



## Human Settlements: Towards Sustainable Communities

### THE CHALLENGE

Almost 1 billion people, the majority in the developing world, live in slums. This represents 32 per cent of the world's urban population. In the coming decades, almost all of the global population growth will occur in the cities of the developing world. Without concerted action by governments now, notably through the expansion of formal low-cost housing development, the number of slum dwellers is projected to swell to two billion in the next 30 years.

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 improve the lives of those living in slums, regularisation of tenure, credit for home improvement, affordable access to basic services and infrastructure, and support for microenterprises are critical. More generally, remunerative employment opportunities need to be created for slum dwellers to integrate them into the wider urban economy.

In the developing world, approximately 1.6 billion people remain without access to electricity. Some 2.4 billion people – more than half of the developing world – still rely on traditional biomass fuels for cooking and heating, typically in open fires or low-efficiency stoves with inadequate venting. This leads to significant air pollution, causing severe health implications – including acute respiratory infections such as pneumonia, which kill almost 4 million people a year – for the rural poor and slum dwellers alike.

Poor sewerage systems and solid waste management also add to the risk of disease for slum communities.

Transport is another important issue. Slum communities, which are often far from centres of employment, need affordable public transport so people living there can travel to work.

### GOALS AGREED AT THE JOHANNESBURG SUMMIT

At the World Summit on Sustainable Development in 2002, governments reaffirmed their pledge **to achieve significant improvement in the lives of 100 million slum dwellers by the year 2020**. This commitment,

even if achieved, will affect only 10 per cent of the present one billion slum dwellers. Given the projected growth in urban slum population, this goal, however commendable, is "patently inadequate" according to a report issued by the UN Secretary-General for the Commission on Sustainable Development.

### HOW ARE WE DOING?

East Asia is making impressive progress in reducing slums, thanks to a combination of economic growth, targeted slum upgrading, shelter programmes and poverty reduction policies. Several success stories of slum improvement can be seen in North Africa and countries such as the Philippines, Brazil, Yemen and Jordan. Slum upgrading and regularization programmes have been successfully combined with poverty reduction schemes such as employment creation, improved access to credit, and community housing initiatives.

Chile and Costa Rica are examples of countries where governments have provided support for low-cost housing near the rate of new household formation, responding to the need for pro-active shelter provision policies and programmes that seek to avert further slum growth.

Improving rural living conditions and promoting rural development in order to reduce rural-urban migration is another area where promising initiatives have been seen. Some African countries have also addressed the problems of land access and tenure security by giving legal recognition to customary tenure systems in order to protect communities from being dispossessed of the land.

However, future growth in slum settlements is expected to occur in almost all regions of the world. Regions most likely to see growth include: Africa, particularly sub-Saharan Africa, Central Asia, and some countries in Latin America.

Rapid rises in the number of slum dwellers in the developing world are due to both high natural population growth and rural-to-urban migration. For the rural poor, cities offer opportunities for higher-paying jobs, better



services, and an escape from rural poverty. In some parts of the world, notably sub-Saharan Africa, armed conflicts, land degradation and depletion of natural resources are also important contributing factors.

## WHAT NEEDS TO BE DONE?

In striving to meet and go beyond the goal of improving the lives of 100 million slum dwellers, governments are faced with the dual challenge of promoting rapid expansion of low-cost housing to meet future demand, while also facilitating the upgrading of existing slums.

A World Bank estimate based on the situation a decade ago suggests that the total investment required from public and private sources for urban infrastructure is about \$150 billion a year, above and beyond investments in housing stock.

Improving access to land and tenure security for poor people should be a priority in slum upgrading programmes. Attention must be given to minimizing excessive regulation of land use in order that obstacles to low-cost housing development are removed. Land acquisition for future development of affordable housing warrants due attention.

Achieving substantial improvements in access to water, sanitation, energy and transport services requires significant public investment, including increased official development assistance, as well as the continued involvement of the private sector and other non-governmental actors.

Governments and financial institutions can play an important role in extending finance for housing to low-income households. Examples of innovative means for improving access to housing finance for poor people include South Africa's community mortgage programmes. Singapore and China have also made significant strides by consistently allocating small amounts of their national annual budgets to low-income housing development. Micro-credit institutions are also increasingly lending to low-income borrowers for incremental housing improvements (frequently involving water and sanitation facilities).

Attracting private investment to improve infrastructure such as energy, transportation and telecommunications has had mixed results, and strong regulatory frameworks are required to ensure that competition is effective and the needs of the poor are served.

## Snapshots of Success...

### MEETING HOUSING NEEDS IN SOUTH AFRICA

South Africa's constitution provides for housing as a right. The country's national shelter strategy specifically targets low-income households by extending subsidies for the purchase of secure plots, installation of water and sanitation services, and construction of a basic shelter. This strategy has resulted in the construction of 1.5 million new housing units between 1994 and mid-2003, with a further 300,000 housing units currently under construction.

### SLUM UPGRADING IN BRAZIL

In Brazil, several hundred municipalities have slum-upgrading programmes, often with some form of land tenure regularization, and with strong emphasis on participatory budgeting and investment planning. For tenure regularization, some municipalities have used an innovative legal instrument called "concession of the real right to use". Settlements granted such rights have had improved access to private and public investment in housing and infrastructure and have become better integrated with adjacent areas.

### SUSTAINABLE TRANSPORT SOLUTIONS IN BOGOTÀ

The Colombian city of Bogotá has developed a rapid transit system together with infrastructure to facilitate non-motorised transportation. By 2003, the new bus system was providing more than 540,000 trips a day, 9 per cent of which were formerly made by car. Other successful new transport policies include a 20 per cent petrol surcharge to help finance investment and a car tag system to limit private vehicle use at peak times, together with 300km of new, protected bicycle paths and schemes to return sidewalks to pedestrians.