

Gates Foundation gives US\$10 million to help urban poor improve living conditions

The Bill & Melinda Gates Foundation will provide US\$10 million to the nongovernmental organisation Slum/Shack Dwellers International (SDI) to support the urban poor in Africa, Asia and Latin America to take action to improve their housing, water and sanitation.

It is the first time a major US foundation has made a significant investment to address urban poverty in these regions. The grant is also unusual in that it will go direct to grassroots groups that gather under the umbrella of SDI, enabling them to improve their living conditions and their capacity to negotiate with governments to secure rights to land.

In addition to acting as the intermediary for funding, the International Institute for Environment and Development (IIED) will provide academic support for the national programmes.

Sheela Patel, chair of SDI's board says: "This grant is to build the capacity of poor communities to demonstrate to their municipalities, governments and international development agencies that self-organised communities of the poor are partners in addressing urban poverty. This assistance will help to build local dialogue and locally sustainable solutions."

To date, these grassroots groups have built or upgraded more than 200,000 homes (see table below). Worldwide, however, about a billion people live in slums or shacks, most of which lack safe water and toilets.

This work urgently needs to be scaled up. The urban poor are tired of waiting for governments to meet their needs. They are ready and willing to improve their living conditions but need financial support to do so.

"It is the poor who will change the city's living conditions," says Jockin Arputham, president of SDI and founder of the National Slum Dwellers Federation in India. "This grant to SDI from the Gates Foundation has enormous potential to show how cities can work for the poor as well as for the rich."

The grant will be channelled over three years into The International Urban Poor Fund, which SDI manages in association with the International Institute for Environment and Development (IIED).

Funds from this grant will be used to support the activities of federations of informal savings groups formed by slum or shack dwellers to collectively save money and improve their neighbourhoods by securing tenure, installing toilets, improving water supplies and in some cases building houses.

Improving the physical infrastructure is half the battle. The urban poor need the security that comes with knowing they have the right to live where they do. It is easier to negotiate with governments to gain these rights if officials can see the improvements the federations have made, especially as they are usually cheaper and of better quality than anything local contractors can build.

"This fund is a breakthrough for slum dwellers to achieve their dreams and the opportunity to do things themselves," says Rose Molokoane, chair of the South African Federation of the Urban Poor and an SDI board member.

National and local governments in countries such as Brazil, Malawi, Namibia, the Philippines, South Africa, Thailand and Zambia have recognised the role of the federations and have worked with them as partners in urban development. But more often than not, governments see the urban poor as problems rather than part of the solution.

"Most governments and aid agencies still pay little attention to urban poverty," says Diana Mitlin of IIED's Human Settlements Group. "And when they do, it is to finance professionally designed programmes that struggle to address this problem at an appropriate scale."

"With this funding, the Gates Foundation is sending a much-needed signal to such agencies to rethink their approach. This funding will greatly increase the scale at which the national federations can operate and will support the growth of new federations."

The foundation's grant to SDI is part of the Special Initiatives portfolio of its Global Development Program, which works with motivated partners on focused strategies to increase opportunities for people in the developing world to lift themselves out of hunger and poverty.

Special Initiatives grants allow the foundation to fund compelling, specific opportunities to advance development and to learn about new approaches that can inform and improve the strategies and grant-making of the Global Development Program.

The foundation will also share results and lessons learned with a wide variety of institutions-including municipalities and national governments responsible for urban poor communities-in order to showcase how the poor can become active partners rather than beneficiaries of aid.

"We are pleased to support Slum/Shack Dwellers International and the Urban Poor Fund," said Charles Lyons, director of special initiatives at the Gates Foundation's Global Development Program.

"This grant will allow SDI to expand on its proven track record and demand-driven model and develop new, innovative ways to give the urban poor effective voices in their communities and nations."

A photo gallery with images from Brazil, Cambodia, Ghana, India, Kenya and South Africa is available online at: <http://www.sdinet.org/galleries/gallery.htm>

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NOTES TO EDITORS

About Slum/Shack Dwellers International

Slum/Shack Dwellers International is an alliance of people's organizations and NGOs seeking new and different ways of seeking to eradicate homelessness, landlessness and poverty. (see: <http://www.sdinet.org>) The network was launched in 1996, building on existing relationships between federations in Cambodia, India, Namibia, Nepal, South Africa, Thailand and Zimbabwe. It now includes fifteen federation affiliates with emerging processes of grassroots savings groups in ten further countries.

The International Urban Poor Fund was created by IIED and SDI in 2001 with support from the Sigrid Rausing Trust, and has received additional support from the Big Lottery Fund and the Allachy Trust.

One purpose of the new grant is to 'grow' the International Urban Poor Fund. SDI will shortly launch an independent fund with some initial funding from Sida and USAID through a multilateral aid programme called Cities Alliance. The fund's international board will include government ministers from Brazil, South Africa and Sri Lanka.

To date, no other significant US foundations have had funding programmes to address urban poverty in the global South. Some, such as the Ford Foundation, fund such work indirectly through governance programmes. Others, such as the Rockefeller Foundation, are considering launching an urban programme.

About the Bill & Melinda Gates Foundation

Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, it seeks to ensure that all people -- especially those with the fewest resources -- have access to the opportunities they need to succeed in school and life. Based in Seattle, the foundation is led by CEO Patty Stonesifer and co-chair William H. Gates Sr., under the direction of Bill and Melinda Gates and Warren Buffett (see: <http://www.gatesfoundation.org/default.htm>).

About the International Institute for Environment and Development
The International Institute for Environment and Development (IIED) is an independent, non-profit research institute. Set up in 1971 and based in London, IIED provides expertise and leadership in researching and achieving sustainable development (see: <http://www.iied.org>).

Table: Details of some of the federations (for more info see: <http://www.sdinet.org>)

Brazil

Date founded: 2005
Active savers: 100
Savings: US\$4000
Tenure secured (# of families): 150

Cambodia

Date founded: 1993
Active savers: 11,300
Savings: US\$145,000
Houses built: 700
Tenure secured (# of families): 5,000

Colombia

Date founded: 1999
Active savers: 60
Savings: US\$10,000
Tenure secured (# of families): 60

Ghana

Date founded: 2003
Active savers: 12,000
Tenure secured (# of families): 5075

India

Date founded: 1986
Active savers: 100,000
Savings: US\$1.2 million
Houses built: 35,000
Tenure secured (# of families): 35,000

Kenya

Date founded: 2000
Active savers: 20,000
Savings: US\$50,000
Houses built: 100
Tenure secured (# of families): 1,000

Malawi

Date founded: 2004
Active savers: 20,000
Savings: US\$50,000
Houses built: 800
Tenure secured (# of families): 3,000

Namibia

Date founded: 1992
Active savers: 15,000
Savings: US\$0.6 million
Houses built: 1,500
Tenure secured (# of families): 3,500

Nepal

Date founded: 1998

Active savers: 3,147
Savings: US\$173,402
Houses built: 44
Tenure secured (# of families): 44

Philippines

Date founded: 1994
Active savers: 42,727
Savings: US\$631,830
Houses built: 547
Tenure secured (# of families): 26,166

South Africa

Date founded: 1991
Active savers: 50,000
Savings: US\$1.5 million
Houses built: 13,100
Tenure secured (# of families): 20,000

Sri Lanka

Date founded: 1998
Active savers: 21,506
Savings: US\$29,469
Houses built: 50
Tenure secured (# of families): 120

Tanzania

Date founded: 2004
Active savers: 1,000
Savings: US\$2,000
Tenure secured (# of families): 250

Thailand

Date founded: 1992
Active savers: 5 million
Savings: US\$206 million
Houses built: 42,111
Tenure secured (# of families): 42,111

Uganda

Date founded: 2003
Active savers: 500
Savings: US\$2,000
Houses built:
Tenure secured (# of families): 109

Zambia

Date founded: 2002
Active savers: 14,000
Savings: US\$18,000
Houses built:
Tenure secured (# of families): 1,000

Zimbabwe

Date founded: 1995
Active savers: 45,000

Savings: Z\$280 million
Houses built: 1,000
Tenure secured (# of families): 8,500