CON
TENTS

2 A LETTER FROM THE PRESIDENT
3 REFLECTIONS FROM THE CHAIR
4 ABOUT SDI

7 CHAPTER ONE
SDI PRACTICES FOR CHANGE
7.1 CENTRAL PARTICIPATION OF WOMEN
7.2 SAVINGS & CREDIT
7.3 LEARNING EXCHANGES
7.4 ENUMERATIONS AND MAPPING
7.5 PARTNERSHIPS
7.6 SLUM UPGRAADING

15 CHAPTER TWO
SDI SECRETARIAT REPORT
15.1 SETTING UP PRO POOR PLATFORMS
15.2 ROLLING OUT UPGRAADING TO SECONDARY CITIES

21 CHAPTER THREE
GLOBAL ENGAGEMENTS LEADING TO PARTNERSHIPS

25 CHAPTER FOUR
BUILDING SYSTEMS
4.1 INTERNAL PROJECT REPORTING
4.2 DEEPPENING THE SDI RITUAL OF ENUMERATION
4.3 BUILDING A LEARNING, MONITORING & EVALUATION FRAMEWORK

31 CHAPTER FIVE
RETHINKING POVERTY: SDI’S GLOBAL ADVOCACY WORK ON URBAN DEVELOPMENT, INFORMALITY AND POVERTY
31.1 WATER AND SANITATION
31.2 CLIMATE CHANGE
31.3 NATURAL DISASTERS
31.4 INCREMENTAL HABITAT
31.5 MAKING SLUMS COUNT
31.6 FINANCING SLUM UPGRAADING

43 CHAPTER SIX
SDI FINANCIALS
A critical challenge that SDI faces is measuring outputs and made subjects of significant investment. SDI is an interface ing new scalable solutions to address the slum, informal communities as the Research and Development center for incubating the proverbial golden eggs! SDI and its affiliates can also be messy, but if nurtured and well-sustained it produces pos- describe it as the goose that lays golden eggs. It’s neither communities to engage with mainstream development invest- infrastructure that allows excluded and marginalized com- munities like an operating system to facilitate participation communities must work are not attuned. Communities and national contexts when other institutions in which urbanization get to be integrated into city planning norms. Challenges continue to emerge as SDI deepens its pres- and standards.

5 levels of leveragability

- Basic organizing
- Accessing local public goods
- Contributing to local national and global policy
- Creating new institutional interfaces between formal and informal
- Creating a global voice from below in development for sustained solutions

We will continue these explorations in the next few years to support both qualitative and quantitative measurements. Challenges continue to emerge as SDI deepens its pres- credits and widens the scope of its actions. How to ensure robust processes that take time to get embedded in local and national contexts when other institutions in which communities must work are not attuned. Communities also need to develop their own institutional arrangements to make what they do sustainable. Such strategies and the solutions that they can develop take time, and often this never gets achieved in three year cycles. How do we develop milestones that support us to demonstrate the process is moving in the right directions?

Urbanization is, in its complex and multifaceted ways, still not understood. That cities are the engines of growth is accepted, but the inequities that urbanization produces, and the accompanying impacts of fast growth and infor- mality it produces, have by and large been ignored. Cities remain driven by market forces and weak city governments who are getting more and more responsibilities and do not necessarily have capacities and resources to address the challenges they face. The poor are trapped in informal- ity and rent-seeking behavior when poor governance and invisibility reproduces feudal patronage structures when formal governance fails to include them. It will be a long time before migration, poverty, and gender aspects of urbanization get to be integrated into city planning norms and standards.

Creating a new financing architecture remains crucial to addressing the bottom 30% of the city. Top down solutions, attempting to bring solutions and formal strategies that work for the formal sector, are not producing the needed change. Developing new protocols to understand the situ- ation in which the poor are trapped is crucial and needs active research that includes participation of the poor.

These are SDI’s preoccupations as it seeks to build net- works of the urban poor internally and seeks to advocate their voices in the global and regional discussions on sus- tainable urbanization. Many challenges are on the horizon, such as climate change, and urban vulnerability. What role and contributions are needed for the poor to be part of this process? How should we participate in the post Rio+20 discussions? What about the post-MDG period after 2015? The MDGs have not worked to address the crisis of infor- mality and habitat for the urban poor, and cities see huge inequality, definitions of poverty and failed possibilities of how to effectively address this issue at scale. In the midst of all these challenges, SDI demonstrates that organized com- munities of the urban slum dwellers are not passive and while they struggle against evictions and dislocations, they work hard to develop partnerships, develop solutions and experiment with possibilities to present to their city and national government to make cities work for all.

Sheela Patel Chair SDI 2012

SHACK/SLUM DWELLERS INTERNATIONAL ANNUAL REPORT 2012

Global solidarity of the urban poor has been a long-term dream for many of us in the SDI network. This dream began to take shape in the early 1990’s when shack dwellers from South Africa’s informal settlements began to visit pavement dwellers living on the streets of Mumbai. Since those days, the network has grown steadily in num- bers, in influence and in its impact on the everyday lives of millions of urban poor families. Practical, face-to-face learn- ing remains the main driving force of the SDI network that now stretches from Asia, through Africa to Latin America and the Caribbean. With its women-centred savings col- lectives at the heart of its practice in 34 countries, SDI is forging a new system of community organizing that runs in an unbroken thread from the household to the settlement, from the settlement to the city, from the city to the country and from the country to the global stage.

SDI makes partnerships work – partnerships between communities, partnerships with Government and with other stakeholders. The challenge of urban exclusion is too great for any one sector to address on its own. SDI makes every effort to ensure that the poor themselves are at the centre of urban poverty eradication strategies and actions.

After 21 years SDI has a proud record of securing tenure for hundreds of thousands of its members, providing incremen- tal housing solutions and contributing to infrastructure de- livery, especially water and sanitation, in thousands of slums. It has formalized relations between organized com- munities of the urban poor and Governments and ensured, as the South African alliance puts it, that no development takes place for us without us being directly involved. It has been 21 years of learning, sharing, mobilizing, strengthen- ing, engaging and delivering.

Our work has only just begun. Jockin Arputham President, SDI 2012
SDI is a network of community-based organisations of the urban poor in 33 countries and hundreds of cities and towns across Africa, Asia and Latin America. In each country where SDI has a presence, affiliate organisations come together at the community, city and national level to form federations of the urban poor. These federations share specific methodologies, which are enumerated in the next section.

In its organisational form, SDI consists of a Secretariat, a coordinating team, a Board and a Council of Federations. The Secretariat has an administrative and management function. It is accountable to a Board and a Council of Federations made up of nominated grassroots leaders from affiliated Federations. The Board also nominates a Coordinating team that serves as an executive, responsible for overseeing the implementation of SDI programmes.

The network is decidedly less than the sum of its parts. In other words, SDI is committed to supporting a process that is driven from below. The Secretariat facilitates, and sometimes resources, horizontal exchange and information sharing programmes amongst member Federations. It also seeds precedent-setting projects. These exchange programmes and projects have a “political” dimension, to the extent that they are geared towards catalyzing change processes at all levels, from informal community-based institutions to formal institutions of the state and the market. Since 1996, this network has helped to create a global voice of the urban poor, engaging international agencies and operating on the international stage in order to support and advance local struggles. Nevertheless, the principal theatre of practice for SDI’s constituent organisations is the local level: the informal settlements where the urban poor of the developing world struggle to build more inclusive cities, economies, and politics.
1

1.1 CENTRAL PARTICIPATION OF WOMEN
1.2 SAVINGS AND CREDIT
1.3 LEARNING EXCHANGES
1.4 ENUMERATIONS AND MAPPING
1.5 PARTNERSHIPS
1.6 SLUM UPGRADEING

SDI’S PRACTICES FOR CHANGE
For SDI, the central participation of women is not just an ideal but a critical component of a gender-sensitive mobilization strategy, which sees men and women re-negotiating their relationships within families, communities, and organizational forms such as slum dweller “federations.” By prioritizing the leadership potential of women, federations alter traditional male domination in communities, in ways that actually strengthen grassroots leadership.

Recognising that women are often the true engines of development, SDI uses the savings and credit methodology to develop their leadership capacity, financial management skills, and confidence. By entrusting women to handle such important monetary systems, whereby they are in charge of the precious savings of their neighbours and friends, communities begin to understand the potential of women as public decision-makers and powerful agents of change. In fact, savings and credit activities, apart from their clear financial benefits, serve as a means to bring women out of the home and into the public sphere in a manner that men rarely resent.

Each day groups of women in slum neighbourhoods and settlements walk from home to home, and gather small change from each other in order to collectively address the livelihood struggles they share. Through daily interactions, and weekly community gatherings, savings group members begin to articulate what problems exist within their community, creating a sense of shared identity for the women of urban poor communities. Whilst SDI does not exclude men, the reality is that the savings groups are comprised mainly of women. Women are often at the center of the household – responsible for the provision of food, school fees, clean water, and a place to sleep. By targeting the poorest women in a settlement, one can be sure that the settlement’s most vital needs will be addressed.

Additionally, the structure of savings groups allows members to access short-term loans, which are otherwise largely unavailable to the urban poor. This system of savings & credit prepares communities for medium and large-scale financial management necessary in the slum upgrading projects they are likely to pursue. Often regarded as the cornerstone of SDI, these savings groups link together to form “federations.”
Chapter One
Learning Exchanges

Horizontal learning exchange from one urban poor community to another is the primary learning strategy of SDI. Participants within the savings networks learn best from each other. When one savings group has initiated a successful income-generating project, re-planned a settlement or built a toilet block, SDI enables groups to come together and learn from intra-network achievements. The community exchange process builds upon the logic of ‘doing is knowing’ and helps to develop a collective vision. As savers travel from Cape Town’s Sheffield Road to Kenya’s Mukuru Sinai to India’s Pune, the network is unified and strengthened. Such learning happens not only at the street level but between towns, regions, provinces, and nations. In this way, locally appropriate ideas are transferred into the global dialogue on urban development through dialogue between slum dweller peers.

Additionally, horizontal exchanges create a platform for learning that builds alternative community-based politics and “expertise,” challenging the notion that development solutions must come from professionals. In this way, communities begin to view themselves as holding the answers to their own problems rather than looking externally for professional help.

The pool of knowledge generated through exchange programs becomes a collective asset of the SDI network. When slum dwellers meet with external actors to debate development policies, they can draw from international examples, which influences government and other stakeholders to listen.

Enumerations & Mapping

Community planning activities build political capital for communities both internally and externally. Within communities, activities like enumeration (household-to-household socio-economic surveys) and mapping create space for communities to: identify developmental priorities, organize leadership, expose and mediate grievances between segments of the community, and cohere around future planning.

Such activities serve as a platform for engagement with governments and other stakeholders involved in planning and setting policy for development in urban centres. A key aspect of community planning activities is that communities own the information they collect. When they share the data with government, they are able to create new relationships — and even institutions — that make the poor integral role players in the decisions that affect their lives.
1.5 PARTNERSHIPS

SDI federations cannot address informal settlement challenges on their own, but they can catalyse change. The key to reaching community-driven development at scale is the inclusion of external partners. SDI engages with governments, international organisations, academia and other institutions wherever possible to create relationships that benefit the urban poor. By opening space for slum dwellers to engage in international advocacy at the global level, and by drawing international partners into local processes through key local events, opportunities are created for key partnerships to develop that can impact at both the local and global level. Ultimately, the aim is to create situations in which the urban poor are able to play a central role in “co-producing” access to land, services, and housing.

1.6 SLUM UPGRADEING

There is not, and never will be, a one-size-fits-all approach to upgrading of informal settlements. Each settlement is unique in its challenges, but there are common themes. Informal settlement upgrading is not simply “site and services” or the provision of a “top structure” house. Upgrading is any intervention that improves the physical conditions of a settlement, which in turn enhances the lives of its inhabitants.

The most critical emphasis is that this process should happen in situ, where communities already exist. Relocations should always be as a last resort. However, in situations in which they are unavoidable, such as in flood plains or along railway lines, the federations work to ensure that decisions are made in conjunction with the community: SDI projects do not deliver land, services and incremental houses as ends in themselves, but do so as a means to draw in politicians and policy makers in order to challenge and transform institutional arrangements and policies. For SDI this is not only a matter of delivery but also one of deepening democracy.
Although its origins can be traced to the early 1980’s, 2011 marks SDI’s 15th year in existence. It began as a mechanism for cross-border learning for women’s collectives from the slums of cities in seven countries in the global South. While it has remained true to these local roots it has also become an important voice of the urban poor in the international arena. Today SDI connects over 1,000,000 active savings members and can claim a presence in 34 countries and more than 300 cities in Africa, Asia and Latin America.

At the same time it maintains formal relationships with many national Governments and with international agencies such as Cities Alliance, UN Habitat, The World Bank, Union of Cities and Local Governments and a number of important bi-lateral agencies in the urban development sector. What is more, SDI may be unique amongst international social movements insofar as it not only serves on the governance structures of some of these institutions but also has representation from them, at Ministerial and Executive Director level on its own advisory boards.

The Secretariat is located at the point of intersection between informal and the formal, between community organizations on the one hand and professionals, Government officials, developers, bankers, donors and academics on the other. All international networks have to find a balance between needs and demands made by local affiliates on the secretariat structure and demands made by the secretariat on national federations based on external expectations. In SDI’s case, this challenge is magnified by the fact that the Secretariat is a team of professionals who are required to manage and resource programmes and work-plans that are designed and driven by networks of slum dweller organizations.

SDI’S SECRETARIAT REPORT
The Secretariat is ever mindful of the fact that it is a vector for the voice and intention of slum dwellers and not of their formal interlocutors, allies or adversaries. As a result, the Secretariat uses two grassroots priority areas by which to navigate its course. The first are the twice-annual meetings of the SDI Board and the Council of Federations and the activities of the grassroots coordinators that flow from these meetings. The second, are the slum upgrading, resettlement, incremental housing and livelihood projects that SDI affiliates use to deliver basic needs, forge relationships with governments and seek to influence local, national and international policy.

The tasks of documenting the work of the international alliance and providing a framework for SDI’s learning, monitoring and evaluation are also assigned to the Secretariat. Here the same challenge applies and 2011 has been a benchmark year in this regard, with the establishment of baseline indicators and assessment criteria in partnership with the Federation leadership being a major outcome. The data and the analysis that make up the heart of this report are the result of many hours of reflection, debate and revision between the Secretariat and the SDI leadership.

All these trajectories come together in the SDI work-plan, designed jointly by the Secretariat, the SDI Board and the Council of Federations. While the work plan gives space for the expansion and participation of all SDI-linked organizations, the tasks of documenting the work of the international alliance and providing a framework for SDI’s learning, monitoring and evaluation are also assigned to the Secretariat. Here the same challenge applies and 2011 has been a benchmark year in this regard, with the establishment of baseline indicators and assessment criteria in partnership with the Federation leadership being a major outcome. The data and the analysis that make up the heart of this report are the result of many hours of reflection, debate and revision between the Secretariat and the SDI leadership.

2.1 SETTING UP PRO-POOR PLATFORMS

Seven priority geographies were identified after an extensive process of assessment. The seven were selected in January by the SDI Council of Federations and ratified by the SDI Board in March. Three additional cities were recommended by the Council as alternates. The rationale of the Council was that the Federations in these cities had already achieved significant scale and should be prioritized as primary learning centres for the other seven and for the network as a whole. The ten Geographies are: 1) Accra, Ghana; 2) Blantyre, Lilongwe; 3) Cape Town, South Africa; 4) Dodoma, Tanzania; 5) Harare, Zimbabwe; 6) Kampala, Uganda; 7) Mandaue, Philippines; 8) Nairobi, Kenya; 9) Pune, India; 10) Windhoek, Namibia.

The SDI coordinators have identified local teams of slum dwellers and support professionals to anchor the program at country level and to facilitate inter-country learning.

International working groups were established to operate at two levels. First it was agreed that the coordinating team of Federation leaders expand to include representatives from all five regional hubs (Asia, Latin America, Southern Africa, West Africa and East Africa). Training of leaders from the regions has been conducted by the current coordinating team over the course of the year, and is now a permanent feature of the SDI process. These leaders will be responsible for the implementation of the 10 cities program. Second it was decided to revisit SDI’s existing but dormant Technical Advisory Group, linked to the Board of Governors, and to revive this team so that it operates informally. This group comprises SDI donor partners and existing professional allies who will support the Secretariat and the Coordinators.

By April, all cities, including Pune, Cape Town and Nairobi, but excluding Dodoma, had introduced the programme formally to the city authorities. Public announcements of the intention to build strategic partnerships between city authorities and organized slum dwellers were made in Windhoek, Harare, Kampala, Blantyre, Pune, and Cape Town.

The Filipino Federation became a member of the Mandara City Board of Social Housing, a planning forum for the whole city related to the urban poor.

The Zimbabwe Federation made considerable progress because of its involvement, inter alia, in the Gates funded “5 Cities” project. The Harare section of the Federation signed a Memorandum of Understanding (MoU) with the City of Harare, the City Urban Planning Department and with the Department of Housing and Social Services.

In addition, the Cape Town Federation entered into partnership with the local government’s Department of Housing Informal Settlement Upgrading Directorate in 12 upgrading projects in the city.

By the end of July, partnerships with local authorities had been formalized in six of the ten priority cities. Actual Steering Committees or their institutional equivalents were up and running in Accra/Ashaman, Cape Town, Harare, Kampala, Mandaue and Nairobi. Strong and regular but informal engagements were central to the program in Pune, Blantyre and Dodoma. There was an interesting but unexpected development in Windhoek, where informal interactions between the Federation and the City Authorities have been effective for several years. When negotiations began to formalize this partnership with a memorandum of understanding and the establishment of a joint working group on slum upgrading, the differences of approach were brought to the surface. Efforts to institutionalize the partnership have stalled and the Federation is no longer convinced that efforts to formalize the relationship are currently in their best interest.
2.2 ROLLING OUT UPGRAADING TO SECONDARY CITIES

SDI affiliates have an active presence in over 300 cities and reciprocal learning between Federations and savings collectives in these cities is nothing new. Indeed it is the very likelihood of the international network. The networ-k anchors this learning in 10 primary cities. Exchange activities to and from these cities to many other cities take place on a weekly basis. This program enables SDI to track, monitor, improve and scale up the learning that takes place through these activities. Replication to other cities has been extensive but several examples warrant specific mention. Roll out at the regional level is facilitated by the regional hubs, where coordinators who have been trained by the senior leadership and their support NGOs, now prioritize learning to and from the 10 cities. The regional hubs have assisted SDI to roll out the 10 cities program to the following cities and countries and to begin to evaluate its impact at a national level.

Accra/Ashaiman, Ghana has anchored the roll out to Takoradi and Kumasi. The 10 cities program is also being extended by the Accra Federation to Monrovia in Liberia, Freetown and Bo in Sierra Leone, Abuja in Nigeria and C Gadzoungou in Burkina Faso.

In Zimbabwe the Harare Federation plays the key role of learning and replication, which is why the Secretariat and coordinators have advised that the focal city for the project be changed. During the period under review there was focused support through exchange and training in Karoi, Kariba, Mutare and Bulawayo itself. The Harare Federation leadership has started to replicate key elements of the 10 cities program in Masvingo, Bwanda, and Livingstone, Lusaka and Kitwe in Zambia.

A similar situation exists in Tanzania where the Federation in Dar es Salaam is the agent for replication. Horizontal learning and capacity building has resulted in similar initia-tives in Arusha and in Mwanza. The Tanzania Federation does not yet have the experience and scale to roll out its programme to other countries.

Kampala Federation in Uganda has been highly effective in rolling out all aspects of the 10 cities programme to Uganda’s five secondary cities. Jinja, Mbale, Anua, Kabale and Mbarara.

Windhoek Federation in Namibia has replicated key elements of the 10 cities program in all major towns in the country. They also support savings groups in their pro-grammes in Luanda and Lubango in Angola. As part of SDI's strongest region, they have assisted Malawi, South Africa and Zimbabwe to roll out the program through hori-zontal exchange activities, engagement with government and on site training in many cities in Zambia and Swaziland.

The Filipino Federation in Mandaue plays a key role, along with other city Federations to replicate the SDI process as embodied in the 10 Cities programme to all cities in the Philippines. The Filipino Federation also performs an im-portant bridging function between SDI and the Asian Coalit-ion for Housing Rights (ACHR) and as such replicates key elements of the 10 Cities programme in countries that do not, at present, have Federations affiliated to SDI. In 2011, the Filipinos provided direct assistance and support to communities groups in Mongolia, Vietnam and Laos through ACHR, and to Nepalese and Sri Lankan groups through the SDI network.

Blantyre, Malawi has replicated key elements of the 10 cities programme in Mzuzu and even in Lilongwe which is actually more advanced and capacitated than Blantyre itself. The specialized focus on Blantyre has enabled the Federation there to accelerate its capacity and to have significant impact in the city’s major slums and offer learn-ing opportunities to Lilongwe where relationships with city officials have been more complicated.

Cape Town, Nairobi and Pune play critical roles in their national contexts and in the international network and have been primary vectors for the roll out of the programme to a large number of secondary cities and to other countries, in-cluding Pakistan, Sri Lanka, Nepal, Brazil, Bolivia, Swaziland, Botswana, Zambia, Angola, Sierra Leone and Liberia.

During the second half of 2011, the linking of other city Fed-erations and other national Federations to the priority areas through exchanges received an added dimension. Six of the ten city Federations and their local authority partners met in Kampala for a three-day seminar on informal settlement upgrading. These seminars bring the primary geographies together for intensive information sharing that leads to more focused bilateral exchange-based learning around issues of common interest. The Federation in Accra agreed to host the next seminar in Ghana in December 2011. This will establish a routine whereby these seminars take place every six months. They will happen on a rotational basis until all ten cities have played host to these meetings.

A complementary activity was the twinning of the ten pilot cities with emerging initiatives in second or third tier cities and in other Federation with a direct focus on measurable outcomes. The most notable included the twinning of Cape Town with Stellenbosch Municipality that resulted in a MoU and significant leveraging of resources. The linking of Kampala to Uganda’s five secondary cities, the roll out of the Indian pro-gram in small Maharashtra cities, and cross border support in Sierra Leone, Swaziland, Botswana, Angola and Bolivia. These linkages happened through the development and application of the first in-situ training modules linked to this programme. On-site enumeration training shifted to project planning and implementation, especially in regard to water, sanitation and energy provision within the context of affordable incremental upgrading of informal settlements. Training took place in all the primary geographies, involving the ten cities and many second and third tier cities.

Tangible results are beginning to have a real impact in many of the cities where SDI is active and shifts in institutional arrange-ments, policy formulations and resource flows often follow. This annual report gives the readers a glimpse of this progress. More detailed information is available from the SDI website, Facebook page, Twitter feed and YouTube channel.
“Participation,” “inclusion,” “sustainability,” and “people-centred development” are now common buzzwords amongst agencies, foundations, and other actors at the global and national level of development funding and practice. Yet practical steps to make these underlying modes of policy and practice remain elusive, but for rare exceptions. SDI acknowledges that true participation requires both communities of the poor and resource-providing institutions — especially government — to develop a framework within which such practices can be nurtured and scaled up. SDI is pursuing a range of explorations that can ultimately produce partnerships with governments, international agencies, foundations, and global networks, to systematize the ways in which grassroots social movements can make such principles a pervasive reality. The goal of these engagements is to create space for voices of the urban poor to influence the global institutions and networks that control finances, knowledge, and politics that impact cities. Organizations with whom such relationships are being explored include the Cities Alliance, in which SDI is a member of the governing Executive Council, UN-Habitat, Association of African Planning Schools (AAPS), and Women in Informal Employment: Globalizing and Organizing (WIEGO). Further, SDI’s relationships with donor agencies and foundations, including the governments of Norway and Sweden, the Bill & Melinda Gates Foundation, and Rockefeller Foundation, open up new dialogues with other actors in urban development.

SDI’s strategy within the contexts of these relationships is comprised of three interrelated steps. These approaches are front and center whenever SDI establishes links with actors in global arenas.
1. Engage the organized poor to explore, develop, and refine large-scale solutions to challenges of urban service delivery;
2. Create the space to take risks to explore technical and financial strategies for habitat security and improvement, which the poor are best-able to manage;
3. Co-create and co-produce these strategies with formal institutions at the city, national, and global levels, in ways that build learning and capacity with the poor as central actors.

Partnerships are easy to talk about, but difficult to make a reality. In SDI, we have identified five levels of engagement that describe different aspects of partnership: contestation, contracting out (decentralization), critical engagement, cooperation, and collaboration. The SDI network and members explore relationships at any level that can initiate these processes. It aspires to develop collaborative alliances and partnerships at the global level, in order to build long-term institutions and platforms that can have pro-poor impact at the local levels to which we are fundamentally accountable. These all have a similar goal: opening up the space in formal institutions — especially in local and national governments — for the poor to have a direct voice and influence in the way urban development programs and projects are conceived, deliberated, implemented, and sustained. However, in many instances, affiliates develop these relationships at city and national levels, which other affiliates then also explore, producing global responses that support and strengthen such engagements.

SDI is aware that the scale and sustainability of the practices is based on three pillars: finance, planning, and politics. Within SDI, there is an ongoing learning process to develop institutional arrangements that can support affiliates to deepen their own capacity to explore engagements with city, national, and global institutions to design and develop outputs that will strengthen community voice and abilities to make suitable choices of development. In terms of financial impacts, in 2008, SDI created the Urban Poor Fund International (UPFI) as a platform to access finances from international sources. The UPF built upon earlier work begun in 2001, when the UK-based International Institute for Environment and Development (IIED) managed funds begun in 2001, when the UK-based International Institute for Environment and Development (IIED) managed funds from international sources. The SDI secretariat lacked capacity to manage project funds and was mainly focused on facilitating exchanges. Now, the secretariat in Cape Town also manages the UPFI funds. UPFI monies are variously used for housing projects, technical assistance and ‘federation strengthening’ (for example, with the launch of savings schemes and the conduct of enumerations).

SDI’s impacts in terms of planning tools and processes are best understood through the mainstreaming of community-driven enumeration practices that SDI has pioneered for over 25 years. Our engagement with the Global Land Tools Network (GLTN) of UN-Habitat has led to the creation of an open source Social Tenure Domain Module for geographic information systems (GIS) data. SDI’s contribution has been to ensure that community-collected information forms the basis of much of this platform. This has thereby solidified the acceptability — and inevitability — of community-collected information about informal settlements in order to make more inclusive and evidence-based decisions about urban development.

SDI has also made strategic partnerships to influence the research agendas that drive development of planning tools and thinking. Our partnership with the AAMPS has already led to the creation of fully-funded studios in university city planning programs to assist informal settlement upgrading projects in Kenya, South Africa, Uganda, and Zimbabwe. Links with the AAMPS network have also strengthened ties with universities in Ghana, Malawi, and Tanzania. This means that a new generation of officials, consultants and other planning professionals are starting out with community-driven approaches to informal settlement upgrading as a bedrock competency of their training. This is a revolutionary move away from elite and bureaucratic Western standards and approaches that have guided planning professionalism in African universities for much too long. Through exposure to community work on the ground, students and communities are working together to pioneer strategies for upgrading that not only deliver land, services and housing to the poor but also make the poor the center of the decision-making processes by which they access these services.

Shack/Slum Dwellers International Annual Report 2012
Over the past year, SDI has begun to move towards the building of systems that allow us, as a network, to not only communicate our achievements to the outside world, but to take stock internally and reflect on both our successes, failures and challenges. Doing this successfully, while at the same time retaining the very spirit of the organization, has been a challenge. But as a growing trans-national network, we realize that routine data collection is an important part of continually reflecting back to the concrete improvements in the lives of slum dwellers resulting from SDI processes.
SDI made strides in 2011 to deepen reporting systems for projects funded through SDI’s financing facility, the UPFI, which provides seed capital to SDI affiliates’ national urban poor funds for financing precedent-setting slum upgrading projects. Both financial and narrative reports are submitted bi-annually to the Secretariat, where they are housed in a database that has been made accessible (in read-only form) to all affiliates across the network.

Narrative reports are based on four key indicators, identified by the central decision-making bodies of the SDI network: the Secretariat, Council of Federations and SDI Board. These indicators include: impact, scale, rate of recovery, and leverage.

Impact seeks to identify the extent to which the given project has had an impact on local or national policy, or has impacted the way that a government conceptualizes and implements community participation in such projects.

In line with SDI’s move towards citywide slum upgrading, scale is interested in whether or not the project has the capacity to be scaled to the settlement or citywide scale.

Rate of recovery speaks to the sentiment within SDI that we cannot take a traditional donor-based approach to upgrading at such a large scale. Nor can we assume that the state will be able to foot the bill for such large efforts. Instead, SDI encourages affiliate federations to develop a portfolio of projects for which cost recovery is a realistic possibility. This means exploring options such as cross-subsidization, land sharing, and the collection of user fees for services like public toilets/washrooms.

Leverage continues this approach to project financing. It is based on the core SDI methodology of building partnerships with government and other stakeholders (academia, public service utilities, private sector). Ultimately, the value of these partnerships is the extent to which they further the aims of the federation – the creation of a voice for the urban poor in the urban development sector. Concretely, this means tangible improvements in slums, and the provision of resources to this end. So, leverage seeks to measure the extent to which federations have been able to access resources from external sources such as financing, technical assistance, land, or materials.

This kind of reporting provides the necessary moment to reflect on the extent to which the SDI methodologies of savings, enumerations and mapping, partnerships with government, the central participation of women, learning exchanges and precedent setting slum upgrading projects are achieving the desired outcomes when it comes to the projects themselves.

**Country Indicators**

In addition to UPFI Project Reports, SDI has developed a set of country-level indicators to measure outputs at the national scale. Unlike the UPFI Project Reports, these indicators cover activities for all projects nationwide. Again, the indicators seek to measure the extent to which the SDI methodologies impact on affiliates’ ability to produce tangible outcomes.

Generally quantitative in nature, the country indicators measure outputs in seven categories:

- Members’ savings, livelihood;
- Land tenure, services;
- Public amenities;
- Housing;
- Information Collection;
- Political Engagement;
- Redistribution.

These indicators measure SDI’s social impact (eg. number of savings groups and members, daily savings amounts), political impact (eg. partnerships with government, policy changes), financial impact (eg. changes in resource flows, resources leveraged) and physical impact on the ground (eg. houses constructed/improved, toilets, water taps, land acquired, etc.).
There is a lack of data about informal settlements – their scale, boundaries, populations, buildings, enterprises – and the needs of their inhabitants. This lack of data usually means that these settlements and their inhabitants are effectively excluded from the development agendas of the city. SDI’s ritual of community-driven self-enumeration serves to fill this data gap by utilising the capacities of the very people who know slums the best, the slum dwellers themselves, to collect, analyse and use their own data to negotiate with and engage government. This has been a key tool in the SDI network for almost 2 decades. With advances in collection methods and the ability for more people to access the world wide web through mobile devices, SDI is starting to take steps toward consolidating its data on slums across the world and expand its spread and use of this information. The aim is to create a database of slum information collected through a bottom-up grass roots approach that serves as a counterpoint to the top-down data collected by all forms of formal institutions. The objective being that slum communities will own their own data which in most cases is more reliable than outside sources and will help them to better plan the development of their own communities. SDI is striving to improve on its data collection methods, data integrity and training of community enumerators to create a system of information sharing that allows quantitative data to be produced at the grassroots level in a short space of time, allowing for faster utilisation of the information in development interventions. The key to these strategies are the development of community information experts who are effectively developed into community planners. SDI has added the sophistication of GIS mapping to the enumeration ritual and in so doing has placed even more tools into the hands of communities who are now starting to reshape the very structure of their settlements on a planning level.

Growing demands from within the SDI network and from increasing engagements with multi- and bi-lateral agencies have highlighted the need to gather the experiences captured through the aforementioned reporting mechanisms and SDI methodologies into a holistic framework for internal planning and reflection. A locally responsive and participatory learning, monitoring and evaluation framework has been identified as the best workable solution to capturing these experiences and lessons, and to assessing them against the key value-added activities of the SDI network. In essence, this LM&E framework measures the extent to which SDI’s modalities for change add value at the local level. These modalities are based on SDI’s main mission: To create a global voice for the urban poor and facilitate cross-border learning and empowerment between affiliated federations and their partners. In the end we internally seek local impacts through global advocacy. Using the reflections that come out of the horizontal learning exchanges, and participation in international events, as well as the reporting mechanisms earlier, SDI will measure the effectiveness of these modalities on a set of key areas of the affiliates’ work, namely:

1. SDI Methodologies & Practices: Central Participation of Women, Savings & Credit, Enumerations & Mapping, Partnerships, Precedent-Setting Projects, Urban Poor Funds
2. Country-level Projects & Innovations: Local adaptations through innovative work, UPFI precedent-setting projects and national UPF finance facilities
3. Outcomes and Deliverables at the Country/City Level: Members, savings & livelihoods; Land tenure; Services; Public amenities; Housing; Information collection; Political engagement; and Redistribution.

This differential approach recognizes that affiliated federations have different applications of this framework in their local contexts.
Informality and poverty are critical challenges for cities to address while they strive to become economic engines for growth in nations in the developing world. Poverty was understood 50 years ago on a simple nutritional index to measure primarily rural poverty. This has begun to become irrelevant in a complex cash-based urbanizing world. Policy-makers and other actors in cities now have to not only deepen their understanding of poverty, but also address the accompanying informality of habitat and livelihoods that traps generations of urban residents. Conventional charity or welfare has not succeeded in addressing this expanding group of citizens and wishing them back into rural areas with improved rural programs has likewise proved ineffective.

SDI is showing — through action — that the urban poor, if organized, can transform themselves from waiting for others to address their problems, into becoming real problem-solvers and generators of new knowledge in urban development. When this is the case, the possibilities of accelerating their inclusion into the city are expanded significantly. First, social movements known as “federations,” which are linked to SDI, use their solidarity and practical know-how to explore technical and political alternatives to the dominant paradigms of urban development. Second, by linking together at the city, national, and global levels, these federations are building institutional forms that can bring together more and more groupings of the urban poor. At the same time, they are building new institutions or changing existing institutions with local, national, and global government to scale up access to land, services, and housing for the poor, by creating space for an influential voice of the poor. Third, as a global network, SDI is becoming a platform for modes of knowledge production, financial instruments, and political arrangements that are putting more power directly into the hands of the poor. In sum, by understanding informality as a catalyst for urban change — and not a developmental blight — SDI is showing that the people who populate the informal settlements of the developing world are the key to finding ways out of challenges that remain vexing to so many in the formal world of government, business, academia, and professional activists.
Social movements have received special notice in this recent age of protest and potential revolution in the Middle East, and throughout much of the rest of the world. Indeed, for centuries, they have had great influence in social, economic, and political change. Especially in cities.

Social movements linked to the network of SDI are increasingly using this global platform to show how social movements can make urban change throughout the developing world in the 21st century. These federations, which are constituted in 34 countries in Africa, Asia, and Latin America, have an institutional basis for recognizing social movements as capable actors in urban development. By organizing themselves through savings and community surveys (also called “enumerations”) they can then build collaborative partnerships with other actors to explore new strategies for accessing land, services, and housing. The first step in SDI’s global advocacy agenda is to build the profile of social movements as actors that can alter development agendas to be both more effective and more empowering to those agendas should serve.

The emergence of urban poor “federations” — networked groups of primarily women-led savings schemes — over the last 30 years has been a significant addition to the repertoire of strategies in the history of urban social movements. Savings and development practices for sustaining grassroots movements that are able to work both more effectively and more empowering to those agendas should serve.

The work on partnerships between social movements like the urban poor federations linked to SDI and local and national governments, is also geared towards advocacy in the academic, research, and learning agendas that impact development policy-making. For example, SDI’s partnership with the Association of African Planning Schools (AAPS) has opened up the space for joint learning between students, professors, and informal settlement communities for approaches to slum upgrading that foreground the decision-making authority and planning skills of ordinary residents of these communities. Further, the strategies of SDI federations to organize and engage formal institutions have gained the attention of key journals and publications in the global urban development academic community.

Tellingly, SDI’s global advocacy agenda includes many interconnected parts, which are not always readily apparent to one another. But taken together, the methods of self-organization as urban social movement federations and strategic engagement across political levels of formal institutions, are ensuring that this agenda can impact flows of resources, learning, and political power. The lesson for us is clear. When poor people come together to achieve transformation in their own lives, neighborhoods, and cities, they force all of us to learn and organize our politics in new ways. The “formal” world of government and the market tends to see this historic time of urbanization as an age of “world class cities” and shiny skyscrapers. But the “informal” reality is too pervasive to ignore. The people who populate the informal settlements that are so “problematic” to those with power, are, in fact, building an advocacy agenda based in experiential learning that presents an alternative vision of the future. Through the institutional platform of SDI, this experience gains space at the global level in order to further impact local outcomes, where the informal poor are living out their daily successes and struggles.

Unlocking the market through sanitation provision

Through carefully planned and community managed toilet blocks there is the potential to unlock the market value in slum infrastructure provision. In Uganda, like India, communities are proposing, building and managing toilet blocks connected parts, which are not always readily apparent to one another. But taken together, the methods of self-organization as urban social movement federations and strategic engagement across political levels of formal institutions, are ensuring that this agenda can impact flows of resources, learning, and political power. The lesson for us is clear. When poor people come together to achieve transformation in their own lives, neighborhoods, and cities, they force all of us to learn and organize our politics in new ways. The “formal” world of government and the market tends to see this historic time of urbanization as an age of “world class cities” and shiny skyscrapers. But the “informal” reality is too pervasive to ignore. The people who populate the informal settlements that are so “problematic” to those with power, are, in fact, building an advocacy agenda based in experiential learning that presents an alternative vision of the future. Through the institutional platform of SDI, this experience gains space at the global level in order to further impact local outcomes, where the informal poor are living out their daily successes and struggles.

5.1 WATER & SANITATION
charging small amounts for their usage. After a few years the loans will be repaid and the toilets will begin to realize a profit for federation that can be re-invested into new upgrad- ing projects within the community. Not only does this provide project longevity and revolve initial capital investments, but creates an attractive model in which investors — be they other slum dwelling federations or private — can realize a profit.

Networked Learning
Different sanitation models are being explored across the SDI network and the knowledge gathered disseminated across different countries through project-based exchanges. Sanitation provides a key node around which SDI federa- tions can make real changes to their community — an impor- tant rung on the incremental upgrading ladder.

Engaging the State
SDI’s position on water and sanitation sees its provision as central to creating inclusive cities, both legislatively and pragmatically. Lack of these basic services is understood central to creating inclusive cities, both legislatively and pragmatic. Many of these technologies and processes are only partly developed and therefore the poor become guinea-pigs for the development of solutions that are infer- ior and would not be applicable to higher income groups.

The climate change discussion fundamentally assumes that both the temporary nature of housing and related investment in planning, as well as informal social economic organization of poor communities are purely manifestations of income poverty. Yet the reality is that these low-income community characteristics are also affordable, prospective responses, which results from an inability of the poor to otherwise shield themselves from climatic and environmen- tal conditions. Typically, located on vulnerable locations, poor communities are extremely alive to the risks they face and indeed the logic of settlement and housing design, or the seeming lack of it, are apt environmental mitigation mechanisms. It is probable that tenure security, that unlocks communities potential for investment in physical infrastruc- ture, is a far more effective climate change response than any low cost innovation in toiletary or sweat-for-food kind of community process.

The logical conclusion of this argument is not that climate change isn’t important. It is, however, the discussion on development and in situ and incremental upgrading systems. The ritual mitigates the effects of both drastic climatic events like floods, tsunami etc. and long-term environmental degradation or change. In both cases daily savings provides a small resource base, and a much larger potential to leverage resources from the state for appro- priate infrastructures, planning, housing and tenure. And just as important, the daily savings generates community organization that has very broad application and is critical to any short term or long-term climate change intervention. Increasingly SDI is focused on in situ and incremental upgrading solutions that have yet to be quantified, but significant impact on carbon saving when compared to the default approach of relocating inner city poor popula- tions to the city periphery. The latter approach actually introduces the bus, train or other carbon-intensive mode of transport into the lives of people who originally and by design walked to work.

5.2 CLIMATE CHANGE

The discussion on climate change is dominated by de- velopment of technologies and processes, which seek to mitigate the vulnerabilities that result from the combina- tion of poverty and adverse climatic or environmental conditions. Many of these technologies and processes are only partly developed and therefore the poor become guinea-pigs for the development of solutions that are inferi- or and would not be applicable to higher income groups.

5.3 NATURAL DISASTERS

Low-income and already disadvantaged groups are always the worst hit by disasters. Their rights, which are already weak, will be further weakened as a result, pushing them even further to the margins of society. Sometimes, disasters can push previously not-so-poor people into a lower-income category. If these disaster victims were not organized as a collective before the disaster, they may lack the necessary social linkages to help them recover from the catastrophe. Therefore, the response to the disaster should be to provide not only short-term relief but also the neces- sary assistance and tools so that longer-term change and improvement can be achieved by the people themselves. Disasters offer a chance to turn a negative and desperate situation into a possible longer-term positive outcome. Having a clear understanding of the opportunities that arise as a result of a disaster and how to make the most of them through the rebuilding process leads to a greater ability to provide future support and prevention. Survivors of disaster should be looked at in a new way, and should not be viewed simply as helpless and dependent victims; rather, they should be regarded as agents for change in rebuilding their lives and their communities. With the right knowledge and techniques (and the right local community capacity), outsiders can help the survivors to harness their energy positively and to empower themselves through the stages of emergency relief and rehabilitation.

Philippines
The experience of the Homeless People’s Federation Philippines, Inc. (HPFI) in disaster risk reduction (DRR) has evolved from years of post-disaster response to poor communities that have been hit by calamities. As a learning organization, the federation has sharpened its disaster risk reduction (DRR) related capacities with every community-driven intervention it has supported. The federation has worked closely with its support NGO, the Philippine Action for Community-led Shelters Initiatives, Inc. (PACSI), to develop its support for disaster affected communities to encourage community- rooted and driven post-disaster response. These two agen- cies are referred to as the Philippine Alliance. Approaches...
5.4 INCREMENTAL HABITAT

Rapid urbanisation draws millions to urban areas, but the inadequate supply of affordable housing forces the poor to create homes wherever they can find land. Though cities are fuelled by the cheap labour of poor migrants, few authorities include the poor in development plans. It is therefore critical for organisations of the poor, city authorities and financial institutions to work in partnership to create sustainable and affordable solutions to this housing crisis. Most slum dwellers cannot access a formal mortgage and, even if they could, the lowest mortgage from a commercial bank would often be impossible to pay back. Therefore, we need to explore creative, practical solutions that are affordable. Incrementalism offers one mechanism. When the poor migrate to cities, their housing options are extremely limited. Many build temporary shelters of plastic sheets staked to poles. Over time, corrugated metal sheets replace the plastic, which become the walls and ceiling, to eventually be replaced by bricks and mortar. Gradually, the roof becomes the first floor, metal sheets are put up as walls, which eventually become concrete, with ladders or narrow staircases leading up from the outside. Depending on the need, congestion, and rate of growth of the slum and its families, slum dwellers continue building their incremental levels.

The above illustrates the poor’s method for dealing with housing challenges on a daily basis through incrementalism. To build incrementally is to live within one’s means, adding on and improving one’s dwelling and environment bit-by-bit. There are obstacles to this approach, namely a lack of security of tenure. How can a person save to upgrade when he or she faces the constant threat of being evicted? But even without total security of tenure (i.e. full title), the poor are willing to build incrementally.

When land is available, communities explore options for securing land tenure and construction of ground story unit houses. Construction is designed, supervised and implemented by partnerships of local groups and technical support professionals. When land is scarce, communities look at multi-storey housing options. Since this type of construction is more expensive, securing subsidies is essential. Because of this, another important component of our strategy is building relationships with financial institutions so that when they begin to work with the poor and seriously explore how to develop the low-income housing loan market.

Aside from the contribution of more realistic designs and locally sourced materials, the federations demonstrate that by using simple, labor-intensive building methods, communities can provide the majority of required labor themselves – greatly reducing costs and providing the community with valuable skills in construction and management. When communities manufacture products on-site, moreover, it reduces reliance on expensive building components whose prices have spiked in recent years upon heavy commodities demand and rising energy costs. Community-built housing is significantly less expensive than contractor-built housing. Reports indicate that throughout the SDI network, federation housing is consistently around one-third to one-fifth the price of contractor-built houses.

India

Throughout India, the local SDI Alliance has supported the women of Mahila Milan in making incremental upgrades to their structures, which have become “model houses,” showcasing affordable housing solutions and community design.

In Pune, demonstration houses have led to upgrading contracts under government schemes. These model houses demonstrate that an important alternative to resettlement in multi-story buildings where in-situ upgrading is possible. Pune’s Mahila Milan began their upgrading work by taking up an initiative to rebuild 1,200 households in the settlement of Yerwada a national government slum-upgrading scheme. Here, old tin shacks were torn down and replaced with one, two and three-story single and multiple family houses in the style of townhouses and small apartment blocks. MM have driven all aspects of the project: from community mobilization to design of re-blocking plans and upgraded houses to negotiations with city government around building regulations and provision of infrastructure and basic services. Using social technologies such as self-enumeration, community mapping, and daily savings, the women of Mahila Milan have been able to engage at all levels, bringing empowering tools and information to both the people on the ground and the officials in town hall. One of the most fascinating things about this project is the use of space. Most of the homes’ footprints are no bigger than 250 square feet. By adding a second floor, this footprint is nearly doubled, allowing extended families to live comfortably together. One woman’s home is a narrow triangle of only 170 square feet. The second story nearly doubles this, and MM has ensured that she has permission from the municipality to build a third story once she can afford it.

In addition to reconstructing the homes, MM worked hard in Yerwada to realign the structures, widen pathways and make space for municipal water, sewerage and electricity connections. Management of construction was made easier thanks to MM’s direct involvement as overseers of the construction process. Footpaths, widened from crevices to lovely pathways, are now lit by street lamps. MM worked with the families to construct homes suited to their needs and personal aesthetic. Homes are painted bright colors, and front doors hung with bright flowers. It is clear that this is a community. Not a slum. Not an informal settlement. It is a community. Not a slum. Not an informal settlement.
5.5 MAKING SLUMS COUNT

The participation of organized communities is arguably the most important element of any slum improvement solution. The slum count is one of SDI’s main tools for creating organization within communities. The information-gathering processes undertaken by slum federations happen on two levels: the profiling of slums at the city level, and household-level enumerations and mapping surveys. These processes aim to develop community capacities for engagement, develop common understanding of settlements among slum dwellers, and enable the community to take control of projects. Self-enumeration allows communities to generate and control their own information and putting communities in a better position to negotiate with government and outside agencies.

SDI affiliate federations have created entire slum profiles of 130 cities across the globe. The total number of slums profiled in these surveys is 6,388. Out of these, a 100 percent settlement household-level survey, has been carried out in 177 slums and mapping undertaken in 1,021. Much of this information has typically been stored within the national slum federations. This year SDI has embarked on the consolidation of both the slum profile information and household-level data in effort to develop a global slum information database.

Counting the Cities

The main focus of SDI’s information strategy is to strengthen the linkage between surveys undertaken by federations and achieving citywide impacts. Therefore, investments made in settlements not only benefit the residents of those settlements, but also inform slum upgrading practice and policy of the cities.

In order to achieve this SDI continues to support affiliate federations to undertake surveys while, through cross-cutter learning and scaling, encourage adoption of a city scale of such activities. Indeed a key activity of federations that put their energies into SDI’s “10 cities” focus has been a citywide profiles as well as facilitating learning opportuni-
ties for other federations in the SDI network. Such surveys have been conducted in Kampala, Harare, Windhoek, and Nairobi.

This focus is extended to other SDI supported programs including the joint government and community Land Services and Citizenship (LSC) programs being implemented in Uganda and Ghana. In Uganda the LSC has been adopted into a national upgrading initiative known as Transforming Settlements of the Urban Poor (TUSUP). Within this program the National Slum Dwellers Federation of Uganda has undertaken slum profiles of five secondary cities, as well as household level enumerations in each of the 74 slums identified in the profiles.

In the cities of Bulawayo in Zimbabwe and Lilongwe in Malawi, similar processes of citywide participatory data collection are underway. Both cities are implementing the Bill and Melinda Gates “5 Cities” project that aims to create scale by bringing together local governments and communities. While these engagements are undertaken at the national federation level, they result from and contribute to SDI’s global advocacy for the use of community information as the basis for city projects to upgrade slums. And in order to support the engagements SDI has been in continuous dialogue with the World Bank, UN Habitat, Cities Alliance, Bill and Melinda Gates Foundation among other global development agencies.

Mapping the Slums

Mapping, like other SDI surveys, is done both as part of identifying the locations of slums on a city map as part of city profiling and at a household level. It happens concur-rently to the surveys and also serves to strengthen community organization by deepening appreciation of the settlement because it is a visual medium. However, SDI has invested specifically in new GIS technologies for mapping. Because GIS is more intuitive than traditional techniques of mapping it makes it easier for slum communities to use and to communicate better. And even though the level of GIS adoption by federations across countries varies, SDI has continued to support cross-boarder learning towards developing a more standardized GIS strategy.
In contrast, a community-based enumerations process ensures transparency and accountability. Projects that enable the urban poor to adopt advanced mapping techniques and GIS technology have been shown to create more transparent processes and actually facilitate participatory decision-making. GIS has also been shown to improve users’ ability to interpret complex information, and by extension to improve the quality of spatial decision-making. Similarly, inter-organizational partnerships in GIS use are found to encourage greater transparency, economies of scale and a better quality of service delivery. The link between these past studies is the empowered role of the “user” – one who can contribute to, understand and glean information from a GIS database.

Consequently, in order for the urban poor and their NGO/CBO representatives to have a role in decision-making within RAY, it is essential for civil society groups to become GIS users. In the same way that community-based enumerations act as a check on government-produced surveys, community-based mapping can provide an alternative visualization of community space. Furthermore, the processes of creating maps can help the urban poor develop a familiarity with maps and computer-based mapping tools, allowing them to evaluate externally-produced maps more confidently, articulate their thoughts and needs in terms of mapping tools, and negotiate more knowledgeably with government.”

A Protocol for Mapping

As part of its global agenda on the use of community-generated mapping SDI has partnered with UN Habitat’s Global Land Tools Network (GLTN) SDI to piloted an open source GIS based land administration tool called, Social Tenure Domain Model in Mbala, Uganda. STDM is based on the global land information standard – the Land Administration Domain Model. The pilot targeted two slum communities with a population of 6000 families. Data generated through community enumerations act as a check on government-produced surveys. The database and digital maps created will be acceptable and interoperable with the information systems managed by the national and local governments. SDI will seek to explore wider applications of STDM by enabling learning exchanges with federations from South Africa, India, Ghana, Zimbabwe, Zambia, Philippines and Kenya.

5.6 FINANCING SLUM UPGRADEING

“Conventional approaches to ... (slum upgrading) may provide individual loans for fifty or one hundred or even one thousand houses to be built, and, as long as the NGO that is financed builds the resulting houses efficiently, at the end of the project there will be fifty, or one hundred or one thousand houses. What will not necessarily be there is any significant capacity, institutionalized within the communities themselves, that allows for replication without repeating the same exercise in the same form again and again. So scaling up is limited.” Sheila Patel

SDI’s approach to financing slum upgrading is principally focused on achieving institutionalized mechanisms for inclusive urban development at scale. It is only by institutionalizing these mechanisms that we can have a sustainable and scalable impact. By supporting federations of the urban poor to drive this process themselves at the local level, the federations make set precedents that impact upon macro-level structural inequality in formal institutions and help to combat exploitative financial norms. Precedent setting projects and processes demonstrate scalable alternatives incentives and stimulate a shift in the practices of these institutions. SDI does not believe that State institutions or international agencies alone have the capacity or the resources to address the widespread problem of urban landlessness and homelessness. Instead, creative financing partnerships are necessary that view organized communities of the urban poor as viable partners for prudent investment in urban development.

As federations within the SDI network mature, they develop mechanisms for leveraging external resources to complement community savings and produce the kind of capital flows that make state involvement, professional input and market engagement more plausible. While the amount of savings the poor contribute to a project may be considered small, they are a robust indicator that capital investment is viable in settings where poor people have come together to accumulate them and manage them collectively.

Thus SDI does not seek to work outside of the market, but, where possible, make the market work better for the urban poor. The agenda is structural. Through creative partnerships member federations have been able to minimize the perceived risks to commercial banks extending finance to low-income populations. Federations have the capacity to better manage lending risks because of greater access to vital community information and their ability to manage creative underwriting procedures. The federations also incorporate technical assistance in the form of financial literacy support and development support services, which further reduce the risks associated with low-income lending. Federations have also been able to secure pre-purchase agreements for a percentage of their developments at market rates that minimize risk and can often cross-subsidize the portion that will benefit the urban poor. Central to these innovative partnerships is the dialogue between borrowers, lenders, and guarantors. A small number of our most mature federations have been able to shift from implementation of self-help projects to the hiring and management of project implementers, who are able to focus on cross subsidy and commercial dimensions to such projects in order to provide market-derived resources for the very poor, some have been able to sub-contract to specialist federation builders/contractors, thereby providing skills development and income streams to members and simultaneously developing assets for very poor households; others have used bridging funds to finance initial construction phases and ensure delays in funding from governments, banks, or other actors do not jeopardize projects.

The key is that these innovations in financing slum upgrading have been demand-driven and can be monitored by an organized federation that has the mechanisms for sharing experiences around projects so that subsequent negotiations do not need to start from scratch, but build upon the gains generated by their peers. Ultimately, the aim is to promote inclusive cities, through cautiously extended finance that redefines the relationship between the urban poor and the financial systems that have typically excluded or exploited them.
The income and expenditure report provides a detailed breakdown of funding sources and income and expenditure by line item, including comparative figures for the year ended 31 March 2011.

Our total income for the year 2011/12 was USD6,176,158.
SDI WISHES TO THANK THE FOLLOWING PARTNERS FOR THEIR FINANCIAL SUPPORT DURING THE 2011/12 FINANCIAL YEAR.

EXPERIMENTAL STATEMENT

<table>
<thead>
<tr>
<th>EXPENDITURE</th>
<th>2011/12</th>
<th>2010/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretariat &amp; Travel</td>
<td>1,559,402.36</td>
<td>1,364,505.20</td>
</tr>
<tr>
<td>Federation Strengh</td>
<td>2,836,237.64</td>
<td>3,207,250.27</td>
</tr>
<tr>
<td>Capital &amp; T/A</td>
<td>2,388,598.06</td>
<td>4,213,646.00</td>
</tr>
<tr>
<td>Grand Total In USD</td>
<td>6,784,238.06</td>
<td>8,785,401.47</td>
</tr>
</tbody>
</table>

INCOME STATEMENT

<table>
<thead>
<tr>
<th>GRANT INCOME</th>
<th>2011/12</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill &amp; Melinda Gates Foundation</td>
<td>2,321,918</td>
<td>4,866,664</td>
</tr>
<tr>
<td>Rockefeller Foundation</td>
<td>1,291,055</td>
<td>176,079</td>
</tr>
<tr>
<td>Norway Ministry</td>
<td>1,624,680</td>
<td>-</td>
</tr>
<tr>
<td>Misereor Core</td>
<td>280,872</td>
<td>104,113</td>
</tr>
<tr>
<td>SIDA Secretariat</td>
<td>330,901</td>
<td>12</td>
</tr>
<tr>
<td>SIDA UPFI</td>
<td>73,068</td>
<td>66,263</td>
</tr>
<tr>
<td>Tides Foundation</td>
<td>40,032</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>5,962,526</td>
<td>5,213,131</td>
</tr>
<tr>
<td>Other Funders &amp; Special Projects</td>
<td>213,632</td>
<td>1,294,080</td>
</tr>
<tr>
<td>Grand Total</td>
<td>6,176,158</td>
<td>6,507,211</td>
</tr>
</tbody>
</table>

The pie chart represents the spread of grant funding by funder. SDI’s core funders are the Bill and Melinda Gates Foundation, MFA Norway, The Rockefeller Foundation, and Swedish Sida. Additional funds are received from Cities Alliance, Misereor, Selavip and Tides Foundation.

The Gates Foundation provided 37.6% of our funding income, followed by MFA Norway 26.3%, Rockefeller Foundation 20.9%, Swedish Sida 6.5%, Misereor 4.5% and Tides Foundation 0.6%. Cities Alliance and Selavip funds are handled on behalf of specific partners and are not reflected as a percentage of Secretariat income.