

Improvements (still subsidized)

Affordability check: savings + monthly payment

Adequate per-unit cash flows

Cost recovery policies and mortgages for families

Program Phasing: rolling out batches of projects over time

Building the enabling environment

Self-help improvements (market-based)

Financial Value Chain: Financing & Refinancing

Baselines: needs and targets

Demographic Trend

Magnitude of the need

Program Targets across 5 approaches

Socioeconomic profile

Payment capacity

Excel Sheet Tab Number
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Pacific Urban Platform

pacificUrban_forum