



HUMAN SETTLEMENTS: The growing problem of urban slums

The challenge

Over the next 50 years, the world population is expected to grow from about 6 billion to 9 billion people. Virtually all of that growth is expected to take place in the cities of the developing world, and much of it in informal settlements or slums. Currently, almost 1 billion people, the majority in the developing world, live in slums, representing 32 per cent of the world's urban population.

Slums are characterized by sub-standard housing, overcrowding, insecure tenure and lack of basic services such as safe drinking water, improved sanitation, transportation and electricity. In order to advance the living conditions of slum-dwellers, regularization of tenure, credit for home improvement, affordable access to basic services and infrastructure, and support for micro enterprises are critical. More generally, training needs to be provided and paying jobs created for slum-dwellers to integrate them into the wider urban economy.

Achieving a significant improvement in the lives of at least 100 million slum-dwellers by 2020 is one of the goals adopted by the international community in the Millennium Declaration which was reaffirmed at the 2002 Johannesburg World Summit on Sustainable Development and is included in the Millennium Development Goals.

CSD-13: Policies under consideration

At the Commission on Sustainable Development's twelfth session (CSD-12), government ministers, delegates and non-governmental representatives assessed progress towards meeting the goal on human settlements, highlighting obstacles and constraints and sharing best practice examples.

The Commission's thirteenth session (CSD-13), to be held at the United Nations from 11 to 22 April 2005, will focus on the themes of water, sanitation and human settlements. Government delegates will decide

Snapshots of Success...

Countries have tried to overcome the problem of insecurity of tenure in a number of ways:

In **South Africa**, a participatory approach to slum upgrading was adopted through a partnership between a private sector developer and the national government. Eighty per cent of the labour and materials for the redevelopment of an informal settlement was sourced from the local community. This provided employment opportunities, supported local economic development and ensured community participation. Over five years, formal housing for some 700 squatter families was provided, together with roads, schools, churches, offices and a clinic.



Snapshots of Success...

The pro-poor land act adopted in **Belo Horizonte, Brazil**, led to negotiations among public authorities, service providers and slum dwellers on regularization of tenure and improvements of informal settlements.

India, the Philippines and South Africa have adopted legislation that protects people from forced eviction and ensures that they are relocated only as a last resort.

on concrete policy options and actions to be taken to achieve the above goal on human settlements and other development targets. This will be the first policy-setting session since the World Summit on Sustainable Development was held in Johannesburg in 2002.

The basis for discussions on human settlements at the CSD-13 will be the Chair's Summary of the Interactive Discussions at the Intergovernmental Preparatory Meeting, 28 February to 4 March 2005 (www.un.org/esa/sustdev/csd/csd13/ipm_chairstext2.pdf), together with a report issued by the United Nations Secretary-General (E/CN.17/2005/4), which focuses on policy options and possible actions to achieve the above-mentioned goal. Some of the key policy options from the report are summarized here.

Focus on the needs of the poor

Sustainable development of human settlements requires a coherent and pro-poor policy approach to land-use management, provision of housing, water, sanitation, transportation and other urban services, infrastructure development, and employment and enterprise development. Pro-poor policies of Governments and municipalities are most effective if implemented in the broader context of national sustainable development strategies and poverty reduction plans.

The economic, social and environmental interdependence between rural and urban areas requires an approach to human settlements development that is both balanced and mutually supportive.

Involvement of all stakeholders

Full participation of all relevant stakeholders, in particular women, makes for more effective decision-making and implementation. Governments and local authorities can develop political processes to enable all stakeholders to contribute effectively, through a variety of partnerships, to the sustainable development of human settlements.

Snapshots of Success...

In **Nicaragua**, where 40 per cent of the population lives in poverty, a lack of decent and affordable housing for the poor is a chronic problem. A programme to provide low-interest loans to the poor for housing upgrades resulted in a reduction of overcrowding and improvements in the standards of construction in 4,000 houses over five years. The programme was a partnership between private commercial banks, national and local governments and non-governmental organizations, supported by an international donor.

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Affordable housing for the poor

The provision of decent and affordable housing for the urban poor is central to urban development. Policy options towards this goal include the acquisition of low-cost land – for example, on the urban periphery – for future affordable housing; community-based self-help initiatives for building housing that meets the needs of slum communities within their residents' budgets and borrowing capacities; strengthening the capacity of microfinance institutions to offer loans for incremental home improvement; and rental housing arrangements suited to the needs of families with limited savings capacity.

Security of tenure

Insecurity of residential tenure is a major disincentive to improving housing for those who have to live in slums. Without some sort of tenure security, slum dwellers have limited incentive to invest in their homes and communities, and potential service providers are reluctant to risk investing in infrastructure.

Entrepreneurship and employment generation

To enable the rapidly growing numbers of urban residents to earn a living, including migrants from rural areas with limited education and skills, a supportive environment for new business formation and the development of small enterprises is important. Encouraging labour-intensive methods in construction and infrastructure development can increase the supply of housing and services while providing employment opportunities and enhancing skills.

Mobilization of finance for human settlements development

There is a need to develop financial products suitable to the various requirements of the urban poor, ranging from community-based savings and loan activities to microfinance schemes to housing loan guarantees and insurance products. For larger investments, particularly public investments, there is a need for new and strengthened institutions such as domestic municipal bond markets and municipal development banks.

Snapshots of Success...

Namibia and **Sri Lanka** have used community block titles for sections of informal settlements, enabling city authorities to incorporate parts of the city that were previously excluded and to begin the process of registering, and eventually titling, individual holders of land within these blocks.

To increase economic and employment opportunities for the poor in slums, the city of **Cotonou, Benin**, has established a mutual guarantee fund offering loans to groups of women entrepreneurs who have, over time, established relationships with local banks and the municipal authorities. Their success and visibility has led to the replication of this approach in other cities in Benin.

At the international level, there is a need to increase official development assistance (ODA) to support the development of housing, infrastructure and services in urban and rural settlements, particularly for the poor. Practical ways exist to ensure that ODA leverages domestic resources, both public and private, for investment in sustainable human settlements.