

# **National Slum Upgrading Strategy**

## **Project Launch**

*19 December 2011, 9:00-10:00AM*

*Coconut Palace, Manila*

### **Message from the World Bank**

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I wish to congratulate the Housing and Urban Development Coordinating Council for spearheading the formulation of a **National Slum Upgrading Strategy (NSUS)**. This is very timely: as the Philippines continues to urbanize rapidly, slums have been proliferating – particularly in major metropolitan areas such as Metro Manila, where one in four residents in the metropolis is living in informal settlements -- a manifestation of the fact that economic growth has not been inclusive.

Many of the Philippines' poor are informal settlers in urban areas who live in environmentally fragile and hazardous areas such as waterways, seawalls, and low-lying areas, making them vulnerable to natural disasters like floods and typhoons. Alleviating their plight, as well as improving the delivery of social services to these communities, will contribute to achieving our Country Assistance Strategy objective of inclusive growth<sup>1</sup> in the Philippines. I am pleased that the Government is embarking on this endeavour to guide the Government, national and local, in developing and implementing effective policies and programs for slum upgrading, I am also pleased that Cities Alliance continues to support urban development through this slum upgrading strategy.

Evidently, urbanization and slum formation are global phenomenon. In fact, slums have been a by-product of industrialization and urbanization in many countries, such as England in the 19th century. But the scale of the issue today, like the scale of urbanization, is far beyond anything ever seen before. If the current trend continues, by 2050, urban slum dwellers would be more than a third of the world's population: more people would live in slums than in the formal, serviced areas of cities.

Fortunately, governments around the world and international development partners have started intensifying their efforts in settlement upgrading programs. It is encouraging to see that the Philippine Government joins the club of front runners. The Millennium Development Goal (MDG) to significantly improve the lives of at least 100 million slum dwellers by 2020 put forward an added incentive to take action.

International experience suggests that, while these settlements are often characterized by blightedness, overcrowding and inadequacy in basic services including health, water and sanitation, they are often gateways for new migrants to better jobs and offer vital social support for them to succeed to urban areas.

Hence, among the most important lessons is for the settlement upgrading interventions to be (i) integrated (they should address the physical, social, economic and environmental dimensions); (ii)

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<sup>1</sup> The WB CAS for "Inclusive Growth" seeks to improve income opportunities and enhance abilities of households and communities, especially of the poor, to participate in markets through strengthened human capital, reduced vulnerability to shocks and increased economic empowerment.

designed and implemented with the full involvement of the community; and (iii) executed at the city or metropolitan level.

Many countries have succeeded in improving conditions of informal settlements, and we can benefit from lessons from their experiences. Here I would like to highlight three key elements of success:

- empowering of community and local leaders – having a meaningful involvement of the beneficiaries and the indispensability of the local leadership (e.g., Thailand);
- national leadership and financial support under a shared vision and clear political direction (e.g., Brazil); and
- private sector participation (e.g., India, Turkey and USA).

In fact, we don't need to look far as there are pockets of successful initiatives in the Philippines on slum upgrading. The UPSURGE Project that featured partnership among LGUs, civil society and household associations in the planning, funding, implementation and sustaining community shelter programs very much improved living conditions of about 10 communities in 8 cities across the country. Another inspiring example is the Family Townhomes Project being implemented in Taguig. The question there is how to scale these good practices to be able to make a significant impact considering the large number of informal settlements in the country.

The Philippines is at a defining moment in terms of addressing the challenges of providing safe and resilient communities for the informal settler families. The National Government has taken a firm decision to prioritize slum upgrading, evidenced by the Government's commitment to allocate Php 10B annually for its shelter program in NCR. The formulation of the NSUS thus provides a good opportunity to bring together all the stakeholders to work on a more systematic and scaled response to slum upgrading. The project can facilitate the dialogue by drawing experiences and lessons from both international and local programs and by bringing in expertise from those who have implemented successful shelter programs elsewhere.

The Bank has supported the Government of the Philippines in slum upgrading and housing related initiatives since 1970s through the Tondo foreshore project (then the largest slum settlement in Metro Manila and in southeast Asia). This was followed by a number of urban development projects implemented during 1970s-1990s and the slum upgrading projects carried out from 2000-2010 including the UPSURGE Project. This partnership has resulted in a better understanding and appreciation of pressing issues and concerns of slum upgrading and urban development and has ultimately provided helpful solutions in addressing the provision of shelter, sanitation and other basic needs and productivity growth of the low income families in the metropolis.

This technical assistance to HUDCC is a manifestation of our commitment to continue to find sustainable solutions to the problem of informality in Philippine cities. We also see this as a vehicle for our cities (including those represented today) and the national government to collaborate towards this objective.

The Bank is therefore very pleased to be involved in this important endeavor and we look forward to the successful implementation of this project.

Maraming salamat at magandang umaga sa inyong lahat.