



**International
Institute for
Environment and
Development**

Human Settlements
Programme

**From Community Development and
Mutirão to Housing Finance and *Casa
Melhor* in Fortaleza, Brazil**

Yves Cabannes
Coordinator, Programa de Gestión Urbana

This is one of a number of books, reports and background papers on poverty and on poverty reduction in urban areas prepared by IIED with support from the Swedish International Development Cooperation Agency (Sida). These also serve as background documents for the series of workshops on *Poverty Reduction in Urban Areas* organized by IIED in collaboration with the Thai Fund for Community Development, IIED-América Latina and the People's Dialogue with support from the Urban Poverty Alleviation Programme, Ministry of Foreign Affairs, the Netherlands.

From Community Development and *Mutirão* to Housing Finance and *Casa Melhor* in Fortaleza, Brazil

Yves Cabannes¹

Coordinator, Programa de Gestión Urbana

Casilla 17-01-2505

Quito, ECUADOR

Tel: (593) 2 583961

Fax: (593) 2 583961

E-mail pgu@impsat.net.ec

¹ This paper draws on Bodart, Patrick, Yves Cabannes and Débora Cavalcanti, *Del Mutirão al Programa Comunidades; Un ejemplo de producción social de urbanizaciones populares con cambio de escala en Fortaleza* (From *Mutirão* 50 to Community Programme; An Example of Community-built, Low-cost Developments on Different Scales in Fortaleza), Habitat International Coalition, Mexico City, 1995 and Cabannes, Yves, "Alternative municipal finance for home improvements in Brazil", *Trialog* No.47, 1995, pp. 12-19.

CONTENTS

Summary	1
I. Background	1
II. The <i>Comunidades Programme</i>	4
a. Introduction	4
b. One example of a <i>Mutirão</i> Project: Parque Haval	
i. Background	5
ii. The different organizations involved and how decisions were made ..	6
iii. Developing the land site	7
iv. House design and construction	8
v. The building process	8
vi. Resources and financing	9
vii. Legal aspects	10
c. Notes on social methodology	10
d. Technological Choice and adaptation	13
i. Technological analysis	13
ii. Lessons learnt	13
iii. The process of innovation: from experimentation to mass production ..	14
e. The impact and limitations of the <i>Comunidades Programme</i>	
i. Impact on public policy	15
ii. Impact on practices and policies of popular initiatives	16
iii. Impact at the international level	16
III. <i>Casa Melhor</i> , A Community Fund for People's Housing	
a. Establishing the Fund	17
b. The <i>Casa Melhor</i> financial system	18
c. Loan conditions	20
d. How <i>Casa Melhor</i> operates	21
e. Forming savings and loan groups	22
f. Financial and operational issues	23
g. Achievements and limitations of the housing finance system	24
h. Possibilities for addressing growing demands	25
IV. SOME GENERAL CONCLUSIONS	26
Notes and references	29
Box 1: The People's/Popular Urban Movement in Fortaleza	2
Box 2: Cearah Periferia and GRET; the two support NGOs	3
Table 1: <i>Casa Melhor</i> : Summary of different financing conditions (Sept 1995)	19
Table 2: <i>Casa Melhor</i> : Summary of different financing conditions (early 1996)	19
Table 3: Comparison of Basic Financial Conditions of <i>Casa Melhor</i> and PAAC	21

From Community Development and *Mutirão* to housing finance and *Casa Melhor* in Fortaleza, Brazil

Yves Cabannes

Summary: This paper describes two new approaches to financing and supporting the improvement of housing and living conditions for low income groups in Fortaleza, capital of one of the poorest Brazilian states. The first is the *Comunidades* programme which primarily supports the development of new homes, settlements and income-generating activities for the lowest income groups through *mutirão*, mutual self help (as the participants collectively build and also manage the building process). This is sometimes known as the *Mutirão* programme. The paper presents a case study of one project within this wider programme, *Parque Haval*, to illustrate how it works. This is followed by a description of the social methodology and technical guidelines employed, and a discussion of achievements and limitations and of what has been learnt.

The second programme described is the *Casa Melhor* (meaning 'better house') which provides loans, subsidies and technical support to households living in squatter settlements or other poor quality settlements to improve, rebuild or expand their homes. Although there are elements of mutual aid, this is primarily support for individual self-help. In section III, the paper explains how this fund was developed, along with support programmes provided by NGOs and government agencies to help it function. The programme is financed through a combination of savings, loan and subsidy and has achieved high rates of repayment for the loan component. This section also describes its achievements and limitations - and what possibilities exist for scaling up the support for housing finance of this kind to meet growing demand.

The concluding section reflects on what the experience with both these programmes imply for future work in this area.

I. BACKGROUND

In 1987, after the fall of the dictatorship (which had lasted from 1964 to 1984), a national government programme of mutual aid housing called *Mutirão* was launched. This was partly in response to pressure from the urban social movements which had also had a major role in promoting democratisation. The *Mutirão* programme offered community organizations grants to allow them to buy materials to build their houses through self-help. The original target of 400,000 units was never achieved and the programme was suddenly halted 1990 by the (then) newly elected President Collor. However, in a few large cities including Fortaleza, the programme continued. Fortaleza, situated in the north east of Brazil is one of the largest and the poorest cities in Brazil.

In Fortaleza Metropolitan Region, more than a third of the 2.5 million inhabitants live in *favelas*, illegally squatting on land with few services and poor living conditions. The *Mutirão* programme received support from the state and municipal governments and resulted in more than 10,000 houses being built. The results were encouraging - and Section II presents more details of one part of this, the *Comunidades* programme. However, some problems were evident. First, the scale was insufficient, given the 150,000 houses that were required. Second, special

organisations, "Popular Societies", had to be formed to implement the initiative within an already determined set of rules, despite the existence of many strong local residents associations. Third, those living in the new houses were not given land tenure and neither the local authority nor the state government were willing to address this issue. On the positive side, the programme encouraged the creation of community funds which were managed by the Popular Societies and these resources were created by repayments from those households who had benefited from the programme.

At the beginning of the 1990s some of the hundreds of local grassroots organisations in Fortaleza began to reflect on what they should do, as the federal *Mutirão* programme was stopped, and as increasing corruption and financial difficulties had led to the closure of one of the major Brazilian finance housing institutions, the National Housing Bank. At that time, the movements, both locally and nationally, had a very clear demand to the government.

For those with wages below four times the minimum wage,¹ land, infrastructure and building materials should all be provided by the state free of charge, and with this the low income household could develop their own home. This had resulted in a stalemate because the government refused to provide this finance. The strength of these people's movements (see Box 1) was such that any change in policy had to emerge from an internal process of reflection.

Box 1: The People's/Popular Urban Movement in Fortaleza

The numerous people's organisations in Fortaleza cover the whole gamut of socio-political allegiances in Brazil. Here we identify four great urban movements. They reflect party differences and alliances, and the power of the Catholic Church that is still influenced by Liberation Theology. They are:

1. The *Federação de Bairros y Favelas* (The Federation of Neighbourhoods and Squatter Settlements)
2. *União das Comunidades da Grande Fortaleza* (Union of the Communities of Greater Fortaleza)
3. *Comunidades Eclesiais de Base -CEBS-* (Grass Roots Groups formed within Catholic Parishes)
4. Independent Groups; these either emerged at elections times to get some benefit from candidates and participate in their elections, or are related to some specific struggle (for instance women movements, black culture or Indian defence movement).

The energy and dynamism of this well organised movement has provoked intense debate and confrontations with the authorities and their obvious neo-liberal tendencies. The existence of this movement has important practical implications for the context of *Mutirão*

These federative organisations gather around them grass roots organisations from all the neighbourhoods of Fortaleza. The grass roots organizations with their very diverse natures and aims (including youth groups, theatre groups, black groups and women's groups) energise the city with their proposals and demands. Because of the distance between the grass roots and these federations, there seems to be a trend to form large neighbourhood organisations that are linked, not by ideology, but by geography, proximity and area of

activity. For instance, the Pirambú umbrella organisation brings together about 70 neighbourhood organisations.

Moreover, groups that work together to propose an alternative housing policy to the government, in spite of ideological differences, display a greater level of maturity. Despite the setbacks that the urban movement has suffered, it is still important and influential. In addition, the State Government of Ceará, has also felt the need to provide a convincing response to the pressure that has been brought to bear on it, and has been relatively open to proposals and debate relating to the formulation of more appropriate public policies.

At the end of 1992, more than 100 leaders from about 30 grass roots organisations took part in a meeting which agreed to the creation of a "Community Fund for People's Housing". A commission of 21 representatives met regularly over six months to develop proposals and define lines of actions. This is described in Section III.

Two NGOs have had important roles in both the programmes described in this paper. The first is Cearah Periferia,² formed in 1991 by four social workers. The second is GRET, a French based NGO with a locally based professional staff. Box 2 gives more details of these two support NGOs.

Box 2: Cearah Periferia and GRET; the two support NGOs

Cearah Periferia (Centre for Study, Coordination and Reference concerning Human Settlements) is a Brazilian non-governmental organisation, created in 1991, with headquarters in the city of Fortaleza. Its main objective is to develop creative and innovative processes that emphasise the participation of the people who are the real builders of the city - and in so doing, to support the Popular Urban Movement in its struggle for decent living conditions, opening up channels of participation for citizens, as well as for interaction with the public authorities.

It works mainly within the Fortaleza Metropolitan Area, aiming to support the most deprived segments of the population and seeking to build a new kind of citizenship, not only through direct action, but also through forums for debate, study and research into human settlements and the environment. These become means to help establish democratic relations between social organisations and the State and encourage exchanges between the various community organisations.

Its areas of action include:

* Direct advice to the Popular/People's Urban Movement: Support for the rescue of popular history, school for town planning and popular research; and advice on the elaboration and evaluation of community projects that use participatory methods.

* Advice to NGOs and local governments: Advice on the evaluation of programmes and projects and analysis and planning through participatory tools and methods.

* **Credit and financial advice:** Study and implementation of alternative systems for financing popular housing; and the creation of community-based savings institutions, and self-managed community funds.

* **Advice on architecture, town planning and technology:** Development of plans, projects, participative design, introduction of alternative techniques, training in the organisation of mutiroes (mutual aid groups).

* **Job and income creation:** Coordination of micro-development projects with job- and income-creating projects; support for the informal economy.

* **Communication, information, documentation:** Participation in the Voices of Silence Network and within the Habitat International Coalition; publication and distribution of documents, creation of the CIDADES documentation centre (Communication, Information and Diffusion for Action and Development); organizing seminars, and supporting people's documentation centres and publishing.

GRET (Group for Research in Technological Exchange) is a non-government organisation with 70 employees based in France. It has been active in about 40 countries since 1976. It is organised in three departments: agriculture, enterprises and cities, exchange and communication.

In Brazil, GRET is composed of a small local independent team and it has supported various urban programmes. It is related to the implementation of the Urban Policies and Dynamics programme of Franco-Brazilian cooperation. It also receives considerable support from the European Economic Community and channels resources from European foundations.

Any involvement by GRET in a country as large and powerful as Brazil means that most of its work is supporting institutions or organisations active in the country. Thus, the work of GRET's urban team in Brazil centres on two collaborative relationships:

* **Cooperation with Cearah Periferia, the Brazilian NGO described above in various activities including:**

- Two small-scale town-planning projects: Residencial Nova Alvorada and Castelinho.
- A programme for improving housing through the introduction of loans from the *Casa Melhor* (better housing) people's savings bank (described in Section III)
- Assisting neighbourhood groups and the People's Urban Movement on the local, regional and national levels.

* **Cooperation with the public sector:** the State Government of Ceará to implement the *Comunidades* Programme (more details of which are given in Section II) and with Local Authorities, particularly Fortaleza, for the implementation of *Casa Melhor*.

II. THE *Comunidades* PROGRAMME

a. Introduction

The case study of the *mutirao* presented below that was part of the *Comunidades* programme is very different from those developed only by the municipality or the state. The intention of the *Comunidades* programme in which for the first time NGOs were involved, jointly with training institutions such as universities and vocational schools. Among the basic differences that distinguished the *mutiroes* of the *Comunidades* programme from the conventional *mutiroes* are:

- the land should be given to the organization
- existing grassroots groups are respected and there is no creation of a new one
- the *mutirao* is not limited to the building of one's house but also to the development of a land site with, among other things, shops, workshops, kindergarten and leisure areas
- income generating components are integrated within the *Comunidades* but are lacking within conventional *mutiroes*
- It is geared to strengthening community and providing jobs and not only building houses. The house is a means, not an end.

b. One example of a *Mutirão* Project: Parque Havaí

i. Background

The Parque Havaí project was the first among eight planned micro-developments within the *Comunidades* Programme. The whole Programme involved the building of 1,000 homes with provision for infrastructure, the creation of 500 jobs, and a broad-based programme of training and communication. The Managing Board called "The Integration Council" is composed of representatives from the various participants: dwellers associations, representatives from the four local authorities involved, educational institutions (State university, Vocational Training College) and concerned institutions from the Ceará State Government.

Parque Havaí was the first *Mutirão* of the *Comunidades* programme. It is in Eusébio, a town southwest of Fortaleza, with less than 30,000 inhabitants. Eusébio recently separated from Aquiraz, which was the first colonial capital of Ceará. It is divided by highway BR 116 which links the Northeast of Brazil to Rio de Janeiro (a distance of 2,800 km). Eusébio has a number of medium and large industries, and a number of profitable small farms.

In 1991, it had the highest per capita income in the State, and was one of the few places with incomes higher than the national average of US \$2,600 per inhabitant. However, it also has a large number of people living in very poor quality housing including the squatters occupying roads and streets, called *becos de prefeituras* and various small *favelas* scattered throughout the town. To address this, the Town Council signed an agreement with the State Government of Ceará in 1991 through the State Secretariat of Labour and Social Action and its related Social Action Foundation (Fundação da Ação Social or FAS), the Ceará State Housing Company (Compania de Habitação, or COHAB), the Eusébio Neighbourhood Association (Associação dos moradores de Eusébio) and GRET, with the aim of working together to develop an area of 3 hectares, building 150 houses, and generating at least 75 jobs. Subsequently, the State Secretariat for Planning joined in and the Ceará State Housing Company (COHAB) withdrew.

Once the social workers from COHAB and from the municipality had identified the neediest areas of the town, the state and the council's social team developed a socio-economic file for 404 families. The processing of this data was passed to the families who, applying the criteria put together by the various collaborators, selected a group of 50 families to benefit from the first stage of the project. Once the first stage had begun, the social team drew from the same file and using the same participative procedure selected a second group of 100 families.

The family profiles showed that:

- there were 230 residents in the first stage and 520 in the second - a total of 750 persons
- monthly family incomes varied from less than 1 to 2 minimum wages (US \$80 to \$160) a month
- Most households had previously lived in rented houses made of *taipa* (reinforced clay) built on uneven ground; most had not had toilet facilities.
- Most of the workforce were labourers employed on *sítios* (farms) or in the tertiary sector; there were also some unemployed and retired people.
- Most families (70%) had come from other cities in the interior less than 3 years previously, looking for somewhere to put down roots and enter the labour market.

Regarding community organisation, most families were not directly involved in the work of the Eusébio Residents' Association or in other collective organizations or movements. The first group of 50 families was therefore organised through a specific department, with the help of the Association already active in the town. One year later, when the second group of 100 families joined the project, and as the work developed, the people decided to create an independent new association. This association, *Cidade Nova*, brings together the 150 families taking part in the *Comunidades* mutual aid process initiated in Eusébio.

ii. The different organizations involved and how decisions were made

With the Eusébio *Mutirão* (as with other parts of the *Comunidades* Programme), the responsibilities of all those involved are clearly outlined:

- The Ceará State Government, through its Planning Department (general coordination of activity, mobilisation of national resources), COHAB (the state company for the construction of houses - until March 1994) and the Social Action Foundation. This Foundation is responsible for everything related to job creation and income: the mini industrial zone, workshops for the production of building materials, and market and other research. It is also responsible for the support offered by technical teams, physical space for the functioning of the project and the supervision of infrastructure works. From July 1994, the Foundation also took over the housing aspect, including the supervision of the whole building process and the organisation of the families

The Town Council provided the land which will be transferred to the Association at no charge, as soon as the expropriation and the regularization is achieved. It was also responsible for installing the infrastructure and for the technical team that supervised work

The *Cidade Nova* Residents' Association was responsible for mobilising the families, the organisation and monitoring of each family's 20 hours of work per week, and supervision and control of financial contributions after the handover of the houses

GRET was responsible for technical support for urban planning and experimentation, for covering the cost of technological innovations and the building of prototypes and the mobilisation of external resources.

Other collaborators for the whole *Comunidades* programme included the State University and Federal Technical School which guaranteed continuing training for technicians and mutual aid participants, and Cearah Periferia which ensured the dissemination of information.

Thus, the work of each collaborator has to be distinct and clearcut, corresponding to their agreed responsibilities, with points of coordination, negotiation and exchange between them. The Integrated Board brings together representatives of all the institutions involved (a total of some 15 organisations) and was created by Government decree. The Board meets each month. It is not only a decision-making forum but also an effective means of communicating action and of learning democratic practices.

iii. Developing the land site

The need to find an appropriate land site led the collaborators to draw up a list of criteria concerning suitability for construction, appropriate climatic conditions, access and legal status. Various sites were visited before the Parque Havaí was finally selected. This site was chosen despite the lack of water, because it had the advantages of being a growing neighbourhood with a good location (only 1.5 km from the centre of Eusébio) with facilities useful for construction - surrounded by built-up areas, close to sources of electricity and close to another *Mutirão* carried out by the Council two years previously.

After the transfer of the land from the Council to the *mutirão*, development studies began. The technical teams produced a master plan which differed from most development plans that are designed without a clear definition of criteria. It was based on:

- * Respect for the existing natural environment. This is particularly important in Northeastern Brazil, taking into consideration the prevailing winds, orientation, natural water drainage channels and existing trees
- * A hierarchical street plan with different levels of roads - from paths and secondary streets to main roads, giving priority to pedestrians, which is uncommon in low cost housing schemes
- * Integration of the site into the structure of the neighbourhood, both on the physical level and in terms of the relationships between the different neighbourhoods.
- * Provision for smaller public spaces (squares) and public facilities (kindergarten, shopping centre, mini industrial zone)

The plan retained 10 trees at locations where squares would be, and where meetings, the first *fiestas*, as well as leisure activities took place in the shade of the mango trees.

Once the selection of families was complete, work began on supporting community organisations and consciousness raising. This covered such issues as what is a *mutirão*; what are the working

conditions; how is work divided; and who will supervise the work.

The first construction in the area was in 1992 - a community woodwork shop to make and sell the doors and windows for the project houses. Through the Social Action Foundation and GRET, the workshop was equipped with tools and material and, with the help of instructors, trained the self-build participants interested in carpentry. At the beginning, the workshop built for the first 50 families. It also served as a meeting place for them, as well as a production area for the foundations of the houses.

When the workshop was completed, the families began building their houses. At the end of the first stage, the other 100 families joined the association, and also began building. This second group also had responsibility for the construction of the shopping centre that had 8 shops.

iv. House design and construction

The house plan was based on the design developed by an earlier project, *Mutirão 50*. It was 33 square metres in size, with space available on each lot of some 120 square metres for extension. Each house had a living room, two bedrooms, a kitchen and bathroom. Each house was semi-detached (with a 20 cm thick wall for strength and privacy). Because they are semi-detached, the façades of the houses look bigger, and more urban.

Most houses were built using conventional methods.

- foundations made of rubble, stones and sand:cement mortar
- waterproof layer of mortar
- regular hollow 10 cms brick walls, for load bearing walls
- wooden roofs covered with clay tiles
- cement floor finishing

The doors and windows were made by the *mutirantes* in the community workshop. The main building innovation was applied to the shopping centre prototype. It involved the transfer of BENO technology from Argentina (developed by CEVE - Centro de Estudios de la Vivienda Económica), for the prefabrication of moulded burnt brick slabs used in the construction of walls. Made with traditional bricks, and pre-fabricated in a simple form, the slabs facilitate speedy construction. Guided by an Argentinian CEVE architect, people in the community constructed a building to test both the production of the slabs and their use in construction. Project technicians followed the process. Based on this first experiment, the technique was reproduced in two other *mutirões* projects, for the construction of 50 houses each.

v. The building process

The houses and community facilities (workshop, mini industrial zone and shopping centre) were built through mutual aid by the members. For the houses, five groups were organised by blocks. Each block had a coordinator and was supported by the *Mutirão* foreman, who was employed by the Council. The materials, purchased jointly by the technicians and a member of the community, were, along with tools (including basic mason's tools such as wheelbarrows), divided between the groups.

Each group organised itself independently, and made its own rules of operation. This meant that families' weekly working hours varied, ranging from 25 to 30 hours.

Infrastructure was the responsibility of the Council which managed the resources received from the State for preparatory studies (based on the draft master plan of the development) and for the levelling of the land, and the construction of the network of drains, water pipes and streets. In this project, the first families began to occupy their houses in 1993 without water, drains or electricity! This is something that had happened in most public housing projects. In 1994, with the institutional changes that came with the *Comunidades* programme, the State of Ceará, conscious of the demonstration value of the programme, gave the municipalities funding for the installation of basic infrastructure in the *Mutirão* projects.

vi. Resources and Financing

The mutiroes or mutual aid participants in the *Comunidades* programme benefited from a budget approved by vote in the State government's Legislative Assembly, combined with funds acquired from international donors. This co-financing made it possible to:

- buy building materials for the houses and community facilities;
- carry out studies and install infrastructure;
- ensure technical advice was available;
- build and equip the mini industrial zone; and
- train technicians and *mutirantes*, through an integrated training and information programme.

As well as this financial support, the Town Councils contribute land and technical assistance. The communities bring their organisation, the labour of each family (usually 25 hours per week), and a mandatory monthly contribution to maintain a community fund (see below).

Two points in this flow of funding are worth noting:

First, the fund for building materials is passed on by the State government to the associations, which, with the help of government technicians, assume responsibility for purchasing. This means that the community has to research and negotiate prices, and pays for materials with cheques signed jointly by the president and treasurer of the Association and the government technician responsible. At the end, the community has to give an account of expenditures to the State Government.

Secondly, the State transfers the resources for infrastructure (covering studies and installation) to town councils - a sign of decentralisation that strengthens local government.

A brief summary of costs:

- | | |
|---|---|
| - land, value per family | US\$ 200 (estimate, as the land is not purchased, but expropriated with some compensation to the owner) |
| - Each house | US\$ 1,000 in 1993 (\$1,700 in 1996) |
| - Installation of infrastructure per unit | Varies from \$1,200 to \$1,600 according to site and existing networks |

The programme sought to go beyond the building of homes and the creation of jobs to strengthening the Association. It is with this in mind that the Association's Community Fund (*Fondo Comunitario*) is organised. Its basic principles are as follows:

- To collect monthly receipts of about US\$ 1,500 from the contributions of member families, rental of community property such as the workshops in the mini industrial zone, and the shops in the shopping centre.
- To use these funds for community improvements (maintenance and running of facilities), and for loans to members: for small businesses, home improvements, and emergencies.

vii. Legal Aspects

As noted earlier, the collaboration between the different institutions involved is formalised through agreements. This specifying of relations in a contract is reinforced by the establishment, by decree of the Governor, of the *Comunidades* Programme Integrated Board (*Conselho de Integração do Programa Comunidades*) as a decision-making forum for all actions.

The Neighbourhood Association is legally registered and therefore has regulations, a system of representation (management, a board), and a bank account.

The association also comes to own the land. Land tenure is essential to the achievement of citizenship and the right to a home. The process related to this issue is as follows. The City Council hands over the land to the Association as soon as they buy or acquire the land. Common ownership is therefore the economic base of the system. When the houses are handed over, the Association gives families a contract granting them right of occupancy. After five years, if a family has kept up its mandatory monthly payments (2-5% of the minimum wage - about two to five dollars), it earns the title to the land and the house. At this point, ownership of the plot passes from the community to the individual. Within these five years, a family does not have the right to sell its house, although, in exceptional cases, the right of occupancy may be transferred to a neighbour who has been contributing for more than six months, and who does not own another house. In this case, the Association retains a transfer fee equivalent to 15% of the value of the house agreed by the two parties.

c. Notes on Social Methodology

The general philosophy of the *Comunidades* programme centres on community action and this also means that the community in question must learn to resolve its own problems collectively. Collective work or *Muirão* for the conception, construction and management of the housing and neighbourhood also aims to strengthen the collective capabilities of the families involved. Certain points have to be taken into account by the groups involved in organized community-built housing - and these are outlined below.

The need to adapt any project to the community dynamic. The engine of real, long-term change is the community dynamic and any external group or project must have the ability and know-how to adapt any project to the dynamic of community participation - and not seek to adapt

community participation to the project (which is so often the case). Each stage in the transformation of a neighbourhood brings changes in community participation. It is possible to distinguish three main stages. The first is the pre-implementation stage of planning and design. In the second, the implementation stage, the nature of the participation changes. Once the project is completed, the third, or maintenance stage brings another form of participation. It is important for all external agencies to understand these changes in community participation by listening to the community, and being able to work with these changes. The role of external agencies is, above all, one of listening to what communities want and responding to their requests, rather than come up with *a priori* solutions.

A recognition that the existing level of community organisation will influence each project. Where there is no community organization, it is more difficult for external agencies to get to know the needs and priorities of the inhabitants of a settlement and doing so takes more time. For instance, in Eusébio, there was the Eusébio Residents' Association (Associação de Moradores de Eusébio), but this body was not particularly involved in housing; in this case, the *Mutirão* was the organisational element. Getting to know the facts on the ground took longer and was more difficult than in other projects where there was a functioning and well organized community organization. In Eusébio, this was done through participative research by the social team and members of the Residents' Association. When completed, a list was drawn up of families to be visited. The following criteria for selecting participating families were defined in general meetings. To qualify for the proposed project, a family must: own no land or a house; have many children; have an income of less than two minimum salaries (less than US \$160 per month); choose community living, and be willing and able to participate in group work.

The importance of participatory planning prior to beginning any work. In most projects, several months of preparation were needed before building began - including design, training, and education. Nothing was built before the plan had been understood and approved by the residents. To begin with, the public objective was defined, planning was done, and the first stage of works was organised. Only then could construction begin. All plans and decisions had to be approved by the community's General Assembly. Here too, all problems are thoroughly discussed between the community, a representation of the civic authorities, and other collaborators. Once the building was underway, using the *Mutirão* or self-help system, community work began on popular education, and the training of residents in the various tasks of construction.

Participative design was often important in the initial stages in bringing together poorly organised groups to achieve a certain level of organization and a common project. Another essential part of this initial stage was participative planning through workshops in which all the participants took part. From this point, all those involved had to work together to make not only physical plans but also social and economic interventions. It had to be a collective effort. The goal is to strengthen the community to the point where it can define and decide on ways forward in conjunction with other sectors.

One reason why this process of formalising and legalising a community organization is important is that this organization owns the land and partially or totally manages the funds. It needs to be a legally recognized entity to have a bank account and to own land.

After sorting out the legal formalities, internal regulations have to be established by the *mutirão*

participants. These regulations have to include such issues as work hours, tasks, committees, the formation of work groups, and the system for handing over houses to individual families, once completed. To reach some common agreement on the internal organisation of the *Mutirão*, several meetings have to be held to clarify the meaning of the duties and rights embodied in the regulations.

Maintenance and administration also have to be addressed, so the work does not end when the houses are completed. In regard to popular participation, the most difficult stage comes after the public authorities have completed paving the streets and installing the mains water supply and drains. Without community-level management, when the state agencies and NGOs are no longer there, services are not maintained, the water stops, and the drains get blocked. At this stage, there is support for the community organisations that participated in the project to develop three lines of action: the self management of community funds, of micro-enterprises and of housing departments.

The importance of training. Two problems have to be faced when the building work is completed: ensuring participation into the future; and equipping people with the knowledge and resources they need to do this. One of the greatest obstacles to overcome is what might be termed 'short-termism' among the inhabitants. How can those who do not know if they will have enough to eat tomorrow develop a perspective that addresses long term issues. We believe that it is only through the exchange of experiences with other communities, the practical possibility of getting work - a job - and having the right information available that the community will remain mobilized. Some technical knowledge is also needed to ensure the maintenance of infrastructure so the project must include training on organisational, building and financial aspects of building and maintenance. Training should include a review of factors that contribute to good choices and the search for better and more efficient forms of political representation, such as coordination of the project and the development of integrated boards.

Evaluation as a means of learning. Evaluations have proved valuable as effective learning processes since they permit us to review past actions, and move towards an improved version of the experiment. Everyone benefits from these reviews. Knowledge and methods are developed that help systematize knowledge about what has been done. Various lines of social evaluation and coordination have been developed in parallel and linked to each other.

One of these lines is popular research, as developed by the NGO Cearah Periferia through its school for popular urban planning and research. This has been done in 30 neighbourhoods of Fortaleza, and is currently underway in another 10 that are going to write their own history. The findings of this research can be presented in different ways: in writing, through theatre, poetry and popular stories - in short, using the different forms of expression normally used by these communities. This way of evaluating and encouraging the exchange of experiences, shows how a small project can be an important meeting point, leading to a wider process affecting all those involved.

It is important that evaluations involve all the groups that contribute to the programme, not least because each group brings different positions and views. One important part of evaluation is the constant presence of post-graduate students, and the resulting theorisation and systematisation of data they bring. Participative evaluation is done with residents. To carry out this task properly,

the Association must be adequately prepared. This process must be preceded by a period of popular research. Exchanges of experiences between neighbourhoods often proved a good way to acquaint project participants with methods of evaluation.

d. Technological Choice and Adaptation

i. Technological Analysis

In the first stage of choosing a technique, a number of interrelated factors must be analysed, including:

- local resources (materials and available personnel)
- local practices (know-how, traditions and other cultural factors)
- local conditions (including location and climate of site)
- possible cost savings within the whole process (for instance, a material may not be cheaper, but it may have other advantages such as reducing construction time)
- respect for the environment and seeking where possible the use of renewable resources (e.g. the material used for making the doors and windows in Eusébio was changed so as not to contribute to the extinction of a particular type of tree)
- energy savings: emphasising the use of materials that do not require the use of energy, or dependence on others (e.g. reinforced bricks made, not with cement, but with something similar to lime, and available in the region - a residue from the manufacture of acetylene).

These are the basic criteria for selecting a technique, but not the only ones. The second crucial step in the selection process is analysing the adaptability of residents, and their capacity for organised labour. Most techniques used were not new from a technical point of view - but they were adaptable to the construction process and the organisation of participants.

ii. Lessons learnt

Certain lessons were learnt in the process. These include:

- **The importance of self-production of building materials by families.** Building materials production workshops not only provide jobs and income, but also develop local know-how and productive capacity. The choice of techniques was influenced by the extent to which they were amenable to technical simplification, thus reducing the need for skilled labour, and allowing the associations to adopt new methods of production. Practice proved that participants who were producers adapted products as they went along, to make them more suitable. For instance, in Eusébio, a diagonal piece was added to the doors to increase their durability; they also developed a system that saved on wood.
- **The use of public/communal buildings for demonstrating techniques.** In Eusébio, the use of reinforced prefabricated hollow brick slabs for building the shop, provoked a variety of reactions in the community and within the technical teams. But once people had observed, evaluated, and made certain adjustments to the prototype, the technique was used to build 50 houses in another part of the *Comunidades* programme.

- **The technological process as a facilitator of mutual aid.** The basic principle of the *Mutirão*, which is the contribution of all families to the production of particular building materials, and to the construction of the houses, means that all participants must do their share of work. In practice, however, the women participated more, and this meant that techniques had to be chosen that suited them as well as youths and the elderly. For instance, in one project (*Mutirão 50*), the various stages of producing bricks made it easy to include the women, who now want to restart a small brick-making business.

- **The possibility of exploiting the local building materials market after the completion of the *Mutirão*,** influences local production of materials. Production and quality control of materials are key criteria determining the choice of one technique over another. The experiments at the *Mutirão 50* workshop produced more than 20 prefabricated products for which there was already a demand in the neighbourhood.

iii. The process of innovation: from experimentation to mass production

The work within *Mutirão* in Fortaleza developed a methodology through which innovation was taken from experimentation to mass production. The eight critical stages are outlined below. At present, there are around 100 innovations at different points in this process - and the development of each is being continuously monitored.

Stage 1: Identification of the new idea. New ideas have various origins including local tradition, the empirical experience of the local team or of a community, Brazilian scientific and technological heritage and the suggestions of invited experts or advisors.

Stage 2: From idea to implementation. The ideas and suggestions chosen from all those put forward will be those most suited to the local context and to the aims of the programme. They will also be those that are most amenable to experimentation and acceptable to participants. They become concrete proposals such as the blueprint for a prototype and a manual of instructions for the management of the Community Fund etc.

Stage 3: Production of the prototype, experimentation and practical application. This is the first concretisation of the idea: that is, the construction of the prototype, the first inter-institutional agreements, the first association-managed Community Fund.

Stage 4: Evaluation and Adaptation. From the introduction of the first experiment, the social, cultural, technical and scientific suitability of the innovation, as well as its micro-economic characteristics (within the overall economic context) are analysed. The innovation is adopted following the evaluative process with modifications made, if the evaluation suggests these are needed.

Stage 5: Internal dissemination among those involved in the programme. Once the experiment has been tested and adapted, it is ready for implementation in the context of the programme itself - for instance, the reinforced clay slabs tried out on the Eusébio shop, and used in another part of the *Comunidades* programme for 50 houses. This new stage may need further adaptation before it is circulated more widely. Should this be the case, the factors analysed are its institutional impact, as well as its overall economic effects (on the macro economy).

Stage 6: External dissemination to other institutions, in other contexts. This is one more step in the dissemination process. It involves the reproduction of the innovation in a new institutional context in another city. An example of this is the house adopted by the Eusébio *Mutirão* that was based on a design used in an earlier project (*Mutirão 50*) but adapted to their plans, and developed in a totally different project, by a completely different technical team, with different participants. Taking into account other factors, this new reproduction may result in another evaluation and adaptation related to other issues (including institutional, social, political and environmental context). In the case of Eusébio, the families more used to a rural way of life requested semi-detached toilets and bath with an entrance from the backyard, whereas the initial *Mutirão 50* type had internal toilets and bath.

Stage 7: Fitting in with standards and policies. Based on some larger scale experiments, this new stage fits the new techniques, institutional model or other form of innovation into local policies. If a technique is involved, standards have to be defined. New models, such as the *Comunidades Programme's* Integrated Board (*Conselho de Integração*) require a special decree or law.

Stage 8: International dissemination. Dissemination to other countries: other realities, cultures, and participants.

e. The impact and limitations of the *Comunidades Programme*

The impact of *Mutirão* can be considered in terms of the impact on public policy, the impact on practices and policy of popular initiatives, and the impact on ideas and practices at the international level.

i. Impact on public policy

Within the Municipality of Fortaleza, the first experimental integrated project which gave birth to the *Comunidades* programme began in 1988, and has continued without interruption since then despite four changes of mayor, with each of these mayors being from different political parties. The legitimacy and continuity earned by the NGOs and popular organisations is also seen in the fact that our projects are now part of municipal policy with provision in municipal budgets to support them. The original agreement has undergone changes, and now, an umbrella agreement has made it possible for us to diversify the areas of joint action, without losing our autonomy or range of action.

Within the Ceará State Government, since 1994, the *Comunidades* programme has had its own budget allocation voted by the State Assembly of Deputies: the equivalent of 1.8 million dollars in 1994, and 3 million dollars for 1995. Most of these funds are transferred to community organisations and to local councils. The newly elected government has also included the core of the original elements of *Mutirão* in its four-year plan. This is coordinated by the State Secretariat for Planning.

Within other towns, Mayors and local government teams of other municipalities in the Fortaleza Metropolitan Area, have signed specific agreements for introducing the method. There have also

been various specific requests, both on the Ceará State level and on the national level, for help in reproducing or introducing this type of programme. These requests have come from some of Brazil's biggest cities such as Rio de Janeiro, Belo Horizonte, and Goiania - to name those with more than 1 million inhabitants. Other, smaller capitals have also been learning. The city of Vitoria, capital of Espírito Santo State, on its own, and in conjunction with people's organisations, planned a large programme similar to that in Fortaleza, particularly in regard to job and income creation.

ii. Impact on practices and policies of popular initiatives

The experience accumulated by the people's movement and by the NGO technicians makes it possible to respond more appropriately to the requests of community organisations. This may be illustrated through a number of examples.

- One *Mutirão* project (*Mutirão 50*) has been reproduced and improved by UCGF, one of Fortaleza's biggest residents' federations. The resulting 'Castelhino' project is gradually becoming one of the reference points of the movements, despite the withdrawal of the UCGF.
- Advice given at the State level to the Forum of community organisations (7 federations, and about 3,000 organisations of every kind) has been enriched by all the lessons learned on the ground. Various principles (communal ownership of property, for instance) are now part of the platform of organisations dealing with land and housing issues.
- The advice given to the 'National Housing Struggle Movement' (Movimento Nacional de Luta pela Moradia) on the National Housing Platform, has allowed some of our conclusions to be contrasted with the positions of the movement, to the enrichment of both sides.
- Conferences, workshops, and continual visits from representatives of Brazil's people's urban movement, have made the Fortaleza projects national points of reference for community-built housing.

iii. Impact at the international level

There is also the impact of *Mutirão* on ideas and practices at the international level. For instance, the city council of Bogotá (Colombia's capital and largest city) expressed interest in introducing a new housing and job creation scheme, based on the results of the Fortaleza experiment; a number of consultative missions have already taken place. The urban community of Dunkerque (France) which has problems similar to those of Fortaleza, has visited us, and we are initiating exchanges on such issues as job creation and the methodology of participative work. One of the social workers and activists from Ceará Periferia is currently in Dunkerque, under contract from the Dunkerque Urban Community - which gathers 18 city councils from its metropolitan area, to start a similar school for leaders and activists as the one in Fortaleza.

Universities are also beginning to do research on the *Mutirão* principle as an alternative form of community-built housing - and there have been agreements and exchanges with various European and Latin American universities. Various people involved in the work in Fortaleza have also worked within such networks as HIC, CYTED, FICONG through which our experiences are

shared with other NGOs.

III. CASA MELHOR (A BETTER HOUSE); A COMMUNITY FUND FOR PEOPLE'S HOUSING

a. Establishing the Fund

One limitation of the *Comunidades* Programme described above was the lack of support for those who were living in *favelas* or other settlements with very poor housing and living conditions to improve and extend their own homes. The *Comunidades* Programme was to support the development of new settlements, not the upgrading of existing ones. The *Comunidades* Programme was also very dependent on subsidies and thus on government providing the subsidies. The level of subsidy per house was not particularly high - the equivalent of around US\$3,000 in total, about half of which was for infrastructure and services - and was less than the subsidies obtained by higher income groups. However, there are obvious constraints on getting enough funding out of government for mass programmes that cost \$3,000 per household.

In March 1993, a special issue of the supplement of the main local newspaper with a circulation of 40,000 was devoted to "The Housing Question and to mutual aid in Housing". This supplement was part of a series related to community development and was geared to the people.⁵ It was edited by two professionals working for NGOs and included many contributions from people's movements. Cearah Periferia had helped support the reflection process of the grassroots leaders. This publication included a presentation on a community fund for people's housing and this brought it to the attention of many local grassroots organisations, some of whose leaders saw the political benefit of a high profile fund and the opportunity of gaining new members.

The communities quickly got organised and, among other activities, sent representatives to see the Federal Government. They travelled together by bus to Brasilia, the federal capital 2,000 kms away from Fortaleza. Their intention was to propose this concept of a community fund to the recently appointed Federal Housing Minister who also came from Fortaleza. The 42 delegates insisted that representatives from the NGO Cearah Periferia be present. A couple of meetings and working sessions resulted in one of the Federal Programmes being amended. Although the housing conditions of those who were fighting for change were as poor as ever, the communities benefited greatly from this experience and their relationships with the NGO was strengthened.

During 1993, a workshop on alternative finance, sponsored by the Habitat International Coalition⁴ and the German funding agency Misereor⁵ allowed representatives from South Africa, Namibia, Mexico, Colombia, Thailand, the Philippines, England and Fortaleza to share experiences and ideas. This resulted in the idea of creating an alternative housing finance strategy in Fortaleza based partially around credit. Shortly after this, someone working closely with a Northern funding agency called Selavip⁶ visited Fortaleza to work with the community based organizations and Cearah in exploring financial systems using new partnerships. This would work with the three basic elements that were available to the poor in Brazil: savings, subsidy and credit. At that time, there was no tradition of saving within the low-income settlements in Fortaleza (or elsewhere in Brazil). For 15 years, hyperinflation rates of up to 4,000 per cent a year had made any savings strategy impossible.

Since 1988, the local authority in Fortaleza had been working with the NGO GRET to support innovative strategies for urban development working closely with grassroots organizations and in 1991, Cearah Periferia had also joined this partnership (see Box 2 for more details of these organizations). These conditions and activities combined to encourage municipal support for a fund that would offer low-income households subsidised loans to allow them to improve and extend their existing house. Further impetus to this support was given when, in the three first months of 1994, a cholera epidemic in the city affected more than 24,000 persons and 600,000 people suffered from dengue fever.

Negotiations to establish the Fund took time because of innovative aspects and the central principle that the Fund should support a process of people-managed development. The important points of the final agreement were that:

- ▶ Credits could be directed not only to formal sector employees but also to those working in the informal sector.
- ▶ Credits could be obtained without households having title to the land; A "right of use" (or squatters' right) was enough. Due mainly to the fact that most inhabitants lived on land that they had occupied illegally, difficult relationships existed between most grassroots organisations and the governments and therefore this element was difficult to finalise.
- ▶ The residents' associations would play an active role throughout.
- ▶ Even if the repayments were to be made individually to the bank, the whole process was collective and the constitution of Housing Saving Groups was a precondition. (It should be remembered that saving practices among low-income families were extremely rare).

Technically, the link between the small saving groups, the Municipal Institute of Planning (IPLAM) and the state bank where the Fund had its account was difficult. Numerous administrative and bureaucratic problems had to be overcome.

b. The *Casa Melhor* ("better housing") financial system

Eventually, in May 1994 an agreement was signed to set up the *Casa Melhor* financial system. Unlike the *Comunidades* programme, it was to support the improvement and extension of existing homes. It also involved a much lower level of subsidy.

The situation among the community organizations was already difficult because the residents' associations and the federations to which they belong are very political and often linked to political parties. Some were not happy about this agreement with the local authority and the joint responsibility for the Fund. A further problem was the introduction of the credit component into the system. However, finance was channelled by the Housing Solidarity Programme -PSH- a multipartners committee which includes the NGO department of French aid and which links donors and applicants. This enabled the programme to start with some small revolving loans but unfortunately, the French government support for the Housing Solidarity Programme was halted.

The system devised was one in which initially a person taking a loan would have up to \$450 with

which to develop the house with one third coming from their own savings, one third as a loan and one third as a subsidy. If a second loan was needed, this would also require savings although in this instance, the subsidy would only be equivalent to half the savings with the loan equivalent to 1.5 times the savings. As Table 1 shows, a further loan could attract no subsidy but could receive more credit.

From the beginning, there was the clear intention to develop a link between the informal and the formal financial sectors. After the fourth loan, the lack of subsidy and the confidence of the bank in the people's ability and willingness to repay should enable these households to access bank loan finance without the use of this Programme as an intermediary.

Whilst these are presented in the table below in an order, in practice the system was more flexible.

Table 1: Casa Melhor: Summary of different financing conditions (Sept. 1995)

	Saving	Subsidy	Credit	Total
1st loan	150	150	150	450
2nd loan	150	75	225	450
3rd loan	150	0	300	450
4th loan	150	0	300 + i	450

Since the initial discussions, these conditions have been renegotiated. Table 2 shows the financing conditions that were in force in early 1996, although these may be further amended in the future. Values are indexed to the minimum monthly wage (currently US \$ 100).

Table 2: Casa Melhor: Summary of different financing conditions (early 1996)

	Saving	Subsidy	Credit	Total
1st loan	100	200	300	600
2nd loan	200	100	300	600
3rd loan	300	0	300	600

During 1994 and the first six months of 1995, there was an intensive information and motivation campaign with the communities and the people. The main problem was people's strong resistance to participating in a public programme and their reluctance to deposit savings into a state account. (In fact the account was partly under the jurisdiction of the NGO but for the people, the difference was almost insignificant.) The lack of confidence was widespread, but was compensated for by a good relationship with the two NGOs.

Local community leaders, a few municipal civil servants and the Cearah professional team (some of which are communities leaders without a formal degree) organised meetings in the *favelas* and barrios almost every evening and at weekends to explain the programme and answer questions.

The principle of saving was so new to the families who were surviving from day to day that it needed long sessions to explain the concept. As a result, the approach became clearly understood and rooted in people's will and not only in the minds of community leaders or progressive technocrats. The simplicity of the first loan offered by the programme was important. People understood and accepted the basic principle of equal amounts of savings, credit and subsidy. Whatever they managed to save would be multiplied by equivalent amounts of subsidy and loan.

In January 1995, the first group took out their loan. Confidence began to grow, as the results of the loan scheme became evident in stone and bricks and no longer only in speeches and promises about better living conditions.

In June 1995, PAAC (Support Programme to Self Help - Programa de Apoio à Autoconstrução) was launched. This programme operates directly between Cearah Periferia and a few selected and well-organised communities with whom a long-lasting relationship of confidence had been established. It was established to extend the reach of the *Casa Melhor* which, at that time, was only active in six neighbourhoods within the pilot phase area.

By September 1995, 1,000 of the 1,800 families who participated at meetings wanted to take part in the scheme. They belonged to about 50 of the most diverse community based organizations including Housing Communal Societies, Dwellers Unions, Popular Councils, Peoples Associations, Philanthropic Social Unions and Community Kindergarten groups who were living in the settlements throughout the south of the city (mutual settlements, consolidated neighbourhoods, low density public poor settlements, favelas, invaded lands...). The *Casa Melhor* was only for the improvement of houses inhabited by their owner, to avoid supporting owners developing rental houses. Usually, rent-levels in the non declared sector are extremely exploitative. By September 1996, the number of interested families had jumped to nearly 5000, from 41 neighbourhoods of Fortaleza, and about 1500 where at a stage of the process

After negotiations with the grassroots organizations, it was agreed that the money would be placed in a separate account but that those who had received credits pay back individually either through the bank or one of the other means. The leadership was very concerned not to have to handle the finance directly because of the levels of corruption that had existed at every level of Brazilian society including residents' associations. To assure their membership that this process would not be corrupt and to reduce the tensions that so often arise around financial transactions, the leadership preferred not to be directly involved in loan repayments.

c. Loan Conditions

Table 3 shows the financial conditions of *Casa Melhor* - and of the PAAC (Support Programme to Self Help) that Cearah Periferia developed with some communities to extend the reach of the *Casa Melhor*. The Table shows that the main financial differences between *Casa Melhor* and PAAC are the level of savings required and the type of guarantee. PAAC offered support to those communities who were living in favelas and neighbourhoods not attended by *Casa Melhor*. It obtained financial support from Selavip. The PAAC system developed a slightly different distribution of savings, subsidy and loan finance from *Casa Melhor*. For the first loan, it agreed with the Board that the ratio of savings to subsidy to loan be 1:2:2.5. For the second and subsequent loans, the value of the subsidy will fall and that of the savings increase so that by the

fourth loan there will be no subsidy and the value of the loan will equal the savings that are available. With the expansion of the *Casa Melhor* throughout the city of Fortaleza, the PAAC programme has become integrated within the *Casa Melhor* - although the basic rules have been maintained, under the firm proposals of the organizations. PAAC helped to lessen the savings requirement for the first loan.

Table 3: Comparison of Basic Financial Conditions of *Casa Melhor* and PAAC

	<i>Casa Melhor</i>	PAAC
Origins of Resources		
Savings	People	People
Subsidy	Local authority	External
Loan	External	External
Value		
Max. Saving	US\$ 150. -	US\$ 75. -
Max. Subsidy	*US\$ 150. -	US\$ 150. -
Max. Loan	US\$ 150. -	US\$ 225. -
	US\$ 450. -	US\$ 450. -
Duration	Max. 12 months	Max. 10 months
Type of guarantee	Personal collateral	Solidarity & Mutual
Loan Use	Building materials	Building Materials
Type of works	Kitchen, bathrooms, shops, enclosure wall, additional room	Kitchen, bathrooms, shops, enclosure wall, additional room

* up to 70% can be in the form of building materials that the family has produced or obtained through its own means

d. How the housing finance system operates

The *Casa Melhor* is managed by a Board that was originally composed of three members: one nominated by the Fortaleza Mayor, who is the President of the Municipal Institute of Planning; one from the local team of the French NGO GRET; and one community leader elected by the associations involved in the Fund. The Board's role is to define the objectives and strategies, supervise the financial accounts and appoint the directors of the management team who are responsible for regular management. In October 1996, the Board decided to increase the number of its members, bringing in two members from the Local Authority (IPLAM and PROGER director - Programme for income generating activities-), two from NGOs channelling resources for credit (Caritas and the local GRET urban team) and two elected community leaders (plus one as observer). Two social sciences students involved in the fund activities have also been accepted as observers, until the end of their diploma.

The management team is made up of one professional from the municipality and another from the NGO Cearah Periferia. This team is responsible for the bank accounts, repayments and the

training of the support teams and community agents.

The support (or technical) team is composed of social activists and social workers, managers, construction technicians, young professionals from the Federal Technical School and community professionals. They provide information about the programme, visit applicants to learn about their socio-economic conditions and help families to finalise their project. The programme received additional support from financial specialists from the Caisse des Dépôts et Consignations, the major French financial institution responsible for housing loans.

e. Forming savings and loan groups

In general, the initiative to get support from *Casa Melhor* comes from one or two people in a neighbourhood who approach their association. Together with about 15 to 30 families who are also interested, they form a savings and loan group. Each of these families receives basic information about the Programme. They then complete a socio-economic form (usually with some assistance from the community or the support team) and hand it to the support team. The forms are analysed, each family is visited and their individual plan for housing improvement is finalised. The cost of the improvements are calculated and compared to the maximum amount offered through the fund and to the saving that they want to mobilize. At this stage, those families who have no official papers such as an identify card or other administrative documents are helped by the other members of the groups to obtain them. This can take time but it is important for the people to gain formal citizenship and thus a confidence in themselves. Once these official papers are obtained and the socio-economic and technical forms prepared and gathered by the association, the management team prepares the lending contracts. Meanwhile, the families continue to save.

The savings are not often accumulated through small and regular contributions. In general, households mobilize resources on the day that the finance is required through selling another possession, borrowing from their employer, or taking on additional work.

The next stage is that the contracts are signed and the cheques given to the families during a public event in the neighbourhood. This is a crucial moment for the strengthening of the saving group in the eyes of the rest of the community, the association and the neighbours. They agree formally to repay the loan. Generally this meeting ends with a party with singing and dancing. With the loan finance, the families sometimes buy building materials collectively. Before doing so, they usually undertake an informal (although accurate) survey of local material prices. Building activities are carried out by each households with the occasional help of neighbours and friends. Sometimes skilled labour is used, especially for plumbing and electrical fittings. One month after receiving the money, the family start to repay with the loan being rapid over 12 months or less. The payments are generally monthly although they can be weekly or fortnightly. Repayments are made either through the association or directly to the bank.

As shown in Table 1, the value of the loan was limited initially to the equivalent of US\$ 150, i.e.: 1.5 minimum monthly wages. And as the total amount of the cheque couldn't be more than US\$ 450, most people join another saving group, once they have repaid the first loan. The value of US\$ 450 (and US\$ 600 in 1996) was calculated according the value of the building materials necessary to build a 10 square metre additional room, or a kitchen, or a bath, or a wall fence. To be eligible for a new loan, they must have repaid any previous loan without any default. This

may be one reason for the high levels of repayment that has been achieved - 95 percent. Achieving such a high repayment rate is particularly unusual for Brazil. For the second loan, the value of the subsidy is halved, and for subsequent loans it is not available (see Tables 1 and 2). If a second group of 15 to 30 persons is formed within the same association, it will be eligible for credit only if there are no arrears from participants of the first group. This has worked as an additional incentive to speed up the repayment process and keep loan defaults or arrears to a minimum.

Ninety percent of those taking part in this scheme save enough to be able to get the maximum value of the subsidy and the loan. For groups that have campaigned for state support, this small amount of finance is already a considerable readjustment from their dreams and aspirations. Why do the people repay? First, they are confident that their repayments will not be stolen and that if they do repay, funds will continue to be available for further loans. Second, they want to be able to get further loans to improve their housing. Third, for any new group in the settlement to receive a loan, the groups that have previously received finance have to have a good repayment record. The groups that form later put pressure on the ones that formed earlier to repay. Finally, because of the social process and because of the respect and confidence which was given to them, for many families, paying back becomes a matter of pride, self respect and ethical values.

Many of those taking loans are women. Several factors within the programme design have strengthened the social networks that already exist between women in the settlements. The links between women are very strong. This is illustrated by the fact that in one instance, the husband of one member of the savings and loan group was killed and the other members of the group repaid her debt together with other members of the association.

The savings and loan groups have become an informal network. All members have to find a guarantor who cannot also be a member of the same association (or a borrower in another group). Note should be made that this scheme supports considerable improvements in housing quality - but it does not address the issues of acquiring land or land tenure or of acquiring infrastructure.

f. Financial and Operational Issues

This programme receives support from a number of different agencies. The Brazilian NGO Cearah Periferia has nine staff members involved directly in the programme, although six work part time. These bring a range of professional skills including banking and economics, social and community work, and building and quantity surveying. Municipal staff which bring a comparable range of skills also contributes to this programme. The communities involved in the programme also contribute to local management and the board members undertake some tasks.

The source of funds are threefold:

- The savings and resource mobilisation are made by the families
- The subsidy element is provided by the local authority.
- The seed capital for the credit part was channelled first by the local GRET team, then by Cearah Periferia and Caritas Fortaleza.

By July 1996, 664 loans had been granted and the total investment in the realized works was an estimated US \$650,000 or US \$ 980 per household (this includes loans, savings, subsidy, human

resources, and additional resources mobilized by the people). The loan component equals US\$ 153,000 and about US\$ 50,000 has been repaid since the start of the programme. The role of the bank is simply to manage this finance for the NGO. The bank has also agreed to cover the administration costs associated with collecting the repayments for no additional charge and to pursue defaulters.

Programme administration presently involves community development (local dissemination of the programme through meetings and discussions, training and individual meetings), financial support (helping the families to prepare their financial documents and loan contract, accounts, meetings with the bank, analysis of financial rules and controls, accountancy training, managing defaulters, financial reporting to donors and the banks), technical advice (house measurement, project design, quantity surveying, monitoring building material prices), transport and overheads.

g. Achievements and limitations of the housing finance system

This programme represents the first time in Brazil that a municipality has been willing to offer loans to those living in informal squatter areas who are without land titles. And despite a long-rooted distrust among low income households in government savings schemes, people are now encouraged to save - and in so doing to obtain public finance for housing.

By May 1996, the programme was operating in 41 barrios with 90 grassroots organizations. By September 1996, some 7,000 households had attended meetings about the programme and some 5,000 had expressed an interest in taking part. Seventeen hundred households had completed the socio-economic form and about 1,000 have completed the plan for improving their house. Eight hundred loans had been granted. Some 57 community based organizations have already formed savings groups and a further 100 have expressed an interest in participating.

With this finance, people mostly add a second room, extend their house to build a shop or a workshop, set up a water tank, or construct a kitchen or toilets. In some cases they build a fence wall or improve living conditions with, for example, a cement floor or improved ventilation.

An in-depth evaluation with local communities in August 1995 showed an overall satisfaction with the Fund. The role of the professional support team and the size of the saving groups were considered adequate. The issue of how much saving has to be done before obtaining the loan and subsidy appeared as the most pressing of the difficulties. The level of savings required was considered to be too high, and sometimes the principle is not accepted. The maximum value of the credit was considered too low (and subsequently was increased from 150 to 300 in 1996). This in part reflects the rising costs of building - and the widening gap between the actual inflation and the indexation of the *Casa Melhor* on the minimum salary which has been frozen.

Technical assistance for building is very limited, because of the lack of financial resources and this is an acknowledged weakness of the programme. The NGO has just completed a study of four savings groups (45 households) in a range of different settlements (squatted land, *Mutirão*, barrio and planned low-income settlement) to better understand the process through which the funds (savings, loan and subsidy) are transformed into a building. The lack of technical support to, for instance, ensure the quality of the materials purchased, help contract a bricklayer or support self-build initiatives emerged as a priority area from this study.

In regard to participation, through the election process for the Board of Directors, the saving groups and the associations began to meet on their own and become aware of what they had in common, as well as their political differences. The *Casa Melhor* has made possible an exchange of experiences between the various neighbourhoods which are generally segregated. It is still too soon to know which direction the saving groups will take. Another positive result has been the progressive involvement and support of the local authority which finances the subsidy component, and contributes to the costs of the professional support staff, transportation and running costs. The *Casa Melhor* has gained increased political and institutional support and visibility because the counterpart funding from the municipal council is now earmarked in the normal annual budget - and as such is approved through a vote at the municipal council, instead of being just another government programme. For 1997, US\$ 400,000 had been approved by the municipal council, which represents a security, as a new governing team has just been elected.

h. Possibilities for Addressing Growing Demands

Casa Melhor has been gaining popularity and is emerging as an alternative within the powerful church movements, social movements and communities; also among the 185 local authorities within the state of Ceará. However, there is the pressure to expand it beyond the current technical, social and financial capacities of those now involved in the Programme. Four possibilities or some combination of them may be needed to scale up this activity:

- Setting up of a Municipal Foundation at city level which could serve as a reference for interested local authorities.
- Setting up of an independent Peoples Housing Fund, managed by the associations and organisations involved.
- The creation of a Community and Municipality Bank for Popular Housing which could meet the expectations of civil society and the local authorities at the same time.
- The creation of a Community Integrated Fund (or other financial institution) which would not only extend housing loans, but would also deal with other needs from the communities such as income generating loans or short term/occasional/emergency loans.

Cearah Periferia has recently signed an agreement with the Association of Mayors from Ceará State (AMECE) which represent 185 municipalities. This agreement involves a pilot stage with six municipalities for expanding the programme. Cearah's role is to act a trainer and board member for the new fund and associated activities.

Of course, one essential part of addressing growing demands is to ensure that the programme continues to maintain its good performance in recovering the loans. There is also the issue of how best to cover the cost of the technical, social and financial assistance that is needed for this programme. There is also the problem of the fund being able to cope with inflation and the real increase in the price of building materials.

There are also, inevitably, political difficulties that have to be faced. Working closely with political groups results in attempts to trade programmes for votes. To date, the NGOs and

people's movements have been united in saying that if the government attempts to put pressure on any particular group related to its involvement in the programme, then the entire programme could stop. And so far, the city council has been extremely respectful of the rules and criteria, and has not imposed any political pressure

There are also some organizations within the people's movements that oppose this programme. One reason is that they are seeking more comprehensive solutions that imply no costs for them, such as those offered with the *Mutirão* Programme - where the low income households receive a plot, funds for building materials and basic infrastructure and services. Although they have to contribute a substantial amount of labour, they do not have to save and they have no loan that has to be repaid. However, the level of subsidy per household in this kind of programme is 10 to 15 times greater than in the savings-subsidy-loan package of *Casa Melhor* and this is one reason why it is becoming increasingly difficult to get resources from the government for more *Mutirão* projects.

There are also some who argue that the *Casa Melhor* programme will coopt and undermine the community organizations. But in general, their opposition is more based on the rejection of any concept of saving and repayment, leaving the whole responsibility to the government. Our analysis is that the few leaders which have rejected the programmes are those which are usually using any gain upon the community as a way of control and domination, including compulsory alignment on political positions from the leaders.

IV. SOME GENERAL CONCLUSIONS

1. All initiatives within housing and community development should have a clear vision of the economic dimension of the city. We cannot separate the social or community construction of the city (in which the residents are the key actors) from the economy that underpins the city. The ultimate aim of our work is not only the production of housing but the invention and development of a model of economics that is community-based and mutually beneficial, one in which the ideals of justice, ethics, solidarity, and work free from exploitation, are adopted as basic assumptions and philosophies. This is the context for our experiments in Fortaleza, along with the people's movement, town councils and public institutions. The most promising of them are self-managing through, for instance:

- the creation of self-sustaining community funds
- job creation linked to development of new land, or the improvement of existing neighbourhoods
- the system of small loans (for emergencies, home improvement, or for groups of producers)

We recommend the large-scale application and reproduction of these experiments as a way to counteract the highly pernicious effects of the neo-liberal model. Of course, there is the need to ensure that its application in each locality matches the particular circumstances.

2. Build the city from the neighbourhoods up. Community-built housing should be part of the creation of the city by communities. It should start with the construction of 'bits of the city' - popular neighbourhoods and small-scale developments like those achieved in Fortaleza. One of the key differences between our programmes and conventional programmes, is that they include the elements vital to the life of an urban citizen. Community building means that those who use this

system must have the opportunity to voice their opinions, dream, invent, and build the neighbourhoods and the city they desire. This participative process is an important civic exercise; it also encourages democratic processes as a counterbalance to centralising processes.

3. Integrate work, training and development. One of the most positive lessons learnt from the work in Fortaleza has been that of a close and structured coordination of planning and construction of houses, with job creation, income enhancement, and large-scale training - both on the professional and the community levels. Social or community building in the urban context, provides an extraordinary opportunity to create, not only decent housing in cities, but also jobs at little cost (US\$1,000 to 1,500 per job), and jobs benefitting the community as a whole.

The training aspect, which goes with each stage of the process of building and creating a city, forces the universities, technical schools, and other training centres to open up to society, and this is also a positive development.

4. Reinforce community organisations. Community organizations need to be strengthened to allow them to fully realize their potential and work successfully with government institutions. Support from government institutions would have to facilitate organisational and democratic processes, to allow a movement of organised communities to become a truly structured organisation. For this to happen, much community ground work must be done beforehand.

Training courses are needed for organisation cadres on a number of issues including elementary accounting (so they can present accounts to their members), administration, democratic relations, town planning, design and management of projects and programmes, introduction of processes of community economics (running cooperatives and associations), participative evaluation and management of mutual aid programmes.

5. Recognise and strengthen the role of NGOs. The Fortaleza experiments have demonstrated the important part played by the NGOs GRET Brazil and Cearah Periferia both in implementation and in increasing the scale of projects. The role of NGOs should be given proper recognition as:

- Inter-institutional coordinators and catalysts of community movements;
- Teachers and trainers of the various actors involved in community-based housing projects; and
- Producers of participatory methods and know-how relevant to such community projects.

The strengthening of their role is probably enhanced by a government recognition of the concept of public service, in the broadest sense of the term. It is also affected by access to public funds in the form of budget allocations to projects and programmes. A (variable) proportion of investment in housing must be managed with the support of professional advisory groups not motivated by gain. But these advisory groups must also be paid for their services.

6. Decentralise local government. Local governments, when adequately supported by the central or provincial government, can make a very positive contribution to community-built housing and job creation. In the *Comunidades* experiment, the closeness of the municipal teams to residents, and their knowledge of local circumstances, greatly facilitated the process of community building.

7. Formalise the relationships between the various actors involved in community building.

Each community housing programme should be formalised by means of an agreement or contract. Within this, objectives should be clearly outlined and given a time limit. The commitments, rights and duties of each actor should be specified. This is an essential requirement if (as happened in the Brazilian programmes) a residents' movement, a city council, central government, NGO and university are to agree to work together, each with its own (and sometimes conflicting) logic.

These signed agreements, and the creation of an integrated board with decision-making powers, are instruments that we believe aid community building. The integrated board (e.g. the Conselho de Integração) must include representatives from each of the institutions and organisations involved in the process. It must also have a fair distribution of voting power.

8. Use participative design. Participative design is a characteristic of the process in which residents, children, adults, the elderly, men and women, may dream and decide on the shape of their neighbourhood, the architecture of its public buildings, the houses that will be built. It is a means of producing architecture, of approaching town planning, that is less dull, of better quality, and more in keeping with the hopes and desires of its future users.

This way of working also allows a community to work together and to meet to think about the future. It has an extremely positive impact on the quality of organisation, and it is a tremendously rich learning experience about group democracy. Moreover, once they are approved, projects carried out using the participative design model unite and strengthen the community when it comes to negotiating with officials or technicians. This method requires support from professionals with social, architectural and town-planning skills.

9. Give special attention to the project-programme-policy dynamic. Innovations are much easier to implement, and social processes easier to monitor, with small-scale community housing projects than with large ones. But these small projects only achieve their full potential in mass production in the context of large-scale programmes (like *Comunidades*). This institutionalisation presupposes a qualitative shift in the role of key support groups, which come to function more as facilitators and coordinators.

This 'bottom up' dynamic, in which the lessons from a experimental project are utilized within institutional programmes that support a much larger number of projects and households must be accompanied by the implementation of smaller, experimental projects that are able to test novel solutions.

Beyond the interaction between projects and programmes, the dynamic relation between projects and programmes is similar to that existing between programmes and policies. The aim of experimental projects are not merely to inspire programmes, but also to make a contribution to community housing policy. The cycle in which a mutual aid experiment moves through programmes to have an impact on public policy is a long one - five to ten years.

10. Use techniques appropriate to community building. We recommend the use of techniques and building processes that facilitate self-production of building materials, as well as self-build programmes and mutual aid. A number of systems have been developed in Latin America since the Seventies. The proximity of professionals and exchange of experiences makes adaptation and

transfer of ideas easier. International networks like CYTED⁷ and FICONG have an important role in these processes.

Unfortunately, many of the techniques employed in community building use concrete, bricks and lime, products that consume a lot of energy, and therefore have a negative ecological impact and high price. We therefore recommend that more attention be paid to biomass (for instance agricultural waste or bamboo), and to materials with a low energy content (clay, stone, plaster...) that may be used in productive modern techniques, while at the same time, facilitating community-built housing.

NOTES AND REFERENCES

1. At this time, a very high inflation rate had been constantly eroding the real value of incomes for several years. Inflation rates were usually 25 to 30% a month, and the level of the minimum wage was only increased every 3 months. As a result, when compared to dollar, the minimum monthly wage level was oscillating between the equivalent of US\$30 and US\$70. Those with less than four times the minimum wage could be considered as poor, especially for the south of the country.
2. Cearah Periferia's full name, when translated, is the Centre for Study, Coordination and Reference concerning Human Settlements. See Box 2 for more details of its main objectives and work.
3. The name given to this supplement was the open university, expressing clearly the intention of making knowledge available to those which are generally deprived of it.
4. Habitat International Coalition is the main international coalition linking groups from around the world working on housing and human settlements issues.
5. Misereor is a Catholic German private voluntary organization which has a long history of supporting community-based, bottom up housing interventions.
6. Latin American and Asian Service for Popular Housing (SELAVIP), a Belgian based private voluntary organization.
7. Ciencia y Tecnologia en Desarrollo Produciendo y Construyendo

Recent publications from iied's human settlements programme

Contents

- Environment and Sustainable Development
- Urban Poverty Reduction
- Finance for Housing and Basic Services
- Funding Community Initiatives
- Health and Housing
- Housing and Housing Rights
- The Journal: *Environment and Urbanization*
- Urban Change and Rural-urban Interactions
- Participatory Tools and Methods

Publications that concentrate on urban issues in Africa, Asia and Latin America -- with a special interest in housing and housing finance, health, environment, poverty reduction, community action, sustainable development and urban change.

iied

International
Institute for
Environment and
Development

Human Settlements
Programme

Environmental Problems in Third World Cities
Jorge E. Hardoy, Diana Mitlin and David Satterthwaite

Now in its fourth reprint, this book describes environmental problems in cities and how these affect human health, local eco-systems and global cycles. It also shows that practical solutions to many of the problems can be found, especially through building the capacity and competence of urban government, supporting local NGOs and channelling support direct to associations of low-income households.

"It is rare to encounter a work as authoritative and accessible as this. It is a mine of useful information from cities in every part of the Third World, which does not shy away from the immensity of the problems but says as much about the solutions to them as about the problems themselves"

Jonathon Porritt

"Environmental Problems in Third World Cities" is not just a masterly analysis. It shows how to manage issues which have often proved unmanageable" **Sir Crispin Tickell**, Warden of Green College, Oxford

"This well-written and lucid book is a useful primer on the complex environmental problems facing cities in the South" **Health Action**

1993. Earthscan, London. ISBN: 1-85383-146-8. 302pp.
£14.95/\$25 (half price for non-OECD orders)

Order No.5057

Sustainable Development and Cities

Diana Mitlin and David Satterthwaite

This is the background paper commissioned by Global Forum '94 for the five-day conference it organised on "Cities and Sustainable Development" in Manchester, UK. Delegations from 50 cities around the world attended this conference, with representatives in each city delegation drawn from citizen groups and NGOs, trade unions, city government and the private sector.

The paper is divided into nine sections. The first discusses the potential that cities have for contributing to sustainable development and what has to be done to realise this potential. The second considers the main goals that are part of sustainable development and how these relate to cities and to the seven themes chosen for discussion at Global Forum '94. This is followed by sections on these seven themes: resource use; livelihoods; basic needs and urban poverty; environment and health; transport and communications; finance for sustainable development; and governance and institutions. An annex considers the extent to which Agenda 21 (the main "action plan" coming out of the Earth Summit in 1992) addresses urban issues.

1994. Available in English, French and Spanish. 82pp.
£4/US\$8

Order No.7017

Sustainable Cities

A special issue of the journal *Environment and Urbanization*. Volume 4, No.2

This includes papers on: cities' ecological footprints; the political economy of urban poverty and environmental management; recycling in Bogotá; upgrading in Surabaya; non-conventional



options for garbage collection and recycling; urban agriculture; and Curitiba's environmental programme. Papers also on voluntary organisations in Bangladesh and an innovative sports programme for children in one of Nairobi's largest squatter settlements. There are also profiles of IED-América Latina and of Homeless International.
1992. ISSN: 0954-2478. 238pp. £10/US\$18 Order No.7007

NB: The October 1998 issue of *Environment and Urbanization* will be on **Sustainable Cities Revisited** and will include case studies of innovative Local Agenda 21s.

URBAN POVERTY REDUCTION

A working paper series launched in 1996, with case studies of the experience of government agencies and NGOs that have implemented large-scale poverty reduction programmes over the last 10 years. There are also some overview papers.

A. CASE STUDIES

SPARC and its Work with the National Slum Dwellers Federation and Mahila Milan, India
Sheela Patel

1996. 17pp. £3/US\$5.

Order No.7036

Reconstructing Social Capital in a Poor Urban Settlement: the Integrated Improvement Programme, Barrio San Jorge
Ricardo Schusterman and Ana Hardoy

1996. 25pp. £3/US\$5

Order No.7041

The Orangi Pilot Project, Pakistan
OPP Research and Training Institute

1996. 14pp. £3/US\$5

Order No.7037

The Urban Community Development Office, Thailand
Somsook Boonyabancha

1996. 9pp. £3/US\$5

Order No.7045

From Community Development to Housing Finance: from Mutirões to Casa Melhor in Fortaleza, Brazil
Yves Cabannes

1996. 29pp. £3/US\$5

Order No.7046

Decentralization and Urban Poverty Reduction in Nicaragua: the experience of the Local Development Programme (PRODEL)
Alfredo Stein

1996. 27pp. £3/US\$5

Order No.7032

FONHAPO: the experience of the National Fund for Low Income Housing in Mexico
Enrique Ortiz

1998. 55pp. £3/US\$5

Order No.7040

Our Money, Our Movement (case study of the Women's Credit Union in Sri Lanka)
Aiana Albee and Nandasiri Gamage

1996. IT Publications, London. £3/US\$5

Order No.7038

Bottom-up Initiatives for Poverty Reduction: an NGO effort in Ga Mashie, Accra, Ghana
Anoba J. Annorbah-Sarpei

1997. 15pp. £3/US\$5

Order No.7048

uTshani Buyakhuluma (The grass speaks):
People's Dialogue and the South African
Homeless People's Federation

Joel Bolnick

1997. 22pp. £3/US\$5

Order No.7049

B. OVERVIEWS AND GENERAL WORKS

Urban Poverty: reconsidering its scale and nature

David Satterthwaite

1996. 22pp. £3/US\$5

Order No.7033

Reaching Low-Income Groups with Housing Finance

Diana Mitlin

1997. 45pp. £3/US\$5

Order No.7044

City-based Funds for Community Initiatives

Diana Mitlin and David Satterthwaite

1996. 14pp. £3/US\$5

Order No.7039

Another IED working paper of relevance to this topic is:

NGO Capacity and Effectiveness: a review of themes in NGO-related research recently funded by ESCOR

Anthony Bebbington and Diana Mitlin

1996. 37pp. £7.50

Order No.7050

More case studies of urban poverty reduction initiatives will be published during 1999 and 2000.

Two issues of the journal *Environment and Urbanization* published in 1995 concentrated on urban poverty:

Urban Poverty: characteristics, causes and consequences Volume 7, No.1

This includes papers on urban poverty in Harare, Mexico, Dar es Salaam, San Carlos de Bariloche, Bombay and the rural-urban interface in Tanzania – and also four general papers, including one by Robert Chambers considering the links between poverty and livelihoods. Also two papers on participatory tools and methods.

1995. ISSN: 0956-2478. 283pp. £12/US\$21 Order No.7012

Urban Poverty II: from understanding to action Volume 7, No.2

This includes papers on urban poverty in Abidjan, Dhaka, Brazil, Nairobi, the Pacific and Khartoum and also on how municipal interventions can address poverty. Also papers on how the middle classes were squeezed in Latin America during the 1980s, on housing markets in La Paz and on Chile's housing policy. Also, two papers on participatory tools and methods and a profile of the Orangi Pilot Project in Pakistan.

1995. ISSN: 0956-2478. 266pp. £12/US\$21 Order No.7028



FINANCE FOR HOUSING AND BASIC SERVICES

Hi-Fi News

A twice yearly newsletter of the Habitat International Coalition's Working Group on Housing Finance and Resource Mobilization. This provides information about housing finance projects and programmes in the South and details of recent publications.

Available at no charge; write to the Human Settlements Programme at IED or e-mail us on diana.mitlin@iied.org

Housing Finance and Resource Mobilization

Diana Mitlin (Editor)

This is the report of a second Habitat International Coalition workshop on housing finance and resource mobilization held in 1996. The workshop brought together 20 professionals and practitioners working within the field of loan finance for housing and neighbourhood developments in low-income settlements. Case studies of housing finance programmes from South Africa, Namibia, Zimbabwe, Philippines, Thailand, India, Argentina, Colombia and Brazil were presented and the experience of those taking part allowed the discussions to draw on a much wider range of projects and programmes.

1996. 97pp. £8 (free to Southern NGOs and Southern teaching institutions) Order No.7034

WORKING PAPERS ON HOUSING FINANCE

A new series of working papers was launched in 1998. The first two are:

Micro-finance of Housing: A Key to Building Emerging Country Cities?

Bruce Ferguson

forthcoming 1998

Order No.7052

SPARC's work with HUDCO

Sheela Patel and Randi Davis

forthcoming 1998

Order No.7053

Two papers in the Urban Poverty Reduction series are also on housing finance:

FONHAPO: the experience of the National Fund for Low Income Housing in Mexico

Enrique Ortiz

1998. 55pp. £3/US\$5

Order No.7040

Reaching Low-income Groups with Housing Finance

Diana Mitlin

1997. 45pp. £3/US\$5

Order No.7044

Other papers in the Urban Poverty Reduction series, listed in the previous section, and the publications in the next section on Funding Community Initiatives also have material on micro-finance for housing and basic services.

HOUSING AND HOUSING RIGHTS

Both 1997 issues of the journal *Environment and Urbanization* were on housing issues:

Tenants: addressing needs, increasing options

Environment & Urbanization Volume 9, No.2

This includes papers on rental accommodation and tenants' organisations in Goiania (Brazil), Cape Town and Durban (South Africa), Howrah (India), Lima (Peru), Cochabamba (Bolivia), Nairobi (Kenya), San Salvador (El Salvador) and central areas in Latin American cities. Also a paper on provision for sanitation in tenant areas in Nairobi. Papers in the feedback section on: new models for aid agencies in the search for shelter; translating NGO successes into government policies; growing up in cities; urbanization and caregiving; evictions and relocations in Lagos; greening small recycling firms in Calcutta; and appraising a low-income housing programme in Kenya.

1997. ISSN: 0956-2478. 360pp. £12/US\$21 Order No.7047

The Struggle for Shelter

Environment & Urbanization Volume 9, No.1

This includes papers on the struggle for shelter in Dakar, Fortaleza, Lima, Hyderabad (Pakistan), Buenos Aires, the United States and South Africa and a photo-essay on Mexico. Also, papers on: *The Big Issue* and other street papers for the homeless; what determines vulnerability to floods in Georgetown; the use of existing data to understand inequalities in health; experiences with participatory action research for children of the urban poor; and the experience of Sharan in developing financial services for the urban poor in India.

1997. ISSN: 0956-2478. 293pp. £12/US\$21 Order No.7043

Squatter Citizen: life in the urban Third World

Jorge E. Hardoy and David Satterthwaite
This describes the vast and complex process of urban change and considers its impact on the lives of its poorer citizens. Boxes intersperse the text to illustrate points made and also tell stories of how a squatter invasion was organised or how communities in illegal settlements organised their own defence or worked together to improve conditions.

"... a book which should enjoy wide appeal: as a plea for adoption of the 'popular approach'; as a text for student use; and as an accessible and stimulating guide to the urban problems of developing countries.." *Progress in Human Geography*

"... one of the best contemporary statements of what is occurring in the growth of urban places in the Third World." *Environment and Planning A*

"... a very readable book, containing a lot of well documented information. The book is especially relevant for interested lay people but many a professional can also benefit by having it on the bookshelf.." *Third World Planning Review*

1989. Earthscan, London. ISBN: 1-853830929-8. 374pp.

£13.95/US\$23 (half price for non-OECD orders)

Order No.5148

From Housing Needs to Housing Rights: an analysis of the right to adequate housing under international human rights law

Scott Leckie

The right of all people to affordable, secure and healthy housing has been legally recognised since the adoption by the United Nations of the Universal Declaration of Human Rights in 1948. This report documents how governments in both the North and the South have failed to adopt the policies and legislation necessary to ensure their citizens' housing rights are respected. It describes the growing movement worldwide to press governments to respect the right to housing and advises on how to combat housing rights violations (eg. opposing forced evictions and demanding action for the homeless) by showing where housing rights exist, which governments are bound by law to respect them and how such rights can be enforced and protected.

1992. ISBN: 0-905347-78-1. 109pp. £9.95/US\$17.50 (half price for non-OECD orders) Order No.7014

Evictions

A special issue of the journal Environment and Urbanization, Volume 6 No.1

This includes an overview of evictions worldwide and case studies on evictions in Bangkok, Manila, Karachi, Durban, Rio de Janeiro, Lhasa and Israel. Also papers on health in Nairobi's illegal settlements, urban agriculture in Harare, and sustainable cities and China. There are also profiles of the Urban Resource Centre in Karachi and the Centre for Housing Rights and Evictions.

1994. ISSN:0956-2478. 222pp. £12/US\$21 Order No.7010

Service Provision in Cities

A special issue of the journal Environment and Urbanization, Volume 6 No.2

This includes papers on a community-directed basic service programme in Guatemala City; a programme to stop violence against women and children in Cebu; the promotion of community-based approaches to urban infrastructure in Nigeria; community mobilization for obtaining land tenure and services in Ouagadougou; and a sanitation programme in Dhaka. Also papers on setting a new agenda for sexual and reproductive health and rights; household-level environmental problems in São Paulo; and waste-picking in Bangalore. Also a profile of the Carvajal Foundation and Feedback articles on action plans for sustainable communities and on the decline of the urban management system in South Africa.

1994. ISSN: 0956-2478. 240pp. £12/US\$21 Order No.7011



FUNDING COMMUNITY INITIATIVES

Funding Community Initiatives

Silvina Arrossi, Felix Bombarolo, Jorge E. Hardoy, Diana Mitlin, Luis P. Coscio and David Satterthwaite

Despite four decades of development planning, at least one third of the urban population of Africa, Asia and Latin America remain poor. Over 600 million live in "life and health threatening" homes and neighbourhoods because of poor housing and inadequate or no piped water, sanitation and health care. But as the shortcomings of governments and development programmes become more apparent, the untapped abilities of low-income groups and their community organisations to develop their own solutions are increasingly recognised. This book analyses the conditions necessary for successful community initiatives and includes 18 case studies of intermediary institutions (most of them Third World NGOs) who provide technical, legal and financial services to low-income households for constructing or improving housing. Many also work with community organisations in improving water, sanitation, drainage, health care and other community services.

1994. Earthscan, London. ISBN: 1-85383-264-9. 190pp. £14.95/US\$25 (half price for non-OECD orders).

Also available in Spanish Order No.5072

Funding Community Level Initiatives

A special issue of the journal *Environment and Urbanization* Volume 5, No. 1

This contains case studies of funding initiatives by local groups in Bombay, Karachi, Mexico City, San José and South Africa with overviews of funding systems for community development and for shelter improvements. Also, a description of the work of the Cooperative Housing Foundation in Central America and of the Settlements Information Network Africa, and a paper on environmental problems in the river Magdalena (Colombia) by Gabriel Garcia Marquez.

1993. ISSN: 0956-2478. 190pp. £10/US\$18 Order No.7008

One paper in the *Urban Poverty Reduction* series is also on funding community initiatives:

City-based Funds for Community Initiatives

Diana Mitlin and David Satterthwaite

1996. 14pp. £3/US\$5 Order No.7039



HEALTH AND HOUSING

Urban Health In Africa

Sarah J. Atkinson and Alfred Merkle

This discusses the main environmental and occupational health issues and the provision of health care services in urban areas in Africa. It includes case studies of initiatives to improve environmental health and health care. It draws on the experience of over 50 health professionals who took part in a workshop organised by GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit) and the World Health Organization on "Urban Health in Africa" in November/December 1993.

1994. ISBN 0905-347-79X. 71pp. £6/US\$10.80 Order No.701

The Poor Die Young: housing and health in Third World cities

Jorge E. Hardoy, Sandy Cairncross and David Satterthwaite (Editors)

This book describes the main health problems confronting low-income groups in cities in Africa, Asia and Latin America and the ways in which most such problems can be solved quickly and cheaply.

"The authors concentrate on detailed analyses of cities... they consider innovative schemes for dealing with the problems, the needs of the people and how they could be met. In a fascinating chapter, they peer into the future and see what might happen if no changes are made in governmental and aid agencies' approaches and what could be achieved if lessons are drawn from present failures." *The Guardian*

"This volume shows hundreds of examples of self-help in cities as diverse as Allahabad, Rio de Janeiro and Khartoum. There, people are improving their health, upgrading their neighbourhoods, in ways that are far cheaper and more enduring than any of the large-scale projects advocated by planners and engineers trained in the western model." *New Statesman and Society*

"A well structured collection of essays concerning health, its relation to environmental conditions among the urban poor, and the kinds of innovative, low-cost improvements that can and have been adopted both by governments and deprived communities themselves."

Development in Practice

1990. Earthscan, London. ISBN: 1-85383-019-4. 309pp.

£13.95/US\$23 (half price for non-OECD orders) Ord. No.5'

Health and Wellbeing in Cities

A special issue of the journal *Environment and Urbanization* Volume 5, No.2

This includes case studies from Accra, Jakarta and Lusaka in Khulna (Bangladesh) on the impact of ill-health on household income and nutrition, and papers reviewing the impact on health of urban environment and women's needs and priorities for water and sanitation. Also, a description of a violence prevention programme and a paper on what makes "a healthy city". Also a guide to the literature on health in cities, a profile of the Asian Coalition for Housing Rights and Feedback on the Community Assistance Service (Praja Sahayaka Sewaya) in Sri Lanka.

1993. ISSN:0956-2478. 219pp. £10/US\$18 Order No.71

The April 1994 issue of *Environment and Urbanization* on **Service Provision in Cities** also contains case studies of innovative ways of addressing urban health problems. *Volume 6, No.2*

1994. ISSN: 0956-2478. 240pp. £12/US\$21 Order No.71

URBAN CHANGE AND RURAL-URBAN INTERACTIONS

Beyond the Rural-Urban Divide

A special issue of the journal *Environment and Urbanization*, Volume 10 No. 1

This includes papers that document how recent and current economic changes affect migration patterns and rural-urban resource transfers in Botswana, Mexico, Senegal, South Africa and Zimbabwe and how gender and household organisation influences migration patterns. There is also a guide to the literature and papers on: the inter-dependence between small towns and their surrounding areas in Zimbabwe; who gains and who loses in the intense competition for land on the edge of Manila; and health risks associated with natural resource production in peri-urban areas. The Feedback section has papers on street and abused children in Egypt; women-vendors in Port-au-Prince (Haiti); housing policies in Egypt and poverty reduction in urban areas.

1998. ISSN:0956-2478. 298pp. £12/US\$21. Order No.7051

The Scale and Nature of Urban Change in the South

David Satterthwaite

This paper draws on the most recent census data and on other national studies to show how the growth rates for many cities and most urban populations slowed down considerably during the 1980s. During this decade, many of the South's largest cities had more people moving out than in. The paper shows how population growth rates among cities in the South are not unprecedented and how several cities in the North are among the world's fastest growing cities. The paper also shows how most of the world's largest cities are heavily concentrated in the largest economies and how only a very small proportion of the world's population lives in "mega-cities".

1996. 30pp. £2/US\$3

Order No.7030



Small and Intermediate Urban Centres: their role in regional and national development within the Third World

Jorge E. Hardoy and D. Satterthwaite (Editors)

Most of the Third World's urban population either lives in or depends on small and intermediate sized urban centres for access to goods, services and markets. Yet most urban research has concentrated on large cities. In response to the increasing interest shown by governments in special programmes for intermediate size cities, this book seeks to provide a better understanding of how economic, social and political forces shape urban systems and thus affect the development prospects of small and intermediate size urban centres. Five chapters report on the findings of empirical studies on the role of small and intermediate size urban centres in regions in Argentina, the Sudan, Nigeria and North and South India. There are also chapters reviewing the literature on this subject and reviewing the scale and nature of government policies towards smaller urban centres.

"...until now, there has not been a comprehensive review of the factors behind the growth and stagnation or decline of smaller urban centres and the policy implications that follow. Hardoy and Satterthwaite's book will fill that void" *Cities* 1986, Hodder and Stoughton (London, UK) and Westview (USA). ISBN: 0-340-38075-6. 421pp. £15/US\$27 (this book is close to selling out and when it does, a high quality xeroxed copy with ring binding will be available for the same price) Order No.7019

Outside the Large Cities: annotated bibliography and guide to the literature on small and intermediate urban centres in the Third World

Silvia Blitzer, Julio Davila, Jorge E. Hardoy and David Satterthwaite

Detailed annotations of 170 published works on small and intermediate urban centres, drawn mainly from a review of 53 journals. Each annotation aims to give the reader a clear idea of the scope and key conclusions of the original work. The annotations are divided into those dealing with urban case studies and those dealing with broader aspects such as migration, settlement patterns and trends, productive organisation and government strategies and plans. The bibliography also has four indexes: by author, nation, city and source.

1988. 168pp. £11.50/US\$20.70 (half-price for non-OECD orders) Order No.7013

ENVIRONMENT AND URBANIZATION

A journal that concentrates on urban and environmental issues in Africa, Asia, Latin America and the Caribbean. Its coverage includes housing, infrastructure and services, health, poverty reduction, community action and sustainable development. One of the most widely read (and cheapest) journals in its field, *Environment and Urbanization* is written for both a specialist and a general audience.

Published twice a year, each issue is based on a theme such as **Sustainable Cities** or **Urban Poverty** and contains:

- 7-11 papers on different nations or cities dealing with the issue's theme
- A guide to the literature (in most issues)
- Profiles of innovative NGOs
- Book Notes – summaries of new books, research reports and newsletters and how these can be obtained (including those in Spanish, French and Portuguese)
- Bulletin Board – keeps you in touch with current events and debates
- One or more papers on participatory tools and methods (since April 1995)

Most articles are written by researchers, NGO staff and other professionals from Africa, Asia and Latin America. Its subscribers include over 700 universities or training institutes and over 650 NGOs in the South, as well as most major universities and development agencies in Europe and North America.

SUBSCRIPTIONS

One-year subscription:

institutions – £33/US\$56; individuals – £22/US\$37

Two-year subscription:

institutions – £56/US\$95; individuals – £37/US\$63

Three-year subscription:

institutions – £78/US\$132; individuals – £52/US\$88

Half-price subscriptions available to subscribers from Latin America, Asia (except Japan) and Africa, and to students (a xerox of a current student card is needed as proof)

For free sample copies (available on request) or subscriptions write to *Environment and Urbanization*, IIED, 3 Endsleigh Street, London WC1H 0DD, UK, email: humans@iied.org

For more details about *Environment and Urbanization*, visit its web pages on:

http://www.iied.org/human/env_urb.html

ENVIRONMENT AND URBANIZATION – BACK ISSUES

Sustainable Cities Revisited

Vol. 10, No.2, (to be published in October 1998)

Beyond the Rural-Urban Divide

Vol. 10, No.1, 1998, 298pp. £12 Order No.7051

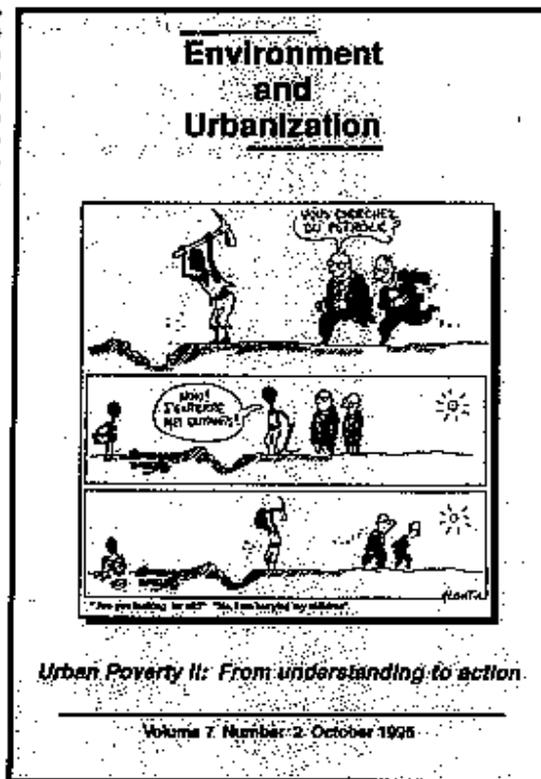
Tenants: addressing needs, increasing options

Vol. 9, No. 2, 1997, 360pp. £12 Order No.7047

The Struggle for Shelter

Vol. 9, No. 1, 1997, 293pp. £12 Order No.7043

* Available as a high quality, ring-bound photocopy of the original, since the original print run has sold out



- **City Inequality**
- Vol. 8, No. 2, 1996, 241pp. £12 Order No.703
- **Future Cities**
- Vol. 8, No. 1, 1996, 288pp. £12 Order No.703
- **Urban Poverty II: from understanding to action**
- Vol. 7, No. 2, 1995, 266pp. £12 Order No.702
- **Urban Poverty: characteristics, causes and consequences**
- Vol. 7, No. 1, 1995, 283pp*. £12 Order No.701
- **Service Provision in Cities**
- Vol. 6, No. 2, 1994, 240pp*. £12 Order No.701
- **Evictions**
- Vol. 6, No. 1, 1994, 222pp. £12 Order No.701
- **Health and Wellbeing in Cities**
- Vol. 5, No. 2, 1993, 219pp. £10 Order No.700
- **Funding Community Level Initiatives**
- Vol. 5, No. 1, 1993, 190pp*. £10 Order No.700
- **Sustainable Cities**
- Vol. 4, No. 2, 1992, 238pp. £10 Order No.700
- **Sustainable Development and the Global Commons**
- Vol. 4, No. 1, 1992, 179pp. £10 Order No.700
- **Women in Environment and Urbanization: strategies for action and the potential for change**
- Vol.3, No. 2, 1991, 171pp*. £10 Order No.700
- **Rethinking Local Government: views from the Third World**
- Vol. 3, No. 1, 1991, 200pp*. £10 Order No.700
- **Children and the Environment: their needs, perceptions and problems**
- Vol. 2, No. 2, 1990, 125pp. £10 Order No.700
- **Community Based Organizations: how they develop, what they seek and achieve**
- Vol.2, No. 1, 1990, 136pp*. £10 Order No.700
- **Beyond the Stereotype of Slums: how poor people find accommodation in Third World cities**
- Vol. 1, No. 2, 1989, 128pp. £10 Order No.700
- **Environmental Problems in Third World Cities**
- Vol. 1, No. 1, 1989, 101pp. £10 Order No.700

PARTICIPATORY TOOLS AND METHODS

RRA Notes 21: special issue on participatory tools and methods in urban areas

Although *RRA Notes* is a publication series on participatory tools and methods that concentrates on rural and agricultural development, this special issue looked at the use of such tools and methods in urban areas. It included case studies from Sri Lanka, Mexico, Ghana, Zambia, Ethiopia, Lusaka and Argentina as well as general papers.

Published as part of the series *Notes on Participatory Learning and Action (PLA Notes - formerly RRA Notes)* by the Sustainable Agriculture Programme, IIED.

1995. ISSN 1357-938X. 110pp. £8/US\$13 Order No.6090

Since April 1995, each issue of the journal *Environment and Urbanization* has also had two papers on participatory tools and methods and their use in urban areas

ORDERING INFORMATION

ALL ORDERS MUST GO TO IIED BOOKSHOP,

3 Endsleigh Street,

London WC1H 0DD, UK.

Tel: +44 (0)171 388 2117; Fax +44 (0)171 388 2826;

email: bookshop@iied.org

If you can, please use this order form.

You MUST include in your order:

order number: If the title(s) you wish to order have an order number listed with their entry in this catalogue, please quote this on your order.

payment for post and packing: please see below for rates.

IMPORTANT ADDITIONAL INFORMATION

Dual pricing: IIED offers certain discounts on some publications to non-OECD NGOs and teaching institutions. Please see individual entries to check if this offer is available on the publications you intend to purchase. Organisations based in OECD countries (and their branches in non-OECD countries) must always pay full price for their orders. See below for a list of OECD countries. Certain publications can be obtained free of charge¹. You can see if that is the case by checking at the end of each publication entry in the catalogue.

OECD countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, The Netherlands, UK, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, USA.

Free publications are NOT available through the bookshop. You must contact the individual programmes concerned (the programme to be contacted will be indicated at the end of each free publication entry).

Forthcoming publications: Please do not send payment for forthcoming titles. Contact the bookshop who will hold your details on file and inform you once the publication becomes available.

Out of print IIED publications that are not in the catalogue can still be purchased as photocopied documents through IIED. Please contact IIED Resource Centre.

Drop-in sales: Our publications are also available for purchase directly at IIED in London.

POSTAGE RATES

Please add payment for postage to your order as follows:

UK: add 20%, minimum £1 (first class or equivalent)

Europe: add 25%, minimum £2 (printed matter airmail or equivalent)

Rest of world: add 40%, minimum £2 (printed matter airmail or equivalent), or 25% (surface)

All bulk orders over £200 - charged at cost, please contact us for details

PAYMENT DETAILS

IIED requires book orders to be pre-paid. Payment can be made in the following ways:

Credit and debit cards: VISA, Mastercard, Switch, Access, Delta and Eurocard. Please include the expiry date of your card, and for Switch cards, the issue number.

Cheques: Pound sterling cheques drawn on a UK bank account, Dollar cheques drawn on a US account or Eurocheques are acceptable. All cheques should be made payable to IIED.

BACS payments: Direct payments to our bank account are also possible. Please ask for details. Unless otherwise stated, our invoices are in pounds sterling.

If you are paying in US dollars please use the current exchange rate.

Please note that prices stated in the catalogue are correct at the time of going to press (July 1996) however IIED reserves the right to change prices without prior notice.

Order form

order no.	title	quantity	unit price	subtotal
-----------	-------	----------	------------	----------

total value of publications

plus postage and packing (see left)

plus VAT if video ordered £23.40 + 17.5% = £27.50

total

please indicate as appropriate

1. I enclose a cheque for £ _____ made payable to IIED

2. I authorise you to debit my Access/Visa/Mastercard/Switch/Delta/Eurocard for £ _____

card number _____

card expiry date _____

issue no. (Switch only) _____

name of cardholder _____

cardholder's address _____

deliver order to:

name _____

organisation _____

address _____

please tick here: if you do not want your details passed on to selected and relevant third parties

¹ Subject to funding availability



**International
Institute for
Environment and
Development**

IIED's **Human Settlements Programme** combines research (in collaboration with teams in Africa, Asia and Latin America), evaluation, technical advice and publications. Most of its work falls under one of five headings:

- Environment and sustainable development (with a particular focus on cities)
- Poverty reduction in urban areas
- Improving living conditions for low income groups
- Participation and the tools and methods that support it
- Urban change; seeking a better understanding of its scale, nature and underlying causes.

Current research projects include:

- New developments in Local Agenda 21s in the South and the factors leading to successful implementation
- Rural-urban inter-linkages and what these imply for rural and for urban development
- The constraints on community action for poverty reduction and case studies of government agencies and NGOs that have implemented large scale poverty reduction programmes over the last 10 years
- Developing housing finance schemes that reach and benefit low income households
- A review of initiatives to improve conditions for tenants

The Programme edits and publishes the twice-yearly journal *Environment and Urbanization* and coordinates the Housing Finance Network for Habitat International Coalition which includes publishing its twice-yearly newsletter. It also works closely with IIED-América Latina in Buenos Aires.

**International Institute for
Environment and Development**
3 Endsleigh Street
London
WC1H 0DD, UK

Tel: (+44 171) 388 2117

Fax: (+44 171) 388 2826

E-mail: humansied@gn.apc.org

Internet: <http://www.iied.org/>