



ComHabitat Brief - 1

PRSPs, Human Settlements and Urban Poverty

Summary

ComHabitat reviewed the Poverty Reduction Strategy Papers (PRSPs) of seven Commonwealth countries in order to assess how urban poverty and strategies to implement the Habitat Agenda were addressed. The research also reviewed recent literature both on the linkages between human settlements, urban poverty and MDGs and the measurement of poverty within PRSPs. ComHabitat found that the PRSPs reviewed showed a general lack of focus on, and understanding of, urban poverty issues. The main conclusions suggest that if Commonwealth countries could significantly strengthen their analysis of urban poverty and develop more effective strategies to address urban poverty as part of national development planning, the benefits at national and local levels would be considerable. ComHabitat plans to build on this initial research, working in collaboration with UN-Habitat. If you are interested in finding out more please contact kim@comhabitat.org.

Key Points

The review of seven PRSPs demonstrated:

- A general lack of focus on, and understanding of, urban poverty issues, despite the opportunities that exist within urban areas for addressing poverty.
- Little evidence of long term strategic planning for urban growth, although urban centres are likely to be the effective engines of long-term development and economic growth.
- Little attention to the linkage between environmental sustainability and human settlement development. Yet in many contexts the urban poor are facing increasing levels of vulnerability both to natural hazards and the impacts of insecure tenure.
- Human settlements issues were prioritised during consultation processes but not similarly reflected in the PRSPs.
- Decentralisation is described and analysed but the PRSPs do not fully address the institutional and financial arrangements needed for decentralisation to effectively address poverty and meet local development requirements.
- Few initiatives to upgrade slums were identified and there was little detail on the sources or mechanisms to finance these interventions

What are the benefits of incorporating urban poverty into PRSPs?

- One in six commonwealth citizens live in slums and debt forgiveness could play a key role in providing a solution to this important challenge.
- Addressing urban poverty optimises the chances of achieving the MDGs.
- Strategies to address urban poverty can have a major impact on economic growth.

Introduction

Eleven Commonwealth countries had produced full Poverty Reduction Strategy Papers (PRSPs) and a further four had produced interim PRSPs by May 2005. Most have done so as part of the Heavily Indebted Poor Countries initiative. ComHabitat has reviewed seven of these PRSPs to assess how they have addressed urban poverty and strategies to implement of the Habitat Agenda. The PRSPs were from Dominica, Ghana, Guyana, Malawi, Sri Lanka, Tanzania and Zambia. The main conclusions of the review suggest that if Commonwealth countries could significantly strengthen their analysis of urban poverty and develop more effective strategies to address urban poverty as part of national development planning, the benefits at national and local levels would be considerable.

What are the benefits of incorporating urban poverty into PRSPs?

1. The UN's estimation of the number of households living in slums is based on a definition of a "slum household" as lacking either: access to improved water; access to improved sanitation facilities; sufficient living area (less than three people per habitable room); a durable dwelling (non-hazardous location, permanent structure adequate to protect from climatic extremes); or security of tenure. UN Habitat (2003) *Slums of the World: the face of urban poverty in the new millennium?* Nairobi: UN-Habitat (<http://www.unhabitat.org/publication/slumreport.pdf>).

2. UN Millennium Project (2005) *A Home in the City*. The report of the Task Force on Improving the Lives of Slum Dwellers, London & Vancouver: Earthscan (http://www.unmillenniumproject.org/reports/tf_slum.htm).

3. UN Millennium Project (2005) *Investing in Development: A practical plan to achieve the millennium development goals*, New York: UNDP (<http://www.unmillenniumproject.org/reports/fullreport.htm>).

4. Commission on Sustainable Development (2005) *Decision Adopted by the Commission* (http://www.un.org/esa/sustdev/sdissues/human_settlements/hsettlementsdecisions.htm).

5. See Footnote 3, above.

6. Commission on Sustainable Development (2005) *Decision Adopted by the Commission* (http://www.un.org/esa/sustdev/sdissues/human_settlements/hsettlementsdecisions.htm).

7. United Nations General Assembly (2005) 2005 World Summit Outcome, [A/60/L.1] (<http://www.un.org/summit2005/documents.html>).

The United Nations has estimated that 327 million people live in slums¹ in Commonwealth countries. That is, almost one in six Commonwealth citizens live in a health- and life- threatening environment, largely excluded from access to urban services and from achieving their political, social, and economic rights. In a quarter of Commonwealth countries (11 African, 2 Asian and 1 Pacific), more than two-thirds of the urban population live in slums and many of these countries are urbanising rapidly. The poverty experienced by slum dwellers is often hidden by statistics, as the latest UN report on the MDGs emphasises:

*"... Disease, mortality and unemployment are considerably higher in slums than in planned urban settlements. Surveys suggest that in some African cities, the death rate of children under age five who live in slums is about twice as high as that of children in other urban communities"*².

Urban poverty is often underestimated, unrecognised and poorly understood. Poverty lines can be set at a level which is too low in relation to the costs of housing, purchasing water from vendors and meeting children's needs in urban areas. In many nations, official poverty lines define significantly fewer urban dwellers as being poor than would be suggested by, for example, an examination of nutritional levels or health outcomes in urban areas³. The UN Millennium Project recognised the importance of tackling urban poverty:

*"If the urban context of poverty is not directly addressed, it will be impossible to achieve the [Millennium Development] Goals. . . as the world becomes more urban, the integration and synergies emerging from the potential of comprehensively addressing the Goals in a specific, dense location are best achieved in the very settlements where slum dwellers live. . . Slum upgrading, improved urban planning and design, and the provision of adequate alternatives to new slum formation must become core business for local and national governments alike and supported by international development agencies"*⁴.

The Sachs report identifies funding to finance community-based slum upgrading as one of the "Quick Win" interventions for achieving the MDGs⁵.

In 2005, two global events reviewed commitments and goals in the area of human settlements. The Thirteenth Session of the Commission on Sustainable Development stated that:

*"Investments in water, sanitation and human settlements contribute to economic growth, sustainable development, better health and reduced poverty. . . The policy options and practical measures for expediting implementation relating to water, sanitation and human settlements should be nationally-owned and integrated into poverty reduction strategies"*⁶.

The High Level Plenary Meeting of the 60th Session of the UN General Assembly (otherwise known as the Millennium Review Summit), resolved:

*"To achieve significant improvement in the lives of at least 100 million slum-dwellers by 2020, recognizing the urgent need for the provision of increased resources for affordable housing and housing-related infrastructure, prioritizing slum prevention and slum upgrading"*⁷.

Conclusions from the review of seven PRSPs

The PRSPs show a general lack of focus on, and understanding of, urban poverty issues, despite human settlements issues being prioritised during consultation processes. This prevents governments and donors being able to take advantage of the considerable opportunities that exist within urban areas for addressing poverty, reaching the MDGs and building an infrastructure for long-term economic growth and sustainable development.

Within the PRSPs there is little evidence of long term strategic planning for growth in urban populations and the consequent pressures on access to land and urban services. However, cities and urban centres will be the effective engines of long-term development and economic growth. Decentralisation is frequently mentioned in the PRSPs as leading to greater responsibility for local government in delivery of infrastructure services, as are problems with the implementation of decentralisation policies. However the PRSPs do not fully address either the institutional or financial arrangements that are needed for more effective decentralisation.

Far more attention needs to be given to the linkage between environmental sustainability and human settlement development, particularly in contexts where the urban poor face increasing levels of vulnerability to natural hazards. Lack of secure tenure and inadequate land regularisation and allocation policies also contribute to vulnerability.

PRSPs have yet to adequately address the challenge of utilising debt relief, HIPC and other financial mechanisms such as Social Investment Funds to address long-term human settlement development such as slum upgrading, negotiated resettlement and infrastructure provision. Few initiatives to upgrade slums are identified and there is little detail on the sources or mechanisms to finance these interventions

From the analysis of the seven PRSPs, policy-related recommendations arise in the areas of poverty analysis, PRSP formulation and monitoring, local government, land tenure security, and capital financing for urban development.

Poverty analysis

- Ensure that where possible household statistics are disaggregated to reflect service provision and poverty indicators in rural areas, urban areas as a whole and slum areas in particular.
- Introduce more effective measures for assessing and addressing urban poverty, including participatory and community-led methodologies.
- Raise awareness of urban poverty, and how it may be underestimated and misunderstood, amongst policy-makers and practitioners at all levels.

PRSP formulation and monitoring

- Consider human settlements, in particular slums, as a cross-cutting issue within PRSP development and implementation, because improvements in human settlements impact on all the MDG indicators.
- Incorporate consultative city development strategies - with both local government and communities playing central roles - into the PRSP development and monitoring process.

Local government

- Recognise and support the role of local government in delivering urban services and implementing equitable land regularisation and allocation policies, by providing appropriate capacity building and access to central budgetary and aid resources for the purpose.

Land tenure security

- Develop nationally appropriate land registration and cadastral systems that will provide a basis for the legal transfer and development of land. Develop a legislative environment that will ensure secure tenure for all households and facilitate the creation of alternatives to forced evictions.

Capital financing for urban development

- Develop new forms of capital financing for urban development, exploring with donors options to use HIPC and other debt forgiveness finance to capitalise local funds, which are accessible to local governments and non-governmental or community-based organisations and can be used to support slum upgrading, negotiated resettlement and infrastructure provision initiatives.

Policy Recommendations

What is ComHabitat?

1. Currently, the key partners in ComHabitat are the Commonwealth Secretariat, the Commonwealth Foundation, the Commonwealth Association of Planners, the Commonwealth Human Ecology Council, the Commonwealth Local Government Forum, Homeless International, and the UK Government's Department for International Development (DFID). ComHabitat is funded by DFID and the Commonwealth Foundation.

This Research

2. Commonwealth Secretariat (2005) PRSPS, Human Settlements and Urban Poverty, Submission of ComHabitat to the Commonwealth Finance Ministers' Meeting, FMM(05)(INF)1. This longer paper can be downloaded from www.comhabitat.org or www.thecommonwealth.org.

In 1998, the Commonwealth Secretary-General established the Commonwealth Consultative Group on Human Settlements (CCGHS), which is made up of Ministers responsible for human settlements and implementing the Habitat Agenda. The Habitat Agenda came out of the United Nations' 1996 Conference on Human Settlements in Istanbul. It contains commitments in the following areas: adequate shelter for all; sustainable human settlements; enablement and participation; gender equality; financing shelter and human settlements; international co-operation; and assessing progress. At its first meeting, the CCGHS adopted a Commonwealth goal of:

"Demonstrated progress towards adequate shelter for all with secure tenure and access to essential services in every community by 2015".

CCGHS meets regularly and ComHabitat has been established as a partnership of the CCGHS and agencies from government, local government, civil society and the private sector that have a key role to play in implementing the Habitat Agenda¹. ComHabitat aims to promote and monitor the implementation of the Habitat Agenda, the Commonwealth Goal and associated Millennium Development Goals within and between Commonwealth countries. It focuses on networking and sharing practical examples of progress in implementation, such as successful slum upgrading initiatives.

ComHabitat's research strategy aims to contribute towards the CCGHS's commitment to providing practical assistance to Commonwealth countries in implementing the Habitat Agenda. ComHabitat aims to build on existing research programmes, complement their approaches and provide a Commonwealth perspective. ComHabitat's research work also aims to facilitate linkages and dialogue between agencies concerned with human settlements and ensure research outputs are accessible. ComHabitat has initiated two research projects to help assess: progress on internationally agreed goals on human settlements; and the availability of, and options for, urban development finance. This briefing paper details initial research under the first of these projects.

CCGHS has prioritised monitoring and gauging progress in implementing the Habitat Agenda and defined incorporating shelter provision into national poverty alleviation programmes as a major objective. This incorporation will only be achieved if those influencing the design of these programmes have both access to information about the lack of shelter, secure tenure and access to essential services and an understanding of the complex linkages between these issues and poverty. This briefing paper is based upon a longer paper produced for the September 2005 Commonwealth Finance Minister's Meeting².

Contact us

For more details about the research contact Kim Mullard, ComHabitat Programme Co-ordinator or see the website.

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