The International Urban Poor Fund is supported by:
The Sigrid Rausing Trust
The Allachy Trust
The challenge of urban poverty is considerable; 900 million people are living in insecure accommodation in low-income settlements without adequate access to basic services such as water and sanitation. Many are at risk of eviction, and face considerable health risks every day of their lives. Find out more about one community driven strategy that has had a significant effect – the International Urban Poor Fund.
About the fund

In 14 nations, grassroots savings groups and the larger 'slum'/shack/homeless people’s federations they form, are engaged in many initiatives to upgrade ‘slums’ and squatter settlements, secure land tenure, develop new housing that low-income households can afford and to improve provision for infrastructure and services (including water, sanitation and drainage).

These federations have formed their own umbrella organization, Slum/Shack Dwellers International (SDI), to support their work and the growth of savings groups and federations in other nations. Over the last five years, the International Urban Poor Fund, managed by the International Institute for Environment and Development (IIED) and SDI, has made small grants available to these grassroots savings groups to support them in community driven development. Since this fund was initiated by IIED in 2001 with the support of the Sigrid Rausing Trust, it has channelled around US$ 4.6 million (£2.6 million) to over 40 grassroots initiatives and activities in 17 nations. An estimated 17,000 men and women and 12,000 children have benefited from this work.

Funding goes directly to grassroots organizations formed around savings and loan activities. This means that local communities have a central role in project development and management. The processes associated with spending these monies help build the capacities of the groups involved, in addition to the direct benefits provided by the fund. This helps to ensure that improvements are maintained. These grassroots groups manage the political process, persuading local politicians and civil servants to have an interest in this work but preventing them from controlling activities.

The fund works for three reasons:

1. The fund is very flexible in what it supports and responds to opportunities and priorities identified by local groups. For instance, in some locations, land audits have been undertaken by the federations to identify land that can be developed for housing. In other locations, detailed community-managed ‘slum/shack’ surveys and maps provide the information needed for upgrading and land tenure programmes.

2. Funding goes directly to grassroots organizations formed around savings and loan activities. This means that local communities have a central role in project development and management. The processes associated with spending these monies help build the capacities of the groups involved, in addition to the direct benefits provided by the fund. This helps to ensure that improvements are maintained. These grassroots groups manage the political process, persuading local politicians and civil servants to have an interest in this work but preventing them from controlling activities.

3. SDI itself decides how to allocate the fund (and all the federations are represented in this process). So all the federations support the local activities that are funded because they set the priorities. Success has helped federations to believe in themselves and to own the development process.

Project Example: Uganda

In Uganda, the initiative for SDI activities occurred through an invitation from the Ministry of Public Works, Housing and Communication together with the Kampala City Council. Exchanges with other federations initiated savings schemes in Kisenyi, a low-income settlement four kilometres from the centre of Kampala where over 5,830 families are struggling to make a home for themselves. With only 879 toilets in the settlement, improved facilities were a priority for the local groups. A community toilet block was completed in 2005 providing essential services and giving the community a sense of what they can achieve. The block includes separate toilets for men, women and children, shower cubicles, a laundry area, a community hall, and a small computer room. Approximately 1,000 women, 800 men and 3,000 children use the block.

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**Types of projects**

Compared to most development assistance, the size of funding allocations does not appear large – most initiatives receive between US$ 10,000–50,000 (£5,500 - £27,500). These relatively small contributions have proved to be very effective. As community members allocate the funds to initiatives that are local priorities, they contribute their own monies to the pot. Wherever possible, government funds are also sought to support the initiatives – this has been achieved by federations in India, the Philippines, Sri Lanka, Nepal, Thailand, Namibia and South Africa. The grassroots organizations make funding go much further than most professionally managed development projects; solutions may cost as little as one-seventh of the unit cost of professionally designed improvements. Often these funds are given to community groups as loans for specific project investments, with repayments contributing to their own city or nationally based urban poor funds, which then finance further projects by other savings schemes.

**Supported activities include:**

- Tenure security (through land purchase and negotiation) in Cambodia, Colombia, India, Kenya, Malawi, Nepal, Philippines, South Africa and Zimbabwe.
- ‘Slum’/squatter upgrading with tenure security in Cambodia, India and Brazil.
- Bridge financing for shelter initiatives in India, Philippines and South Africa (where government support is promised but slow to be made available).
- Improved provision for water and sanitation in Cambodia, Sri Lanka, Uganda and Zimbabwe.
- Settlement maps and surveys in Brazil, Ghana, Namibia, Sri Lanka, South Africa and Zambia.
- Exchange visits by established federations to urban poor groups in Angola, East Timor, Mongolia, Tanzania and Zambia.
- Community-managed shelter reconstruction after the tsunami in India and Sri Lanka.
- Federation partnerships with local governments in shelter initiatives in India, Malawi, South Africa and Zimbabwe.

**Project Example: Brazil**

In Brazil, the SDI initiative has consolidated rapidly since the first savings schemes were established in 2004, and a Brazilian federation has now been formed. Activities are taking place in São Paulo and three surrounding towns. In one of these, Novo Gama–Goias, local women have set up savings schemes in five informal settlements threatened with eviction by the landowners. Land has been secured for 2,519 families and negotiations to prevent the eviction of a further 5,000 families are currently under way. As soon as land is secure, families begin talking to the local authority to obtain access to water and sanitation.

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**The strategy**

The ‘slum’/shack/homeless people’s federations have developed a number of tools and approaches to help upgrade ‘slums’ and squatter settlements, improve tenure security, improve housing, and install essential infrastructure and services. A key priority is to do this in ways that are affordable for even the lowest-income residents. The initiatives show how city redevelopment can avoid evictions and minimize relocations.

**Savings and credit groups** appeal particularly to women who see the multiple benefits. Savings schemes help communities to work together, provide members with crisis loans quickly and easily, and help accumulate funds for housing and/or income generation investments. Most critically, the savings groups manage savings and credit efficiently, and find that this collective management builds trust within each group, increasing their capacity to work together on other initiatives.

**Exchanges between communities** create opportunities to share knowledge, skills and experiences. Frequent exchanges within cities, between cities and between groups in different countries ensure that ideas and proposals come from the poor themselves and that solutions are not dominated by professional theories and approaches.

**Urban poor funds** have been set up in ten nations. These funds are capitalized with external funding from governments and international agencies; in many cases they include community savings. The funds allow external support to be directed, used and managed by the federations.

**Community surveys and maps** create the information base needed for action, and help to instigate vital partnerships with government, particularly as large-scale programmes are not possible without local government support. The activities strengthen savings groups and help create new ones as residents are curious about the data collection process.

All the federations encourage their member savings groups to **pilot new activities** such as upgrading schemes, developing housing on a new land site, or a community toilet block. Such projects show governments and other external agencies what the savings groups and their federations can do – and catalyze more substantive negotiations.
Partnership SDI and IIED

SDI began in 1996 when a group of federations and their support NGOs formed the network to promote and support community-led development through international exchanges between member federations. As the network has matured, it has sought to ensure that the policies and practices of international agencies assist the agendas of the urban poor. Since its inception, the network of federations has grown from seven founding members (South Africa, India, Zimbabwe, Namibia, Cambodia, Nepal and Thailand) to 15 active affiliates in 2006 (to include Kenya, Malawi, Uganda, Ghana, Zambia, Sri Lanka, Philippines and Brazil). Exchanges are now taking place with groups in many other countries, including Egypt, Angola, Mozambique, Indonesia and East Timor. Most of the federations work very closely with a support NGO.

IIED staff had already been working with some of the founding members in India and South Africa for a number of years prior to the formation of the network so that they could learn more about the strategies that were emerging and identify how to support such a process. Initially the partnership was about learning, documenting and disseminating experiences but the need for community-led flexible funding support became evident and the fund was launched in 2001 with funding from the Sigrid Rausing Trust. The trust has provided generous support each year since then with additional funding from the Big Lottery Fund (November 2003–2007) and the Allachy Trust (2004–2006).

The fund is an important part of a larger partnership between SDI and IIED. IIED’s Human Settlements Group has long sought to support greater equity and inclusion for low-income groups in urban development. The work of SDI makes an important contribution to this. IIED continues to support the documentation of the federations’ initiatives.

INITIATIVES SUPPORTED 2002-2006

2002

(from November 2001)

The following activities draw support from the Sigrid Rausing Trust, the Big Lottery Fund and the Allachy Trust.

Cambodia: Funding for the federation’s urban poor fund; loans to assist in developing resettlement projects following evictions in Phnom Penh ($39,000 – 100 families to benefit immediately with 1,000 more in the longer term).

Colombia: For a loan fund for savings schemes to purchase their first plot of land and to develop housing there ($25,000 – 80 families).

India: Bridge financing to support grassroots housing initiatives that had been promised state subsidies in Sholapur and Bangalore; these subsidies were later secured ($25,000 to Sholapur – 1,610 families; $25,000 to Bangalore – 996 families).*

Namibia: To finance the launch of the UN Global Secure Tenure Campaign in Namibia and to host an international exchange around this event ($10,000). The Shack Dwellers Federation of Namibia has been active since 1998, supported by the Namibian Housing Action Group. The federation has been particularly successful in working with city authorities to change minimum plot sizes and allow for incremental development of infrastructure, which has considerably reduced the cost of housing plots. This event was very successful, demonstrating the value of engaging the UN at a local level. The government of Namibia offered the federation’s Twahangana Fund a contribution of N$ 1 million during this meeting.

South Africa: Pre-finance for the purchase of land in Cape Town for 1,000 households ($25,000 – land for 800 families).*

Zimbabwe: Funding for the federation’s urban poor fund to purchase land in a number of cities and press forward with regulatory reforms around infrastructure standards ($21,000 – four developments: 1,500, 150, 20 and 565 families, respectively).* The federation was formed in 1998 and immediately began negotiating for land; success was achieved from 2000 onwards and a number of areas were developed, notably in Harare, Mutare and Victoria Falls.

Project Example: Zimbabwe

In Zimbabwe, the urban poor have faced economic hardship, political conflict and, in 2005, widespread evictions. The Zimbabwean Homeless People’s Federation have continued to campaign for the interests of their members throughout this period. They have supported members who have been evicted. Most importantly, through ongoing organization and negotiations, thousands of federation members have been able to remain on their plots and reconstruct their shacks. Supported by the fund, they have been able to construct one-room concrete block houses. Working closely with Dialogue on Shelter, the local NGO, the urban poor continue to advocate for community driven solutions.
2003

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**India:** Bridge financing and new technology development in Milan Nagar (Mumbai). This contributed to secure tenure for the first group of women pavement dwellers to be rehoused (there are some 100,000 people living on pavements in Mumbai). The women were offered land by the municipality but they had to finance the building costs themselves (£45,000 – 356 families). This initiative is an important precedent for negotiating land and support for housing for other pavement dwellers.

**Kenya:** Contribution to the establishment of the urban poor fund in Kenya for land development in Nairobi; land secured with loans provided, Huruma being the first investment. The funding was allocated to the lowest income households (£25,000 – 129 families).

**Nepal:** Contribution to the formation of a loan fund in Kathmandu (the first for the Nepalese federation), which is managed by the local NGO, owned by the Nepalese federation and local authority, and partly financed by the local authority (£10,000 – 51 families).

**Philippines:** Loans for land development in Mindanao. In some cases, bridge financing for a state programme that supports squatters to purchase the land on which they live – the Community Mortgage Programme (£25,000 – support for multiple projects to secure land in General Santos and Davao City: 1,045 families).

**South Africa:** Loans for land development in small urban centres in the Northern Cape, and other land development (£35,000 – 155 families).

**Uganda:** Construction of a public toilet block in Kampala to serve the inhabitants of two settlements without sanitation facilities; support for further negotiations for land with the city (£15,000 – 1,000 families).

**Zimbabwe:** Secure tenure in Kariba following negotiations to purchase land at a discounted price from the local authority (£35,000 – 136 families).

*Project Example: India*

More than twenty years after they started working together, the women from the pavements in Byculla (Mumbai) moved to apartment dwellings in Milan Nagar. The women were offered land by the municipality but they had to finance the building costs themselves through a bridge financing and loan scheme. Support from the fund provided essential assistance to help the women organize themselves and explore new and innovative designs for their buildings. This initiative is an important precedent for negotiating land and support for housing for the other 100,000 pavement dwellers in Mumbai.
### INITIATIVES SUPPORTED

#### 2002-2006

<table>
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<tr>
<th>Year</th>
<th>Region</th>
<th>Initiatives</th>
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<tbody>
<tr>
<td><strong>2004</strong></td>
<td><strong>Brazil</strong>: Funding to help establish and support savings schemes; first settlement enumeration to support negotiation for land tenure ($12,000 – 300 families).</td>
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<td><strong>Cambodia</strong>: Loan funding for in-situ upgrading in Phnom Penh following a change of state policy away from eviction/resettlement and in favour of upgrading (the Cambodian federation was very active in promoting this change) ($10,000).</td>
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<td><strong>Cambodia</strong>: Improved water provision in small towns in the North ($18,000 – 259 families).*</td>
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<td><strong>Ghana</strong>: Support for advocacy and enumeration activities in this newly emerging federation. Exchanges with other federations and establishment of support NGO ($19,000).*</td>
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<td><strong>India</strong>: Bridge financing for Sholapur; improved shelter for 750 workers ($52,000).</td>
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<td><strong>India</strong>: Savings group and advocacy investments in urban centres in the state of Orissa ($27,000 – 535 families).</td>
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<td><strong>India</strong>: Support in Hyderabad to build the local federation and its work with the municipality on a housing programme ($20,000 – 350 families).</td>
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<td><strong>Kenya</strong>: Community-to-community exchanges to strengthen lending activities; start of an urban poor fund ($10,000 – capacity building).</td>
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<td><strong>Malawi</strong>: Exchange visits from the Zimbabwe federation to support new savings schemes and the development of the Malawi federation (20,000 members). Funding to support improved water supplies in peri-urban areas and to consolidate the federation; land was released to federation groups in Lilongwe ($17,000 – 222 families).</td>
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<td><strong>Namibia</strong>: National shack/land audit with municipalities ($18,000 – 1,383 families).</td>
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<td><strong>Philippines</strong>: Exchanges to East Timor and Mongolia ($10,000 – capacity building).</td>
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<td><strong>South Africa</strong>: Audit of unused or under-utilized land owned by the Methodist Church, with the understanding that up to 10 per cent of this land would be given to the federation for urban poor developments ($40,000 – land audit: 650 families linked to land audit).</td>
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<td><strong>South Africa</strong>: Assistance to complete housing construction in the Southern Cape and negotiate for additional land ($23,000 – 55 families).</td>
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<td><strong>South Africa</strong>: Support for work in Durban to assist the federation with advocacy and an enumeration of 30,000 households in Amoti ($42,000).</td>
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<td><strong>Sri Lanka</strong>: Toiletfund, working with the municipality ($16,000 – 132 families).</td>
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<td><strong>Swaziland</strong>: Loans for water pipes/lines for two small towns/big villages ($20,000 – 1,000 families).</td>
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<td><strong>Uganda</strong>: Construction of a toilet block in Kampala and land negotiations ($16,000 – ongoing support).</td>
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<td><strong>Zimbabwe</strong>: Loans to support the federation purchased serviced land in Crowborough (Harare) from the municipal authorities ($23,000 – 183 families).*</td>
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<td><strong>2005</strong></td>
<td><strong>Brazil</strong>: Activities in Brazil developed swiftly following the establishment of INTERAÇÃO, a local support NGO. Savings schemes are negotiating with landowners to secure tenure. Land has been secured for 539 families and is under negotiation for 1,363 families ($28,000).</td>
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<td><strong>Cambodia</strong>: Construction of a toilet block in Kampala ($18,000 – 1,383 families).</td>
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<td><strong>Ghana</strong>: Seed money for the Ghana federation loan fund. Ongoing negotiations with UN-Habitat and Accra authorities for support. Positive response and proposal for joint enumeration in Kumasi ($7,000).</td>
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<td><strong>India</strong>: Work in Pondicherry to develop an exemplar model for tsunami relief. Request for additional work by the local authority once they saw the quality of reconstruction ($55,000 – 96 families).</td>
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<td><strong>Namibia</strong>: Exchange with Angola to support the establishment of savings schemes in landless communities ($10,000).</td>
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<td><strong>Nepal</strong>: Federation strengthening to build on land and shelter allocations ($5,000).</td>
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<td><strong>South Africa</strong>: Community exchanges to strengthen land negotiations and the release of government housing subsidies to the urban poor ($20,000). The federation has completed a survey of informal settlements in Johannesburg.</td>
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<td><strong>South Africa</strong>: Revolving capital fund for small group projects in the Cape to develop livelihoods, undertake environmental improvements and to increase access to land ($20,000).</td>
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<td><strong>Philippines</strong>: More support work in South-East Asia ($10,000).</td>
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<td><strong>Sri Lanka</strong>: Commitment by the local authority in Morotuwa to discuss shelter needs of all the landless not just those made homeless following the tsunami. Right to resettle on coastal land supported by the authority ($20,000 – 212 families assisted to date).</td>
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<td><strong>Tanzania</strong>: Exchanges for savings groups active in Arusha and Dar es Salaam. Emerging partnership with the local government of Arusha ($10,000).</td>
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<td><strong>Uganda</strong>: Loan fund for follow-up activities after the toilet block construction; land negotiations ($10,000 – 150 families).</td>
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<td><strong>Zambia</strong>: Exchanges for strengthening the activities and capacity of an emerging federation, plus negotiations with UN-Habitat for land in Lusaka. Establishment of support NGO ($20,000).</td>
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INITIATIVES SUPPORTED
2002-2006

**2006**
(to June)

**Brazil:** Additional support for the federation and for their negotiations for land (£20,000).

**Ghana:** Enumerations and other work in Old Fadama, a large urban poor settlement that is trying to avoid eviction (£10,000).

**India:** Flood relief in Tamil Nadu (£30,000 – 500 families).

**Malawi:** Advocacy work with Lilongwe authorities following the successful completion of housing on the first greenfield development resulting in a promise of 1,000 more plots (£10,000).

**South Africa:** Advocacy work to demonstrate federation achievements and secure subsidy finance owing to the federation’s loan fund, thereby enabling further community investment. Initial subsidy releases from Gauteng Province secured (£20,000).

**Tanzania:** The consolidation of savings schemes and the development of relations with municipal authorities in Arusha and Dar es Salaam (£5,000).

**Zambia:** Consolidation of the federations’ relations with local governments in Lusaka and Kitekwe. Negotiations underway for land, and an enumeration is planned (£35,000). There are now 81 savings schemes, primarily in Lusaka and Livingstone. Registration is being sought for the support NGO.

**Zimbabwe:** Consolidation of land holdings. Negotiating for cost reductions with local authorities (£15,000).

**Note:** Activities have been placed in the year in which the contract started. Activities and some of the funding may run into the following year (and often, the number of families who benefit is only clear by the second and subsequent years). Of the £2.6 million allocated, payments of £35,000 have been made to the SDI Secretariat to support capacity building and advocacy work that cannot be allocated to any specific country. For initiatives marked with an *, other funding sources also contributed. The fund is particularly valuable for its flexibility, and can often add value to more restrictive grants, enabling them to be used more effectively.