



# Understanding the Dynamics of Informal Urbanization and the Rise of Slums.

## Policy Responses and Lessons Learned from Global Practice of Slum Upgrading

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# Content of the Presentation

- ▶ 1. Four Features in Global Urbanization
- ▶ 2. The Global Affordability Crisis
- ▶ 3. Africa's Urban Transition
- ▶ 4. Informal Urbanization
- ▶ 5. Retrospective of Policy Responses to Slums and Informal Urbanization
- ▶ 6. The Logic of Slum Upgrading Interventions
- ▶ 7. Learning from Experience

**Focus of the Presentation**



# Experiences and Case Studies

- ▶ a) Tirana
- ▶ b) Bissau
- ▶ c) Karachi
- ▶ d) Lusaka
- ▶ e) Dar-es-Salaam
- ▶ f) Rio de Janeiro
- ▶ g) Medellin
- ▶ h) Street-led Slum Upgrading Strategy of UN-Habitat
- ▶ i) Addis Ababa
- ▶ j) PSUP-Participatory Slum Upgrading Programme (EC-UNHabitat)



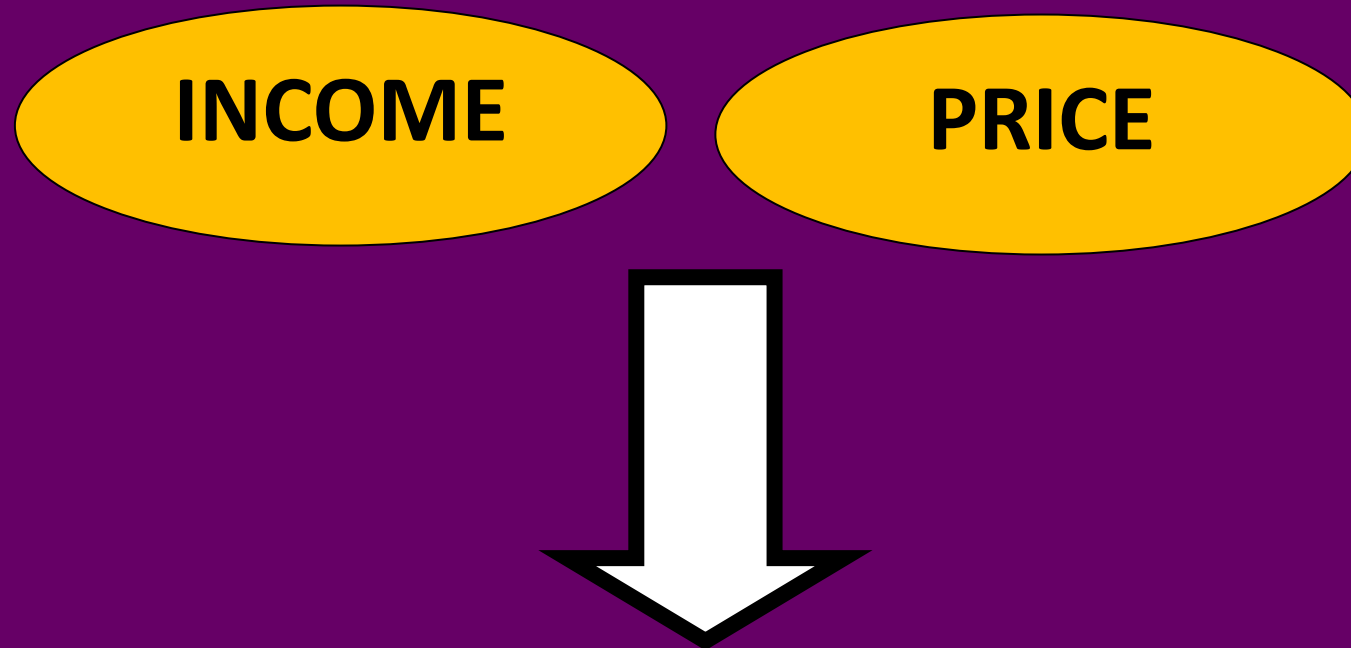
# 2.

## The Global Housing Affordability Crisis:

### AN EVIDENCE-BASED ARGUMENT:

the lack of affordable housing options compel people with low and moderate incomes to resort to informal housing solutions which propels informal urbanisation and slum formation.

# Housing Affordability



Indicator:  $\text{relation annual income} / \text{price of housing unit}$

**House Price-to-Income Ratio**

# Threshold

## Ability to Pay

*effective demand*

Access via Ownership	Access via Rental
<p><u>Financial Accessibility</u></p> <p>House Price-to-Income Ratio</p> <p><b>3</b></p> <p>= 3 x anual household income</p>	<p><u>Financial Accessibility</u></p> <p>Rent Price to Income Ratio</p> <p><b>25%</b></p> <p>= 25% of household income</p>

# Financial Inclusion



# The Global Sample of 200 Cities

Statistically representing the global urban universe. A Cooperation between UN-Habitat, New York University and the Lincoln Institute of Land Policy.

# Housing Affordability Crisis

Before the Covid-19

## FINDINGS

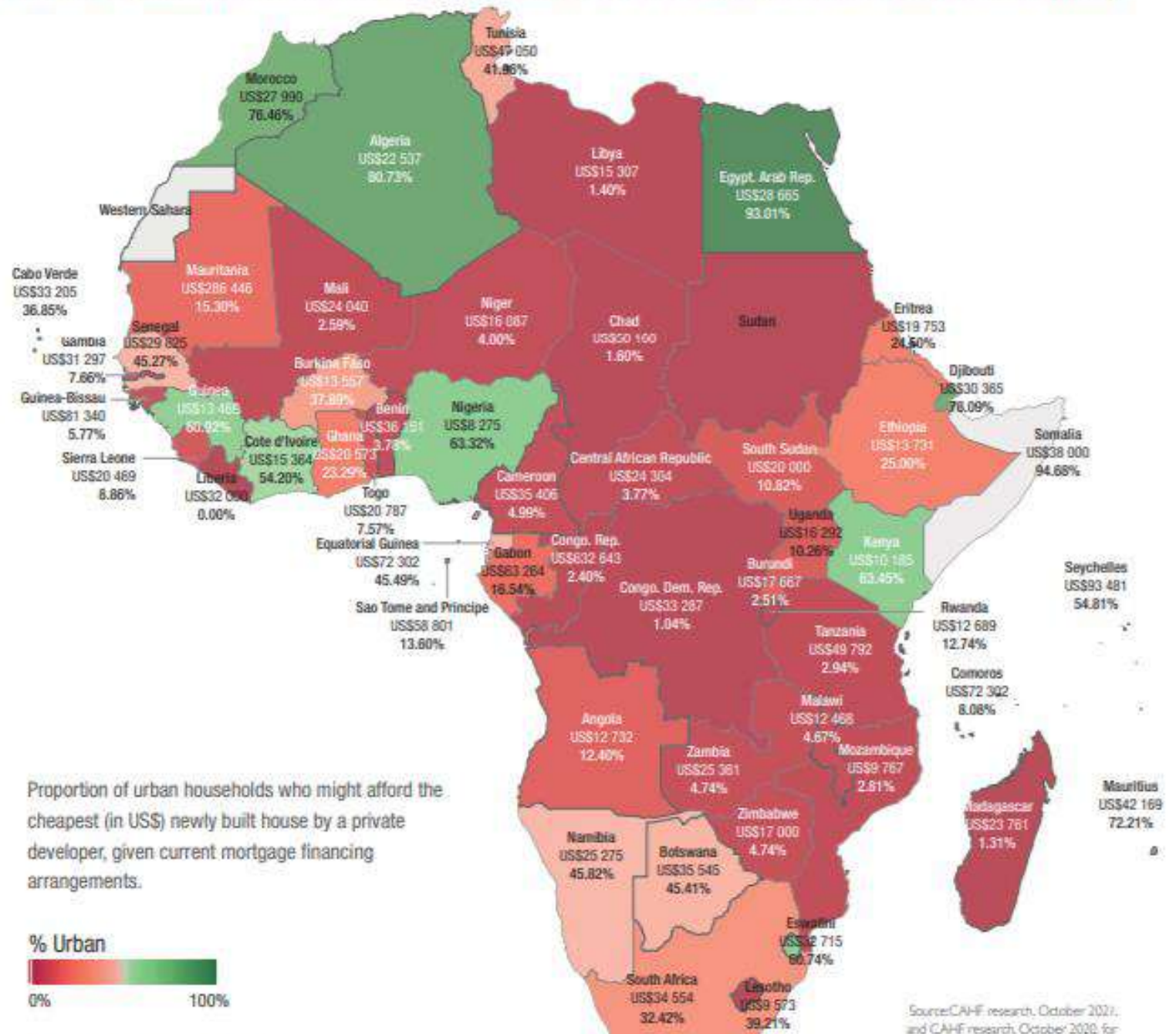
from UN-Habitat Global Sample of 200 Cities 2016, MGI Blueprint to Address Global Affordable Housing 2018, the Demographia 2019 Survey and the 2020 and 2021 Yearbook of Housing Finance in Africa by CAHF

1. Homeownership not affordable.
2. Rental housing not affordable.
3. The housing sector very restricted.
4. Distortions reflected in the spatial structure of cities: informal housing, slums, overcrowding, high land price, sprawling...



# PERCENT URBAN HOUSEHOLDS WHO CAN AFFORD CHEAPEST NEWLY BUILT HOUSE (2021)

# 2021



Proportion of urban households who might afford the cheapest (in US\$) newly built house by a private developer, given current mortgage financing arrangements.



US\$ exchange rate (1 July 2021)

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Source: CAHF research, October 2021, and CAHF research, October 2020, for five countries where updated mortgage data was not available for 2021.

**CAHF** Centre for Affordable Housing Finance in Africa

**HOUSING FINANCE IN AFRICA**  
A review of Africa's housing finance markets  
**2021 YEARBOOK**  
Published by the Centre for Affordable Housing Finance in Africa

# Impacts from Housing Affordability Crisis

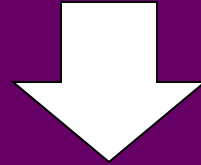


**CLIMATE IMPACT**

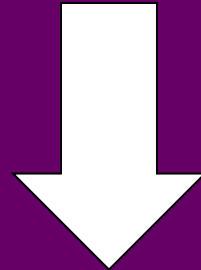


**IMPACT ON  
SOCIAL &  
SPATIAL  
INEQUALITY**

# Lack of Affordable Housing Options



1. informal urbanization
2. growth of slums:



**Social and Spatial Exclusion**



# 4.

## **Informal Urbanization and Slums:**

Slum formation becoming the predominant form of city growth in many parts of the world.

# In some regions: urbanisation is a synonym of slum formation

	Urban Growth	Slum formation
Sub-Saharan Africa	4.6	4.5
Southern Asia	2.9	2.2
Western Asia	2.9	2.7

Source: UN-HABITAT, 2008

# Measuring Slums worldwide by UN-HABITAT

## What is a Slum Dweller?

Lacks one or more of the following:

1. Access to improved sanitation
2. Access to improved water
3. Access to security of tenure
4. Durability of Housing
5. Access to sufficient living areas



# Latin America







# Africa







# Asia









# Europe & USA







**1 out of 4 people  
living in urban areas  
lives in slums.**



# 5.

## **Retrospective of Policy Responses to Informal Urbanization and the emerge of slums:**

A roadmap from slum clearance policies to slum upgrading programmes.

# Retrospective of Approaches and Policy Responses

1960

1970

1980

1990

2000

2010

**1**

Resettlement,  
Repression,  
Slum Clearance  
and Slum  
Erradication

**2**

In-Situ  
Improvement  
Policies through  
Settlement  
Upgrading  
Projects

**3**

The Integration  
Strategies and  
Citywide Slum  
Upgrading  
Approach

**4**

The Social  
Inclusion and  
Livelihood  
Improvement  
Approach

Source: Acioly et al (2021). Revisiting the Practice of Slum Upgrading in a Global Context: Useful Lessons and Reflections for the PSUP

# Policy doctrines

**From  
Projects  
to  
Programmes**

70's

- RR+ EE
  - Repression
  - Resettlement
  - Eradication
  - Eviction
- SLUM  
CLEARANCE**

- Land Acquisition
- Land banking
- Conventional housing projects

80's

- Integration to the housing policies
- No large scale programs

- Land tenure regularization
- Sites and services
- Finance
- Integrated projects

The 90's

- City wide Policies
- Local Governments - urban management and governance – at the forefront
- urban productivity measures

- Combined Approaches
- Infrastructure improvement and services + physical & layout restructuring + legalization of land tenure.
- Integration into programs

# The Evolution of Housing Policies in a Nutshell

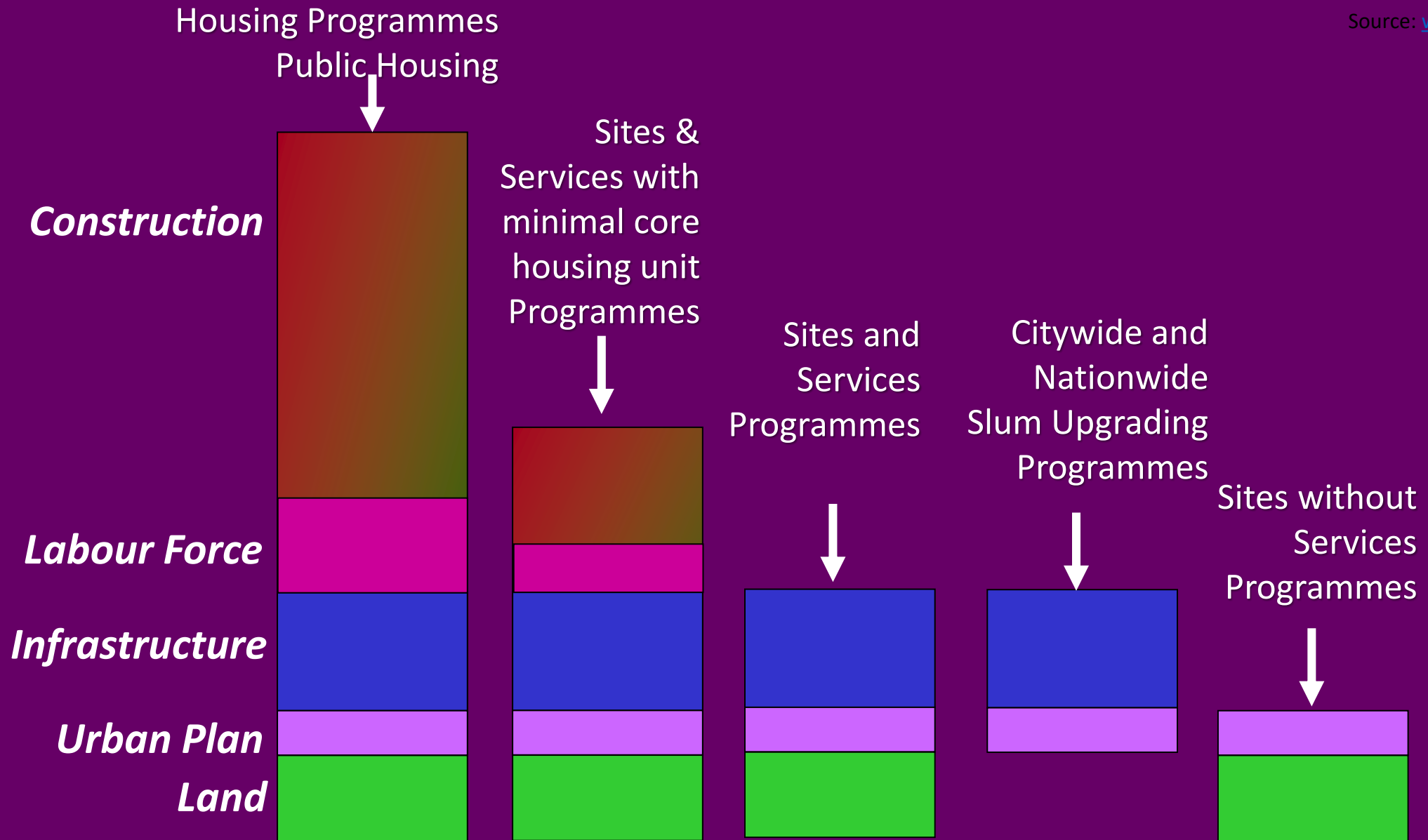
1950

1980

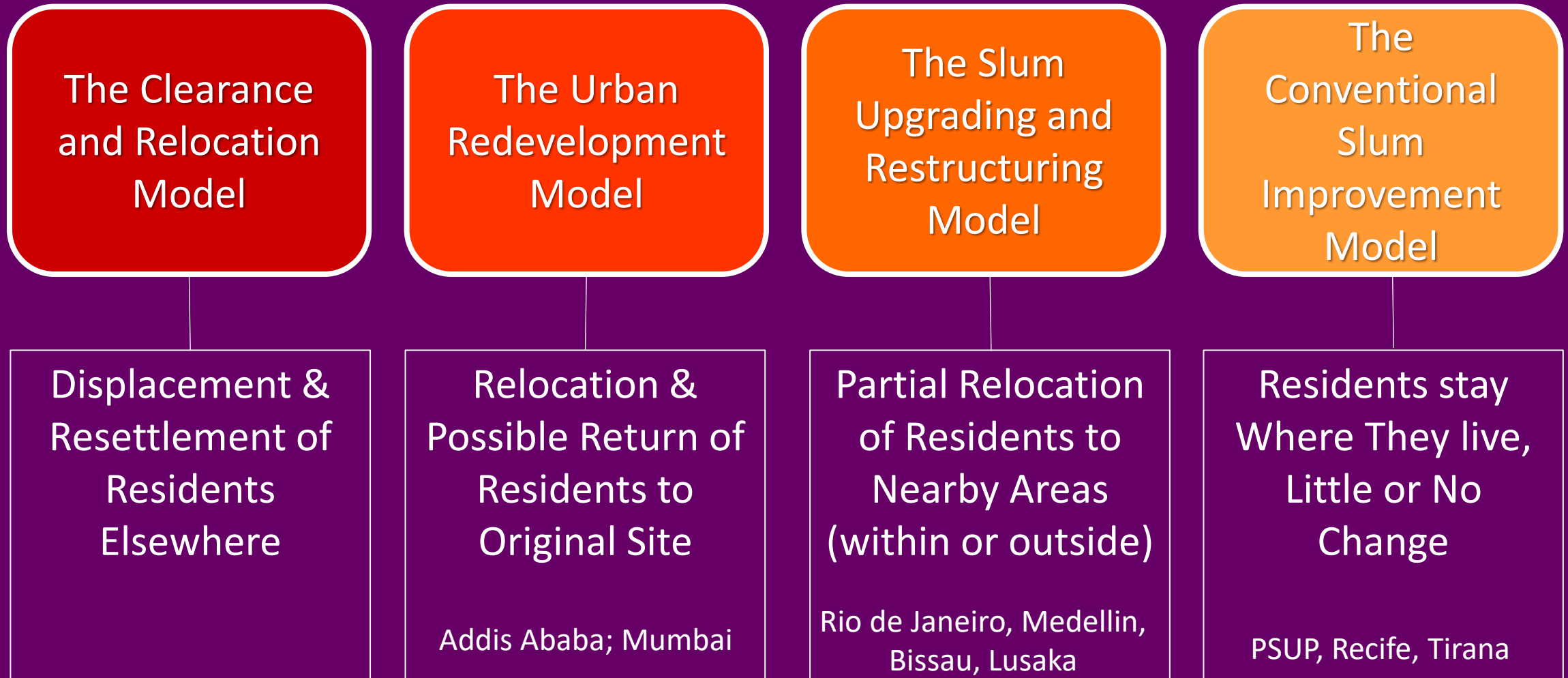
1990

2000

Source: [www.claudioacioly.com](http://www.claudioacioly.com)



# Models of Slum Upgrading Interventions



Source: Acioly et al (2021). Revisiting the Practice of Slum Upgrading in a Global Context: Useful Lessons and Reflections for the PSUP





# 6.

## The Logic of Slum Upgrading Interventions:

A slum improvement action towards urban transformation of slums aiming at formalization and regularization of land use, occupation and rights.

# The Logic of Slum Upgrading Interventions

**STATE**

**Public Investments via In-situ Upgrading &  
in Basic Infrastructure**

**PUBLIC**

**DOMAIN**

**De Facto Security  
of Land Tenure**

**DOMAIN**

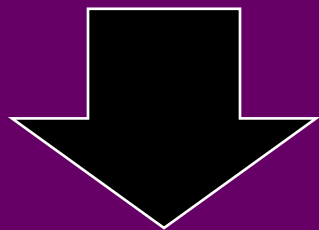
**NON-STATE**

**Private Investment and Use of  
Domestic Savings in Housing  
Improvement**

**PRIVATE**

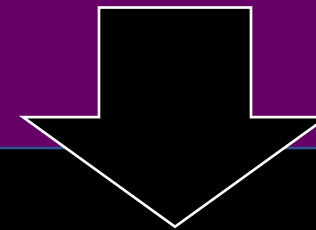
# Understanding Informal Urbanization and Slum Formation

Variables under the control of residents of slums



1. Construction Time
2. Labour force
3. Building Materials
4. Construction process
5. Seed Finance

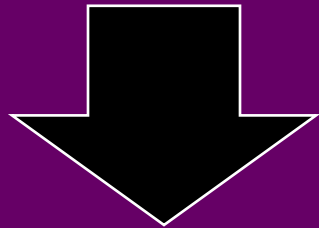
Variables that slum residents depend on the State



1. Infrastructure
2. Serviced land
3. Legal Security of occupied land
4. Financing and loans
5. Planning
6. Architecture and Engineering

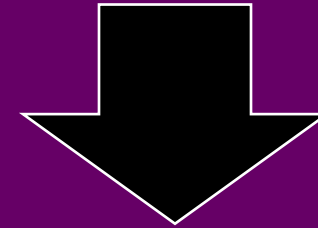
# Supporting the People-led Incremental Development Process

Variables under the control of residents of slums



People's centered Policies, strategies and programmes to support and strengthen autonomous local development processes

Variables that slum residents depend on the State

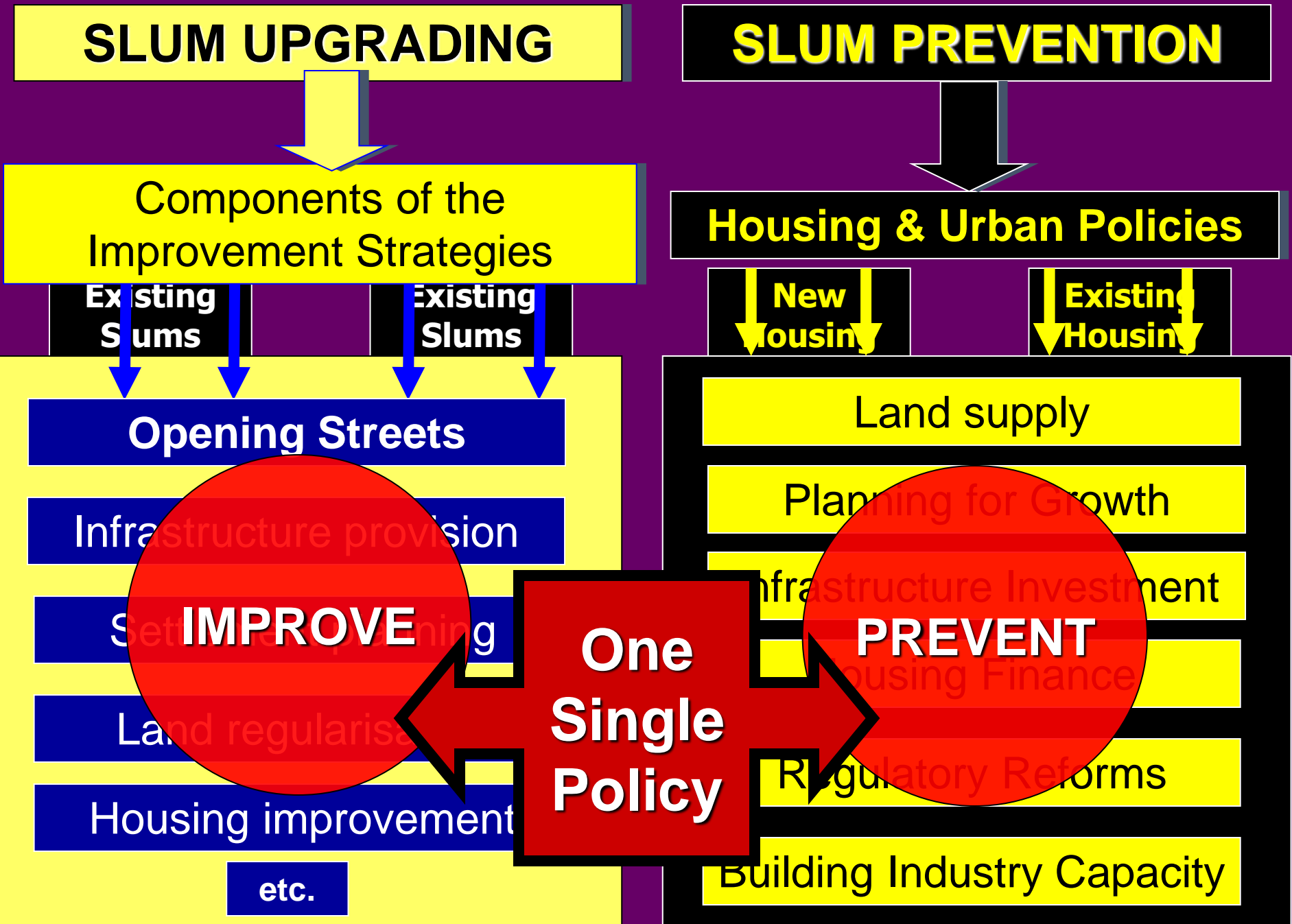


Vigorous policies with institutionalized multi-year programmes with continuity and guaranteed financial resources

# The Twin-track approach:

**Citywide slum upgrading is implemented simultaneously to policies that bring housing opportunities to scale.**







# 7.

## Learning from Experiences:

Slum improvement worldwide has more similarities than differences but their impact on residents, housing and land markets and liveability differ.

# Summary of Slum Upgrading Experiences

<b>Tirana, Albania</b>	NGO led; Participatory Planning; Donor support. Public Space oriented. Streets.
<b>Bissau, Guine-Bissau</b>	Donor-led. Participatory Slum Upgrading. Capacity building. Infrastructure and Housing Improvement Component.
<b>Karachi, Pakistan</b>	NGO-led; participatory planning; community finance; replication;
<b>Luzaka, Zambia</b>	Local government led; loan from WB; participatory planning; slum upgrading with sites and services. Land issue.
<b>Dar-es-Salaam, TZ</b>	Cities Alliance and UN-Habitat led; Mapping, GIS and grassroots planning; Land compensation critical.
<b>Rio de Janeiro, BR</b>	Municipality led. IADB loan and co-finance. Private sector participation; citywide scale. Public space oriented. Drug trafficking.
<b>Medellin, Colombia</b>	Municipality led. Social Urbanism approach. Mobility and social integration. Curbing violence.
<b>UN-Habitat</b>	Strategy and normative approach. Citywide. Spatial integration. Area-based plan.
<b>Addis Ababa,</b>	Government led. Redevelopment & resettlement; participation; compensation.
<b>PSUP, ACP countries</b>	Multilateral; multi-country; advocacy; national strategies; community-led actions.





# Rio de Janeiro, Brazil

## Why is this programme relevant?

**(1) The scale never seen before. (2) The amount of resources allocated. (3) Innovations in the institutional, organisational, management and execution. (4) Became flagship for IADB (co-financier).**

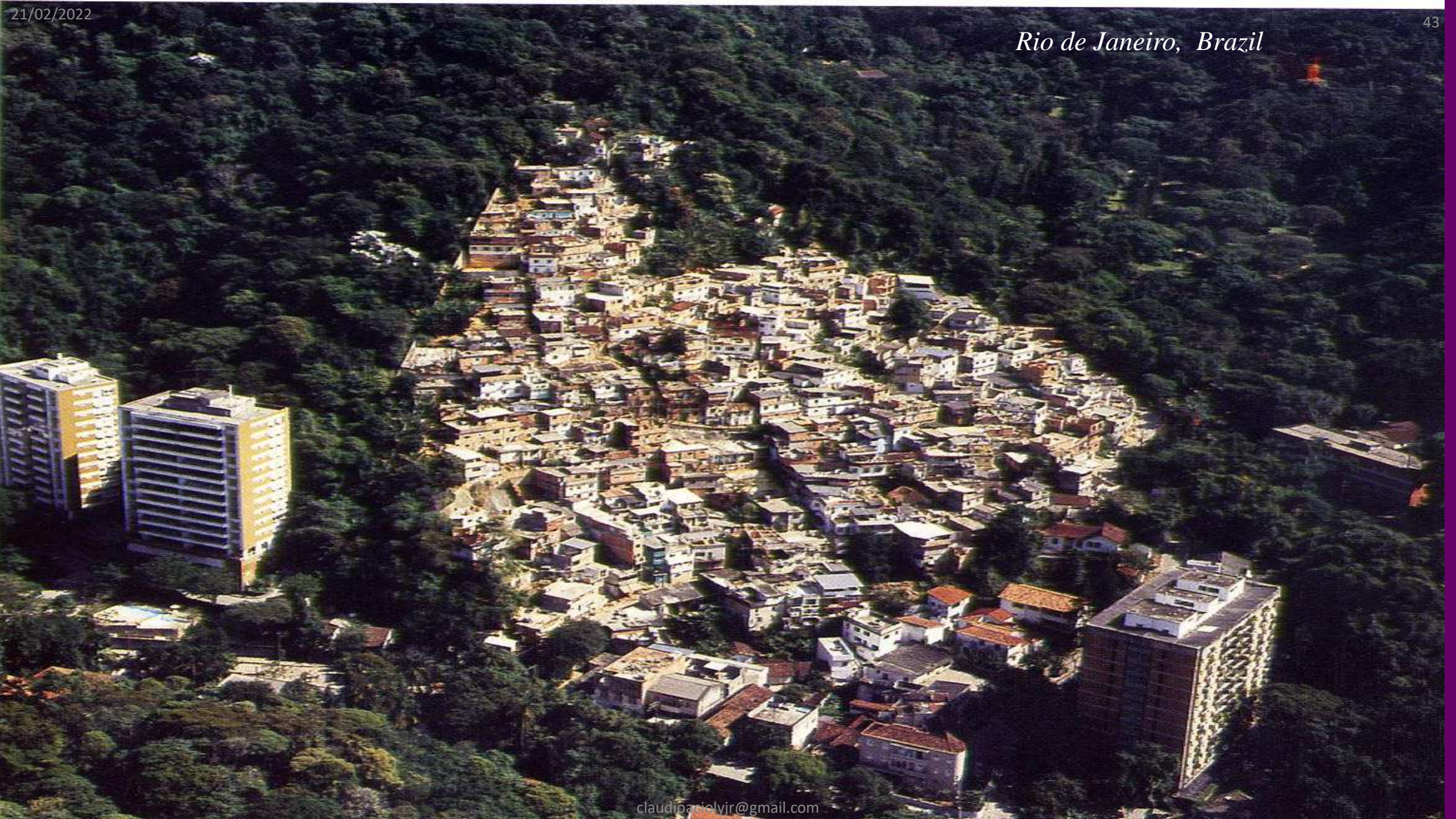


# 1. MAPPING and SETTLEMENT PROFILES



	Favelas
	Loteamentos

*Rio de Janeiro, Brazil*





**Sewerage**



**Accessibility**



**Legislation**



**Square**

**STREETS  
as central  
strategy**

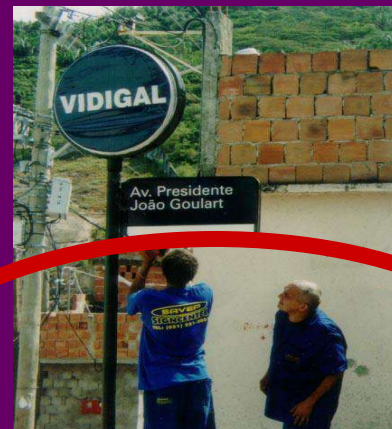


**Maintenance**

**Sports Facilities Built**



**Housing Construction**



**Identifying Streets**



These families must be relocated from living on the water.



Antes del Plan



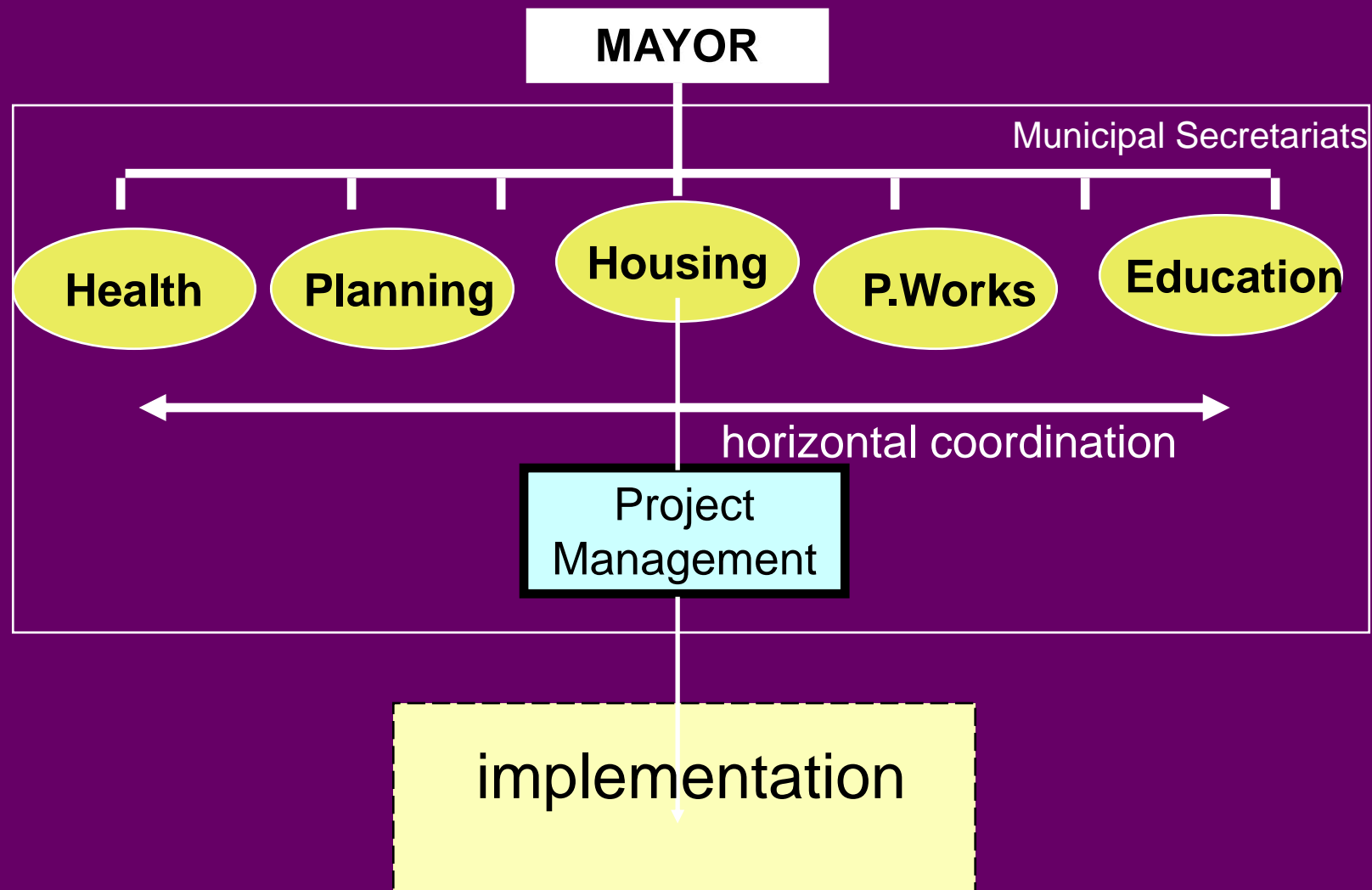
After demolition and relocation



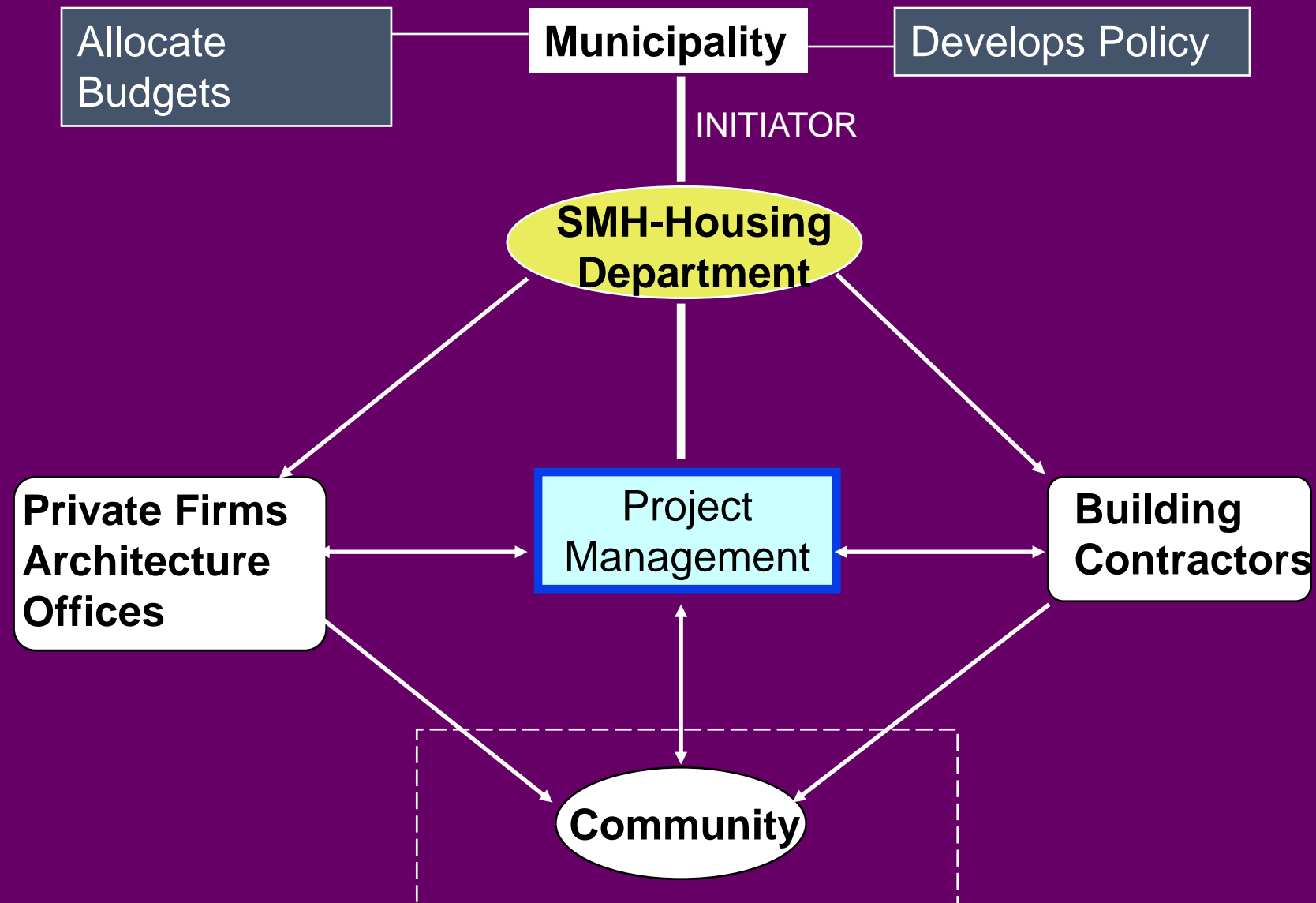
# How was the programme executed?



# Rio de Janeiro's Upgrading Program - Favela Bairro



# Rio de Janeiro's Upgrading Program - Favela Bairro



# Rio de Janeiro's Upgrading Program - Favela Bairro



Source: Acioly et al, 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, Claudio. (2001) "Reviewing Urban Revitalisation Strategies in Rio de Janeiro: from urban project to urban management approaches", in GeoForum, Special Issue on Urban Brazil, Volume 32, Number 4, November 2001, UK, Elsevier, pp. 509-520. [claudioaciolyjr@gmail.com](mailto:claudioaciolyjr@gmail.com)





# PARTICIPATORY SLUM UPGRADING



TOPICS | ABOUT US | PARTNERS | COUNTRIES | STORIES | NEWS | E-LEARNING | LIBRARY

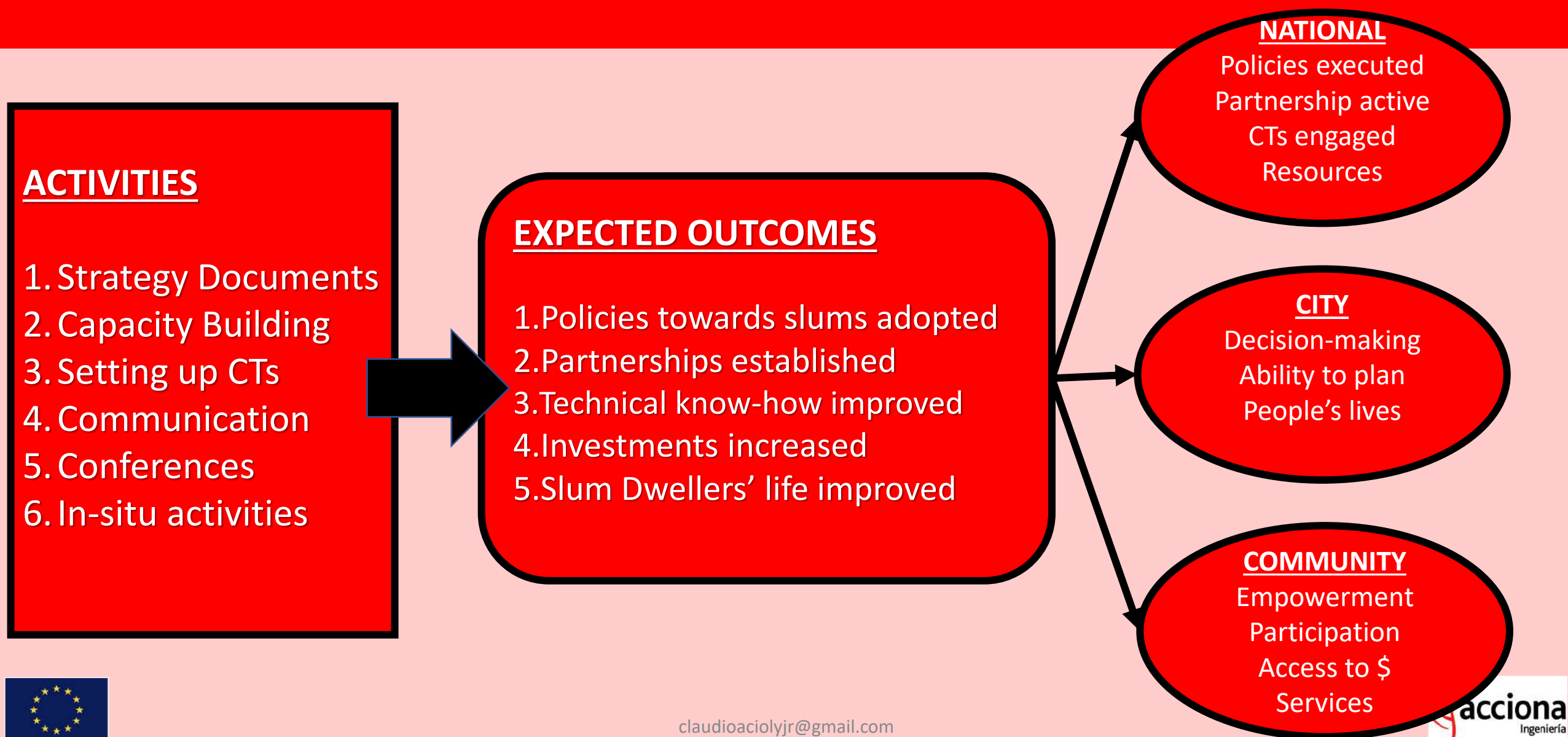
RETROGRESSIVE... AND SOCIETAL ILLS FOR A BETTER... AND POLITICAL OUTPUT IN HUMAN RESOURCE.



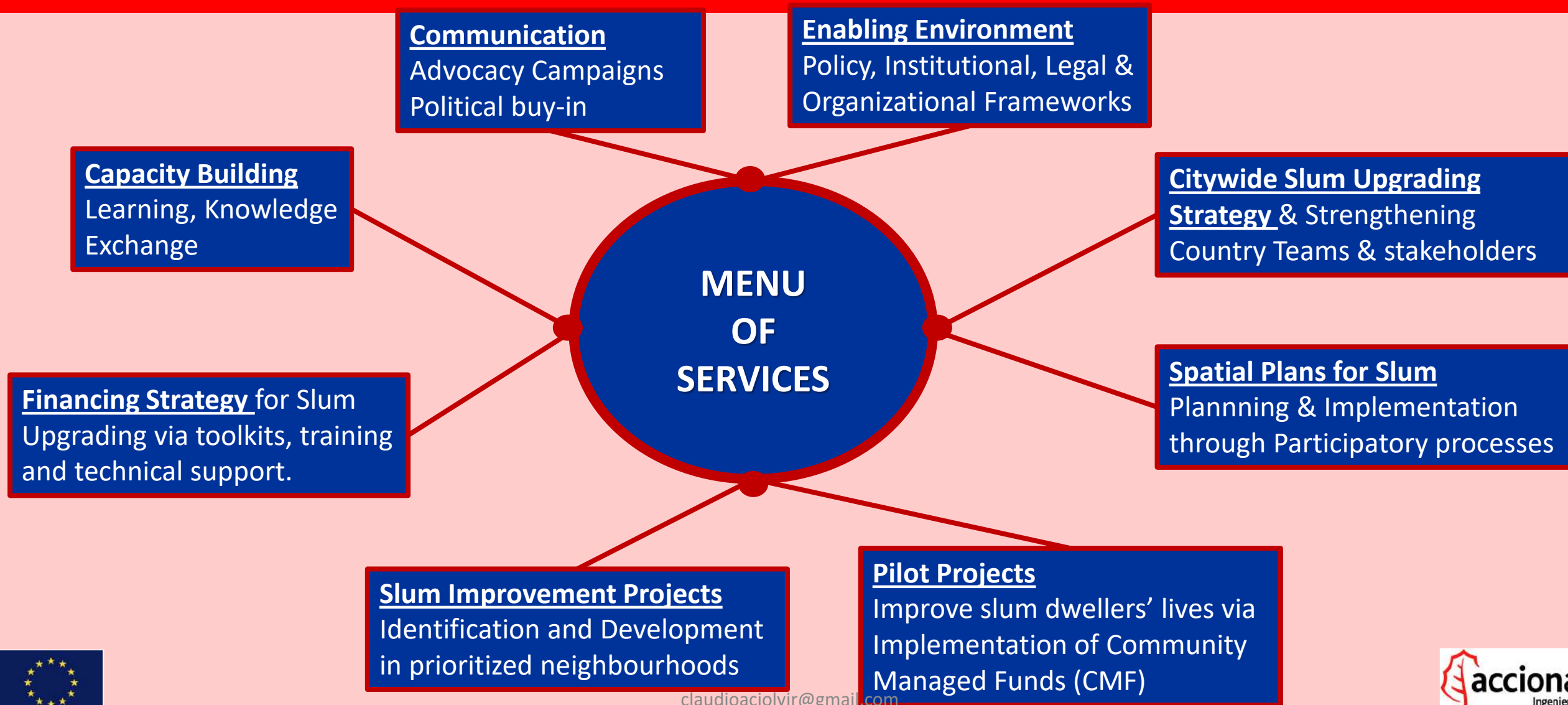
COVID-19 RESPONSE

BY BY PRC BY HELPING TO SHARE KNOWLEDGE BILLION LI BETWEEN PARTNERS AND COMMUNITIES

# Summary of the Intervention Logic



# Menu of Service of the PSUP





# Country in-Depth Review



1. Cabo Verde
2. Ghana
3. Jamaica
4. Kenya
5. Madagascar
6. Senegal
7. Burkina Faso
8. Uganda
9. Haiti
10. Zambia
11. Cameroon



# Reflections

## Outcome of the Mid-Term Evaluation 2021

- 1. Alignment with priorities and national development policies adopted by ACP countries.**
- 2. Centred on poor people** living in urban slums
- 3. Community-managed fund** operations took place.
- 4. Consistent, continuous and coherent advocacy campaign:** elevate slums at the political level.
- 5. Effective in policy development at country-level:** various national housing and slum upgrading policies.



# Reflections

## Outcome of the Mid-Term Evaluation 2021

- 4. Shortcomings in logic framework and Theory of Change.**
- 5. Risks & assumptions not adequately factored in the programme design.** Simply said it is not straightforward that capacity building and training will improve the living conditions of slum dwellers.
- 6. Importance of in-country presence of the implementing agency (UN-Habitat):** leveraging changes, government engagement, active participation of the CT members versus absence and loss of continuity and momentum.



# Reflections

## Outcome of the Mid-Term Evaluation 2021

- 7. Multiple small-scale and low-resourced projects through the community-managed fund operations** (loans to grassroots and NGO's operating in selected slums).
- 8. Mobilized different partners at the local level of implementation** but less successful in attracting big players as international development agencies, banks, private sector active in the ACP countries.
- 9. Produced a wealth of knowledge** through numerous reports, advocacy flyers, online resources, a well presented webpage, training materials, etc



# Reflections

## Outcome of the Mid-Term Evaluation 2021

- 12. Less successful** in establishing a systematic monitoring, evaluation and reporting.
- 13. Less successful in** establishing sustainability mechanisms at multiple levels
- 14. Focused on small-scale community-based initiatives** that had positive impact on the groups involved but not able to produce physical changes in the urban fabric of slums and in the wider access to basic infrastructure of the slum settlements.





# Observations at Country-level Mid-Term Evaluation 2021

- 1. In Cabo Verde**, the programme produced coherence and inter-connectedness between national, local and grassroots levels of programme implementation, with high level of political buy-in, national budget allocation (country contribution to PSUP) and visibility.
- 2. Cabo Verde:** The Housing Profile, leading to a National Housing Policy and the adoption of the National Slum Upgrading Strategy led to the formulation of the Municipal Housing Plans in 5 municipalities, and local upgrading plans in selected settlements in these cities in a participatory, inclusive and consultative fashion.
- 3. Cabo Verde:** the in-country presence of UN-Habitat was continuous and there was a continuous technical support that has been technically fit for purpose.
- 4. Cabo Verde:** the relation of the programme with the EUD was not smooth. Lack of communication, lack of public acknowledgement and inclusiveness in operation led to difficulties and misunderstandings.



# Observations at Country-level Mid-Term Evaluation 2021

- 1. Ghana:** the pavement of the pathways in the centrally located neighbourhood of Ga Mashie in Accra during PSUP II (5 km pathways).
- 2. Ghana:** loss of continuity in programme implementation due to lengthy process in moving from one phase to another, lack of funding, negotiations for financial contribution.
- 3. Uganda:** time frame that separating the situation analysis and actual implementation too long resulting into critique from the city leadership and loss of confidence.







# FINAL CONCLUSIONS

# GENERAL CONCLUSIONS

1. Planning for social and spatial integration
2. Housing Improvement versus Public Utilities Improvement
3. Governance and citywide interventions
4. Scale
5. Finance
6. Institutional capacity and technical capabilities
7. Land
8. Building communities, social cohesion and improved neighbourhoods



# The End

## Thank you!

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