

PARTICIPATORY SLUM UPGRADING PROGRAMME (PSUP) *PHASE II*
WORKSHOP, STRATEGY AND POLICY SETTING

19-24 SEPTEMBER 2011

Resource Mobilisation Strategy for Slum Upgrading

Components of a slum upgrading programme

- 1. SLUM SITUATION ANALYSIS
- 2. REVIEW OF POLICIES AFFECTING SLUM AREAS
- 3. SLUM UPGRADING AND PREVENTION STRATEGY
- 4. **RESOURCE MOBILISATION STRATEGY**
- 5. PROJECT PROPOSALS
- 6. PROJECT IMPLEMENTATION
- 7. SLUM SITUATION ANALYSIS

Resource mobilisation strategy for slum upgrading

Coverage:

- Different sources of funding for slum upgrading.

Activities:

- Collect data; analyse data; produce recommendations and discuss recommendations with Country Team.

Responsible:

- Implementation Partner, in consultation with the Country Team.

Deliverable:

- Report with a resource mobilisation strategy.

Why a resource mobilisation strategy is required:

- Countries in general rely in few sources of funding for slum upgrading, what is certainly not enough;
- There are some sources that could increase their allocation to slum upgrading, depending on proposals;
- There are other sources that are not participating & could be included with a progressive participation;
- There are procedures that could be improved to increase revenues allocated or to be allocated to slum upgrading;
- There is a need to have a permanent and solid fund to cover slum needs.

Suggested Sources of fund to study

- Municipality regular budget :

Annual increase and potential sources to increase the municipal budget; better use of existing funds;

- Municipality city revenue :

Improve in collection; alternative possible taxes;

- Budget support from donors to central budget :

Budget support from donors to central budget exist for education, health and others in a considerable %. Would be advisable to initiate negotiations to cover slum needs;

Suggested Sources of fund to study

- **Cross-subsidy service charges:**

Water, electricity, gas and other bills could include a cross-subsidy system to benefit slum areas;

- **Loans for service/infrastructure provision:**

Municipalities could have access to loans for service & infrastructure provision, paid by the revenues that those services will provide. Private sector could play an important role;

- **Loans to communities:**

Alternative loans could provide facilities to communities for capital investments or for community members;

Suggested Sources of fund to study

- **Direct donor funding for projects:**

Areas of intervention could be defined, better use could be suggested, better quality project proposal could help;

- **UN, EC, NGO funding:**

Areas of intervention could be better coordinated, a municipal strategy & quality projects could help;

- **Community contribution with payment:**

Direct community payment for subsidies or projects;

- **Community in-kind contribution:**

Could help for increasing amounts allocated for slum upgrading.

Resource mobilisation strategy: **Reporting**

- The resource mobilisation strategy report should be prepared from the findings and recommendations identified for each of the different potential sources analysed, evaluating their rational and effectiveness.
- The report should suggest proposals, areas of intervention and potential amounts for additional funding to be mobilised for covering slum upgrading needs.