

PHILIPPINES

Renovating urban services and housing for the poor Urban Partnerships for Sustainable Upliftment (UPSURGE) Project

The Republic of the Philippines is an archipelago in South-East Asia with more than 7,000 islands. The Philippines has an average population of 101,833,938 (2011 Index Mundi) and the numbers keep on growing. As described by the *Global Report on Human Settlements 2003* (United Nations Human Settlements Programme -UN-HABITAT), urban development in the Philippines and other developing countries is accompanied by a high population growth rate (1.903% of population in 2011), with an even higher rate of increase in the proportion of the urban poor, slum dwellers, and informal settlers. It is calculated that in less than

30 years many Asian cities, including the Philippines, will double their populations with about half estimated to be residing in slum areas.¹

The Government of the Philippines (GoP) has addressed these challenges prioritizing slum upgrading with the aim of providing safe and resilient housing for families of informal settlers. The World Bank has supported the GoP with urban revitalization since the 1970s through the Tondo foreshore project (then the largest slum

settlement in Metro Manila and in southeast Asia with over 180,000 people). This was followed by a significant number of urban development projects and more recently the slum upgrading projects in the 'Upscaling Urban Poor Community Renewal Scheme' (UUPCRS) Project funded by

¹ UN-HABITAT 2003:8-16; Asian Development Bank 2004

"We feel much more comfortable here because our surroundings are clean. Our roads are concrete, we have water and electricity and, most of all, we have livelihood. The lot where our house stands is going to be our own, so we feel secure."

-Ms. Rosadel Gumapong, mother of five children and resident of the Canduman Haven resettlement site in Mandaue City



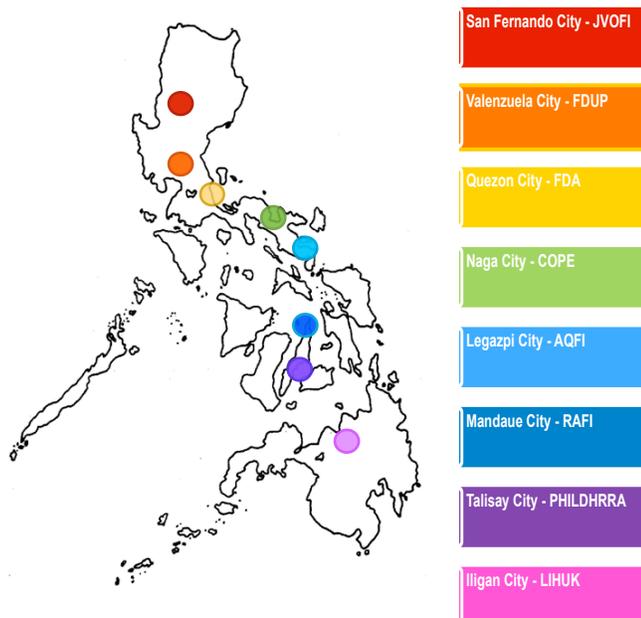
Photo: Urban revitalization works during the UPSURGE project the World Bank.

Regardless of slum improvement efforts, the increasing magnitude of the problem has not been controlled. To address these challenges, a new project called the *Urban Partnerships for Sustainable Upliftment, Renewal, Governance, and Empowerment (UPSURGE)* formally began on 11 July 2007 with the signing of an agreement from the Japan Social Development Fund (JSDF) administered by the World Bank.

The *US\$1,910,000 JSDF UPSURGE grant* (Refer to Box 1) was innovative in the sense that not only improved the physical and environmental conditions of selected urban poor communities through a tripartite multisectoral partnership (**civil society-local government unit [LGU]-community**) but at the same time strengthen the institutions involved.

This partnership resulted in a better understanding of urgent matters of slum upgrading and urban development strategies and provided ground-breaking solutions in terms of





Map 1: UPSURGE project setting, 2007-2010

shelter, sanitation and other basic needs for the poorest families in the metropolitan area. In addition, the project created social capital, empowering communities and improving skills.

The Project

Five components comprised Project UPSURGE: (a) design and organization; (b) community planning, mobilization and subproject implementation; (c) training and capacity-building (d) institutionalization, which included mechanisms to strengthen the multistakeholder partnerships and the mobilization of resources; and (e) support to project implementation.

As shown in the map above, the UPSURGE project covered eight cities in five administrative regions across the Philippines. The participating cities represented a diverse group of developing urban centers including the oldest and most populated cities (Quezon city) and a relatively young and small city (Talisay City in Cebu Province). The eight cities share common challenges related to urban poor dwellers and informal settlements. These settlements are often located next to waterways, rivers and creeks, and in many cases they are areas considered at-risk for natural disasters. The UPSURGE project relied on the *Partnership of*

Box 1- Key Data

Trust Fund #: **TF058154**

Implementing Agency: **Partnership of Philippine Support Service Agencies (PHILSSA)**

Grant Amount: **US\$1,910,000**

Implementation Period: **07/17/2007-07/10/2011**

Philippine Support Service Agencies (PHILSSA). PHILSSA is a development agency that has strong relationships with communities and experience coordinating NGOs as implementing agencies. PHILSSA served as a communication bridge between Old Implementing Agencies (OIAs) and new ones (New Implementing Agencies -NIAs). The OIAs and NIAs as well as their partner city governments collaborated in the implementation of the project as well as the selection of the community-beneficiaries.

The JSDF UPSURGE grant developed these dynamic partnerships among city governments, NGOs, community associations, and other civil society groups, as well as members of the business community, particularly civil works contractor-companies.

The NGO-implementing agencies (NGO-IAs), formed a multisectoral partnership in each city, which in most cases came together as a committee: the **City Renewal Implementation Committee (CRIC)** which was in charge of the planing, implementation, and monitoring of the subprojects.

Communities were actively involved in the selection of community subprojects. The subprojects included physical improvements, road construction and drainage systems, housing units, water systems, material recovery facility, flood control facility, and slope protection. It also supported the purchase of solid waste management equipment. The full range of subprojects is illustrated in Table 1.

JSDF at work

The UPSURGE grant assisted to 17 communities. The project showed substantial accomplishments in achieving its desired outcomes:

(a) **Community infrastructure subprojects were identified and implemented by the communities and sustained through the tripartite partnership** - The project successfully completed 19 subprojects through the tripartite partnerships created in participating cities, benefiting approximately 4,000 households.

(b) **Learning activities leveraged capacity of LGUs, civil society groups and community associations** - UPSURGE influenced eight LGUs² and nine NGOs through formal training contributing significantly to the successful planning and implementation of the project. In addition, the project adopted a “twin city” mentoring strategy where the original NGOs - the OIAs, mentored the new set of NGOs - the NIAs, in various areas, such as in community organization, financial management, procurement, technical/engineering review. This strategy has helped the learning by new participants in carrying out upgrading activities.

(c) **Institutional mechanisms were established to facilitate**

2 LGU = Local Government Unit

Table 1: UPSURGE Subprojects, 2007-2010

City Community (Area)	Subproject
San Fernando City- FVA (0.5 ha)	1. Improvement of 43 housing units 2. Construction of a multipurpose building
Valenzuela City- DAHOA (1.24 ha)	3. Construction of concrete roads and alleys, and drainage 4. Provision of electricity connection
Quezon City- KASAMPO-II (1.0 ha) Quezon City- Area 7 (no data)	5. Construction of concrete roads and drainage; individual household water meter and connection 6. Construction of a community park and playground
Naga City- MVHOA (1.9 ha)	7. Construction of concrete roads and drainage 8. Construction of additional concrete roads and drainage (Phase II) 9. Housing construction assistance
Legazpi City- APHOA (2.4 ha+2.3 ha)	10. Construction of concrete roads, stairways, pathways, and drainage 11. Installation of a water system 12. Installation of a flood control system
Mandaue City- KCHAI (1.9 ha)	13. Construction of concrete roads and drainage 14. Construction of community market 15. Construction of livelihood center 16. Sewing machines for center
Talisay City	17. Construction of concrete roads and drainage
-CHOA (.34 ha)	18. Construction of concrete roads and drainage, and slope protection
-VISCHOA (.38 ha)	
Iligan City-TCVHOAI (2.5 ha)	19. Construction of macadam roads, concrete drainage, retaining wall, and concrete stairways

collaboration between LGUs, civil society groups and community associations - Various mechanisms to mainstream the tripartite partnership were initiated or strengthened in all participating cities. The eight participating cities either set up CRICs or made use of existing local bodies to serve as a continuing structure for planning and implementing other community upgrading projects. Some even established city housing funds jointly managed by different stakeholders. These structures served to instill transparency and accountability to the project.

(d) Decisions on Cost Recovery

- The OIAs/NIAs, the city governments, and community associations developed an agreement regarding subproject cost recovery. Cost recovery was viewed as a strategy for enhancing beneficiary and organizational ownership toward the project. It was also a strategy that provided a core fund for scaling up slum improvement. Cost recovery agreements ranged from 20% to 100% of the subprojects. Direct costs, with 7-25 year amortization periods. The decisions on the amounts and periods generally took

into consideration the additional land acquisition costs to be paid back by the beneficiaries.

(e) Building not only physical infrastructures but social capital in the form of trust, dignity, skills and attitudes- Project UPSURGE also emphasized building social capital that developed trust progressively and enabled communities to be more responsive to future challenges. Having access to land ownership created a sense of dignity too among the beneficiaries. Communities have realized they can rely on their city government for technical and/or financial support and are more open to share their needs. Another example of change of attitudes was seen among city officials that set aside their political views and supported communities perceived to be allied with rival political party when looking at people’s strong commitment.

Lessons Learned

The following are the main lessons from the project:

Empowering Communities to take the driver’s seat of their own development is key to the success of this type of projects - The UPSURGE Project demonstrated the effectiveness of a community-based and demand-driven approach in the implementation of slum upgrading projects. Communities that are fully involved in every step of the process proved to be effective project partners.

Forging partnerships is essential in slum upgrading - The UPSURGE Project featured successful partnerships among LGUs, civil society and community associations which were an innovative aspect of the project and unleashed opportunities for collaboration, empowerment and transformation of mindsets.



Photo: Boy sitting next to one of the channels that were part of the slum upgrading works

The tripartite partnership created substantial positive impact and synergy. It lowered implementation risks, fostering ownership and accountability. For example, in Mandaue, Naga and Iligan, stronger partnerships were developed built on the UUPCRS previous experience in implementing slum upgrading activities. Participants in the communities saw what could be accomplished and were inspired by the positive benefits and outcomes of the partnership. In these cities, post-project activities such as the integration of shelter plans and concerns in development plans and replication of similar slum upgrading initiatives were easily integrated and implemented. In cities where NGO-IAs and community engagement on urban poor issues was relatively new, the focus of the institutionalization process was on building mutual trust among stakeholders who were initially skeptical on the viability of the partnership arrangements. As a result of collectively



Photo: Building capacities in the community-the UPSURGE project developed skills and built social capital

developed solutions, they learned to cooperate with each other. In Valenzuela and Quezon City, the project inspired these cities to be more receptive to work with NGOs and communities. At the same time, NGOs and communities are now more open to approaching and seeking assistance from their city governments.

Leveraging NGO-IAs fundamental elements of slum upgrading - Trust building is the most fundamental element of any successful slum upgrading project, and NGOs often have the ability to reach, organize and mobilize the poor and marginalized. They have deep knowledge of local conditions and constraints and are sensitive to local cultures, making them effective in facilitating dialogues among stakeholders. NGOs are also adaptable, responsive and innovative because of their small-scale and flexible operations. However, NGOs are inherently different from government and development institutions in terms of approach, scale and timing. It may be worthwhile to look for ways to ensure that the strengths NGOs are not compromised and constrained by bureaucratic rigidity and, at the same time, allow NGOs to recognize the merits of procedural requirements and work within this arrangement.

Cost recovery and collection mechanisms can open possibilities for other communities - Cost recovery schemes have sensitized communities to the idea that repaying part of the costs is not an obligation to the project or the government but to other poor communities in desperate need of the same services. The recovered amount was used for maintenance of community infrastructure and for helping other communities to jumpstart their slum upgrading activities. However, keeping an on-time and positive inflow of recovery funds as well as getting new tenants to be committed to the contribution payments are still challenge. There is a need to be creative and flexible in cost recovery schemes to create ownership and financial responsibility

in households.

Experienced NGO-IAs become a credible resource to the LGUs - OIAs can effectively mobilize communities and exchange knowledge with NGOs that do not have the same level of expertise. OIAs can become a resource to government as it defines a broader program for slum upgrading nationwide.

Sustaining project gains through follow-up activities - Slum upgrading is a continuing development process. Project gains need follow-through commitments of various stakeholders -even beyond project completion- to be sustainable. Continuously building the capacities of communities in the areas of land management, cost-recovery and economic asset building are therefore needed. It may be useful to explore the possibility of tapping micro-finance institutions to take on the post-project tasks because they can extend their presence in the communities. As micro-finance agents, they help build up the economic assets of communities and are best positioned to provide the necessary post-project support systems (e.g., mechanism for regularly collecting small amounts of money from participating households, providing capacity-building activities, etc) because they incur less transaction costs and can inculcate a sense of discipline among members.

Going to Scale and Sustainability

The lessons learned from the project as well as the processes and methodologies adopted are useful and replicable in the design of slum upgrading programs and in broader city governance and planning activities. The project's open menu approach encourages city programs to be flexible and responsive to local conditions and constraints.

Follow-on Project

The formulation of this JSDF project provided an urbanization framework and has been mainstreamed into the network's strategies and operational processes at the local and national levels. The JSDF UPSURGE Project is feeding the National Slum Upgrading Strategy (NSUS) which was launched on December 2011. The NSUS is a critical first step to push the partnerships on developing a national strategy for slum upgrading forward.

Resources

- Kit on ISF- Project UPSURGE Reports-Synthesis (August 2011)
- PHILSSA - www.neencabangis.com/testsites/philssa/modx/modz-2.1.1-pl

The Japan Social Development Fund -- JSDF Good Practice Notes seek to share achievements, knowledge and lessons learned from the implementation of JSDF projects over the past decade. The JSDF is a partnership between the Government of Japan and the World Bank to support innovative social programs that directly meet the needs of the poorest and most vulnerable groups in developing countries. JSDF projects meet four basic requirements: Innovative, introducing new approaches to development; Responsive to the needy, by directly meeting the needs of vulnerable, marginalized, and disadvantaged groups; Rapid response activities that deliver short-term results and benefits to targeted beneficiaries; and Community capacity building activities that empower local governments, NGOs, and disenfranchised groups, while promoting stakeholders participation and ownership.