

## DEFINING AND MONITORING TARGET 11: A POLICY NOTE

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### Abstract

This policy note examines the major thrusts of the draft report of Taskforce 8 of the Millennium Project, rewords Target 11, proposes that Target 11 be the core target of a two-pronged global shelter policy, examines the policy implications of expanding Target 11 to include new shelter needs, and outlines a framework for monitoring it globally. It proposes that Target 11 be reworded to read: “By 2020, improving substantially the lives of at least 100 million slum dwellers while providing adequate alternatives to new slum formation,” rather than “by deterring new slum formation” as proposed by the Taskforce. It proposes that both existing slum and future shelter be monitored by focusing attention on *Shelter Deprivation* and *Extreme Shelter Deprivation*, using data on the four shelter deprivations—water, sanitation, overcrowding and non-durable structures, commonly available in census and other surveys. It proposes that more intensive monitoring of Target 11—including the monitoring of ‘secure tenure’—be focused on a global sample of 120 urban agglomerations, to be surveyed in two time periods, and utilizing both remote sensing and Urban Inequities household surveys. It is estimated that the cost of rigorous global monitoring of Target 11 is of the order of \$9 million, of the order of 0.001% of the estimated budget for achieving the Target’s goals.

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<sup>1</sup> Urban Indicators Advisor, Transport and Urban Development Division, the World Bank. This policy note was motivated in part by a request of UN Habitat, in preparation for the meeting on the draft report of Taskforce 8 of the Millennium Project, to be held in Barcelona in mid-September 2004; and in part by the need for the Bank to review and react to the draft report. This note also expands on an earlier note entitled “Two Complementary Approaches to Monitoring Target 11: ‘Improving the Lives of 100 Million Slum Dwellers by 2020’: A Research Note,” 25 June 2004; and on the draft report of the meeting on monitoring urban indicators held at UN Habitat, Nairobi, 16–17 August 2004.

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## DEFINING AND MONITORING TARGET 11: A POLICY NOTE

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### Background:

*The original definition and intention of Target 11:* Target 11 was defined in the UN General Assembly's Millennium Declaration as "By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers, as proposed in the Cities Without Slums initiative." The *Cities Without Slums* initiative<sup>2</sup> outlined a Slum Upgrading Action Plan, a plan that envisioned the *comprehensive* upgrading of existing slum communities—providing them with all basic infrastructure services, initiating home improvements, regularizing security of tenure, improving access to health and social services, strengthening community organization, and improving income-earning opportunities. The initiative's estimated investment of US\$50 billion—or \$500 per person—was seen as an effective, efficient, and well-targeted strategic investment in ameliorating urban poverty. It called for initiating the capacity-building and the knowledge base for vastly—yet realistically—scaling up slum-upgrading projects into urban and national programs.

*The draft report of Taskforce 8 of the Millennium Project:* Subsequent to Millennium Declaration, the UN Secretary General commissioned the Millennium Project to prepare and draft a framework for action to achieve the goals and targets outlined in the Declaration. The Project works through ten taskforces. One of these is *Taskforce 8 on Improving the Lives of Slum Dwellers*. Taskforce 8 has worked for two years and has now produced a final draft of its recommendation to the Secretary General. The 300-plus page report now being circulated—although still missing several chapters—contains a lot of information that is pertinent to understanding Target 11 and acting upon it, and includes a proposed redefinition of the target which will be discussed below. Noticeably, it does not discuss or propose means of measuring progress towards the attainment of the target or—more generally—monitoring improvements in the lives of slum dwellers on metropolitan, national, and global scales.

*UN Habitat's institutional role in monitoring Target 11:* Taskforce 8 created an *inter-agency monitoring group on cities without slums* in 2003. The UN Human Settlements Programme (UN Habitat) is the lead agency in the group.<sup>3</sup> UN Habitat, on its part, has already introduced an operational definition of the term "slum", produced global estimates of the world's slum population given its definition, initiated a Global Campaign for Secure Tenure aimed at improving slums, and published a guide for member states on how to monitor Target 11. UN Habitat is concerned that, at present, monitoring activities are

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<sup>2</sup> See the World Bank and UN Habitat, 1999, "Cities Alliance for Cities Without Slums: Action Plan for Moving Slum Upgrading to Scale," Special Summary Edition, online at [www.citiesalliance.org](http://www.citiesalliance.org).

<sup>3</sup> Other members include the UN statistical Division (UNSD), UNICEF, WHO, the World Bank, and Columbia University's Earth Institute.

proceeding independently of policy formulation activities and are not designed hand-in-hand with policies so that they can measure progress in attaining policy goals.

### **Objectives:**

*The general objective of this policy note:* The objective of this policy note is to explore the conceptual framework underlying the proposed redefinition of Target 11 by the Taskforce—and especially its quantifiable dimensions—in light of the need to monitor progress in attaining it. This necessarily requires going beyond simply examining the connections between the proposed policies recommended by the Taskforce and the proposed means of monitoring them. On the one hand, the Taskforce’s report does not contain a concise, comprehensive, and consistent set of proposed policies. On the other hand, explorations of data sources by UN Habitat during the past two years have concluded that, at present, there is no reliable source of data for measuring key policy dimensions, especially ‘secure tenure’—one of the fundamental policy goals of Target 11.

*Target 11 as a unifying framework for policy formulation, action, and monitoring progress:* Target 11—especially as redefined by the Taskforce—now provides a unifying framework for policy formulation, action, and monitoring progress in shelter policy in the developing countries. It is quite clear that the pursuit of policies and programs *without* clear indications of whether or not they are improving the living conditions of slum dwellers is unlikely to lead to efficient, equitable and sustainable progress in attaining the target. It is also quite clear that monitoring the target with indicators that do not measure what such policies and programs are seeking to attain will not be helpful in providing the necessary feedback to policy makers. There is an urgent need, therefore, to bring together policy formulation, action, and monitoring progress into one conceptual framework.

*Specific objectives:* The specific objectives of this policy note are –

- a. To understand and articulate the underlying rationale for defining and redefining Target 11 as the core target of a comprehensive and sensible future shelter policy;
- b. To formulate the key questions that the proper monitoring of Target 11 may be able to answer in the coming years;
- c. To explore the outlines of a monitoring framework for Target 11, the indicators to be monitored, and the tools that are needed to collect data to monitor these indicators;
- d. To estimate the resource requirements for global monitoring of Target 11 between the years 2005 and 2020.

### **Target 11 as the core target of shelter policy:**

*The redefinition of Target 11 by the Taskforce:* It is important to realize that the original definition of Target 11 in the Millennium Declaration focused only on the plight of people living in *existing* slums, and did not allude to *people who will move into future slums* as the urban population in the developing countries doubles in size—from the present 2

billion to 4 billion—in the coming 30 years. The Taskforce has correctly proposed that Target 11 be redefined to read: “By 2020, improving substantially the lives of at least 100 million slum dwellers while deterring new slum formation.” This implies a more comprehensive and a more sensible approach to shelter policy: a two-pronged approach that confronts both existing and future shelter needs. This approach is based on the realization that—following a medical analogy —“prevention is better than cure,” and that a pro-active approach to accommodating the urban poor is more efficient, in the long run, than seeking to upgrade their settlements only once they have settled.

*‘Slums’ do provide basic shelter—although frequently inadequate—for the urban poor:* It is important to remember that the homeless define basic shelter as “shelter from the elements, a place to store one’s belonging, a place to bathe, and an address”. It is also important to remember that slums do provide basic shelter to the great majority of the urban poor, and that there are surprisingly few homeless persons—often of the order of one person in a thousand—in developing-country cities. This suggests, first of all, that the slum-housing delivery system still manages to provide *access to land*—though not necessarily suitable land—to the great majority of the urban poor, allowing them to settle in urban areas in great numbers. There is also considerable evidence that in the absence of the fear of eminent eviction by the authorities, slum dwellings improve over time. Finally, there is evidence that the accumulated value of slum dwellings in the developing countries is in the hundreds of billions of dollars, and that slum housing forms the bulk of *wealth* held by the poor. These findings provide the fundamental rationale for *upgrading slums* rather than bulldozing them. Unfortunately, these findings are not given sufficient prominence in the Taskforce report.

*‘Slums’ as progressive housing that can and does improve over time:* The majority of the urban poor in developing countries have had no access to long-term mortgage finance, the main instrument necessary for building complete dwelling units in fully-serviced land subdivisions and then paying for them over time. Neither have the majority of the urban poor had access to government subsidies or allowances that would allow them to build complete homes, or to buy them from private developers. This has necessitated building houses *progressively* over a long period of time, as funds became available for the purchase of building materials. Typically, the urban poor have had to obtain unserviced land through illegal land occupation or partially-serviced land in quasi-legal land subdivisions, often with inadequate title documentation. Infrastructure services in these forms of settlement also tended to improve over time, either through appeals to and struggles with municipalities and governments or through community efforts.

In the absence of adequate domestic savings, mortgage finance, and public resources, home improvements and infrastructure upgrading in many such settlements has been slow and frustrating, keeping the poor in various degrees of shelter deprivation over exceedingly long periods of time. But in other places progress has been rapid and satisfactory, leading to the creation of a valuable housing stock in flourishing communities. Again, the fact that most shelter in the cities of the developing countries is built progressively and, in general, improves—rather than dilapidates—over time, is not given adequate recognition and coverage in the Taskforce report. UN Habitat is in the process of generating some data to show the transformation and

improvement of slum dwellings over time. It is of critical importance that the process of improvement is monitored hand-in-hand with the process of new slum formation.

*'Slums' as concentrations of shelter deprivation:* There is considerable evidence that the urban poor—as well as those employed in the informal sector—are not evenly distributed throughout urban areas, but are typically *concentrated* in 'slum' communities where various types of shelter deprivations abound. In general, as we shall see below, the larger the extent of shelter deprivations, the more concentrated they are in slum communities.

Building on that evidence, UN Habitat has estimated the number of slum dwellers *by proxy*—both at the national and at the global level—by counting the number of urban dwellings with *at least one of four* basic shelter deprivations:

- a. Lack of access to an improved water supply;
- b. Lack of access to improved sanitation;
- c. Overcrowding (more than 3 persons per room); and
- d. Dwellings made of non-durable materials.<sup>4</sup>

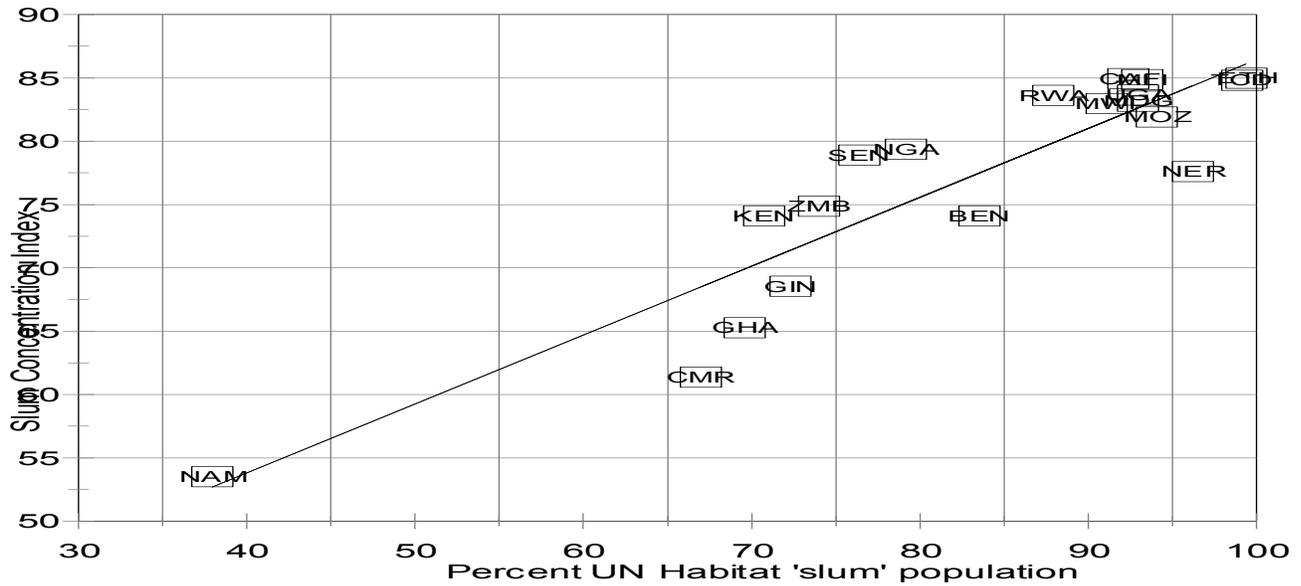
Using these four shelter deprivations as a proxy for the existence of 'slums' as typically understood—as concentrations of sub-standard dwellings—is not unreasonable. Preliminary data from 19 Sub-Saharan African countries shown in Figure 1 suggest that shelter deprivations tend to be highly concentrated, and that a high percentage of 'slum' dwellings as defined by UN Habitat corresponds to a high degree of concentration of sub-standard dwellings in slums. The correlation between the two has an R-squared value of 0.84.

All in all, UN Habitat found the number of people living in dwellings with *at least one* shelter deprivation in the year 2001 to be of the order of 924 million. It was also estimated that—in the absence of new forms of intervention—this number may grow to 1.6 billion by 2020. Unfortunately, as we shall see below, UN Habitat documents do not yet contain information on the changes—for better or worse—in slum conditions over time. Normally, as has been observed in many developing countries, the progressive approach to shelter results in improvements over time: Older dwellings become decent shelter as they shed their shelter deprivations one by one, while new ones start out with a host of shelter deprivations. There is a need to document this transformation in some detail, and UN Habitat is in the process of doing it, using available comparative data for 1990 and 2000.

**Figure 1: The relationship between UN Habitat's slum population estimates and the Slum Concentration Index<sup>5</sup> in 19 Sub-Saharan Countries**

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<sup>4</sup> A fifth shelter deprivation, lack of adequate security of tenure, was not used in the estimation because of the absence of reliable data in the typical censuses, DHS or MICS surveys used for the estimates.

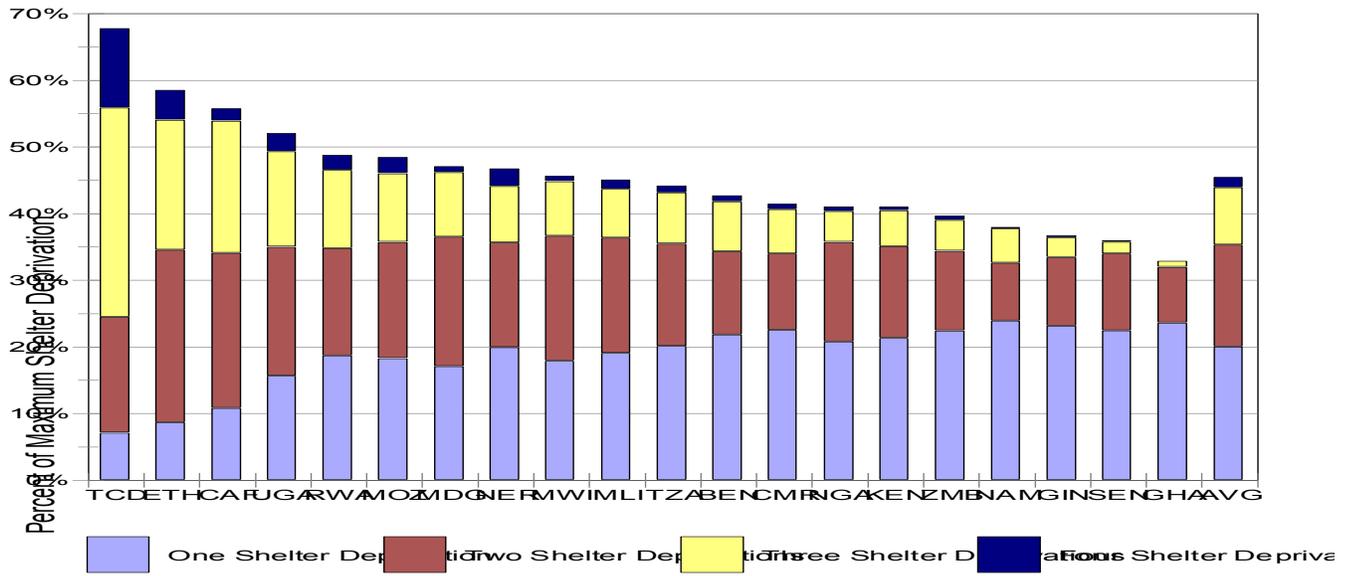


Source: Calculated from data obtained from Dr. Gora M’Boup, Monitoring Systems Branch, UN Habitat, Nairobi, August 2004.

*The distribution of shelter deprivations and the implications for the ‘slum upgrading’ strategy:* The definition of ‘slums’ adopted by UN Habitat counts the number of urban dwellers with *at least one* shelter deprivation, while the Taskforce and the Cities Without Slums action plans call for *comprehensive* slum upgrading programs that seek to improve everything – infrastructure, housing, community facilities, and social services – in every slum. A recent investigation by UN Habitat into the *distribution* of shelter deprivations in 20 Sub-Saharan African countries suggest that – even in the worst of circumstances – there are very few slums with all four basic shelter deprivations. This is illustrated in Figure 2 below. The average number of shelter deprivations was 1.7, and the average number of shelter deprivations amounted to 44% of the possible total of shelter deprivations. On average, 47% of slum dwellings in these countries had only one shelter deprivation, 33% percent had two, 17% percent had three, and only 2% percent had four.

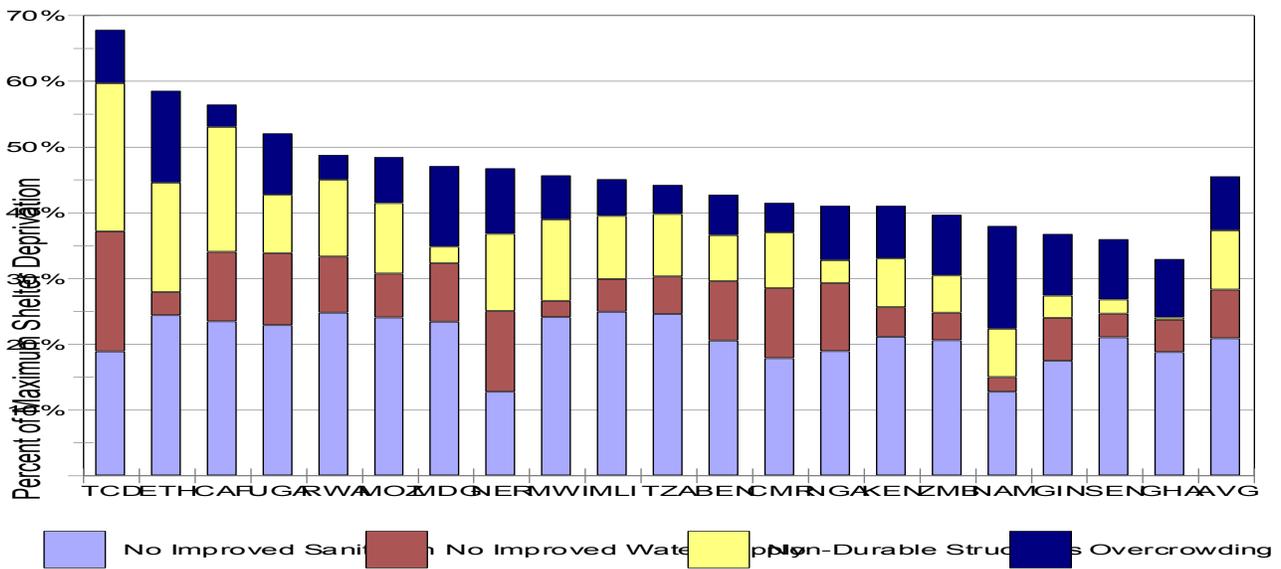
**Figure 2: The Distribution of Shelter Deprivations in slums 20 Sub-Saharan Countries (by number of deprivations), n.d.**

<sup>5</sup> The Slum Concentration Index was defined as a weighted sum of the percentage of dwellings with at least one shelter deprivation in communities where they form less than 50%, 50–70%, or more than 70%.



Source: Calculated from data obtained from Dr. Gora M’Boup, Monitoring Systems Branch, UN Habitat, Nairobi, August 2004.

**Figure 3: The Distribution of Shelter Deprivations in slums in 20 Sub-Saharan Countries (by type of deprivation), n.d.**



Source: Calculated from data obtained from Dr. Gora M’Boup, Monitoring Systems Branch, UN Habitat, Nairobi, August 2004.

Figure 3 shows the same data as Figure 2, but focuses on the *type* of shelter deprivation. On average, 49% of slum dwellings in these countries had no improved

sanitation, 15% percent had no improved water supply, 19% percent had non-durable structures, and 17% were overcrowded. This suggests that comprehensive slum upgrading programs may be engaging in overkill, if indeed the true goal of Target 11 is to remove basic shelter deprivations in slums. It suggests that, while in some cases comprehensive slum upgrading may indeed be the answer, in others a focused program – to improve and expand dwellings, for example – may be more cost-effective.

This analysis suggests that the cost estimates in the Taskforce report, all of which pertain to comprehensive upgrading, may be much higher than the costs necessary to remove basic shelter deprivation. Furthermore, it suggests that the *cost differentials* between such targeted upgrading and new decent shelter – say a serviced site with materials for a core house – may be much higher than those calculated in the Taskforce report.

*The current 'slum' definition obscures slum improvement:* Unfortunately, given that the definition of a slum dwelling continues to count a dwelling as a slum dwelling as long as it has *at least one* shelter deprivation, important improvements in shelter conditions remain hidden and obscured. For example, a dwelling that had four shelter deprivations and was significantly improved so that now it only has one deprivation will still be counted as a slum dwelling. The present method of defining slums therefore obscures improvements rather than highlighting them, working against the primary goal of Target 11 that stresses slum improvement. There is therefore a need for measuring Target 11 in a way that highlights improvements, rather than obscuring them. The most natural way would be to disaggregate the four basic shelter deprivations and to measure the reduction over time in each one of them – and in all of them together – as improvement.

*The need to focus on Extreme Shelter Deprivation:* The most cost-effective way of obtaining a measurable reduction in the number of persons living in 'slums' would be to upgrade those slums that *lack only one* shelter deprivations, because once this deprivation is removed they will no longer be counted as slums. In contrast, the most equitable way would be to target assistance to households with three or four shelter deprivations, possibly defined as households with *Extreme Shelter Deprivation*. A balanced slum upgrading program would probably seek to do both – carry out extensive programs of upgrading that are aimed at reducing a single prevalent shelter deprivation, as well as intensive upgrading programs that target slums with extreme shelter deprivations. In terms of monitoring, both have value if we focus on the reduction in the *total number of shelter deprivations*. In this case, a comprehensive improvement of one dwelling would entail removing *all four* shelter deprivations, which may be equivalent – in some sense – to removing, say, overcrowding from four dwelling units.

*The alternative meanings of " 'substantially improving' the lives of 100 million slum dwellers":* In terms of monitoring Target 11, 'substantially improving' could mean one of two things. It could mean removing Extreme Shelter Deprivation for 100 million slum dwellers that now lack three or four basic shelter attributes. Alternatively, it could mean removing the equivalent of up to *400 million* shelter deprivations, whatever these may be. The word 'substantially' does indeed appear to favor the first course and to focus on removing Extreme Shelter Deprivations. But Extreme Shelter Deprivations do not characterize the great majority of 'slums', even in Sub-Saharan Africa where living conditions are undoubtedly – at least on average – the worst in the world. This is illustrated in table 1 below.

**Table 1: Shares of populations with different levels of shelter deprivations in 19 Sub-Saharan African countries, n.d.**

Category	Total	% of Urban Population	% of Slum Population
Urban Population ('000)	129,183	100.0%	
Urban Population ('000) with:			
No Shelter Deprivation	24,121	18.7%	
Some Shelter Deprivation ('slums'):	105,062	81.3%	100.0%
One deprivation	47,680	36.9%	45.4%
Two deprivations	37,306	28.9%	35.5%
Extreme Shelter Deprivation:	20,076	15.5%	19.1%
Three Deprivations	17,000	13.2%	16.2%
Four Deprivations	3,076	2.4%	2.9%

*Source:* Calculated from data obtained from Dr. Gora M'Bou, Monitoring Systems Branch, UN Habitat, Nairobi, August 2004.

Table 1 shows that in 19 countries in Sub-Saharan Africa, some 20 million people—only 15% of the urban population and less than 20% of the 'slum' population—experience Extreme Shelter Deprivation. This suggests that without very precise targeting, it will be difficult to isolate and serve only on households experiencing Extreme Shelter Deprivation, desirable as this may be. It may still be worthwhile to define Target 11 as trying to *target 100 million slum dwellers experiencing Extreme Shelter Deprivation*, while at the same time improving the lot of other slum dwellers with only some Shelter Deprivation. In the final analysis, however, overall *improvement* must be measured in the reduction of the number of shelter deprivations to be meaningful.

*The 'deterrence' initiative in the two-pronged shelter strategy proposed by the Taskforce:* As noted earlier, the Taskforce proposes a two-pronged shelter strategy that would, on the one hand, improve existing settlements, and on the other hand *deter* the formation of new slum formation. This is indeed a welcome development, but it raises both policy questions and monitoring questions. In terms of policy, two issues merit consideration: (a) the possible misinterpretation of 'deterrence'; and (b) the question whether or not the proposed deterrence is realistic.

*A proposed rewording of Target 11, eliminating 'deterrence':* Despite the qualifications in the Taskforce report, it is not unlikely that 'deterrence' will be interpreted by some governments as a license for eviction and demolition, particularly of new settlements in the making. Many governments are keen on preventing the formation of new progressive settlements—be they squatter encroachments or quasi-legal land subdivisions—without offering affordable alternatives to those forced by economic circumstances to seek shelter in such settlements. These governments should not be given a UN mandate to do so, especially while not providing adequate alternatives. It is therefore proposed to modify the wording of Target 11 to read: ***"By 2020, improving substantially the lives of at least 100 million slum dwellers while providing adequate alternatives to new slum formation,"*** rather than "by deterring new slum formation."

*Towards a realistic 'new shelter' initiative:* Changing government policies—from their present course of doing little to house the poor, discouraging rural-urban migration, reducing housing subsidies, increasing building and subdivision standards, and assigning market values to public lands—will take time and concerted effort. It is therefore highly unrealistic to expect that—as the Taskforce proposes—*all the net addition*

to the housing stock in the cities of the developing countries from now on will be made of new houses made of durable materials with adequate living space in planned settlements with a full complement of services.

Right now, the great bulk of new shelter is *progressive* shelter—shelter that starts with several shelter deprivations and improves over time. Some of this new shelter is indeed in *planned* settlements—both squatters and quasi-legal land developers in many countries have learned how to layout residential subdivisions, as well as how to obtain documentation and basic services from municipalities. It is often municipal and central governments that fail to plan adequately—to designate sufficient land for urban expansion, to layout and build secondary road networks in advance of urbanization, to invest in increasing volume and improving the distribution of the urban water supply, to invest in sewerage treatment, to designate and aggressively protect sensitive natural areas from encroachment, or to reserve adequate land for public uses and public open spaces. Needless to say, they also have meager resources for supporting the housing efforts of the urban poor with subsidies, mortgage loans, and micro-loans.

The proposed approach of the Taskforce to new shelter needs must emphasize that:

- a. Deterring the formation of slums can only mean deterring the formation of unplanned settlements that allow for their inhabitants to experience shelter deprivations for long periods of time;
- b. Municipal and central governments must aggressively initiate preparations for absorbing the next wave of urban migrants, as well as their own natural population growth, by removing barriers to mobility in all their forms, and by preparing adequate lands—served by primary infrastructure—for timely urban expansion;
- c. Municipal and central governments cannot micro-manage the creation of houses and neighborhoods, and the development of residential land subdivisions must be left to formal, informal, or civic sector developers; and
- d. Subsidies, mortgage loans, and micro-loans should be targeted at *dwellers*—rather than at suppliers—to supplement their own resources, and must be adequate to overcome basic shelter deprivations within a limited time period.

It must be emphasized here that the available experience in preparing for absorbing new urban population growth is inadequate; that most governments are still preoccupied with preventing further urban population growth for one reason or another; that important urban decision-makers still believe that improving the lot of the urban poor will *accelerate migration* into urban areas, something that it to be avoided; that anti-poverty measures are still focused on rural areas; and that governments have been very reluctant to invest in preparing to absorb urban expansion *ahead of urban development*, even though it has been amply demonstrated that such investment is highly cost-effective. Unfortunately, the objections to pro-poor urban policies are not addressed with effective argumentation and convincing evidence in the Taskforce report, thus obscuring the full implications of its proposed strategy.

Moreover, while the proposed modification of Target 11 by the Taskforce is welcome, it is entirely unrealistic to expect that it will be attained as envisioned. Public housing was largely abandoned because it failed to meet needs on a sufficient scale. Even the 100 or more sites-and-services programs supported by the World Bank in the

1970s and 1980s yielded very little housing solutions, in quantitative terms, in comparison with need. In short, it has not yet been possible to scale up the *provision* of adequate shelter for the urban masses. As with slum upgrading, there is project experience and some program experience here and there, but there are very few national programs that build at scale to meet needs.<sup>6</sup> This is why unplanned slums continue to grow unabated, and why government programs that build *for* people—rather than creating the conditions for shelter production to prosper—have lost their credibility and legitimacy.

What is necessary now—as the second prong of the two-pronged approach proposed by the Taskforce—is a *parallel initiative* to the slum upgrading initiative, one that seeks to bring the creation of new housing to scale, so as to reduce the formation of new slums. Realistically speaking, it will be a great achievement indeed if, by 2020, it were possible to prepare cities for absorbing all their projected growth—by opening up sufficient land for settlement so that its price remains affordable, by servicing this land with primary infrastructure networks, by training and licensing formal, informal, and civic-sector land subdivision developers, by setting aside adequate lands for public use, by protecting sensitive natural lands from encroachment, by legitimizing the progressive development of houses and communities, and by instituting effective systems for allocating subsidies, mortgage loans, and micro-loans on an adequate scale. In short, by setting up *an enabling environment* for decent shelter to be constructed in an efficient, equitable, and sustainable manner by a host of intermediaries in the formal, informal, and civic sectors.

Unfortunately, the Taskforce report does not elaborate on such a vision, and limits itself to costing out typical low-cost housing projects—minimal land-and-house packages on adequately-serviced land. While this approach may correctly estimate the volume of direct subsidies for supporting and micro-managing low-cost housing projects, it fails to estimate the real costs of the primary infrastructure and the public services needed to absorb the next wave of urban population growth. Again, it is important to emphasize that the urban population in the developing countries will double in the next 30 years, from 2 billion to 4 billion. Absorbing this growth poses an enormous challenge to cities and countries, and its cost is by no means limited to the cost of housing subsidies for the urban poor. Allocating billions of dollars in subsidies for removing shelter deprivation can only be justified if adequate resources are allocated for creating adequate room for urban expansion, so that land prices remain affordable, and so that the poor are not forced to spend inordinate amounts of money on transport and urban services.

In conclusion, the part of the Taskforce report that addresses new shelter needs to be tightly argued, more focused on the role of government in absorbing future growth while allocating adequate resources to assist the poor in overcoming shelter deprivation, and combining efficiency with equity and sustainability arguments rather than focusing only on equity issues.

### **A proposed monitoring framework for Target 11:**

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<sup>6</sup> The city-state of Singapore—which has no rural-urban migration—is the only notable exception, and largely an exception that proves the rule.

*Monitoring the 'new shelter' component of Target 11:* The monitoring system set up by UN Habitat focused only on 'slums,' and did not seek to address the construction of new shelter, which would be mandated by the redefinition of Target 11. Assuming that the redefinition reads as proposed earlier – “By 2020, improving substantially the lives of at least 100 million slum dwellers *while providing adequate alternatives to new slum formation*” – what are the implications for monitoring the target? The first, simple, and straight-forward answer to this question is that monitoring Target 11 should still focus on measuring shelter deprivations over time, as discussed earlier. These pertain to old as well as to new housing. To the extent that public authorities succeed in either accelerating the provision of infrastructure, subsidies, and micro-loans in existing settlements, or in enabling the formation of new settlements that rapidly overcome their basic shelter deprivations, to that extent progress is being made on Target 11. In terms of measuring *quality*, therefore, there is thus no fundamental difference between monitoring new shelter or old shelter.

*Monitoring the quantitative dimension of new shelter:* Measuring shelter deprivation does not address the question of whether shelter is produced in adequate *quantity*, or conversely, whether there are serious *quantitative housing deficits*. This is a key policy question, a question which is typically the subject of debates focusing on the housing question. And for good reason: It is of crucial importance to know whether the shelter production system is producing new dwellings in adequate *quantities*, regardless of quality. If it does, it indicates—at the very least—that there is *adequate access to land*, at least in quantitative terms, and that homelessness is not on the increase. In general, this means that there are relatively small quantitative housing deficits, and that the main policy issue to be tackled is the reduction of shelter deprivations through upgrading.

Fortunately, there are reliable census data to measure the quantitative dimensions of urban shelter system. Typically, decennial censuses provide data on the following indicators, broken down for the country as a whole, for urban areas, and for rural areas:

- a. Total population;
- b. Total number of households;
- c. Total number of dwellings;
- d. Total number of occupied dwellings; and
- e. Owner-occupancy.<sup>7</sup>

The first four of these indicators allow us to calculate several direct and indirect measures of quantitative housing deficits, for example:

- a. Household size;
- b. Persons per dwelling unit or, conversely, dwelling units per '000 people;
- c. Households per dwelling unit; and
- d. Households per occupied dwelling unit.

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<sup>7</sup> Owner-occupancy will not be discussed further in this note, but it is recommended that data on this indicator be collected regularly, as part of monitoring Target 11, as it appears to be highly correlated with the ability of the urban poor to accumulate wealth.

Since all these measures are readily available, data on all of them could be regularly collected and tabulated as a key activity of monitoring Target 11.<sup>8</sup> *Net increases or decreases* in any one of them between two census periods will give a strong indication whether or not the urban shelter production system is keeping up with demand. One could easily calculate their annual rate of change and compare any of the following indicators to see whether residential land plots and dwelling units are being produced in adequate quantities. These rates of change may include:

- a. The annual rate of population growth;
- b. The annual rate of new household formation;
- c. The annual rate of net housing production (i.e. new production minus demolitions or evictions); and
- d. Excess housing production (the rate of net housing production minus the rate of household formation).

Clearly, if *net housing production* exceeds the *new household formation* there is a good indication that the shelter delivery system is managing to provide all new households with some form of access to land, that homelessness is unlikely to be on the rise, and that dwelling units are being produced in adequate quantities to meet new needs (although possibly not without creating new housing deprivations, and not necessarily adequate to meet previous backlogs). It is therefore proposed that these quantitative indicators also be used regularly as indicators for monitoring Target 11.

*Using Shelter Deprivations as the flagship indicators for monitoring Target 11:* It is of great importance that the *flagship indicators* selected by UN Habitat and other international organizations for monitoring 'slums' (or, more generally 'shelter') be simple and straight-forward, easily understood, and commonly available. Using the four basic shelter deprivations to measure local, national, and global progress on Target 11 should therefore be the preferred approach. These four indicators should be designated as UN Habitats' flagship indicators. In addition, it is proposed that data be collected on all the quantitative shelter indicators listed above, as it can be done with relatively little cost and effort. These dozen or so indicators could be collected systematically and reliably for all countries, for urban and rural areas, and for as many cities and urban agglomerations as practicable, and published regularly, both by UN Habitat, and—through UN Habitat, if possible—by the World Bank's *World Development Indicators*. The indicators that are not flagship indicators should be collected as a matter of course, but not advanced as flagship indicators.

Unfortunately, the above list practically exhausts the *readily available* indicators that can be used to monitor Target 11 at the national, urban, and rural levels. This leaves out, however, a host of indicators that need to be measured—using more intensive methods in selected locations or in a global sample of cities—for more comprehensive monitoring of Target 11, to be discussed further below.

*The underlying objectives for monitoring Target 11:* Before defining the needs for a more comprehensive monitoring of target 11, there is a need to articulate the underlying

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<sup>8</sup> A more detailed discussion of how these indicators can be used to explain different aspects of quantitative shelter deficits is outside the scope of this policy note.

motivations for monitoring it in the first place. These have not been articulated before, and the Taskforce report does not provide a clear and concise motivation for pursuing Target 11. At the very least, monitoring Target 11, and raising its global profile, is needed for the following reasons:

- a. Drawing attention to *the urban agenda* as a key component of the development agenda, and providing rigorous knowledge to support intelligent discussion of urban issues;
- b. *Developing the capacity* among multiple national stakeholders for undertaking policy analysis and for implementing multi-stakeholder urban programs;
- c. Legitimizing *the gradual approach* to shelter and land development as a viable way of creating adequate shelter over time;
- d. Focusing *attention on urban poverty* and on combating urban poverty through place-based interventions, in addition to other means;
- e. Promoting *national urban upgrading programs* as well-targeted, place-based interventions;
- f. Advancing *viable alternatives to new slum formation* in adequate quantities as the urban population doubles in size during the next 30 years;
- g. Introducing the *granting of secure tenure rights* as a key component of development policy;
- h. *Improving our understanding* of shelter and urban phenomena for which data is not yet commonly available;
- i. Increasing the volume of *rigorous quantitative research* in and on developing countries on important policy issues;
- j. Creating and disseminating global and regional *comparative norms and benchmarks* to assist decision makers.

Indeed, introducing Target 11 into the global development dialogue and monitoring progress towards attaining it can advance these important goals to a significant degree in the coming years. Properly done, it can yield valuable and convincing information that can generate greater commitment and direct more resources towards attaining these goals. Improperly done, however, it can lead to a loss of credibility in the institutions championing these numbers and to a loss of faith in these goals. At this time, it is clear that there is insufficient available data for answering key questions about Target 11, most notably questions about the 'secure tenure' initiative, a key part of the target.

*Local and national vs. global monitoring of Target 11:* Local and national needs for monitoring are quite different from the needs for global monitoring. Local and national monitoring efforts need to be tailored to local issues, and are typically championed by stakeholders—be they public agencies, private sector organizations or NGOs—with an incentive to produce data to further their social and political agendas. Global needs for monitoring are motivated by (a) the need for global norms, (b) the reporting needs of international agencies like UN Habitat and the World Bank, and (c) the need for global comparative research on key urban phenomena. It has now become clear that global needs for monitoring cannot be the sum total of local and national monitoring efforts

because of (a) the need for comparability in definitions and methods of collection, and (b) the need for completeness in reporting—i.e. the same indicators need to be reported on for all countries (or cities). Both types of monitoring are of crucial importance, and resources and efforts need to be directed at both. This note focuses on the *global* monitoring of Target 11. There is little doubt that rigorous global monitoring of Target 11 will improve the methodology—as well as provide benchmarks and a comparative framework—for national and local monitoring.

*Intensive monitoring of Target 11 in a global sample of 120 cities:* The World Bank Research Committee has recently approved a grant for the *Urban Growth Management Initiative*, a research project aimed at increasing awareness of the need to manage the expansion of cities in the developing countries as their populations double during the next 30 years. The first phase of the research will calculate the built-up areas in 120 urban agglomerations in two time periods using satellite imagery, and compare them to their populations during the last two censuses. This sample of cities was drawn from the universe of 2,719 world cities that had populations in excess of 100,000 in the year 2000, selecting cities in nine different geographic regions, four city size groups, and four national per capita income groups. This sample was selected as a sub-sample of the UN Global Urban Observatory sample of 353 cities, and contains 32 of the 35 cities in the Urban Observatory's reduced sample. Satellite images have now been obtained and are now being analyzed, and census data are being collected. The U.S. National Science Foundation (NSF) has recently approved a second grant to the research group conducting the study. This grant will be used to hire a local consultant in each city to collect data on the planning regime, on the characteristics and prices of low-income housing, and on a few other indicators. Discussions are underway with UN Habitat to participate in this study, with the objective of monitoring some of the indicators of the Habitat Agenda in preparation for Habitat III, to be held in Vancouver in mid-2006.

What is proposed in this policy note is to focus the study of 'slums' or informal settlements on the sample of 120 cities that are already being studied by the Urban Growth Management Initiative. The method envisioned for collecting the data can be broken down into two discrete, yet complementary steps. The first step—remote-sensing data analysis—focuses on estimating the total number of persons and dwellings in 'slums' defined as informal settlements, mostly using air photographs for two time periods. The second step involves (a) administering a custom-designed household questionnaire in all the 120 cities in the sample, and (b) collecting city-level data on questions of metropolitan governance, conditions in the land and housing markets, legal frameworks, and urban upgrading programs with the use of structured interviews.

*The Monitoring Urban Inequities Program (MUIP) and the Addis Ababa survey:* Yet another ambitious initiative of the Monitoring Systems Branch (MSB) is the Monitoring Urban Inequities Program (MUIP). The core of the program consists of planned household surveys in a global sample of 35 urban agglomerations. The first Urban Inequities Survey (UIS) was recently completed in Addis Ababa. 1,500 households were interviewed by a market survey firm and the data was compiled and tabulated at an estimated cost of \$80–100,000, or \$60 per household interview. A Japanese government grant of \$450,000 was obtained for using disaggregated census data to generate urban indicators in 6 urban agglomerations: Mumbai, Manila, Lusaka, Cairo, Guadalajara, and Rio de Janeiro. No additional funds for conducting UISs in the rest of the sample have been obtained.

This policy note recommends that the Urban Inequities Survey methodology be extended to the global sample of 120 urban agglomerations, by reducing the sample size to an average of 500 households per urban agglomeration. This will bring together the objectives of the Urban Inequities Program and the objectives of monitoring Target 11, greatly increasing the profile of Target 11, and embodying the monitoring results with the rigor necessary for bringing the results the measure of legitimacy they deserve.

*The key questions that monitoring Target 11 must answer:* Beyond measuring whether shelter conditions are improving or getting worse nationally, regionally, and globally over time using the proposed flagship indicators of shelter deprivation, there are a number of key questions that the more intensive surveys in the global sample of 120 cities – and in later local and national studies that duplicate them – must answer. These questions must be incorporated into rigorous studies that – to yield effective answers – must take place twice in the next 10–15 years, so that changes in shelter conditions can be monitored. Several of these questions are listed here:

- a. To what extent do shelter deprivations correspond to ‘slums’ or informal settlements as commonly understood, and to what extent are they correlated with other measures of poverty?
- b. What share of the urban poor resides in ‘slums’ or informal settlements and what share reside in public housing, in low-cost housing built by the private sector, or in inner-city tenements?
- c. To what extent are living conditions in ‘slums’ or informal settlements different than living conditions in the metropolitan area as a whole, and what are the key aspects of urban inequity?
- d. What is the share of the built-up area of cities, of the total area of cities in residential use, of the total number of dwellings, and of the total urban population in ‘slums’ or informal settlements?
- e. What are the shares of dwellers in ‘slums’ or informal settlements in different legal categories of tenure security and what is their perception of their tenure security?
- f. What are the shares of ‘slums’ or informal settlements that are properly laid out?
- g. What factors (specifically differences in national or metropolitan governance, economic conditions, legal frameworks, and urban upgrading programs) can explain variations in the quantity and quality of ‘slums’ or informal settlements?
- h. What are the relative values (hedonic prices) of different shelter attributes in ‘slums’ or informal settlements that can be determined from questions on self-assessment of the value of dwelling and a set of dwelling and neighborhood characteristics?
- i. What are the cost-to-value relationships in different types of government interventions in ‘slums’ or informal settlements, and what types of interventions have the highest cost-to-value ratios?

- j. What is the total amount of wealth accumulated by the poor in land and shelter in 'slums' or informal settlements, how is this wealth used, and what are the constraints (e.g. absence of proper title documents) to its more effective use?
- k. What policy instruments are presently in use by municipalities and central governments that have a bearing on *de facto* and *de jure* tenure in 'slums' and informal settlements, and what is their record on eviction of slum dwellers?
- l. What are the present conditions in the land and housing markets of cities that have a bearing on *de facto* and *de jure* tenure in 'slums' or informal settlements?

*Proposed methodology for obtaining answers to questions on Target 11 from the global sample of cities:* Preliminary investigations and discussions suggest that the great majority of these questions can be answered—with a great degree of confidence—on a global scale, by relying on a combination of research instruments applied to a global stratified sample of 120 urban agglomerations. These instruments include and supplement the present measurement of the extent of the built-up areas of these agglomerations. Some key instruments are: (a) interpretation of a sample of air photographs for two time periods, to identify informal settlements and estimate their populations; (b) a revised household survey, based on the existing Urban Inequities Survey used by UN Habitat; (c) structured interviews with key stakeholders; (d) census and DHS disaggregated data now being collected by UN Habitat; and (e) collection of documents, reports, and maps from municipal and central-government authorities. These instruments need to be applied in a consistent and systematic manner in all localities, and require a high degree of coordination and quality control. Once data is collected, reviewed, and corrected, they will require considerable and sophisticated analysis for the results to be rigorous and credible.

*The resource requirements for global monitoring of Target 11:* The Taskforce draft report—while trying to estimate the costs of slum upgrading and new shelter requirements to meet Target 11—fails to address both the challenge of monitoring progress toward meeting this target and the cost of meeting this challenge. The preliminary cost estimates of *global* monitoring of Target 11 with two intensive surveys of the global sample of cities are described in table 2 below.

**Table 2: Estimated Costs for Monitoring of Target 11 in a Global Sample of 120 cities**

Item	Cost per City	Subtotal Period 1	Subtotal Period 2	Subtotal
<b>Air photo interpretation</b>		<b>960,000</b>	<b>960,000</b>	<b>1,920,000</b>
Air photo acquisition	2,500	300,000	300,000	
Air photo interpretation	2,500	300,000	300,000	
Global Coordination	1,000	120,000	120,000	
Data interpretation and analysis	2,000	240,000	240,000	
<b>Urban Inequities Surveys</b>		<b>2,520,000</b>	<b>2,160,000</b>	<b>4,680,000</b>
Sample and survey design & supervision	5,000	600,000	240,000	
500-Household Survey	15,000	1,800,000	1,800,000	
Global coordination	1,000	120,000	120,000	
Data interpretation and analysis	2,000	240,000	240,000	
<b>Structured interviews and data collection</b>		<b>840,000</b>	<b>840,000</b>	<b>1,680,000</b>
Data and document collection	5,000	600,000	600,000	

Data interpretation and analysis	2,000	240,000	240,000	
<b>Miscellaneous costs and contingency</b>	3,000	<b>360,000</b>	<b>360,000</b>	<b>720,000</b>
<b>Total</b>		<b>4,680,000</b>	<b>4,320,000</b>	<b>9,000,000</b>

These costs do not include the relatively low running costs of monitoring national, regional, and global shelter deprivations (as well as the quantitative indicators of new shelter production) using available census and survey data. Including those costs, total Target 11 monitoring costs may amount to slightly more than \$9 million. These costs will cover regular monitoring of shelter deprivations and quantitative deficits, a baseline survey of the 120-city sample during 2005–2007 and a repeat survey in 2015–2017. Given that the estimated net cost of meeting Target 11 is of the order of \$200 billion, these global monitoring costs amount to less than 0.005% of the total cost of meeting Target 11, no doubt a worthwhile and a very necessary investment given the magnitude of the proposed effort.

*Some recommendations on finalizing the Taskforce draft report:* A comprehensive review and critique of the Taskforce report is beyond the scope of this policy note. As noted at the outset, the objective of this note was to explore the conceptual framework underlying the proposed redefinition of Target 11 by the Taskforce—and especially its quantifiable dimensions—in light of the need to monitor progress in attaining it. Several recommendations are proposed here, in the spirit of this objective:

- a. *Make the report more concise:* To be effective and easily understood, the Taskforce report must be more concise and more focused, possibly not more than 30–pages in length with a 6–page executive summary that captures its key themes and findings.<sup>9</sup> The body of the report should introduce a set of policies; provide tight argumentation and solid evidence in support of the proposed policies; and outline an action plan for meeting them in practice. As it stands, there are too many different strands in the report and it is very difficult to see how to pursue, let alone monitor, each one of them.
- b. *Reword Target 11 to eliminate ‘deterrence’:* Despite the qualifications in the Taskforce report, it is not unreasonable to expect that ‘detering slum formation’ will be interpreted by governments as a license for eviction and demolition, particularly of new settlements in the making. Governments should not be given a UN mandate to do so, especially while not providing adequate alternatives. It is therefore proposed to modify the wording of Target 11 to read: “By 2020, improving substantially the lives of at least 100 million slum dwellers while providing adequate alternatives to new slum formation,” rather than “by deterring new slum formation.”
- c. *Explain the process of shelter creation more fully:* The Taskforce report, in its effort to direct development assistance to the *urban* poor, paints too dire a picture of their shelter and fails to suggest that urban shelter does improve over time, and that the poor have now accumulated considerable wealth in their shelter. The

<sup>9</sup> At this time, the executive summary does not really capture the essence of the body of the report and in some cases misrepresents the body of the report. For example, the costs of slum upgrading and new site development are estimated at \$74 billion and \$620 billion in the body of the report and at \$400 billion each in the executive summary.

progressive nature of obtaining shelter must be explained and defended, even though it is initially wrought with various shelter deprivations. The removal of these deprivations should be *accelerated*, no doubt, but the process itself cannot be expected to change radically.

- d. *Provide a more varied approach to slum upgrading*: There needs to be a variety of approaches to slum upgrading, some focused on comprehensive upgrading and some on upgrading one or two shelter deprivations at a time for a large number of settlements. The Taskforce report assumes that all upgrading will necessarily be comprehensive upgrading, an assumption that leads to a higher-than-necessary estimate of the costs of removing shelter deprivations. Data is presented in this note to show that there were very few dwellings—even in Sub-Saharan Africa—that had all four basic shelter deprivations.
- e. *Emphasize the need to welcome the poor into cities*: It is not clear from the Taskforce draft report whether the process of urbanization should be encouraged or discouraged, and whether pro-poor urban policies are likely to be resisted if they are seen to accelerate urbanization or to harm the environment. The taskforce should take a positive view towards urbanization and urge governments to prepare for it, rather than discourage it, with the view that the rural poor make a rational choice by moving into cities, and that it is easier and more effective to assist the poor in cities rather than in the countryside.
- f. *Recommend a realistic program for rapidly increasing the supply of new shelter*: The two-pronged approach to shelter deprivation in the Taskforce report is commendable, as it balances the need for improving existing shelter deprivations and the need to prepare for the absorption of vast new populations into urban areas in a relatively short time. However, the set of policies and programs necessary to quickly bring new adequate shelter into being are not fully developed in the draft report. Instead, the report assumes that it is possible to provide *immediate* alternatives to slum formation on a vast scale, a highly unrealistic scenario, even if adequate resources were made immediately available.
- g. *Use Shelter Deprivation and Extreme Shelter Deprivation to monitor Target 11*: There are reliable census and survey data typically available in all countries on the four basic shelter deprivations: lack of improved sanitation, lack of improved water supply, non-durable structures, and overcrowding. Lacking one or more is a sign of *Shelter Deprivation*, and lacking three or four is a sign of *Extreme Shelter Deprivation*. These should be used, both nationally and globally, as the *flagship indicators* for monitoring 'slum' conditions or shelter conditions, and supplemented by readily available data on the quantitative dimensions of new shelter.
- h. *Use a global sample of cities to monitor Target 11 more intensively*: Data on secure tenure, for example, as well as data on a host of issues that pertain to Target 11, cannot be obtained from available statistical sources. It is proposed that the collection of such data be focused on a global sample of 120 cities, a sample that is already being used in a World Bank research initiative, recently supplemented by an NSF grant, and soon to be strengthened by a new UN Habitat initiative. Data collection in the proposed sample will include both remote sensing (to

assess the extent of 'slums' or informal settlements), and household surveys to examine urban inequities. The estimated cost of monitoring Target 11 in this sample of cities, in two time periods some 10 years apart, is of the order of \$9 million, of the order of 0.001% of the estimated budget for achieving the Target's goals.

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