

The Rationale of Informal Settlements Regularisation Projects: from settlement upgrading to integration approaches.

Introductory Notes¹

Claudio Acioly Jr.²

Institute for Housing and Urban Development Studies - IHS

Urbanization and informal land development

Forecasts of the United Nations indicate that in 20 years half of the developing world's population will be living in cities. It also indicates that cities are growing at a rate of 60 million inhabitants per year that is equivalent to a country of the size of Egypt, Turkey or Thailand. The noticeable phenomenon is the increase in the number of cities with a population between 1 and 5 million inhabitants, from nearly 200 to more than 600.

In India, one of the two 'billion-plus' countries of the world, the prognosis is that by 2021 40% of the Indian population will be living in cities and urban agglomerations with a significant increase in the number of cities with more than 100,000 inhabitants. The Government of India – a country that has two thirds of its population still living in rural areas – acknowledges that there are around 330 million people living in cities and urban agglomerations with a forecast that in 2021 there will be 70 'million plus cities' in the country. The prognosis is that 40% of the Indian population will be urban and that cities will contribute to 73% of national income. Sao Paulo metropolitan region responds to a GNP of US\$146 billion which represents to nearly one quarter of Brazil's total GNP.

Latin American countries like Brazil, Argentina and Colombia have already more than 75% of their population living in cities. In these countries for example, the process of industrialisation went hand-in-hand with the process of urbanisation. What is remarkable to underscore is the fact that a great percentage of this growth is accounted to informally developed land and squatting processes.

These figures seem to stress the strategic importance of cities in the development process. But it also serves as warning for adverse impacts of urbanization on the environment that affects the sustainability of cities. The pace and magnitude of the current urbanization processes faced by most cities in the developing world calls for an efficient and pro-active local government. Local governments must have at hand policy and planning instruments to deal

¹ The lecture draws from author's professional experience in various upgrading projects in different countries. The lecture notes also draws from previous training sessions conducted by the author for the technical staff of the Municipality of Rio de Janeiro, Brazil (1996-2000), the Housing Building Research of Egypt 1997-2001), and the regular post graduation training programmes conducted at IHS, Rotterdam.

² Claudio Acioly is an architect and urban planner with the Institute for Housing and Urban Development Studies-IHS, The Netherlands (c.acioly@ihs.nl). He is currently project leader in institution building projects in Egypt and Albania.

creatively and effectively not only with the demographic pressure and the increasing demand for housing, infrastructure, land and public services, but also with the process of environmental deterioration already in place. Furthermore it is noticeable that the local staff is often inadequately trained lacking the required skills to enable them to play their role in project design, planning and management of complex urban operations.

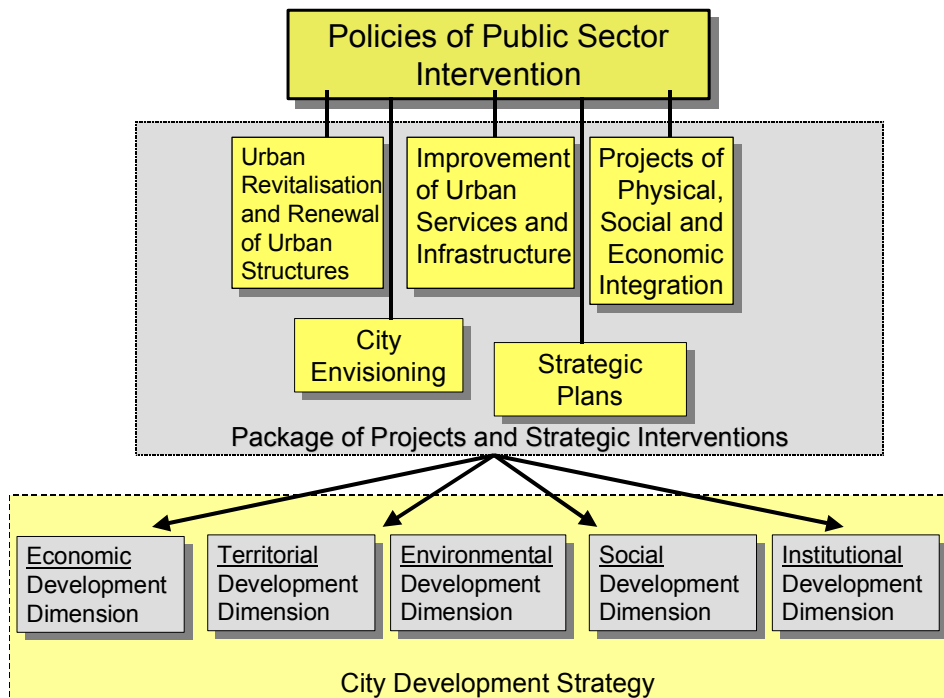
Paradigm shift: Informal Settlement Upgrading as an urban regeneration mechanism

The process of globalisation is fuelling dramatic changes at the local level namely:

- de-industrialization: there is a radical change from the fordistic model of manufacturing production fuelled by the process of enterprise restructuring and the fragmentation of the production processes, pushing industries to close down or to move away to other cities with more comparative advantages;
- decline of manufacturing output: this is linked to the opening of national economies and an increasing market competition, resulting in bankruptcy and derelict buildings and sites;
- increase of unemployment: this is coupled with increasing urban violence and crime, which after all is affecting the final configuration of cities, open public spaces and insecurity;
- deterioration of built environment: economic decline is affecting the quality of life and the quality of the built environment but is also pushing people to dramatic levels of poverty and social exclusion. This is also pushing people to live areas inadequate for human settlement e.g. flooded land, peripheral areas, steep hills, disaster prone areas, etc.
- flourishing service sector: cities are compensating to loosing their industrial profile and are attempting survive in a globalised economy by strengthening some of the service sector and clean technologies; many cities are changing radically their profile, from a classical industrial city towards a service providing city e.g. Barcelona, Rotterdam, Rio de Janeiro, Santo Andre, Rosario, etc.
- fluctuation of local tax base & revenues: economic decline is affecting the labour and land markets and consequently affecting the size of the tax basis meaning that there is a substantial decrease in revenue collection;

This process coupled with an increasing competition between cities is affecting the competitiveness of cities but also their size, function and physical form. Some cities facing a spiral of depopulation from its urban core while others facing a process of densification and overcrowding.

Local governments are engaging into city development strategies to cope with and mitigate the adverse effects of these processes. The external “environment” has become very volatile and full of uncertainties. Public policies are undergoing some paradigm shifts leading to more flexible type of planning, strategic envisioning with stakeholders participation, policies of integration of informal settlements into the formal and legal frameworks of cities by means of infrastructure improvement, social and urban renewal, and integrated revitalisation and city development strategies.



The urban regeneration of traditional and/or historical neighborhoods as well as the upgrading and regularization of informal settlements become strategically important and are now part of the urban restructuring menu in several cities. There are different motivations behind the current generation of programmes now widely supported by institutions like the World Bank and the Inter-American Development Bank.

In some countries, the need to establish social and political control over these areas are the key motivation behind policies that aim at the social, economic, juridical and administrative integration of these settlements into the official urban systems of the city. Project packages often include expansion of city's infrastructure networks and public services, the support to local economic development initiatives and regularization of land ownership. The latter is without doubt the most difficult step of the process. At the end of the day what

municipal policies intend is to neutralise the political and social influence that criminal organisations encroached into these settlements have managed to build during periods of complete neglect of the state. In Brazilian cities one speak about the “parallel power” accepted, feared and at times endorsed by local residents. Another motivation is the need to expand the real estate market and to widen the fiscal basis of local government taxation and revenue policies are the driving forces behind public and private sectors’ efforts to incorporate these areas into the urban capitalist land and real estate market.

Informal Settlement Upgrading and the Recovery of Citizenship Rights

The success of settlement upgrading and settlement regularisation policies depends on strong leadership, political will and full commitment of local governments. In operational terms it requires the establishment of an institutional and organizational framework through which:

- (1) the participation of the target groups can be facilitated;
- (2) the partnerships between public, private and community stakeholders can be realized,
- (3) financial resources can be mobilised and allocated,
- (4) local implementation capacities can be strengthened and,
- (5) the coordination, planning and management of programs and projects can be organized.

The experience in several countries shows that these are sine-qua-non conditions to have successful and effective upgrading programs. Besides the improvement of the living conditions which are accomplished through settlement upgrading, also the credibility of the State and local governments are recaptured since the majority of these areas had been continuously disregarded by public investment though intentions may have been more politically then welfare oriented.

The packages of public investment recapture the citizenship question helping to address social exclusion. The meaning of integration and upgrading gain a new dimension in municipal programmes of progressive local governments.

Public investments are realized in the form of an upgrading package that includes but not limited to:

- project design and settlement layout;
- infrastructure improvement programme;
- land regularization of legalisation of tenure;
- establishment of social infrastructures,
- community development programs and citizen participation,
- urban poverty alleviation programmes, etc.

These programmes helps to establish the rights, duties and obligations of beneficiaries, public and private actors involved in the upgrading efforts. This

means that the public sector invests in the provision of basic infrastructure but expects beneficiaries and consumers to pay for the services through users' taxes and tariffs.

The assumption is based on the idea that regularising land parcels under the name of their occupants will automatically change their status from "illegal" to 'legal' residents. This means in practice the obligation to pay property taxes and consumer's charges on services provided to them by the municipality like water, sewerage, garbage collection and electricity just to mention the most important ones. Despite the impact that regularization has on household incomes, for low income residents this implies the recognition of their property by the city cadastre which consequently integrates them into the formal city. Their settlements are "no longer green areas" but are then included in official city maps. This change in status consequently increases the value of their real estate property (plots and houses). The registered property with an official title allows owners to make an economic use these assets. Some argue that these properties can be used as collateral when applying for a mortgage or in any other real estate transaction. This means, they are now capable to participate and be an integral part of the market.

However, the experience shows that the full regularisation of land tenure is a lengthy, time-consuming and costly endeavour which explains why more than often it remains unaccomplished by city-wide informal settlement regularisation programmes. There is a paramount of legal, institutional and operational bottlenecks coupled with strong resistance from within the municipal apparatus and the cartel of public registry offices.

Evaluation of the Upgrading Experience

11 CASES

MetroManila, Jakarta (KIP), Calcutta, Madras, Karachi, Ismailia, Lusaka, Managua, La Paz, Guayaquil, Kingston

KEY RESULTS:

Skinner, Taylor & Wegelin,
1987.

- Induced substantial improvements in the quality and quantity of housing
- Led to increased property values
- Gentrification as exception rather than the rule

QUESTIONS REMAINING ABOUT PUBLIC INTERVENTION:

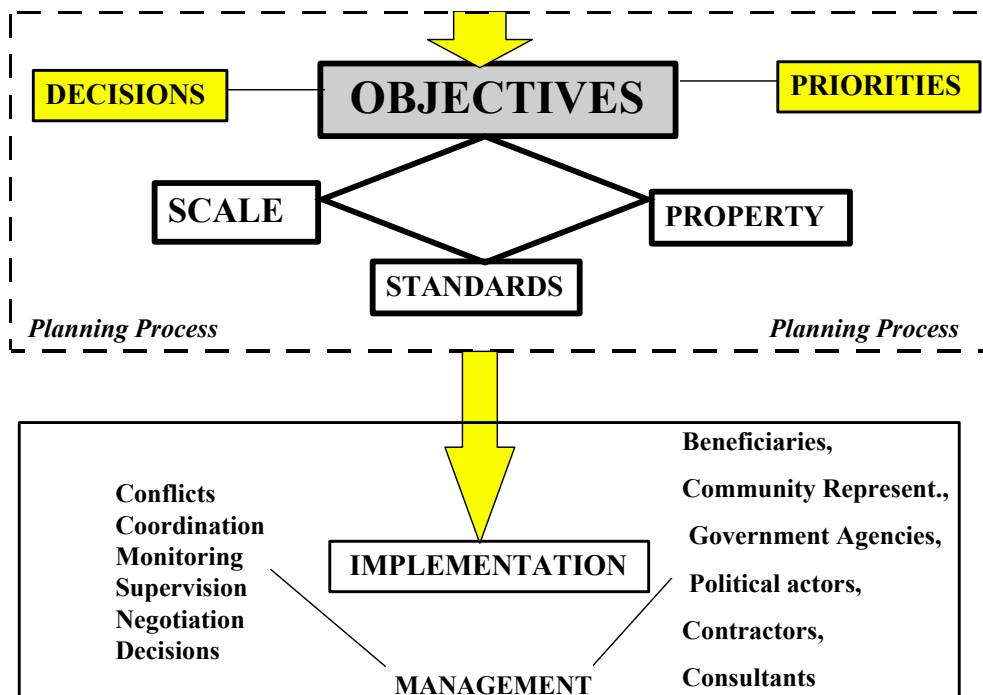
To modify design and implementation in the future!

- cost effectiveness . 1
- land tenure . 2
- rental housing (house and room renters) . 3
- program financing . 4
- cost recovery options . 5

An informal settlement upgrading program generates a multiplicity of interventions in the forms of projects. These projects have different objectives but basically deal with three major dimensions:

the ***scale*** in terms of beneficiaries and number of plots;
 the ***standards*** of housing, services and infrastructure and,
 the arrangements made for ***land property*** titling.

Nevertheless, they have multiplying development effects. Several evaluation studies³ carried out in the past show that there are direct and indirect impacts at the settlement and city levels as well as at the policy and institutional levels that can be measured at a medium and long-term basis. Particularly when they are planned and implemented in a participatory manner. This foments the involvement of the inhabitants and the various stakeholders in the urban management process. In concrete terms, informal settlement upgrading helps to increase urban productivity by addressing key issues which are essential for functioning of cities and for the welfare of its inhabitants e.g. infrastructure improvement, public works, social development, income generation, housing improvement, etc.



³ Jere, Harrington (1984). "Lusaka: local participation in planning and decision making", in G.Payne (ed), Low Income Housing in The Developing World, Wiley, Chichester; Martin, Richard (1987). "Experiences with Monitoring and Evaluation in Lusaka", in Wegelin, E., Skinner,R. and Taylor,J. (eds), Shelter Upgrading for the Urban Poor. Evaluation of Third World Experience, Island Publishing House, Manila; Martin, R. (1983). "Upgrading", in Skinner,R. and Rodell, M.(eds), People, Poverty and Shelter, Methuen, London.

The various facets of the urban environmental deterioration

The process of physical, social and economic deterioration that affects quality of life in informal settlements⁴ earmarks the close relationship between poor environmental conditions, poverty and urban productivity. The lack of potable water supply and in-house crowding are common features in these areas and are directly related to the deterioration of the health conditions of the population and with the emerge of severe epidemics and respiratory illnesses. These facts directly affect the urban poor. Informal settlements throughout the world face the lack of sanitation and drainage systems causing soil erosion and pollution of water sources and helping to increase mortality, morbidity and health problems among low income households; the urban poor suffers from inadequate housing conditions which seriously affect labor productivity and its reproduction.

In order to reverse this process, public sector intervention is required through integrated programs and projects that foster investments in social and physical infrastructures. These interventions must maximise public investments on one hand and on the other mobilize resources from the private and community sectors. Without this partnership, it will be very difficult to accomplish sustainable results. Due to the fact that the change in behavior and attitude of the public sector takes time, it is important to launch projects that:

- reduce urban poverty and give perspectives to the low income population;
- foster public and private investments in infrastructure and housing improvements;
- dismantle the legal and institutional barriers that impede urban productivity and hinder the performance of the key public, private and community actors;
- promote local economic development processes at the neighborhood level;
- create an efficient urban environmental management framework.

Defining Informal Settlement Upgrading

The objectives of policy and the content of projects must be made explicit and therefore it is fundamental to define the concept of informal settlement upgrading. Settlement upgrading is defined as a process of intervention in the physical, social, economic and juridical structure of an existing human settlement that was formed through spontaneous mechanisms and unplanned processes of land occupation. These settlements are often conflicting with the existing laws, norms and regulations.

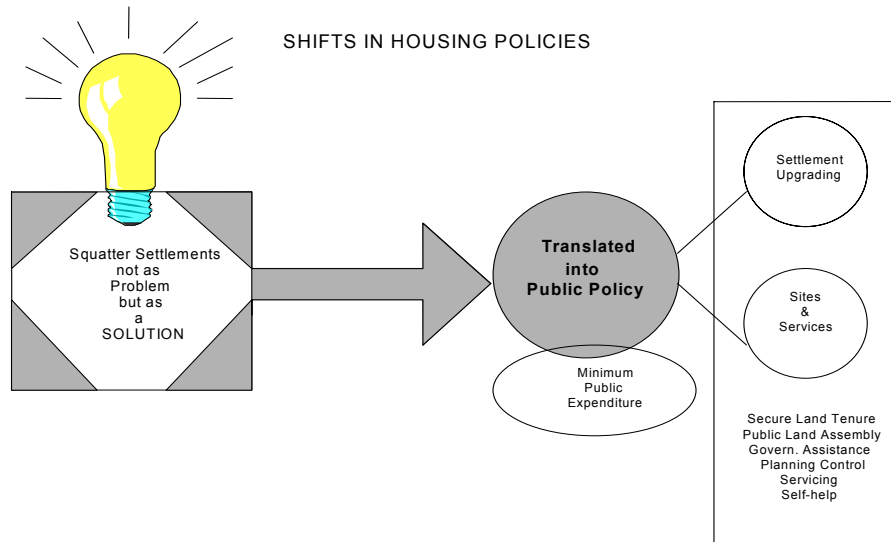
More than three decades of experience with upgrading shows that governments have moved away from eradication and eviction policies that advocated the

⁴ The denomination varies from country to country. Squatter settlements is an internationally recognized denomination. Some prefer expontaneous settlements. In Brazil they are called favelas although there are regional denominations eg. invasoes, alagados, etc. In El Salvador, they are called colonias ilegales; gecekondur in Turkey; katchi abadis in Pakistan; bidonvilles in Tunisia; slums in India and informal areas in Egypt.

bulldoze of these settlements and the relocation of families to other areas where conventional housing or sites & services schemes were carried out. This shift was motivated in a great deal by the recognition that squatters and informal settlements were not a problem but a SOLUTION engendered by the population who could not have neither access to land and housing nor to credit and means to purchase these commodities. In terms of housing policy, there is a significant change in housing provision from conventional to unconventional delivery systems that placed emphasis on minimum public expenditure and lowering of standards.

Public intervention through settlement upgrading minimizes the social, economic and environmental impact derived from eviction policies because it preserves the existing social networks and community cohesion where they exist. The upgrading option also provides for a gradual adjustment of households to recurrent expenditures derived from the provision of services and regularisation – when it occurs - which otherwise would not happen when relocated to a new resettlement area. Resettlement projects are known to cause on one hand abrupt impact on household expenditures and on the other to exhaust large amounts of public resources. These sites are normally situated in peripheral areas where land is usually cheaper but where transportation is more costly. Informal settlement upgrading aims at the preservation of the systems, energies and opportunities already in place for and by the residents. It maximizes material, human and financial resources that exist in the locality. Officially or “de facto”, it recognizes the solutions brought about by the population. Generally, the projects have a set of common objectives: land regularization, infrastructure improvement, establishment of credit mechanisms to support self-help housing and housing improvement, and social & economic development.

When designing an upgrading project one must consider the unequivocal options for relocation. The experience shows that reblocking and redesign of the settlement layout requires the relocation of houses and families whom at times cannot be housed within the settlement. There are times that upgrading also means the decrease in building and population densities. Thus many upgrading programs are combined with sites & services projects in order to allow relocation and decrease in densities to take place. This is because many settlements are confronted with technical and legal barriers derived from high density of occupation, inappropriate accesses, hazard sites, legal and tenure obstacles and so on.

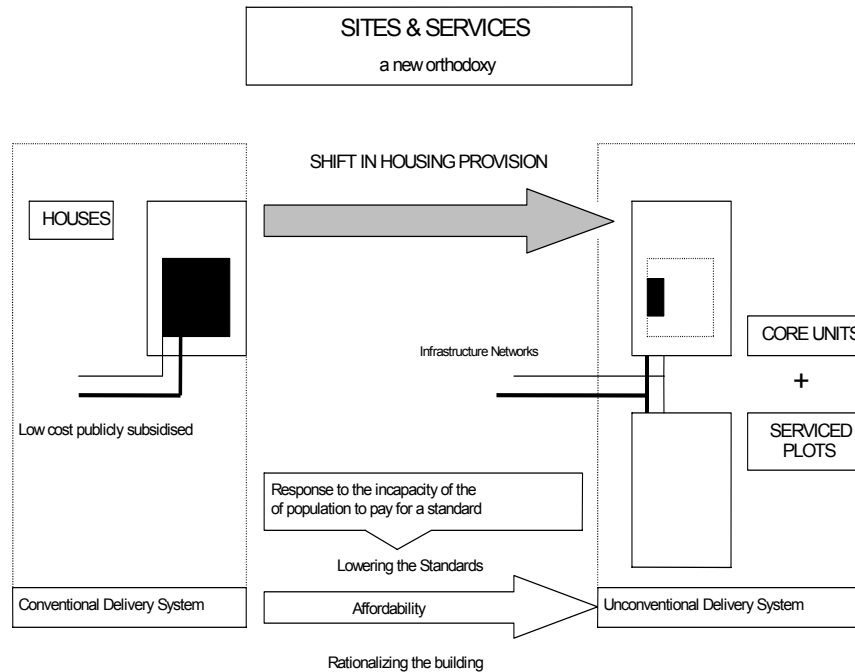


State intervention: old themes in new words

Informal settlement upgrading is not a new idea. Already in the 1950's, countries such as Peru, Indonesia, India and Turkey already had adopted this approach for the problems of informal urbanization. The reasons and motives vary. During the 1970's, although some countries or cities were promoting the urbanization of these settlements, the repressive "bulldozer" eviction policy predominated. The practical viability of this policy was also laid down by large scale land acquisition carried out before hand which was intended to be utilized as reserve for urbanization. This was expected to be sponsored and conducted by the State. Mechanisms of control were introduced in order to impede expansion and densification of informal areas. Often, repressive instruments were used by local authorities to control informal urbanization. Many developing countries pursued this approach until researches and the international experience started to give evidences about the failures of the eradication policies, its shortcoming and the perverse effects it had on the urban poor.

At the late 1970's and during the 1980's, a gradual world-wide shift started to take place as results and the experiences in Peru, Indonesia (KIP), Zambia (Lusaka experience) and the Philippines among others got wider dissemination. This shift was already advocated during the Habitat I Conference, in 1976, Montreal, Canada, and subsequently influenced by international donor and funding agencies such as the World Bank which started to promote new approaches through lending policies. The new doctrine is incorporated to housing policies with projects and programs focusing on regularization of tenure and infrastructure improvements. The assumption was that by resolving the land ownership problem residents would be motivated to invest their own resources in

housing improvements. The upgrading programs were combined to sites and services projects where full ownership of plots was awarded to future inhabitants. Special arrangements were made regarding cost recovery and community participation in order to foster replicability and sustainability of the projects. Sites & Services projects were to become the new orthodoxy.



Several studies and evaluation researches⁵ revealed that the regularization of land ownership was costly and a time consuming process which hindered the achievements of projects. Cost recovery was hardly accomplished in the way the World Bank had foreseen which negatively affected their replicability and sustainability; and the impacts of sites & services on institutional and policy reform was minimal if not null. The urban problems were "projectized" and these projects never managed to be replicated on a larger scale.

During the 1990's, as decentralization and privatization emerged as new development paradigms it became widely acknowledged that the role of local governments in managing and steering urban development processes is paramount. Its mandate to undertake city-wide policies and institutional

⁵ Payne, G. (ed), "Low Income Housing in The Developing World", Wiley, Chichester; Wegelin, E., Skinner, R. and Taylor, J. (eds), Shelter Upgrading for the Urban Poor. Evaluation of Third World Experience, Island Publishing House, Manila; Skinner, R. and Rodell, M. (eds), People, Poverty and Shelter, Methuen, London.

reforms⁶ is regarded as a sine-qua-non condition to tackle the problems of informal urbanisation. The 1990's provided new generations of upgrading projects within the framework of city-wide programmes like Favela Bairro in Rio de Janeiro⁷ and the Medellin Neighbourhood Upgrading Programme. The Inter-American Development Bank is currently sponsoring new generations of city-wide upgrading of informal settlements in more than 10 Latin American countries.

The attention is shifted to a package of infrastructure improvements combined with basic public services provision and the physical/spatial restructuring of the settlements followed by regularization of tenure and property rights⁸. As mentioned earlier these interventions are geared to social, economic, physical and juridical integration of the informal city into the current formal and official urban systems.

Except for this integration effort and the link with housing and real estate market expansion and its improved performance, we can state that almost nothing new has been invented in relation to the upgrading experiences during the last 20 years. Some instruments for land regularization and creative juridical solutions such as the ones utilized in Peru and in Rio de Janeiro intend to speed up and to simplify the process of land titling which proved not to be so simple and not easy to be accomplished.

Self-management and community-based initiatives like the ones carried out in Sao Paulo during the period 1989-1992 are more empowering oriented and serve as catalytic instrument to foster self-determination and local management mechanisms mobilising local resources and the creativity of local residents and their grassroots organisations. This is especially noticeable in countries where democratization and local government autonomy has been conquered and

⁶ International donor organizations formulated policy documents where this shift is explicit. Among them the World Bank (1991), *ibid.*; UN-United Nations, Commission on Human Settlements (1991). "The Significance of Human Settlements and the Global Strategy for Shelter for the Year 2000 to the Concept of Sustainable Development...". UN report HS/C/13/6. Harare, memo. 17 pp. UNDP-United Nations Development Programme (1991). "Cities, People & Poverty. Urban Development Co-operation for the 1990s". A UNDP strategy paper, UNDP, New York. 94 pp. Bilateral organisations also formulated specific policy documents which (re)directed bilateral aid regarding the urban sector.

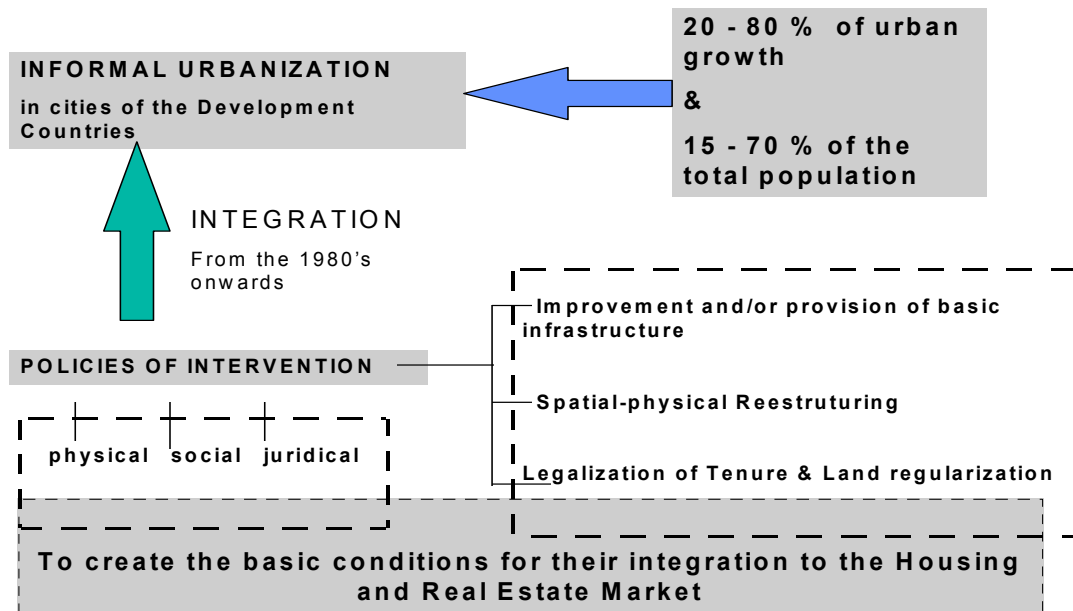
⁷ Acioly Jr., C., D. Edelman and P. Procee (1999). "Sustainable Urban Development and the Urban Poor in Rio de Janeiro, in 'The Challenge of Environmental Management in Urban Areas', M. Mattingly, E. Fernandes, J. Davila and A. Atkinson (eds), Ashgate, London, UK, 1999. (pp. 127-138); Acioly Jr., C. (1997). "A Urbanização de Assentamentos Informais e a Gestão do Meio Ambiente Urbano", paper prepared for the International Workshops sponsored by EDI/World Bank in Angola and Guinea-Bissau, April 1997. 27 pp

⁸ Durand-Lasserver, Aland and Valerie Clerc (1996). "Regularization and Intergration of Irregular Settlements: lessons from experience", UMP Working Paper Series no. 6, Urban Management Program, UNDP/UNCHS/World Bank. Mercado, Rodolfo and Ricardo Uzin (1996). "Regularization of Spontaneous Settlements", Building Issue no. 2, Vol.8, Lund Centre for Habitat Studies, University of Lund, Sweden.

broadened such as the Philippines, Brazil and South Africa. Nevertheless they are rather exception than the rule.

Some experiences managed to create an economic and financial basis for continuity of programmes such as the Ismailia's Hail El Salam project in Egypt but it failed to generate the institutionalization within the local government neither was it capable to replicate elsewhere in the country. In Zambia, the long-term upgrading experience lead to community-based training and local development processes based on limited and endogenous financial resources but the pioneering settlement upgrading programme faced severe delays for not paying sufficient attention to the resolution of issues related to land management.

Some programmes like the ones in Rio de Janeiro and Egypt are geared to intensify the presence of the State in the settlements in order to neutralize the informal power systems and the influence of organizations contrary to its interests and/or the established laws e.g. the drug traffic organizations in the former and the fundamentalist religious/political groups in the latter.



The new aphorism is "integration" instead of upgrading. Physical integration and the transformation of these settlements into neighborhoods through direct public investments, opening of roads, connection to city's infrastructure networks and public services, merging to the city's cadastre and official maps. Social integration, meaning that specific programs addressing community needs, vocational training and social development are implemented vis-à-vis the public works. Juridical integration means the regularization of land parceling and individual plot titling and final resolution of land ownership issues which

complements city-wide cadastre needed to collect property taxes and user's taxes and tariffs. In this respect, juridical integration actually means enlarging local governments' tax base. Integration also means the total integration of these settlements to the local housing and real estate property markets. The experience of Rio Janeiro though shows that the achievement of this last final status was relatively small when compared to the number of beneficiaries of the Favela Bairro programme.

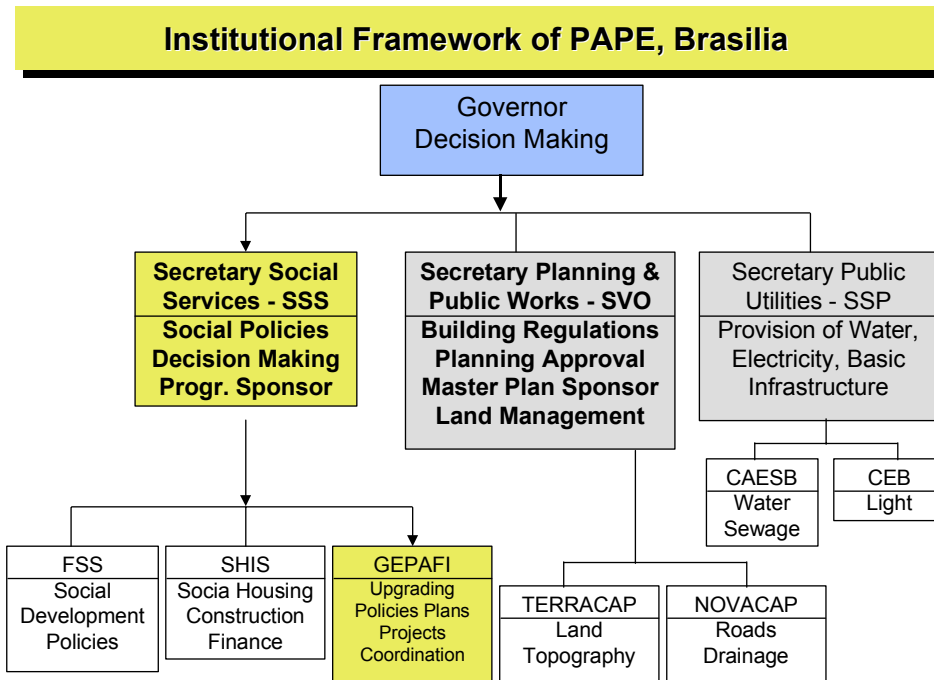
Coordination and Conflict Resolution: the need for an institutional engineering

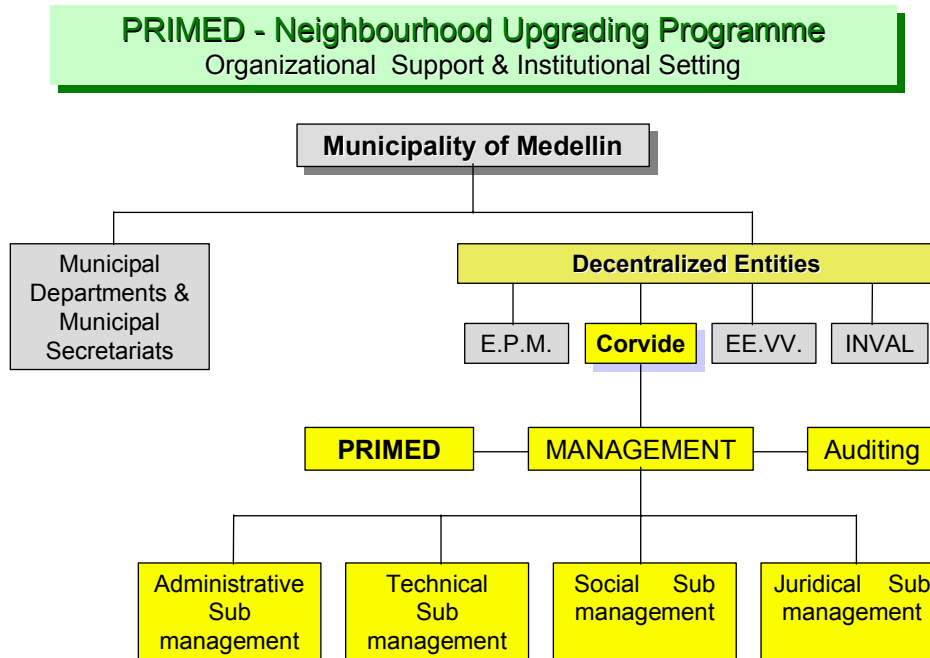
Urban management instruments are introduced as a way to guarantee the continuity of these programs and their respective integration to the city-wide policy reform and institutional building effort. In the past, many cities opted to create an organizational structure to implement upgrading projects, with specific responsibilities to plan, execute, monitor and manage the entire process of program and project development and implementation. Experiences from Lusaka (Zambia), Brasilia (Brazil), Ismailia (Egypt), Medellin (Colombia) and Bissau (Guinea-Bissau) are examples and variants of this approach. The complexities of these settlements and the need to involve a large variety of actors and stakeholders in complex multi-sector operations demand for a well-thought institutional engineering solution.

The success of programmes is a function of conducive institutional arrangement that facilitates coordination, inter-sector collaboration and policy-implementation articulation. Such institutional framework unequivocally determines whose responsibilities, tasks and obligations are in the upgrading cycle from project preparation to actual implementation. An upgrading program usually involves several public stakeholders. Public utility institutions and parastatals – which are either municipal, state or national government entities – are key actors responsible for the provision of basic public services and infrastructure. One must consider community-based organizations, local business associations, private contractors, politicians, religious organizations, etc. which all have a convergent and/or divergent interest with one another. Getting these actors together for agreeing and approving plans of actions becomes a complex operation. There are different modalities and approaches. Project management systems constructed on the basis of matrix organisational models are becoming popular within local governments. This is optimising the use of existing capacities and institutional structures already in place. However, the predominant form is the creation of project units attached to a particular municipal department that unfortunately tends to disappear with the changes in the political status losing institutional memory and accumulated experience.

The context in which we plan and implement an upgrading project is usually very complex, dynamic, turbulent and at times very hostile, where different economic, social and political forces converge and diverge along the process. For those who are directly responsible for the planning, operational and execution phases of the process, it implies specific planning & managerial skills and specific abilities to manage conflict resolution.

Besides that, the experience shows that the coordination and management of programs and projects need to be well resolved in order to create a conducive platform for conflict resolution and efficient management of public and private investments both at the higher and local levels. This institutional and organizational basis are considered as a prerequisite for an efficient implementation and monitoring of an informal settlement upgrading policy which is capable to generate a local development process. It is through the establishment of transparent, participatory and efficient urban management that this can be accomplished. The present trend towards decentralization and strengthening of local governments creates new opportunities to institutionally internalize informal settlement upgrading.





Problems and Obstacles originated from traditional practices in project planning and design

Many projects face several obstacles during the execution phase because very often it is not very clear what problems they are addressing and whose problems are they geared to resolve. It is noticeable that little attention is given to the process of problem formulation resulting in unclear objectives. Despite significant progress and the degree of accumulated experience in the field of settlement upgrading and land regularisation processes it is unfortunate to acknowledge that the process of project design and preparation is based on a technocratic model with little or no participation of the direct beneficiaries and key stakeholders. Participatory planning in the design of upgrading projects is rarely carried out. It is common that consultations take place only once planners and architects are already advanced with their ideas of settlement layout and solutions in urban configurations.

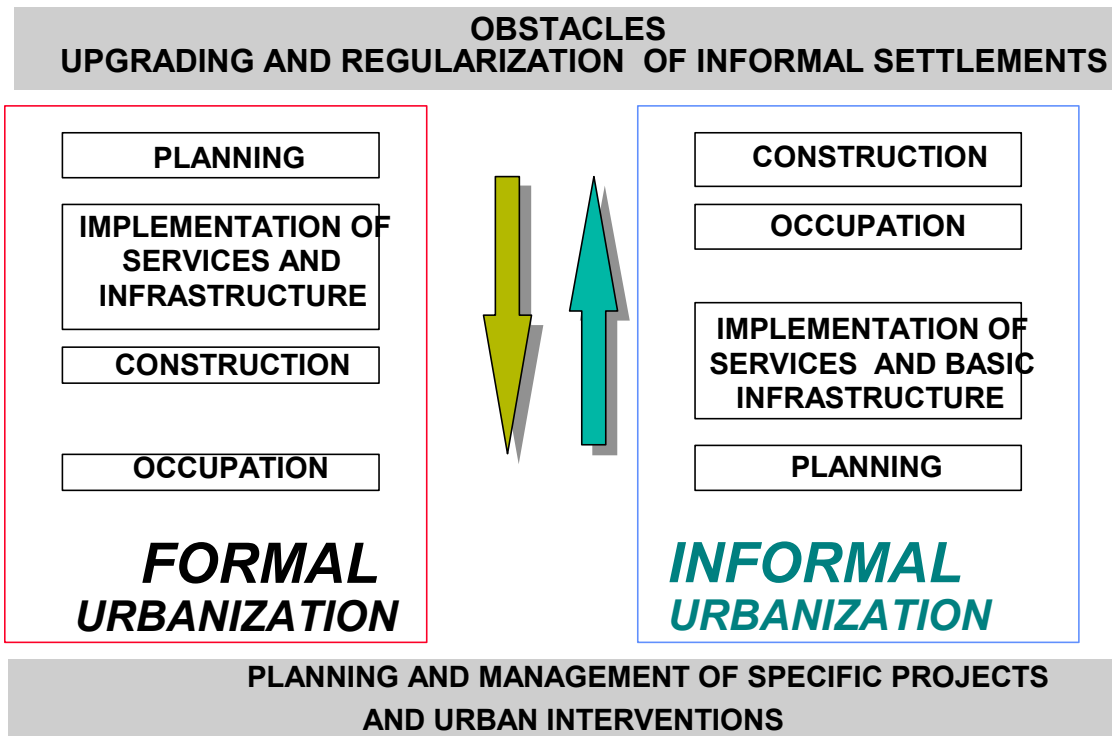
The inadequate involvement of the inhabitants and ultimate beneficiaries of the projects result into projects not addressing the crux of the problem. Consequently, there is little ownership of the process from the part of the inhabitants and missing opportunities for their input into the process of project planning and implementation.

Furthermore, in order to deal effectively and efficiently with informal settlement upgrading, housing practitioners and urban planners must detain non-conventional planning skills and participatory tools which will assist them to

launch meaningful actions and result oriented processes at the settlement level. Community-based action planning is still exceptional. Participatory processes seem to be present in projects financed by international, bilateral and multilateral organisations. Projects financed by GTZ for example are usually formulated and further develop through participatory workshops using OOPP (Objective Oriented Project Planning) methods.

A great number of new generations of upgrading and regularisation projects are undertaken on the basis of public bidding involving local planning offices, consulting and engineering firms that work under tight cronograms and timetables linked to performance and disbursement benchmarks established by municipal agencies in charge of these projects. This brings another difficulty to the equation. There is very little room for flexibility. This is even worsen by the duration of the terms of municipal governments – usually 3 to 4 years – before another election takes place. There is political pressure for quick and visible results and therefore little or no opportunity for launching a participatory approach. Participation and direct involvement of the population requires a process-based approach that is not compatible with the mechanisms and procedures of public bidding and public management. This tends to reinforce the use of conventional planning methods and analytical tools that excludes automatically the residents from project formulation and local priority setting.

It is acknowledged that cities are growing and settlement formation takes place under the logic of informal urbanisation. This means that planning only takes place after construction and occupation are actually consolidated. This seems to be the predominant form of city building in many parts of the developing world. However, the curriculum of universities and architecture and planning schools continue to be classic and still create professionals trained to work under the logic of formal urbanisation where planning is done at first and occupation and consolidation only takes place after all is done. Professionals are trained to work in an imaginary urban reality that only exists in raw land development, new towns, and urban expansion to green fields. This reinforces the need to change the way professionals think and work in cities.



Technical decisions and enabling local development processes

At the very technical level of projects there is a need to make choices and decisions which are fundamental for the further development of the settlements:

- From the point of view of the inhabitants public investment in infrastructure, roads and basic public/community services is often regarded as an unequivocal sign that there is governmental recognition to their needs and situation. Practitioners must judge different tenure options instead of engendering into complex institutional and legal procedures to legalisation of individual property and land titling to individual occupants.
- A process approach to settlement layout design is often the most appropriate solution. The resolution of accessibility through the improvement of main roads is often sufficient to launch regularisation processes and stimulate private investments. The total plan addressing the entire physical/spatial restructuring of the settlement is usually ambitious, costly and not reliable due to problems in topographic accuracy;
- Building codes, planning norms and standards of urban infrastructure that are applied elsewhere in the city are often not appropriate and certainly cannot be applied to informal settlements upgrading projects. The call for “flexibilisation” is at the order of the day but the experience shows that changing these traditions is not an easy process.
- Projects tend to focus on the improvement of public space and urban infrastructure assuming that the residents will take care of the individual

housing improvement. While self-help housing improvement is commonly an option for housing improvement it is also common to see residents making use of small scale local contractors and informal credit mechanisms to support the improvement of their housing conditions. But there are also families who are unable to mobilise resources and support meaning that the housing question need to be looked at in a much different manner than it is actually the case in the majority of upgrading projects.

- Some levels of romanticism in the process of project design result into existing settlement layouts remaining intact which is not always the option regarded as the best by the inhabitants. Pragmatically speaking residents tend to perceive the difficulties of accessibility and comfort implicit in some peculiar urban layouts resulted from spontaneous processes of land occupation. But standards used elsewhere in the city are regarded as signs of modernity and legality that tend to influence local demands for street width, open spaces, plot dimensions, etc. when resolving the final status of the settlement layout.

Success of projects depend on a conducive programme management

There is a cycle from policy making down to project implementation and impact assessment. The proper management of this cycle is a sine-qua-non condition for the success of an upgrading project. We can identify clear phases and steps that are not always subsequent to one another. Very often – depending on the type of urban governance in place and consequently the level of participation open to residents and grassroots organisations – there is an overlapping of these phases. For example, there are cases in which community-based organisations get actively involved in policy making through participatory channels and also in the process of resource allocation. This is the case in cities where local governments practice participatory budgeting like Santo Andre in Greater São Paulo region. Santo Andre’s social inclusion programme deals with integrated settlement upgrading programmes and very often the decision to upgrade is taken within the participatory budgeting framework.

The phases can be outlined as follows:

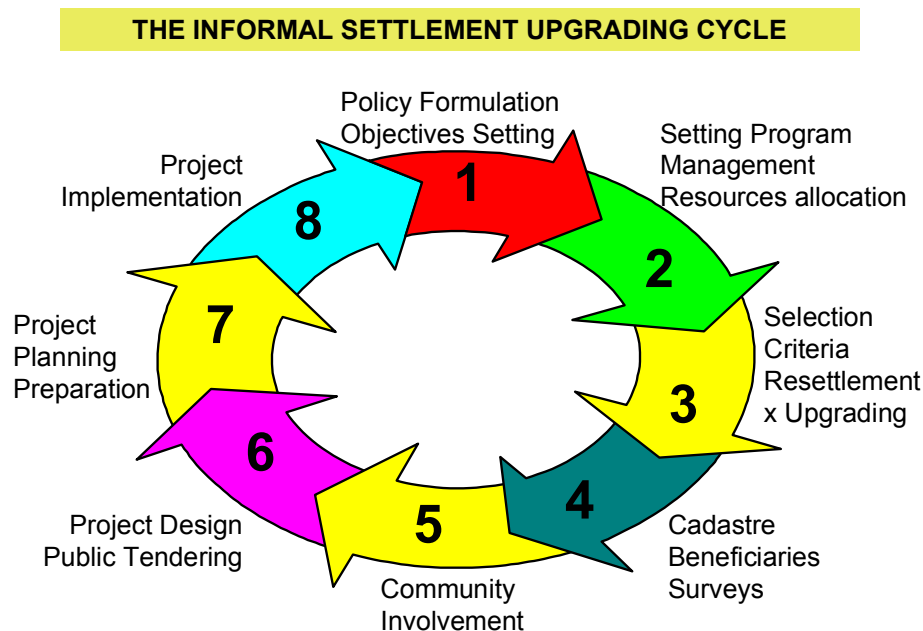
Policy Making: a phase in which general objectives are spelled out and political commitment to tackle the problems of informal settlements is taken. In principle this is translated into a housing policy document. This phase can be motivated by a genuine concern to the well being of the inhabitants or by political pressure exercised by organised movements and active community-based organisations-CBO’s. It is not excluded the electoral interests as the key motivation to launch upgrading actions.

Programme management and resource allocation: this is a phase when programmatic objectives are set and the scope and location of settlements are identified. Resource allocation takes place and responsibilities are set within the institutional and organisational framework of local governments. There is an

internal efforts and extensive negotiations and articulations between agencies and departments from within local governments in order to define who does what, when, for whom and for how much.

Selection Criteria: this is an important step that defines and clarifies when a particular settlement is eligible for upgrading. It is a political and a technical decision making since it implies excluding some areas that for technical, environmental, legal or financial reasons cannot be subject to upgrading and public investments. At times this decision is simultaneous to the process of policy making.

Social Survey: this is an important step that defines the total number of beneficiaries, the number of houses and households involved. This survey is fundamental to define eligibility to the programme. Normally one considers number of years living in the settlement as a fundamental eligibility criteria to have access to a plot, house, benefit, land rights, etc.



Community involvement: as stated above the involvement of the inhabitants must be considered all along the entire process. CBO's are very instrumental during the social survey helping government agencies and NGO's to define who has been living long enough in the settlement. During the design process and during the process of project preparation this participation is a must.

Project Design: this is a phase that either the government agency is carrying out the job or this is assigned to private parties contracted through public tendering and competitive bidding. The programme Favela Bairro in Rio de Janeiro works on this basis although recently the municipal staff is moving away

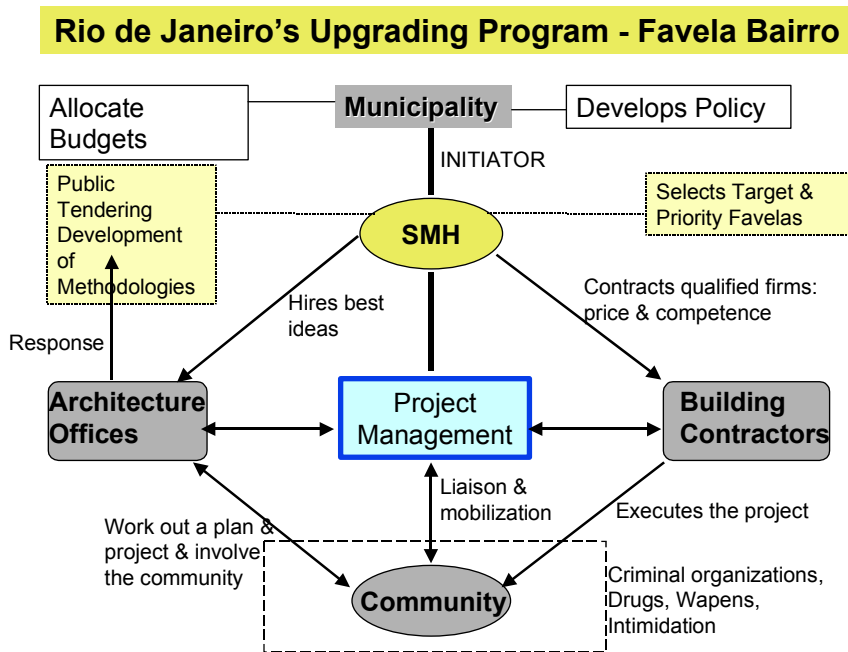
from the project and process manager roles to the actual role of project designer. NGO's often play this role and builds up a solid dialogue with the target communities. Here is when the active participation of the residents is considered as key for success of the project.

Project planning: once the design of the project is done, meaning that there is a street layout, a general plan for implementing basic infrastructure networks and public and private domains are defined in a physical plan, then the planning and preparation for implementation starts. Whenever municipal public works agencies are not involved then documentation for tendering execution works are prepared during this phase as well. Budget are double checked. Topographic and cartographic data are also double checked as well.

Project implementation: this is the phase when the original plan starts to be adjusted. The peculiarities of informal settlements usually forces a lot of adjustments when roads, drainages, and networks need to be executed. Houses need to be demolished and families relocated, etc.

Success of projects depend on effective project management

The magnitude and complexity of an informal settlement upgrading process demands a continuous inter-agency, inter-sector and multi-level collaboration and articulation.



The experience of urban renewal projects in Europe shows that a modern project management system established within local governments is a key to the success of projects. Various local governments in the developing world have discovered that and are gradually moving towards more autonomy, more

devolution and more responsibility for project managers. In order to manage several complex projects in a simultaneous manner and keep reporting and close follow-up from the programme management the municipality installed a project management system. Project managers were actually responsible for policy cohesion and horizontal collaboration throughout all phases of the project in which all municipal agencies took part as to have project approval and support from within the municipal apparatus e.g. public utility companies, departments of planning and urban design, etc. Project managers were key players in this programme.