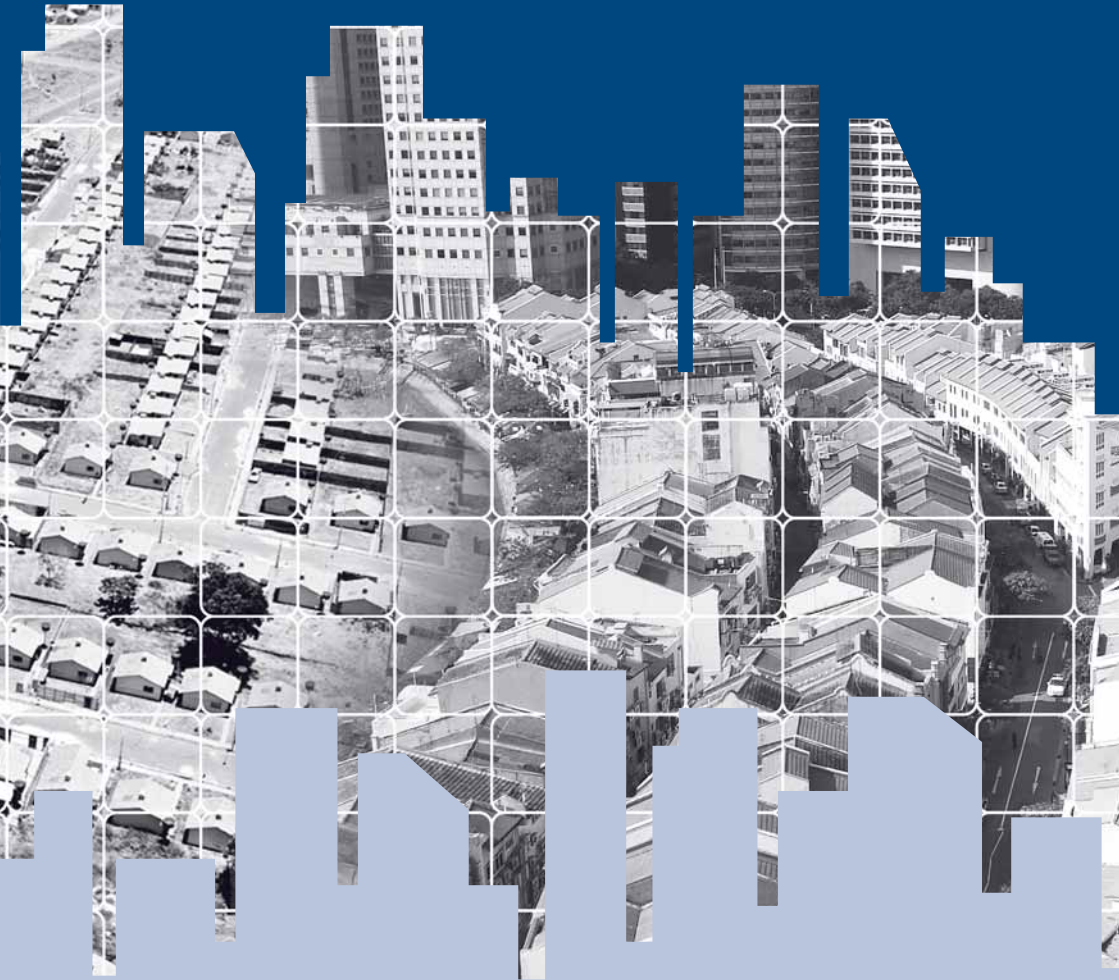# ENABLING SHELTER STRATEGIES:
DESIGN AND IMPLEMENTATION GUIDE FOR POLICYMAKERS

Quick Policy Guide Series - Volume 2

UN@HABITAT
FOR A BETTER URBAN FUTURE

'Quick Housing Policy Guides' Series

As the scale of the housing challenge in the developing world increases at an alarming pace, the need for real action to address affordable housing supply is becoming increasingly critical. To deal with this challenge governments and local authorities need up-to-date knowledge on global housing policy approaches in order to formulate effective policy instruments. Therefore, the objective of the Quick Policy Guides series is to present, in an easy-to-read format, concepts, policy approaches, tools, and recommendations to facilitate policy development for addressing the growing housing challenge. The ongoing series is coordinated and produced by the Housing Policy Section of UN-HABITAT and to date the following volumes have been published:

Volume 1: *A Policy Guide to Rental Housing in Developing Countries*

Volume 2: *Enabling Shelter Strategies: Design and Implementation Guide for Policymakers*

ENABLING SHELTER STRATEGIES:
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ACKNOWLEDGMENTS

Disclaimer

PREFACE

Governments around the world have to be more proactive in ensuring that everyone, especially the poorest of the poor, can get decent, affordable housing. As we grapple with the living conditions in the world's growing cities, especially for those living and coping with life in slums or sub-standard housing in developing countries, we have to help people get the best shelter possible.

We have to plan and manage housing policy in a way that makes cities inclusive, welcoming places for all.

Urbanisation is one of the most powerful, irreversible forces in the world. It is estimated that over 90 percent of future urban growth will occur in the cities of Asia and Africa, and to a lesser extent, Latin America and the Caribbean.

Cities make countries rich. Highly urbanized countries have higher incomes, more stable economies, and stronger institutions. They are better able to withstand the volatility of the global economy. But they cannot maintain and in some cases even reach these heights if large percentages of their populations live in shelter so poor it is not worthy of the name.

This calls for a shift in government thinking, urban planning, and leadership.

In UN-HABITAT parlance, the concept of enabling shelter strategies, as described in this publication, means that governments have to nurture and create public policies, encourage more debate, and promote solutions conducive to the development and delivery of affordable housing.

It thus calls for a fundamental shift in the role of government, from provider to enabler of affordable housing. While such strategies have been practiced for a generation already, there are few publications documenting the successes, the approaches and ways of implementing them.

The guide provides a clear description of how to design and implement an effective enabling shelter strategy covering key areas such as resource mobilisation, land, and construction. Importantly, it offers guidance on how to involve a wide array of government, local communities and their organizations, the business sector, and policy makers at all levels that so crucial to implementing a successful outcome.

It carries many examples from around the world, and a list of relevant publications and websites that deal with enabling shelter strategies.

It is my hope that this state-of-the-art guide addresses this great need for a succinct reference text on enabling shelter strategies, what they are and how they can be implemented.

Dr. Joan Clos

Executive Director
UN-HABITAT

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LIST OF ACRONYMS AND SPECIAL TERMS

BLP	Best Practices and Local Leadership Programme, UN-HABITAT
CAP	Community action planning
CBO	Community-based organization
CLIFF	Community-Led Infrastructure Finance Facility
COHRE	Centre on Housing Rights and Evictions
GSS	Global Shelter Strategy to the Year 2000
GUO	Global Urban Observatory
HIC WAS	Habitat International Coalition Women and Shelter Network
HUDCO	Housing and Urban Development Corporation
NACHU	National Co-operative Housing Union, Kenya
NGO	Non-governmental organization
SACCO	Savings and credit co-operatives
SPARC	Society for the Promotion of Area Resource Centres
UCDO	Urban Community Development Office, Thailand
UN-HABITAT	United Nations Human Settlements Programme

Social housing programme in South Africa © UN-HABITAT/ Claudio Acioly

01

ENABLING STRATEGIES
- A NEW APPROACH TO SHELTER

1.1   What is the Enabling Approach to Shelter?

The concept of the "enabling approach to shelter" was first introduced in 1988 with the adoption of the Global Shelter Strategy to the Year 2000 (GSS).[1] Before this, governments played a predominant role in formulating and implementing shelter housing policies and strategies. They also had primary responsibility for production and allocation of housing. In this notion, governments were in charge of housing development and improvement programmes and projects (Figure 1). The GSS introduced a new comprehensive framework for action—towards the goal of facilitating adequate shelter for all by the year 2000—that called for a major shift in the role of government. This was subsequently endorsed and comprehensively elaborated in The Istanbul Declaration and The Habitat Agenda,[2] which provided a blueprint for achieving the twin goals of 'adequate shelter for all' and 'sustainable human settlements development'.

The fundamental policy change was the adoption of an "enabling" approach that mobilizes the full potential and resources of all the actors in the housing production and improvement process the elements of which are conceptually illustrated in Figure 2. These actors include public organizations, the private sector (both formal and informal), non-governmental organizations (NGOs) and most importantly, the people themselves. This is achieved through the creation, by government at all levels, of facilitating measures and incentives for housing

> *The concept of "enabling shelter strategies" calls for a fundamental shift in the role of government, from provider to enabler. This is clearly outlined in the "Global Shelter Strategy to the Year 2000" and the "Habitat Agenda."*

action to be carried out to a greater degree by these actors. Thus, **the government's role is essentially an "enabling" one—mobilizing the resources of other actors and facilitating their deployment for the efficient provision of housing.** Ultimately, the enabling approach implies that the people themselves can improve

Box 1:

The right to adequate housing[5]

Adequate housing was recognised as a part of the right to an adequate standard of living in the 1948 Universal Declaration of Human Rights and in the 1966 International Covenant on Economic, Social and Cultural Rights. Key aspects of the right to adequate housing include:

Freedoms including:

- Protection against forced evictions and the arbitrary destruction and demolition of one's home

- The right to be free from arbitrary interference with one's home, privacy and family.

- The right to choose one's residence, to determine where to live and to freedom of movement.

Entitlements including:

- Security of tenure

- Housing, land and property restitution;

- Equal and non-discriminatory access to adequate housing

- Participation in housing-related decision-making at the national and community levels.

Adequate housing must provide more than four walls and a roof.

For housing to be adequate it must, at a minimum, meet the following criteria:

- Security of tenure: protection against evictions and harassment and other threats.

- Availability of services, materials, facilities, infrastructure: provision such as energy and safe water and sanitation.

- Affordability: the cost does not threaten occupant's enjoyment of other rights.

- Habitability: physical safety, adequate space, protection from environmental and health hazards.

- Accessibility: for specific needs of disadvantaged and marginalised groups.

- Location: close to employment, health-care, schools, and other social facilities and not located in polluted or dangerous areas.

- Cultural adequacy: accounts for expressions of cultural identity

- Protection against forced evictions.
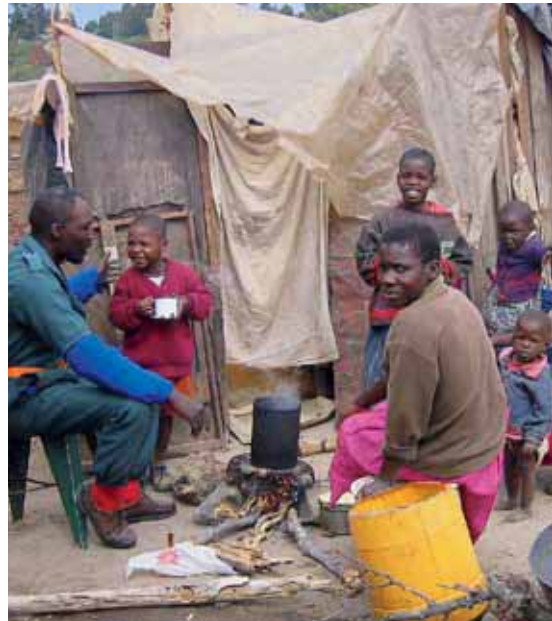
Evicted families in Zimbabwe © UN-HABITAT

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their housing conditions according to the needs and priorities that they themselves define.

The enabling approach does not, however, mean that **governments should withdraw completely from housing. Indeed, governments have a paramount role to play in creating an appropriate legal, institutional and regulatory environment, and ensuring availability of housing finance for all sectors of society.** This will enable the other actors in the shelter process to fulfil their own potential and optimize their own contributions to housing development and improvement.

Modernisation and urban growth
Physical planning and direct shelter provision by public authorities

Redistribution with growth and basic needs
State support to self-help 'sites and services' and slum upgrading projects

The enabling approach/urban management
Securing an enabling framework for action by people, private sector and markets

Sustainable urban development
Holistic enablement planning to balance efficiency, equity and sustainability

1960   **1970**   **1980**   **1990**   **2000**

Figure 1: Housing policy evolution from direct public provision to the enabling approach[3]

Figure 2: A conceptual view of the housing development and improvement process[4]

The enabling approach also requires governments to recognize, promote, protect and ensure the full and progressive realization of the right to adequate housing, which is enshrined in various international human rights treaties and instruments, for example the right to adequate housing (Box 1).

Box 2:

Government involvement in the housing sector

Actions that governments can take towards promoting, protecting and ensuring the full and progressive realization of the right to adequate housing include:

- Prohibiting, and guaranteeing protection from, housing discrimination on any ground;

»

- Providing equal and secure access to land and protection from illegal forced eviction;

- Ensuring transparent, comprehensive and accessible land rights and tenure systems;

- Promoting access for all to water, sanitation, and other basic services and amenities, especially for the poor, women, and other vulnerable and disadvantaged groups;

- Promoting equal access to appropriate and affordable housing finance for all, including mobilizing innovative financial and other resources, both public and private;

- Making housing habitable, affordable and accessible by, among other ways;

- Mobilizing resources - both public and private - for housing development;

»

- Expanding the supply of affordable housing through appropriate regulatory measures and market incentives;

- Promoting the upgrading of existing housing stock through maintenance and rehabilitation and provision of adequate basic services and amenities;

- Incentivising the private sector to develop affordable rental and ownership housing;

- Increasing affordability by providing subsidized and rental housing and other forms of housing assistance;

- Supporting community-based, cooperative and non-profit rental and owner-occupied housing programmes;

- Promoting support services for the homeless and other vulnerable groups.

- Effectively monitoring and evaluating housing conditions.

Box 3:

What is 'affordable housing'?

The term 'affordable housing' is often used to describe a type of housing for low-income people, which has a variety of other names for instance 'social housing', 'public housing', and 'low-cost housing'. In this guide, however, it does not refer to a type of housing (i.e. low-cost, social or public housing) but rather relates to the financial affordability of housing with respect to occupants' income.

While there are no universally agreed definitions of 'affordable housing', it is typically associated with two fundamental elements: housing costs and occupant's income. Affordable housing can be broadly defined as that which is reasonably adequate in standard and location for a lower- and middle-income occupant(s) and does not cost so much that it prohibits the occupant(s) meeting other basic living costs or threaten their enjoyment of basic human rights.

In European and North American countries affordability is principally assessed with reference to the percentage of occupant income spent on housing expenses. Generally, housing is deemed affordable when a household spends less than 30 per cent of their income on housing related expenses, such as mortgage repayments (for owner-occupiers), rent payments (for tenants), and direct operational expenses such as taxes, insurance and service payments.

The other common affordability consideration is 'purchasing affordability'. It is calculated in reference to the median purchase price of housing units and annual median income in any given country; that is, the number of annual median salaries it takes to buy a median-priced house. While there is no universally agreed ratio at which housing is deemed unaffordable, purchasing affordability ratios enable cross-country comparisons as well as the ability to track housing affordability within a country over time, as incomes and house prices rise and/or fall.

In developing countries where a significant proportion of housing is developed through informal self-built methods and is of variable quality, such informal housing may be affordable in terms of cost but it may be of a very low quality. Nevertheless, when assessing housing affordability in such countries the same principle can be used: relating the cost of adequate-standard housing (operational and purchase costs) to occupant income, for both renters and owner-occupiers.

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Inputs *Production* *Demand*

| Land Infrastructure Finance Labour Materials | — P R I C E → | Landowners Homeowners Landlords Developers | — P R I C E → | Renters Homeowners (Income & Population) |
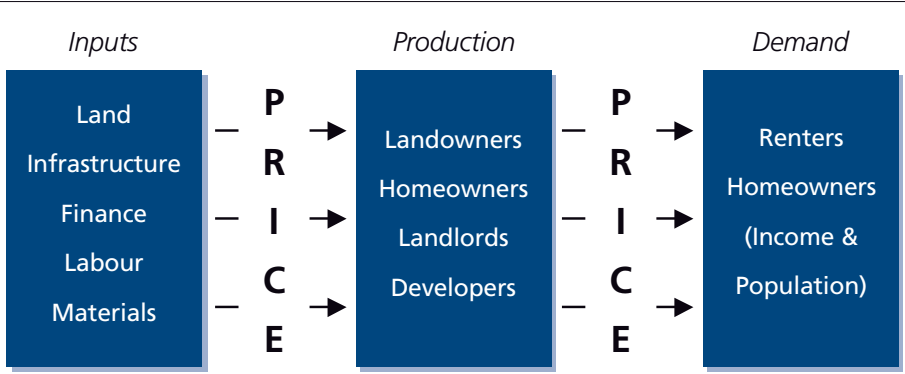
Figure 3: How the housing market works[6]

How the housing sector works

Access to adequate and affordable housing is determined by the performance of the housing sector. Thus, **an indepth understanding of how the housing sector is structured and how it functions is key to enabling access to adequate and affordable housing for all.**

Figure 3 shows how the housing sector can be viewed as an integrated market in which trends in any one of the three segments—inputs, production and demand—affect performance in the other two segments. In many countries, the housing market is the principal housing delivery mechanism. It is critical, therefore, that governments enable it to function well. In particular, government interventions are required to address the high demand for housing at affordable prices from the poor and other disadvantaged and vulnerable groups, which are insufficiently served by the market.

Enabling markets to work

Hundreds of millions of people live in inadequate housing in slums and informal settlements, in particular in developing countries. A primary reason for this is the failure of housing markets in those

Sun-dried brick production for self-help housing processes in Chad © UN-HABITAT

countries to deliver adequate housing at affordable prices. Effective enabling shelter strategies address market failures directly and improve the functioning of the housing sector. In doing so, they serve the interests of all stakeholders in the housing sector—consumers, producers and financiers, as well as central and local governments. The overall result is a well-functioning housing sector.

1.2 The positive effects of successful enabling shelter strategies

Many countries in different regions of the world have successfully designed and implemented enabling shelter strategies, with positive results.

In the Africa region, several governments have revised their national strategies and reviewed legislative, regulatory and institutional frameworks related to shelter development. The role of government is gradually changing from provider to
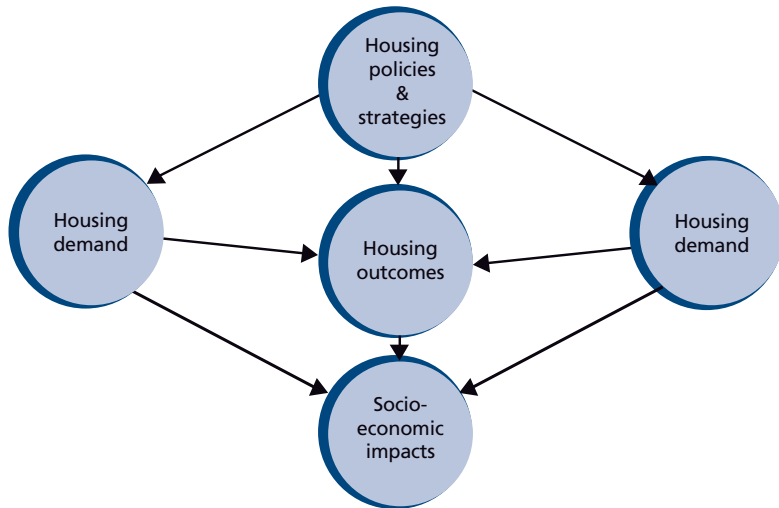
Housing policies and strategies	formulated and implemented by governments at all levels impact directly on housing demand, housing supply and housing outcomes
Housing demand	is determined by demographic conditions, e.g., the rate of urbanization, new household formation, household incomes
Housing supply	is affected by the availability of inputs and resources, e.g., land; infrastructure; building materials; labour; finance
Housing outcomes	include prices, physical conditions, levels of investment, tenure choice, residential mobility.
Socio-economic impacts	health and well-being; income levels; savings rates; capital formation.

Figure 4: A Model of the Housing Sector[7]

facilitator of public-private partnerships, and supporter of community-based initiatives in the housing sector.[8]

- **The Republic of Djibouti** has elaborated a legislative framework that enables access to adequate shelter by all income groups.

- In **Namibia**, the Build Together Programme assists poor households to gain access to land and build their own housing through self-help.

In the West Asia region, new or revised housing policies and strategies adopted by several governments have relieved public authorities of the financial burden of investing in the housing sector. This responsibility has shifted to the private sector and other stakeholders such as banks, housing finance institutions and housing cooperatives.[9]

- **Lebanon** and **Syria** have strengthened their housing delivery processes by involving and increasing the role of the private and civil society sectors.

- In **Jordan, Oman** and **Yemen,** specialized financial institutions offer non-discriminatory loans to low income groups at a lower interest rate compared to commercial banks.

In the Asia-Pacific region, there has been a shift in many governments' policies towards an enabling role and partnerships with the private sector, NGOs and Community Based Organisations (CBOs).[10]

- In **the Philippines** and the Republic of Korea, there has been emphasis on demand-driven, market-oriented housing programmes spearheaded by the private sector.

- In **India,** NGOs and CBOs are increasingly involved in shelter and infrastructure delivery, through provision of micro-credit for both enterprise and housing development.

In the Latin America and the Caribbean region, most countries are making great efforts to promote access to secure land ownership for their inhabitants. Several are examining alternative pro-poor and 'gender aware' land tenure options.[11]

- **Brazil** has improved existing legal instruments to enable the municipalities to promote land tenure regularization programmes and improve access to urban land and housing.

- In **El Salvador**, advances in access to land tenure and housing have been made while ensuring the participation of citizens in decision-making processes.

One of the most positive effects of successful enabling shelter strategies has been the change in government attitudes towards, and recognition of, slums and informal settlements.

- In **Kenya,** there has been a radical change on the part of the Government from intolerance to acceptance of slums; and it is currently implementing the Kenya Slum Upgrading Programme (KENSUP) in collaboration with UN-HABITAT.

- In **Thailand,** official attitudes towards slums have also changed dramatically, as evidenced by the government-initiated nationwide slum upgrading programme, Baan Mankong, which is being implemented in 200 cities and towns.

The right to adequate housing is now also widely recognized internationally. Women's rights, in particular, have been increasingly emphasized in recent years, with many countries revising their policies and legislation to enable women to gain access to land and housing.

- **South Africa's** land policy now advocates the removal of all forms of

arrangements for secure land tenure. Urban poor communities themselves are the key actors in initiating, planning and implementing housing and infrastructure improvements in individual communities, in close collaboration with their community networks, municipal and district governments, NGOs, universities, professionals and other local development organizations.

The Baan Mankong slum upgrading programme in Thailand[12]

BEFORE

AFTER

Box 4:

Enabling housing strategies in Thailand

In January 2003, the Government of Thailand launched two programmes aimed at providing adequate and affordable housing with security of tenure to one million poor urban households within five years. The first is the Baan Ua Arthorn Programme ("We care" in Thai), in which the National Housing Authority designs, constructs, and sells ready-to occupy flats and houses at subsidized rates to lower income households on a "rent-to-own" basis.

The second, the Baan Mankong Programme ("secure housing" in Thai) aims to upgrade the housing, infrastructure and living environment of 300,000 households, in 2,000 urban poor communities in 200 towns and cities across Thailand. The Baan Mankong programme channels government funds, in the form of infrastructure subsidies and soft housing loans, directly to poor communities, and facilitates negotiations and

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Box 5:

South Africa: national legal recognition of the right to adequate housing

The 1996 Constitution of the Republic of South Africa expressly guarantees the right to adequate housing and prohibits the practice of forced eviction. Specifically, it provides that:

1. Everyone has the right to adequate housing as provided by law.
2. **The state must take reasonable legislative and other** measures, within its available resources, to achieve the progressive realization of this right.
3. No one may be evicted or have their home demolished without a court order made after consideration of all relevant circumstances. Arbitrary evictions are not permitted by law.

The South African Constitution also provides that anyone who believes this right has been violated can take legal action in court to enforce this right.

1.3 Challenges with the design and implementation of Enabling Shelter Strategies

The design and implementation of enabling shelter strategies is not without challenges. Perhaps the most immediate is a lack of genuine political will to achieve adequate and affordable housing for all in a fundamentally structured, sustainable and large scale manner.

While many governments now see slums and informal settlements in a different light, official attitudes are still a significant barrier to the adoption of enabling shelter strategies. Many governments remain suspicious of, and even antagonistic to, them—disregarding the fact that they provide affordable housing for poor households. Consequently, millions of slum dwellers do not receive infrastructure

The enabling approach calls for policy shifts away from direct provision of housing by governments to alternative approaches to housing development and improvement involving all stakeholders (including the public, private, academic and civil society actors) and, most importantly, people themselves.

discrimination against women's access to land.

- In **the Republic of Korea,** revision of relevant legislation has enabled women to enjoy equal inheritance rights with men, particularly concerning land and property.

services or other forms of necessary support to enable them to improve their housing conditions.

Strengthening the capacities of all the actors in the housing process is a very important aspect of enabling shelter strategies, as is local control over resource mobilization and management. Both of these require capacity-building, including training and improving the resources available to each actor—which many governments have failed to do.

Most national housing strategies have lacked a detailed plan of action, time frame, resources to implement proposed actions, and indicators for monitoring and evaluation. They have thus been closer to 'policies' than 'strategies'. Indeed, this is one reason why, to date, implementation of enabling shelter strategies been disappointing.

The enabling approach calls for policy shifts away from direct provision of housing by governments to alternative approaches to housing development and improvement involving people themselves. However, women are often excluded from participating owing to eligibility criteria, planning, design and implementation approaches, thereby reducing their significant potential contribution to shelter provision and improvement.

Housing reconstruction in Banda Aceh, Indonesia © UN-HABITAT

Popular housing in Capetown © UN-HABITAT/ Claudio Acioly

02

HOW TO DESIGN AND IMPLEMENT AN EFFECTIVE ENABLING SHELTER STRATEGY

There are a number of prerequisites for the successful design and implementation of an effective enabling shelter strategy.

2.1 Political will

The effective design and implementation of enabling shelter strategies requires sustained high level political will. Political will is commitment by those in government to address the problem. Coupled to this is the necessity for legislative and policy recognition of the right to adequate housing, and determination on the part of the government and the people themselves—the greatest resource of any country.

Political will can be generated in various ways. The media, both print and electronic, can be effective in mobilizing political support, as can lobbying and advocacy through strategic networking. Small-scale demonstration and pilot projects can also be very useful.

Governments have a paramount role to play in the formulation and implementation of enabling shelter strategies through creating appropriate institutional, legal and regulatory environments. They should intervene appropriately and effectively in land, housing and financial markets, and in the infrastructure and construction sectors.

2.2 Institutional reform

The institutional arrangements underpinning housing development and improvement are integral to the success of enabling shelter strategies. Creation of appropriate institutional frameworks will likely require reform in three key areas - decentralization, participation and partnerships.

> **Indicators of "getting it right" are:**
> - ✓ Legislative and policy recognition of the right to adequate housing
> - ✓ Official endorsement of enabling shelter strategies

Decentralization and devolution of responsibilities and resources to the lowest practical level (subsidiarity) are important elements of enabling shelter strategies. Effective decentralization of political, administrative and financial authority results in:

- stronger local authorities;
- improved urban governance and management;
- improved policy- and strategy formulation through increased public participation;
- increased efficiency and responsiveness of urban housing and service delivery;
- equity.

Decentralization, in particular, improves communication and consultation mechanisms at the local level leading to better information and knowledge about housing demand, land supply, available resources and people's priorities. Shelter strategies can thus be more demand-driven and relevant, thereby encouraging participation and partnership working.

Participation—the active involvement of all the actors in the housing process—is fundamental to effective design and implementation of enabling shelter strategies. Governments should, therefore, promote widespread consultation and the full and equal participation of the poor, women, and other disadvantaged groups; and also empower them to do so effectively. This will require establishing appropriate legislative, regulatory and institutional frameworks, and, in addition, capacity building.

Partnership is another crucial principle of the enabling approach. Governments, as part of their facilitator role, should form and promote partnerships with, and between, the various actors in the shelter process. All have distinct and valuable roles to play, as well as comparative advantages. These should be optimized through the creation of appropriate legislative, institutional, and financial frameworks.

Collective self-help housing construction © UN-HABITAT

> **Indicators of "getting it right" are:**
>
> ✓ Local authorities are strengthened with the transfer of necessary financial and human resources to undertake responsibilities relating to housing and infrastructure delivery.
>
> ✓ Clearly defined roles and participation of all actors, including women, in all stages of the shelter process.
>
> ✓ Partnership formation and working between the various actors in the shelter process.

2.3   Legal and regulatory frameworks

Reforming legal and regulatory frameworks so as to provide affordable and secure access to land and adequate housing is critical to enabling shelter strategies. Thus, an ability to deal with controversial issues, including land ownership and property and tenure rights, and reform of legal, regulatory and institutional frameworks governing housing and infrastructure provision, is crucial.

Formulation and enforcement of urban planning and building standards

The urban planning and building standards in force in many developing countries have been derived from foreign contexts. They include standards for plot sizes and infrastructure provision, and also standards for housing design and construction. Many are inconsistent with the realities faced by urban poor households, who disregard those they consider irrelevant

or too costly, both in terms of money and time. This leads to illegal occupation of land and the development of slums and informal settlements, often in hazardous locations. There is urgent need, therefore, for policy makers to review and address inappropriate planning and building standards.

Land use and building regulations

The full and progressive realization of the right to adequate housing is strongly linked to the ability to access and use land, and to the regulations controlling building housing thereon. In a context of decreasing availability of affordable serviced land and rising construction costs, a most important role for government in the enabling approach is to optimize use of existing land and to promote the use of local building materials resources and technology.

In many countries, it is local authorities that are responsible for land-use planning and regulation. How they allocate land for various purposes and the extent to which they enforce regulatory frameworks will largely determine if and where urban poor households can legally acquire land on which to build their homes. It is important, therefore, that policymakers ensure that local authorities execute their roles in the regard to the benefit of the poor.

More efficient land use can be achieved by reviewing plot sizes, in particular in low-income areas and relocation schemes. Reducing plot sizes can also lower the cost of land significantly, thereby increasing affordability and accessibility for the poor.

The building codes, by-laws and regulations in use in many developing countries are either a colonial inheritance

or have been simply adopted from developed countries. They consequently impose the use of inappropriate materials and construction standards. They should therefore be revised on the basis of local conditions, resources, and building practices; and standards should be performance-oriented rather than material-specific.

Indicators of "getting it right" are:

- ✓ Government willingness to address controversial issues and to pursue a reform agenda.
- ✓ Planning and decision-making is open, transparent and participatory.
- ✓ Available land for housing is being efficiently used.
- ✓ Land use and building regulations are appropriate to the local context.

2.4 Getting the Enabling Strategy elements right

The enabling approach calls for governments to shift their role from that of provider to that of facilitator. They thus have a paramount role to play in creating an appropriate legal, institutional and regulatory environment; ensuring availability of housing finance; and providing facilitative measures and incentives for housing action to be carried out to a greater degree by all the actors in the housing process. An enabling strategy should allow each actor to perform its role as efficiently as possible; leaving government to focus its attention and imited resources on the needs of the poorest and most disadvantaged groups.

Such a strategy is applicable to all governments. However, the relative priorities of different strategic elements will vary from one country to another.

2.4.1 Mobilization of human resources

It is widely acknowledged that the greatest asset of any country, is its human resources. This is evidenced in cities and towns of developing countries where most of the housing stock, in the form of slums and informal settlements, has been built through the efforts of the people themselves. Indeed, it is this very manifestation of the potential of human resources that led to the formulation of enabling shelter strategies. Mobilization of human resources is thus a key component of enabling shelter strategies.

Mobilisation of human resources has various facets:

Public awareness and access to information on shelter issues. The success of enabling shelter strategies is dependent upon public awareness and the different actors in the shelter process having a good understanding of the issues they are supposed to address and how to do so most effectively. Extensive civil society consultation, social mobilization and participation in policy and strategy formulation will help ensure broad political support; ownership of the process; and co-responsibility and creative thinking for implementation. Governments should, therefore, promote equal access to reliable up-to-date information, at all levels, through public information campaigns and using appropriate information and

communication technologies (ICTs) and networks.

Training in alternative shelter provision options. Sufficient numbers of trained and skilled people are required for the successful design and implementation of enabling shelter strategies. This need applies to policymakers, administrators, professionals and other personnel who will be involved in formulating and implementing housing policies, strategies, programmes and projects. It likewise applies to the developers, contractors and artisans who will produce housing, as well as the public at large. Governments should therefore promote comprehensive gender-sensitive human resources development, training and skills upgrading programmes.

The involvement of women and their organizations. Enabling shelter strategies recognize the importance of women in the housing process—in the values they attach to housing as it relates to household livelihoods and welfare and child rearing; in their particular needs; and in their contribution to shelter development and improvement. However, their multiple responsibilities often prevent them from achieving their full potential. This problem is compounded by discrimination, lack of education and training and, often, severe poverty. Removing these constraints is therefore especially important; and even more so because of the increasing number of women-headed households.

- **In India,** the women's street dwellers organization, Mahila Milan, has formed savings groups, negotiated with the state and helped urban poor women gain access to adequate and affordable housing.

- **In Uganda,** the Masese Women's Self Help Project adopted a slum upgrading approach that enabled women to take responsibilities in shelter development and improvement.

Box 6:

Ways of increasing the supply of affordable serviced land

Land expropriation. Most countries have legislation that enables governments to purchase or expropriate private land in the interests of the community at large, either at or below market prices, which they can use to enhance the supply of affordable land.

Land banking is primarily used to acquire public or private land for development in advance of need at relatively cheap cost. It can also be used to contain land speculation, redistribute land to the poor, and finance infrastructure investments. However, there is also a risk that it may generate land scarcity, causing land prices to rise and, consequently, increased informal land and housing development.

Land sharing typically involves the owner of the land occupied by a slum or informal settlement being given incentives to lease or sell part of their property to the occupants (squatters or tenants) below market price. The landowner then develops the most economically attractive part of the land. In this way, land sharing brings gains to both parties.

»

Land readjustment entails land-ownership and land use of fragmented adjoining sites being re-arranged to provide land for development purposes, e.g., slum upgrading or planned housing development. It often includes negotiated and participatory solutions, and has the potential to work as a self-financing technique

Incremental land development strategies. Allowing people to settle on unserviced land and infrastructure to be installed incrementally, over time' can increase the supply of affordable land for housing.

Transfer of Development Rights (TDR) can be used to generate low income housing on high value urban land through the participation of private landowners and developers. It works where land is at a premium and where permitted densities for residential development are high enough to leave surplus land after building low-income housing.

»

Resettlement is commonly used where governments want to enhance the use of land where slums have developed. However, it generally creates more problems than it solves, especially following forced eviction and demolition of slums, which destroys a substantial stock of conveniently-located housing affordable to the urban poor as well as livelihoods. It should therefore be avoided, unless absolutely necessary or justifiable.

2.4.2 Access to land for housing

Land is fundamental to housing development processes. In particular, an adequate supply of serviced land should be available at scale, in the right place, at the right time, and at an affordable price for the poor. If not, existing slums and informal settlements will continue to grow and new ones will be created.

Equitable and secure access to land for housing is thus a critical element of enabling shelter strategies. Governments should play a leading role in eliminating legal, regulatory and social barriers to
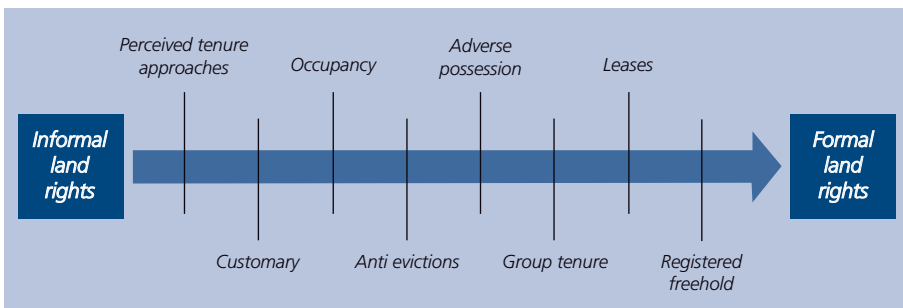

Figure 5: The range of land rights[1]

the equal and equitable access to land, especially for women.

Provision of urban land for housing, particularly for low-income households

Governments have a wide variety of planning and regulatory tools and mechanism available to them to carry out their responsibility of providing urban land, and managing, monitoring, assessing and regulating the market. They can increase the supply of, and access to, land by, among other ways:

- Revising planning regulations, standards and administrative procedures to accelerate supply and reduce costs. Options include relaxing restrictions on plot size and development, and simplifying administrative procedures.

- Monitoring land prices and formulating appropriate policies and strategies to enable urban poor households to access affordable serviced land for housing.

- Introducing and collecting taxes on all urban land, whether developed or not.

Access to urban land for housing, in particular for low-income households, can also be provided through the alternative approaches summarized in Box 6: 5.

Secure tenure and property rights

Security of land tenure should be understood as a continuum from informal to formal land rights—with perceived or de facto tenure security at one end and titling at the other. Indeed, security of tenure does not necessarily imply private property rights or issuance of individual freehold or leasehold titles, which is

often too costly and time-consuming. Governments should thus explore alternative ways through which the urban poor can gain secure tenure, which include: collective ownership, community property rights, rental agreements, and temporary occupancy rights.

Recognition and integration of informal land markets

The failure of urban land markets and government policies to allocate land to the poor for housing have strengthened the role of informal land markets in developing countries. This adverse situation can be turned into an opportunity by integrating the actors, institutions and procedures which are being deployed in informal land markets and housing supply into formal land management strategies and plans.

Integration of formal and informal land markets is highly dependent on land governance— the process by which decisions are made regarding the access to and use of land, the manner in which those decisions are implemented and the way that conflicting interests in land are reconciled. Good land governance is characterised by participation, transparency, accountability, rule of law, effectiveness and equity (see Table 1).

Indicators of "getting it right" are:

✓ Legal framework recognizes alternative property rights and tenure arrangements.

✓ Land markets and land price formation are properly understood.

✓ An adequate supply of well-located and affordable serviced land is available at scale so as to provide an

alternative to informally supplied land.

✓ Existing informal land markets are recognized and integrated with formal land markets.

2.4.3 Provision and operation of infrastructure and services

Central governments and local authorities in many developing countries lack the capacity and resources to effectively deliver infrastructure and services to their citizens. Enabling shelter strategies thus shift governments' role in the provision of infrastructure and services from provider to enabler, with an emphasis on the capacity to act as:

- **Initiator:** instigating policy, regulatory and institutional reform and setting in motion broad participation.

- **Catalyst:** providing incentives and streamlining regulations and procedures.

- **Partner:** contributing to project finance, either directly or through credit enhancements.

- **Regulator:** monitoring service quality, preventing excessive pricing and ensuring equitable access

- **Partnerships and community involvement.** NGOs, CBOs and small-scale private/informal sector enterprises, working in collaboration with the state, are playing a growing role in providing good-quality, low-cost basic infrastructure and services (water, sanitation and garbage collection). Such partnerships and participation should be strengthened through capacity-building; and even more so because they also have great potential to generate both employment and local economic development.

- **Privatization.** The enabling approach calls for the creation of a favourable environment and incentives to motivate private sector participation in infrastructure and service delivery. However, guidelines and mechanisms (such as cross-subsidization and safety nets) should be developed and installed to ensure that privatization or other forms of concession do not exclude or disadvantage the poor and other vulnerable groups.

Indicators of "getting it right" are:

✓ All households have access to basic infrastructure and services.
✓ Other actors are participating in infrastructure provision and operation.
✓ Services, in particular those that have been privatized, are affordable to the poor.

2.4.4 Shelter production and improvement

The enabling approach calls for governments to withdraw from the direct provision of housing. Instead of focusing on provision of houses, policies are geared towards increasing the production and supply of fundamental inputs—land, infrastructure, building materials; labour

Governance Principles	Land Issues/Response
Sustainability **Subsidiarity**	▪ Affordability ▪ Maintenance ▪ Systemic reforms ▪ Capacity -building ▪ Information requirements at different levels ▪ Decentralization
Equity	▪ No forced evictions; housing rights ▪ Access to land: upgrading & prevention ▪ Inheritance: adjudication ▪ Customary & Common Property ▪ Continuum of Rights ▪ Social Domain Model
Efficiency **Transparency** **Accountability**	▪ Administrative procedures/processes ▪ Informal and formal systems ▪ Computer aided design ▪ Readjustment, land sharing ▪ Access to information ▪ Due process ▪ Land Administration ▪ Indicators ▪ Corrupt practices ▪ Political will & vested interests ▪ Codes of conduct
Civic Engagement	▪ Land policy formulation ▪ Land reform ▪ Enumeration & adjudication (community) ▪ Negotiated resettlement
Security	▪ Security of tenure ▪ Post-conflict/post-disaster ▪ Alternative dispute resolution

Table 1: Land Governance Framework[14]

and finance at affordable cost. However, governments are still required to intervene directly to provide shelter to the poorest and most vulnerable and disadvantaged groups.

The enabling approach also calls for a radical shift away from central-provision embedded in government-supplied housing processes to decentralized forms of housing production in which the other actors play a leading role. The various key actors in the public, private, NGO and community sectors contribute to shelter development and improvement in different ways, as summarized in Box 7.

Box 7:

The Orangi Pilot Project (OPP), Karachi, Pakistan

The Orangi Pilot Project (OPP), which began working as an NGO in Karachi's largest slum, Orangi, in 1980, demonstrates what can be achieved through partnerships between communities NGOs and government. OPP has five basic programmes: low cost sanitation, housing, health, education and credit for micro enterprise.

In the Low Cost Sanitation Programme households finance, manage, operate and maintain sanitation facilities and sewer lines, while government provides main sewers and treatment plants. The OPP-Research and Training Institute (RTI) provides social and technical guidance to both, and facilitates partnerships.

Box 8:

Actors involved in shelter production and improvement

Public organizations are still actively involved in direct provision of housing in some countries. They include government agencies, financial bodies and specialized institutions. They are enabled to do so through the formulation of appropriate strategies, legislative and regulatory frameworks, and financial arrangements.

The formal private sector can increase access to adequate shelter for the urban poor in various ways. These include investing in low-income rental housing; extending services to slums and informal settlements; and facilitating access to housing finance. Government should, therefore, establish legislative, institutional and financial frameworks and measures that will enable and incentivize private sector participation in shelter production and improvement.

Housing co-operatives: should be promoted and supported as they serve three basic functions towards the goal of adequate and affordable shelter for their members. They:

- enable households to pool resources to acquire and develop land and housing;

- enable groups to join forces and reduce construction costs; and

- facilitate access to finance.

NGOs are playing an important role in shelter development and

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improvement. Many produce housing directly; but even more indirectly support the efforts of the poor to house themselves in various ways. These include: social mobilization, organization and representation; technical and legal assistance; mediation and facilitation; participation in policy-making; and demonstration projects.

Community groups should be facilitated to fully contribute to shelter development and improvement through the establishment of enabling legislative, institutional and financial frameworks, along with the private sector and NGOs.

NGO and CBO roles in enabling strategies should however not be seen as a replacement for local government's essential role in shelter strategies.

- **The informal sector** is producing the bulk of new urban housing in most developing countries—up to 85% in some cases. The contributions of small-scale contractors and skilled artisans are especially important, as they provide building and construction services at a cost and pace that urban poor households can afford. An important role for governments within the enabling approach is to support these producers so that they can generate as much housing as possible. A key way of doing this is to remove the legislative and regulatory barriers that prevent their legitimate participation in shelter delivery.

- **Rental housing** is an essential option in most cities of developing countries as homeownership is out of reach for a majority of poor households and, for various reasons, some households prefer to rent.

As part of their enabling role, governments should encourage and facilitate rental housing production by the private sector in particular. They can do this through a range of measures, including promotion of a favourable legal and regulatory environment such as introduction of fiscal and property tax concessions, streamlining of planning standards and building codes, and relaxation of rent control measures.

Box 9:

Components of slum upgrading[15]

By adopting informal settlement regularization and slum upgrading strategies, governments can create conditions for home improvement and housing opportunities without engaging in new housing construction. Facilitating improvement of their housing conditions by slum dwellers themselves is an effective way of promoting enabling shelter strategies.

Actions carried out in slum upgrading typically include:

- regularizing security of tenure;

- installing or improving basic infrastructure, e.g., water reticulation, sanitation, waste collection, storm drainage, electricity and security lighting;

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- home improvement;
- constructing or rehabilitating community facilities;
- removal or mitigation of environmental hazards;
- providing incentives for community management and maintenance;
- enhancement of income-earning opportunities through training and micro-credit;
- building social capital and the institutional framework to sustain improvements";
- relocation/compensation for those dislocated by the improvements

Figure 6: Artisans in Kenya constructing rental housing using stabilized soil blocks © UN-HABITAT

Figure 7: Incremental self-built housing in Favela Mata Machado, Rio de Janeiro, Brazil © UN-HABITAT/ Claudio Acioly

■ **Slum upgrading,** in its narrowest sense, refers to physical improvements in shelter and infrastructure. However, in its broadest sense, upgrading also includes economic and social interventions that enable such improvements (see Box 10: 8). It is usually carried out by slum communities, local authorities and external agencies working in partnership.

Worldwide, about one out of every three urban dwellers is living in 'housing poverty'— in slums and informal settlements. Enabling shelter strategies require governments to promote, where appropriate, the upgrading of slums and informal settlements. Indeed, slum upgrading is widely seen as the most pragmatic way of achieving Millennium Development Goal 7, Target 11, which aims to improve the lives of at least 100 million slum dwellers by 2020.

■ **The development and use of appropriate building materials and technologies** should be enabled and promoted, especially in

a context of rising construction costs. Governments, at the appropriate levels, can do this by:

> reformulating and adopting building standards and by-laws that permit the use of such materials, paying adequate attention to safety needs.

> encouraging and supporting the establishment of environmentally sound, small-scale, local building materials industries through, among other ways, legal and fiscal

Enabling shelter strategies thus emphasize mobilizing sources of finance - both public and private - and promoting broad, non-discriminatory access to affordable housing finance.

incentives and the provision of information, credit, and research and development.

> promoting research and development of local building materials and construction technologies to bring them up to competitive levels of quality, performance, efficiency, safety and cost

In Kenya, for example, the introduction of performance-oriented building

standards in the revised building by-laws has enabled the use of a wider range of local building materials and construction technologies.

Indicators of "getting it right" are:

✓ All the actors in the housing process are able to participate effectively in shelter development and improvement.

✓ Private-sector participation in low-income housing provision.

✓ Development of rental housing is supported and promoted.

✓ Slum upgrading is prioritized and implemented.

2.4.5 Housing finance

Housing finance is one of the most important factors in shelter development and improvement. It enables households to access financial resources that they otherwise do not have to purchase an asset which will represent their largest single investment. Finance is important to pay for key housing inputs, such as land, building materials and labour. Enabling shelter strategies thus emphasize mobilizing sources of finance—both public and private—and promoting broad, non-discriminatory access to affordable housing finance.

■ **Government banks and state-owned housing finance institutions** in developing countries are generally unable to meet the demand for housing finance

■ **Commercial banks and housing finance institutions** are the primary

Housing and Property Issues	Household Issues	Financial Services Provider Issues
• Land availability • Security of tenure • Planning regulations • Building codes • Laws on collaterals & foreclosure	• Income • Affordability	• Financial services legislation and regulation • Number of providers • Adequacy of existing products • Guarantee funds & housing micro-financing

Figure 8: Enabling environment issues for housing finance[1]

source of formal housing finance in most developing countries.

Housing finance can be extended to more people and, in particular, the poor, through government-led legal, regulatory, institutional and administrative measures and reforms (e.g., reducing interest rates, easing collateral requirements and flexible repayment schedules), and the creation of innovative housing finance mechanisms.

■ **Lowering interest rates** can make housing finance more affordable and accessible.

In Venezuela, a salary-tax funded housing programme grants below-market loans to developers for housing projects, and also to eligible households to purchase housing units in these projects.

■ **Easing regulations on collateral,** which is often the major barrier to formal credit sources, can significantly improve access to housing finance.

Resettlement area for Kibera residents in Nairobi, Kenya © UN-HABITAT

Hence the urgent requirement for acceptance of the kinds of assets typically owned by the poor.

In Bangladesh, the Grameen Bank grants collateral-free loans.

In El Salvador, the NGO FUSAI provides housing and microenterprise loans, using long-established kinship or friendship ties to guarantee loans.

■ **Flexible repayment schemes.** Given the irregular incomes of most urban poor households, rigid repayment schedules are a major constraint to access to formal housing finance. One way around this problem is to allow flexible repayment terms in line with their variable income streams.

In India, the Housing Development Finance Corporation (HDFC) offers flexible repayment schemes that include a range of repayment options.

■ **Earmarking of funds for low income groups** is another useful mechanism to improve access to housing finance among the poor

In the Philippines, the Home Development Fund provides targeted housing finance to low-income groups, and also plays a more socially active role.

■ **Involvement of informal settlements in formal housing finance.** Mobilization of finance for housing that meets the needs of people living and working in slums and informal settlements is a major concern for enabling shelter strategies.

In Kenya, two formal housing finance institutions have extended housing improvement and development loans to small-scale landlords in informal settlements.

Most of the housing in developing countries is financed from sources other than commercial financial institutions. Households use alternative financial arrangements, including community-based financing schemes, to build their homes incrementally over time, which should be encouraged and supported.

■ **Community initiatives in housing finance.**

Community savings and credit co-operatives (SACCOs) offer shorter-term credit which is better suited to the needs of the poor better than formal longer-term loans.

Community-based rotating savings and credit organizations (ROSCAs) take a variety of forms and are a worldwide phenomenon. Many of the incremental housing improvements that urban poor households make are financed through ROSCAs.

Daily savings schemes: can create a collective financial pot from which members can borrow at affordable interest rates for shelter development and improvement. Daily savings schemes are a vital part of many organisations of the urban poor and CBOs. Slum/Shack Dwellers International (SDI) promotes community mobilisation around daily savings schemes and community-led development initiatives.

The Federation of the urban poor have evolved from daily savings schemes and have mobilized considerable sums through members' savings. These initiatives have facilitated access to housing finance by the poor, and have enabled them to build or improve their own homes and, in some cases, infrastructure and related services.

Box 10:

Examples of urban poor federation funds

- In Namibia, the Twahangana Fund has US$ 300,000 in member savings and support from government and international donors.

- In Cambodia, the Urban Poor Development Fund was set up with US$ 103,000 contributed by the federation, the municipal government, the Asian Coalition for Housing Rights and MISEREOR, a German NGO. It now has US$ 365,000, including funds from the Prime Minister's fund.

- In India and Thailand, much larger funds support community-driven development. In Thailand this is a combination of savings and government support (US$ 13.8 million); in India, it is a combination of savings and international donor support.

- The Urban Poor Development Fund in the Philippines has US$ 700,000 in federation members' savings and US$ 1.7 million in funds from the Philippine government and international agencies.

- **Community mortgage programmes** can enable access to housing finance by the poor by providing loans to community groups for onward lending to individuals at low interest rates with long repayment schedules. The Community Mortgage Programme in the Philippines is a prime example.

In addition, non-conventional approaches and systems can be promoted and supported. A number have been tried and/or are in operation, with varying degrees of success, in several countries. They include housing micro-finance and NGO programmes.

- **Housing microfinance** refers to small loans to low- and moderate-income households typically for self-help home improvement but also for new construction. Good practice in housing microfinance involves loans at unsubsidized interest rates and short terms, relative to traditional mortgage finance.

- **NGO programmes**

   The NGO BRAC in Bangladesh grants housing loans to village organizations members at a relatively low interest rate (10 per cent).

   The Kuyasa Trust in South Africa, grants loans designed to reflect the borrowing patterns already familiar to low-income.

   Habitat for Humanity International provides interest-free homebuilding loans, using a mix of charitable funding combined with loan repayments from beneficiaries.

Homeless International's Guarantee Fund provides banks with a low-risk option for lending to the urban poor to encourage them to lend to Homeless International's partners for the purpose of housing and infrastructure development.

Box 11:

Community-led infrastructure and finance in India

CLIFF (Community-Led Infrastructure Finance Facility) loan finance was provided to this housing project in Dharavi, Mumbai, whilst negotiations with banks and government authorities took place. Later, the National Housing Bank provided loan finance which took over the majority of the CLIFF loan finance that had been approved for the project, freeing up CLIFF loan finance for helping kick-start other new schemes.

Indicators of "getting it right" are:

✓ Housing finance is accessible and affordable.

✓ Housing finance institutions and lenders accept alternative forms of collateral.

Social housing estate in Uberlandia, Brazil © UN-HABITAT/ Alessandro Scotti

03

HOW TO INITIATE AND FACILITATE A PARTICIPATORY SHELTER STRATEGY PROCESS

Many governments are reluctant to open up policy, strategy and decision-making processes to enable participation by stakeholders at all levels, in particular the poor. However, the many failed top-down housing policies and strategies, and the growing number of urban poor households living in inadequate housing conditions, underscore the urgent need for more participatory shelter strategy processes. Shelter strategies need to consider which issues can be addressed at a national and central level, and which can be addressed more effectively at a local level through a participatory process. Indeed, it is at the latter level that decisions are taken daily by individuals and groups which affect their housing conditions. Hence, it is the people themselves who are best placed to identify local trends, challenges, problems and needs; and to agree on their own priorities and preferences.

This section proposes a way forward. Based on experience from some developing countries and drawing on literature on participatory policy and strategy processes, it offers tentative outline guidance on how to initiate and facilitate a participatory shelter strategy process.

Participation - the active involvement of all the actors in the housing process - is fundamental to enabling shelter strategies.

3.1   Government's facilitative role

Governments have an important role in initiating and facilitating a participatory shelter strategy process in terms of:

- making the commitment and setting the agenda;
- creating an open and participatory 'environment' for the processes involved;
- inviting all the actors in the shelter process to participate in all strategy tasks, and
- providing support where needed.

Types of participation in strategy-making

1. Participation through **listening only**: actors are informed about what is being/has been planned, without any attempt to elicit local opinion or knowledge.
2. Participation through **problem identification and formulation**: actors are asked about their situation, needs, priorities and preferences. This information is fed into the strategy process without feedback.
3. Participation through **consultation**: actors are given the opportunity to interact and provide feedback, and may express suggestions and concerns. But those leading the process are not obliged to take their views into account
4. Participation in **agenda-setting**: actors can influence the issues that will be addressed.
5. Participation in **consensus building** on the main strategy elements: actors can negotiate positions and help determine priorities.
6. Participation in **decision-making**: actors have a role making decisions on the strategy or its components and implementation
7. Participation in **strategy formulation**, e.g., of the general rules, guiding principles or text; of the actual text.
8. Participation in **strategy implementation** - e.g., through involvement in programme implementation.
9. Participation in **monitoring and evaluating** the strategy.

Figure 9: Types of participation in strategy design and implementation

3.2 Participation in the shelter strategy process

Participation in the design and implementation of enabling shelter strategies can happen in different ways, at various stages, and to varying degrees. It can range from simple information sharing through to more extensive consultation and joint decision-making to monitoring and evaluation. This is illustrated diagrammatically in Figure 9.

3.3 Initiating and facilitating a participatory shelter process: A tentative approach

The strategy process can be seen a cyclical process involving four key stages—situation analysis; strategy formulation; strategy implementation; and monitoring and evaluation—as shown in Figure 10.

If it is to be truly participatory, the key actors in shelter development and improvement—public organizations, the private sector (both formal and informal), NGOs, and most importantly, the people themselves—should be enabled to participate fully and effectively in all the key stages of the shelter strategy process. This will require building the capacity of the actors involved so that they are able
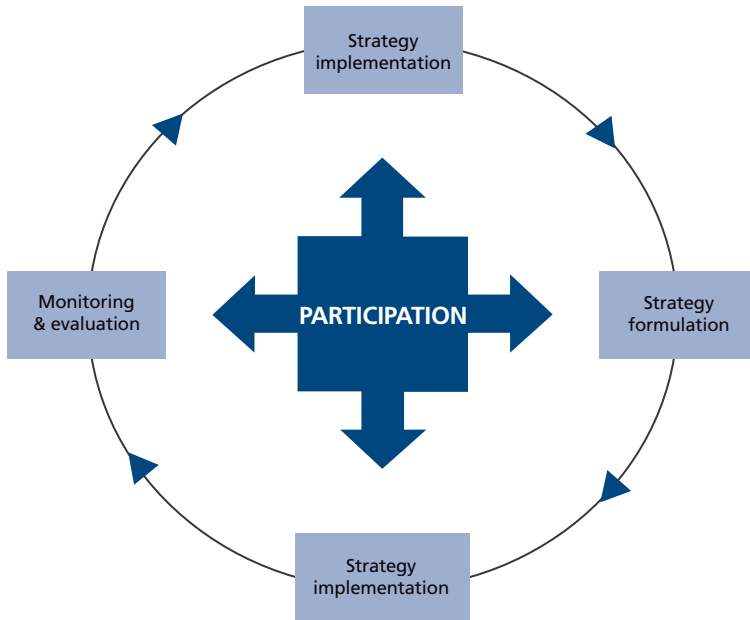
Figure 10: The participatory strategy-making cycle - UN-HABITAT

to engage fully; and this will need to continue throughout the cycle.

The main stages in initiating and facilitating a participatory shelter strategy process, and the issues and actions involved, are as follows:[17].

■ Situation Analysis

Conduct a Situation Analysis: Compile and analyse information e.g., through background studies, government agencies, research and policy institutions, or independent professionals.

Carry out participatory rapid urban appraisals/surveys to establish the socio-economic and institutional profile and to supplement existing information and data.

Determine if conditions are appropriate: e.g. a conducive political and socio-economic climate, adequate resources (financial, human, technical), high-level political support.

Conduct a housing needs assessment through a participatory process to use as a basis to guide formulation and implementation of an enabling housing strategy that will adequately address both quantitative and qualitative housing needs.

OUTLINE OF HOUSING NEEDS ASSESSMENT MODEL[19]

Current Need:

Minus

Available Stock:

Plus

Newly Arising Need:

Minus

Future Supply of Affordable Units:

Equals

Net Shortfall (or Surplus) of Affordable Units:

Table 2: Housing needs assessment model

A housing needs assessment will present statistical and analytical information which provides an overall picture of the nature and extent of the housing needs. There are four broad

analytical stages which lead to an overall estimate of the net shortfall (or surplus) of affordable housing. These are shown in Table 2.

Carry out an assessment of the housing market. Analyse the bottlenecks and constraints to availability and access to the necessary inputs and the necessary levels of production. Inputs include land, infrastructure, finance, labour (availability of workers with needed skills) and building materials (see Figure 3).

Evaluate the performance of the housing sector from different perspectives, against set goals, and efficiency and equity objectives to identify key strategy imperatives to address the most critical deficiencies

Identify and define the problems to be addressed in ways that lead to commonality of interest. It is important to work to identify common ground so as to build a consensus as all the key actors are needed to develop and implement effective enabling shelter strategies.

Prioritize problems requiring immediate action though a participatory process in order to address them more efficiently and effectively.

Set an agenda for action. Develop and implement a proactive problem solving agenda to address identified problems.

- Shelter Strategy Formulation

Formulate the shelter strategy through a participatory process. Establish principles, goals and objectives

of the strategy, and targets for achieving objectives.

Define actor participation: Determine the participation of the various actors: who will be involved? What will they do? Why are they being involved (what can they offer)? How are they being involved? Where are they participating? Participation implies full involvement of all the actors in the shelter sector in appropriate tasks including strategy formulation, information exchange, decision-making, implementation etc.

Two storey housing built by women's self-help groups supported by NGO-CCODE in Malawi
© UN-HABITAT/ Claudio Acioly

Carry out action planning and set targets to achieve the objectives. The enabling approach is a "macro" approach that needs on-the-ground "micro" actions. These can include: policy, legislative, regulatory and institutional reform; capacity-

building for government, NGOs and local communities; and a range of programmes and projects.

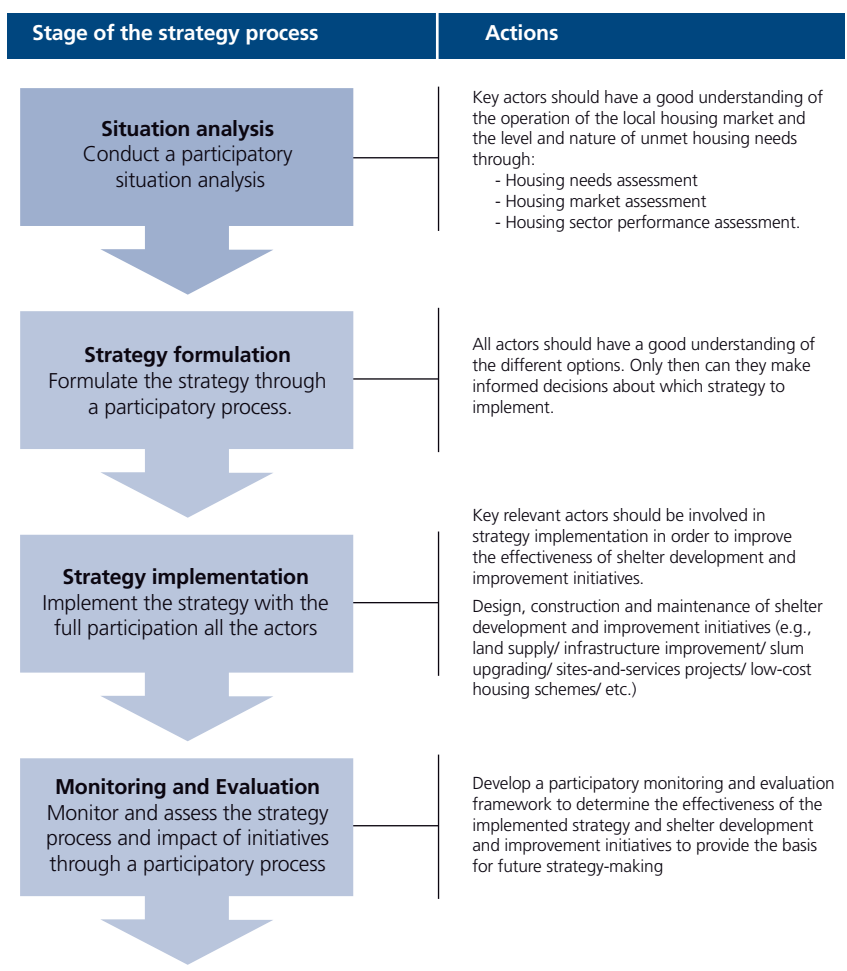| Stage of the strategy process	Actions
Situation analysis Conduct a participatory situation analysis	Key actors should have a good understanding of the operation of the local housing market and the level and nature of unmet housing needs through: - Housing needs assessment - Housing market assessment - Housing sector performance assessment.
Strategy formulation Formulate the strategy through a participatory process.	All actors should have a good understanding of the different options. Only then can they make informed decisions about which strategy to implement.
Strategy implementation Implement the strategy with the full participation all the actors	Key relevant actors should be involved in strategy implementation in order to improve the effectiveness of shelter development and improvement initiatives. Design, construction and maintenance of shelter development and improvement initiatives (e.g., land supply/ infrastructure improvement/ slum upgrading/ sites-and-services projects/ low-cost housing schemes/ etc.)
Monitoring and Evaluation Monitor and assess the strategy process and impact of initiatives through a participatory process	Develop a participatory monitoring and evaluation framework to determine the effectiveness of the implemented strategy and shelter development and improvement initiatives to provide the basis for future strategy-making

Figure 11: Key stages and actions in the strategy process - UN-HABITAT

Determine the scope of the strategy, the issues to address, the approach, and how to manage the individual elements in the implementation stage.

Develop the draft strategy using inputs from the above process. This is an iterative process with various combinations of recommendations being tested in different forums for consistency and acceptability.

Address the hard questions. Opinions and attitudes about the major issues, challenges, obstacles, risks, costs and benefits may differ. If so, there are likely to be both winners and losers and trade-offs will be necessary to achieve a win-win result.

- Shelter Strategy Implementation

Establish an institutional and organizational framework. Define decision-making roles and who is responsible for what aspects of implementation.

Develop an implementation timeline, with short-term benchmarks and longer-term milestones to monitor progress and responsible parties designated for each step. This can help in ensuring that implementation stays on track and goals, objectives and targets are achieved within the specified timeframe.

Implement the strategy with the full participation all the actors in the shelter development and improvement process. Government should create an

'enabling environment' for action by all the actors—public organizations, the private sector (both formal and informal), NGOs, and most importantly, the people themselves.

Communicate. Generate wider understanding of the strategy process and keep actors informed of progress—through press releases and other informational materials, electronic media coverage, public forums, etc.

- Monitoring and Evaluation

Monitor and evaluate both the process and outcomes through a participatory approach.

Monitor goals, objectives and targets to ensure that they are continually met, using internal and external participatory evaluations and reviews, whilst giving long-term support to assess and improve performance as necessary.

The key stages in the housing shelter strategy process and the actions involved are summarized in Figure 11.

3.4   Costs involved in a participatory strategy process

There are costs involved in initiating and facilitating a participatory shelter strategy process, which will depend on various factors (OECD 2001):

- The numbers and types of participants, their location, and the opportunity costs of their participation. Some participants will need to take time from their livelihood activities (e.g., those self-

employed in the informal sector and women). Ways of compensating or assisting them may need to be found to enable their effective participation.

- **Time requirements.** It takes time to establish trust, especially at some local levels, and to foster a willingness to engage in the strategy process.

- **Specialist skill requirements.** Skills in participatory processes are essential in order to establish the right linkages and ensure quality of participation and communications.

- **Communication requirements.** The many actors need to have access to, and understand, key information important to participatory strategy processes. This requires communication through appropriate channels, which have cost implications.

3.5 Typical problems encountered in implementing participatory initiatives

Participatory initiatives often suffer from weaknesses that can jeopardise the process and reduce their impact. Common problems include:

- **Unrealistic or unstated expectations** which can create frustration and cynicism.
- **Insufficient time** allowed for proper participation or consultation.
- **Inadequate information dissemination** or providing it in unsuitable language/formats.

- **Lack of transparency** over the criteria for selecting participants.
- **Failure to represent** the poorest, most marginalised groups.
- **Lack of follow-up and feedback.**

These problems can be overcome in the following ways:[19]

- **Expectations:** Pay attention to investigating and reconciling stakeholders' expectations.

- **Timing:** Give adequate notice and allow sufficient time for genuine consultation and participatory process to occur.
- **Information:** Ensure open, timely and adequate access to all relevant information in appropriate formats and languages; and disseminate information widely.
- **Representation:** Ensure that the criteria for participation are clear and publicly available; and ensure representation of all stakeholder groups, including women, the poorest and the most vulnerable and disadvantaged.
- **Follow-up:** Make adequate provision for conducting follow-up with actor groups involved; and be aware of possible threats to the sustainability of processes.

Community-based infrastructure improvement in Guatemala © UN-HABITAT/ Claudio Acioly

Intergrated housing development programme in Ethiopia © UN-HABITAT/ Claudio Acioly

04

CHECKLIST

The following checklist outlines the key aspects necessary for the implementation of a successful enabling shelter strategy:

☐ **Political will:** Is there the political will (and the professional will) among all policy makers and all actors in the shelter process to design and implement enabling shelter strategies?

☐ **Access to information:** Do all the actors in the shelter process have easy access to relevant information in appropriate formats/languages through appropriate channels?

☐ **Legal and regulatory frameworks:** Can these be easily understood by all those required to conform to them as well as those required to enforce them; and are they enforceable?

☐ **Institutional framework:** Does the institutional framework facilitate the efficient and effective implementation of enabling shelter strategies?

☐ **Participation:** Have measures been taken to ensure the full, equal and effective participation of all the actors, particularly women, youth, and vulnerable groups?

☐ **Partnerships:** Have strategic partnerships been identified and established, and the partners secured; and have roles and responsibilities been agreed?

☐ **Land:** Is affordable land (serviced or un-serviced) available to those who need it for housing construction?

☐ **Housing finance:** Is affordable housing finance available to all those who require it, through both formal and alternative finance systems?

☐ **Human resources:** Are the human resources required to design and implement enabling shelter strategies available?

☐ **Building materials and construction technologies:** Do the regulations and standards in force allow the use of local, readily available building materials and construction technologies?

Energy efficiency improvement by residents in Sofia, Bulgaria © UN-HABITAT/ Claudio Acioly

05

THE DO'S AND DON'TS OF THE ENABLING APPROACH TO SHELTER

	DO	DON'T
Role of governments	Shift from the role of provider to enabler	Withdraw completely from the shelter process or abrogate responsibility
Institutional arrangements	Decentralize	Centralize authority and responsibility
Participation	Do ensure the full and equal participation of all the actors in the shelter process	Don't exclude or marginalize any key stakeholder groups
Partnerships	Do form and strengthen partnerships with all the actors in the shelter process	Exclude any actors in the shelter process
Legal frameworks	Create enabling legal frameworks that recognize and protect the right to adequate and affordable housing	Condone restrictive, unjust and discriminatory legislation
Regulatory frameworks	Create appropriate regulatory frameworks and conduct regular regulatory audits	Impose inappropriate regular regulatory that can't be enforced
Human resources	Prioritize human resource development in the shelter sector	Discriminate in training and capacity building

	☞ DO	☜ DON'T
Housing finance	☞ Encourage and support alternative housing finance systems	☜ Impose restrictive collateral arrangements
Urban planning and provision of land	☞ Promote efficient and accessible land markets, and alternative tenure forms	☜ Carry out forced evictions without due process and without providing adequate alternatives
Provision of infrastructure and services	☞ Promote partnerships in infrastructure and services development, operation and maintenance	☜ Provide unaffordable infrastructure and services
Shelter production and improvement	☞ Facilitate and support the initiatives of all the actors in the shelter process and, in particular, women	☜ Demolish slum housing unless it is absolutely necessary
Building materials and construction technologies	☞ Promote the use of local readily available building materials and construction technologies	☜ Impose inappropriate building material specifications and construction standards
Labour	☞ Support the use and capacity building of local labour and contractors	☜ Prevent the employment of local labour and contractors though restrictive conditions

UN-HABITAT sponsored shelter construction in Liberia © UN-HABITAT

Social housing an resettlement project in Complexo do Allemao, Rio de Janeiro
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06

UNDERLYING PRINCIPLES OF ENABLING SHELTER STRATEGIES

If enabling shelter strategies are to contribute to the goal of 'adequate shelter for all', there are certain principles to which they must adhere. While compliance to these principles will not necessarily guarantee success, non-compliance will definitely result in failure. These principles require that enabling shelter strategies should be:

■ **Politically endorsed and supported:** by government at all levels with governments facilitating the process and broad-based participation in the design and implementation of the shelter strategy.

■ **Participatory:** involving all the actors involved in shelter development and improvement—public organizations, the private sector (both formal and informal), NGOs, and most importantly, the people themselves.

■ **Needs-driven:** recognising and understanding the realities on the ground, and taking into consideration the priorities and preferences of the people themselves.

■ **People-centred:** whereby local communities actively participate in the shelter development and improvement process.

■ **Pro-poor:** in particular, focusing specifically on the housing needs of the poor and other vulnerable, marginalized and disadvantaged groups.

■ **Results-oriented:** identifying goals, objectives and targets, and action planning to achieve them.

■ **Comprehensive:** taking account of the multi-dimensional nature of housing needs; and recognising the depth and complexity of some of the changes needed.

■ **Based on partnership:** between governments and other actors in the housing process.

■ **Sustainable:** designed for people-driven, sustainable shelter development and improvement.

Housing reconstruction in Pakistan © UN-HABITAT

07

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