

## Asia



Children in a slum, Pune, India

Despite Asia's consistent progress in poverty reduction, it is still home to 70 per cent of the world's poor. While the number of poor people has fallen from more than 1 billion to 900 million over the past decade, and the proportion of people living below the poverty line is declining, important regional variations exist. South Asia has more than 500 million poor people, of which 450 million live in India, and China, despite its remarkable economic growth and the enor-

mous strides it has made in lifting millions out of poverty, still has some 225 million people living in absolute poverty.

Against this background, it is hardly surprising that Asian cities and countries are the most active in using CDSs as a means of rethinking the city and planning for its future. In many cases, such as in China, the CDS has been used as a tool to rethink not only the city, but also to plan political and economic relationships with the city-region, which encompasses a number of other cities and their surrounding areas. Indeed, China has taken the lead in actively planning for an increasingly urban future and for using urban growth to reduce rural poverty. This message is beginning to be picked up elsewhere in Asia, which will rely on urban areas for more than 80 per cent of the region's future growth.<sup>18</sup>

In the Philippines, an active national association of cities has embraced and promoted the CDS concept, a process that continues with and without international assistance. In India, increasingly strong economic growth is highlighting the role of cities of all sizes, and the Cities Alliance is witnessing greater interest from cities wishing to undertake comprehensive efforts that would combine slum upgrading within a CDS. For its part, Thailand has forged its own model in moving towards a nationwide cities without slums programme that is likely to provide important lessons for other countries in the region.

## CHINA: CITY-REGION DEVELOPMENT STRATEGIES

More than one-third of China's population of 1.3 billion is concentrated in its 59 metropolitan regions, which together account for close to 60 per cent of China's GDP. The per capita productivity rate falls dramatically outside the major metropolitan regions (Figure 3). However, the importance of metropolitan regions is not just limited to manu-

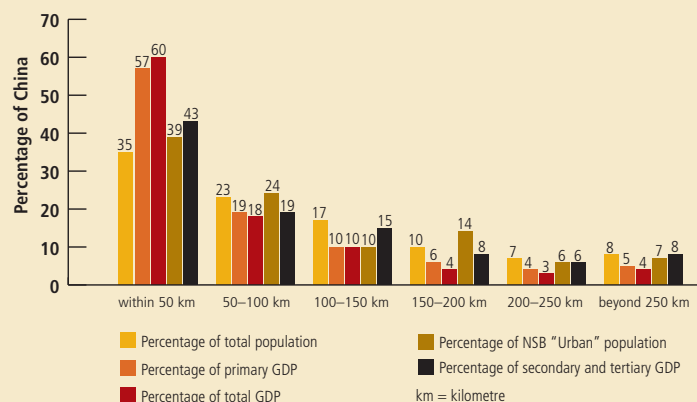


Kunming, China. © Q.T. Luong/Terragalleria.com

facturing or service activities. Surprisingly, 39 per cent of China's GDP from the primary sector is created within metropolitan regions, reflecting the proximity of high value added farming to major consumer markets and distribution hubs.

China's metropolitan regions will have a significant influence on how well the country manages its economic, human, and social development in environmentally sustainable ways. However, growth in China's metropolitan regions is relatively new and has not been addressed systematically. Municipal governments are facing serious difficulties of co-ordination across different jurisdictions and tend to be unfamiliar with analytical tools, development policies, and the most appropriate policy instru-

Figure 3. Metropolitan regions' share of population and output by distance from city centres, China



Source: CHREOD, Ltd., 'China: City-Region Development Strategies 2 Project', Vol. 1 (Ottawa: CHREOD, Ltd., April 2004, p.53).

<sup>18</sup> Asian Development Bank (ADB), *City Development Strategies to Reduce Poverty*, (Manila: ADB, 2004, pp. 8–13).

ments for guidance and intervention at the metropolitan level.

National and local government officials are increasingly searching for alternative approaches to the official master plan approach. Five western cities—Lanzhou, Chengdu, Erdos, Zhengzhou, and Xinxiang—have developed regional CDSs that go beyond the cities’ traditional administrative borders. To keep pace with rapid urban and economic change, these CDSs introduce strategic, participatory, and flexible approaches to setting development priorities, policies, and programmes in keeping with the iterative process outlined in Figure 4.

The CDSs identify strategic governance options for addressing social vulnerability, improving environmental sustainability, managing regional growth, and financing metropolitan development strategies. For senior leaders of both Lanzhou and Zhengzhou, one of the most significant outcomes of the CDSs is enhanced public participation in the city planning process.

**PHNOM PENH CDS: INCLUDING THE POOR IN THE PLANNING PROCESS**



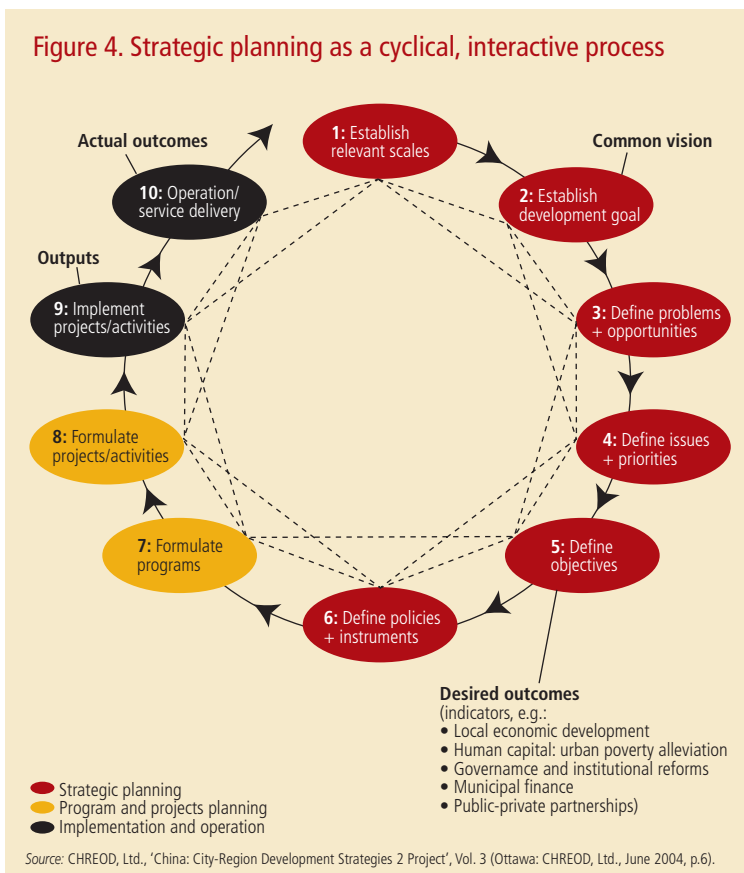
Tonle Sap River, Cambodia. © Q.T. Luong/Terragalleria.com

Nearly a quarter of Phnom Penh’s informal settlers, that is, more than 11,000 families, have been evicted from their settlements in central Phnom Penh in recent years. Of the roughly two-thirds who have been resettled, only a small percentage of families have consolidated their situation at relocation sites they have chosen and planned themselves. The rest are camping out in shacks without water, toilets, roads, or flood protection in remote resettlement colonies that are far from job opportunities, support structures, schools, and health clinics. For these households, resettlement has meant even more extreme poverty.

To improve the situation of Phnom Penh’s informal settlers and tap into the enormous potential for individual and community-based self-improvement of the living conditions of the urban poor, in 1998, the Municipality of Phnom Penh, the Solidarity for Urban Poor Federation, and the Asian Coalition for Housing Rights set up the Urban Poor Development Fund, which supports the resettlement of communities facing eviction. The Fund’s board consists of a majority of community leaders, together with representatives of the municipality, the Asian Coalition for Housing Rights, local NGOs, and other development agencies.

Complementing the Urban Poor Development Fund, in 2002, a CDS that focused on scaling up the community-driven development process was launched to help the Municipality of Phnom Penh

**Figure 4. Strategic planning as a cyclical, interactive process**



and those involved in city development create a sustainable institutional setup for maintaining a balanced relationship between various actors in the city planning and development process. As a result of the CDS, communities have been working together with the municipality to better understand their city, devise alternatives to relocation, and develop guidelines for unavoidable relocations and put these into practice in selected informal settlements.

In the wake of these encouraging results, the government of Cambodia has committed to providing secure land tenure and supporting in-situ upgrading until all of Phnom Penh's urban communities have secure tenure and access to the full complement of basic services. In May 2003, the government announced a major shift in its approach and committed itself to upgrading 100 informal settlements a year for five years.

In a second activity related to the CDS, the Cities Alliance, together with UN-HABITAT and GTZ approved a project in 2002 to improve tenure security for households in informal settlements in Phnom Penh.<sup>19</sup> The four-stage proposal involved

- Announcing a moratorium on relocations and evictions for a period of nine months. This would provide the time to identify settlements that might need to be relocated and locate nearby sites for rehousing them.
- Introducing communal land rights for all those relocated and upgrading settlements for a proposed period of five years. During this time, detailed surveys would be undertaken to prepare for the next stage.
- Granting co-ownership titles in all settlements where communities can demonstrate agreed standards of good governance. For all other settlements, a further five years of communal land rights would be granted.
- Providing individual land titles to any households willing to obtain agreement from their neighbours concerning plot boundaries and meet the legal and administrative costs involved in obtaining and registering titles.

The objective of these proposals is to provide short-term security in ways that are simple to implement and encourage people to invest in home improvements. Longer-term options can then be implemented as communities' administrative capacities increase.

To date, the municipality is still involved in the first stage, and plans are under way to move to the second stage. The hope is that agreement can be reached soon, so that by the end of the project in October 2004, people throughout the city can feel secure in their homes and in the city's future.

"We first discussed our problems together and formed a committee to write down all the things we'd like to do together to improve our settlement and submitted these ideas for support. After the ideas were approved, we immediately set to work. The next step in Ros Reay is to get land titles so we can be secure here."

—Keo Yin, community leader

## INDONESIA: POVERTY-FOCUSED CDS



A slum alley in Jakarta, Indonesia

Since the 1997 Asian economic crisis, when urban poverty increased sharply in Indonesia, the government has begun transferring responsibilities for a number of public services and functions to local governments. To prepare local governments for the challenges arising from urbanisation and decentralisation, the Ministry of Settlements and Regional Infrastructure, with the support of the World Bank, UN-HABITAT, and the United Nations Development Programme (UNDP), has encouraged several cities to implement CDSs. The lessons learned from these experiences led to the

<sup>19</sup> For more details, see [www.gpa.org.uk](http://www.gpa.org.uk).



### Indonesia's CDSs: Tangible and intangible outputs

#### Tangible outputs

- City profiles of the participating cities
- Better public administration and improved public service agendas, validated by the World Bank's Urban Sector Development Reform Project
- Toolkit for implementing CDSs
- Case studies and lessons learned from a selection of CDS cities
- Web site with results and best practices ([www.cdsindonesia.org](http://www.cdsindonesia.org))

#### Intangible outputs

- Communication between local governments and citizens and between legislators and citizens has improved, as evidenced by the new practice of having consultations on all policy formulation matters
- Mass media support, as evidenced by the launch of a column in the local press and a talk show on local radio that allows citizens and city government officials to exchange opinions
- Civil society awareness of the benefits of participation in governance has been enhanced, as evidenced by an increase in participation rates in city forums from an average of 20 people to more than 100 and city officials' greater responsiveness to civil society

institutionalisation of poverty-centred CDSs in Indonesia's urban policy and to the recognition of CDSs as one of the primary tools for sustainable urban investment.

Nine cities were originally selected on a demand-driven basis: Bandar Lampung, Bau-Bau, Bli-tar, Bogor, Bontang, Palembang, Palu, Pangkalpinang, and Surakarta. Working closely with Breakthrough Urban Initiatives for Local Development (BUILD), a local capacity building programme, and assisted by UN-HABITAT and the United Nations Development Programme, the im-

mediate goals for five CDSs have been met. The local governments' capacities to conduct participatory processes in formulating development strategies were strengthened through the active participation of community groups, professional organisations, universities, and the media.

Five of the nine city authorities made participatory planning mandatory, drafting by-laws that recognise citizens' right to participate. Because all but two of the participating cities (Pangkalpinang and Bontang) became eligible for funding under the World Bank's Urban Sector Development Reform Project, this approach may be an indicator of the success of the CDS programme.

The programme also validates the Cities Alliance's key criteria for a successful CDS: local government ownership, links with potential investment partners right from the beginning, and a focus on implementation. The CDS programme in Indonesia was initiated at the national level, with the lead taken by a national team of consultants who worked closely with multilateral development partners, while the involvement of the World Bank as a partner right from the start of the programme resulted in the availability of concrete investments for implementation.

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### LEAGUE OF PHILIPPINE CITIES: CDS HAILED AS AN EFFECTIVE TOOL

The Philippines ranks among the most rapidly urbanising countries in the world. Currently an estimated 52 per cent of the population, or 40 million people, live in urban areas, and the urban population is expected to increase to 80 per cent before the middle of the century. This rapid urbanisation rate is largely due to rural to urban migration, which has resulted from a perception that urban areas are beacons of opportunity. In 2000, urban areas accounted for 75–80 per cent of the country's GDP, illustrating a dramatic shift from an agriculture-based economy over the last 40 years.

To help local governments prepare more efficiently for the challenges of rapid urbanisation,



UN-HABITAT and the World Bank helped the League of Philippines Cities design and implement CDSs. This programme is remarkable for having won the commitment and involvement of a large number of city mayors to a participatory process of preparing city plans and identifying investments for enhancing growth and reducing poverty.

The enthusiasm of the participating mayors and city officials is best expressed in the 2003 Philippine Cities Declaration, which was signed in December 2003 by representatives of almost 40 cities in the presence of President Gloria Macapagal Arroyo. The declaration emphasises the need for a comprehensive and integrated approach towards urban management and outlines the necessary steps the League and the cities should take to ensure the inclusion of the urban agenda into the medium-term Philippine Development Plan.

Horizontal learning among cities proved to be a powerful feature of the CDS programme. As summarised by those responsible for the CDS in Tagaytay City: 'If they can do it, why not us?' The League of Philippines Cities has documented the learning and sharing experience of the CDS programme extensively on the Philippine City Network's web site ([www.cdsea.org](http://www.cdsea.org)). The League created the facility in response to the growing demand from municipal leaders and practitioners for a forum for discussion and a way to share knowledge, and through such dialogue to develop more effective solutions for urban problems. The network has grown to include 40 cities throughout the Philippines.

### CDS achievements in the Philippines

- A broadly based participatory process for visioning and preparing macro-level city strategies and investment plans was developed and implemented in 31 cities.
- The strategies were prepared entirely by the cities themselves, using local staff that had little or no previous exposure to such processes.
- The cities' mayors played an active role during all stages and took full ownership of the process and the resulting strategies.
- A poverty profiling and analysis component was developed and used to prepare the strategies.
- The knowledge management web site is widely used and has toolkit materials useful not only for the Philippines, but for other countries.
- The Philippine programme has been recognised by other countries, which have regularly invited mayors from the Philippines to share their experiences on a bilateral basis.
- A dialogue was established among mayors facing similar issues that facilitated learning and the adaptation of best practices.
- The decentralisation process of the Local Government Code has been strengthened by the exposure of new mayors to a participatory process of strategy preparation.
- The CDS process has led to a League of Philippines Cities General Assembly resolution to add an urban component to the Medium-Term Philippine Development Plan that highlights the critical role of cities in national economic development.

## The Community-Led Infrastructure Finance Facility



Community members involved in constructing the third housing block at Sunnuduguddu, Bangalore, India. The development at Sunnuduguddu is supported by the CLIFF programme.

In the past year, most Cities Alliance activities have reinforced and further emphasised the central importance of a sustainable finance strategy in long-term slum upgrading and urban development programmes. Notwithstanding the variety and complexity of different approaches to achieving such a strategy, two essential trends stand out:

- Achieving scale and sustainability requires forging new relationships between city governments, the urban poor, and the private sector. Few, if any, examples are available of any of these parties achieving development at scale on their own.
- Emphasising the catalytic role that international development assistance can play is important, but the bulk of the resources needed for long-term development is often available through the domestic market using a combination of improved municipal financial management, domestic capital markets, and slum dwellers' own efforts and resources.

Managed by Homeless International under the auspices of the Cities Alliance, the Community-Led Infrastructure Finance Facility (CLIFF) is designed to help organisations of the urban poor implement and scale up community-driven infrastructure, housing, and urban services initiatives at the city level in conjunction with municipal authorities and the private sector, including commercial banks and landowners.

CLIFF provides funding for locally developed projects in a manner designed to leverage funds from other sources and recoup the original capital for reinvestment. It has been designed as a 10-year initiative,

with the pilot phase, which is being carried out in India, now in its third year. The pilot is being implemented by the Society for Promotion of Area Resource Centres and Samudaya Nirman Sahayak in partnership with the National Slum Dwellers' Federation, Mahila Milan. Given the innovative and somewhat unusual nature of CLIFF, a significant effort was necessary to overcome a number of institutional and administrative obstacles, including the need to ensure a smooth flow of funds able to support the rapid development of projects. This has tested the commitment and adaptability of all stakeholders to learn and adapt practices in the interests of making CLIFF and similar community-driven development initiatives work for the urban poor.

CLIFF offers the following forms of financial assistance:

- Technical assistance grants, which providing assistance to communities to package bankable projects.
- Capital loans to leverage public and private resources.
- Knowledge grants to share lessons learned.

In addition, Homeless International is sometimes also in a position to complement CLIFF through the provision of financial guarantees to banks.

CLIFF has now been able to turn its attention to two specific challenges that need to be addressed to achieve scale delivery in one of the world's most vibrant cities, Mumbai, namely:

- Working with municipal and state authorities to improve the use of state subsidies to municipalities to support community-driven and other initiatives.
- Engaging the commercial banking sector to identify ways in which finance and credit could be made available to support and enhance slum upgrading and other activities.

Some progress has been made on the finance side, with two separate banks becoming involved: one providing loan capital and the other a loan guarantee to the Mumbai Municipal Corporation, both for CLIFF-related projects. However, at the moment viewing these as exceptions rather than as the beginnings of a trend would be appropriate; nevertheless, formal deliberations with the commercial banking sector have recently increased.

The first steps to learn from the initial lessons from the CLIFF pilot in India are now being undertaken and to begin the process of expanding CLIFF, most likely to Kenya.

## Provision of universal sanitation in urban India



A public toilet, India

Three of the MDGs depend directly on the provision of sanitation. Few countries have the sanitation challenge faced in India, where the lack of adequate facilities leads to the sight of bare behinds along railway tracks and in other public spaces. Children squat anywhere, while for reasons of safety and modesty, women often wait until dark to perform their natural functions, leading to widespread gastric and intestinal disorders among poor, urban women.

Most Indian towns generally have two forms of public toilets: those that cost nothing to use, which are few and normally so badly maintained by the city authorities as to be unusable, and those that cost Rs 1 per use per person, which is far too expensive for poor families.

In response to this situation, the government of India is providing more than US\$100 million through its Nirmal Bharat Abhiyan (National City Sanitation, or more literally, Purifying India Project) for the construction of community toilets in city slums around the country. To address the problem of long-term maintenance, local authorities are required to build toilet blocks in partnership with slum communities, which will ensure community control and maintenance, while affordable monthly passes for families will provide huge savings in sanitary staff costs for the local government corporation.

In May 2004, senior officials of the Indian Urban Ministry met in the city of Pune, Maharashtra, with elected representatives, slum dwellers, and representatives of NGOs from more than 20 cities to endorse a declaration for the provision of universal sanitation in urban India. Three key agencies, the Society for Promotion of Area Resource Centres, the Administrative Staff College of India, and Yashada are going to work with the Water and Sanitation Programme, with financial sup-

port from the Cities Alliance and the Swedish International Development Cooperation Agency, to turn this declaration into reality.

Pune, a city of nearly 3 million inhabitants, has already demonstrated how partnerships between communities and local governments can provide citywide sanitation for low-income communities. Under the guidance of the city's commissioner, and in partnership with NGOs and slum federations, more than 400 toilet blocks with more than 10,000 seats were built at a cost of some US\$8.5 million: more toilet blocks in two years than had been built during the past 30 years. With an average of 50 people per toilet seat, more than 500,000 slum dwellers have benefited from this programme, making Pune a model for the Purifying India Project.

With community involvement, these toilet blocks are well ventilated, well lit, and colourful, with separate areas for women, men, and children and special facilities for the disabled. The most important features are, however, probably on the roof: large tanks ensure a consistent water supply and a self-contained residential unit for the community-hired caretaker.

Innovations in design were matched by innovations in implementation. Construction managed by slum women ensured good quality work and cost savings, as well as women's empowerment. As Savita Sonavane, a woman deeply involved in the programme in Pune, reported: 'When we started ...we didn't know how deep to dig the pits, the plastering, the foundation depth, the columns, ...the masonry, what the plinth level should be—we had no idea how to go about such things. We didn't know how to read the architect's drawings. However, once we got involved, we started to understand all these complex things.'

The commissioner, Ratnakar Gaekwad, reported that initial hostility by some local politicians actually turned to active support: 'One of the Councillors said that nine toilet blocks had been constructed in his Ward when he could not even get one block constructed in the previous five years. The Councillor said that during election time, all he would have to do was to stand outside the toilet blocks every morning, with folded hands, and that would be sufficient propaganda for him!'

In the two months following the Pune meeting, construction had already started in three other cities around the country and active dialogue had been taken up by authorities in five states: Tamil Nadu, Karnataka, Maharashtra, Andhra Pradesh, and West Bengal. By facilitating a new partnership between NGOs, slum dwellers, and city authorities, the Indian government may have found part of the solution to its sanitation crisis.



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## **MONGOLIA: ULAANBAATAR ASSISTS WITH CDS ACTIVITIES IN SECONDARY CITIES**



Mongolia is rapidly urbanising, with more than 57 per cent of its population now living in urban centres. Though predominantly nomadic, Mongolians are migrating to urban centres in larger numbers in part to escape the harsh climatic conditions that have killed off their livestock in recent years. Most have moved to Ulaanbaatar and to smaller urban centres, such as Erdenet, Darkhan, Khovd, and Choibalsan.

To better manage the impact of this urbanisation and to realize its economic potential, Ulaanbaatar has already successfully implemented a participatory CDS with support from the World Bank. Now, working with the World Bank and the Asian Development Bank, the Municipality of Ulaanbaatar will act as a resource city for the two major secondary cities, Erdenet and Darkhan, which are seeking to replicate the Ulaanbaatar CDS in their efforts to develop a long-term vision of economic growth and poverty reduction.

The economies of Mongolia's secondary city economies are extremely small in comparison with that of the capital, Ulaanbaatar. City officials of Erdenet and Darkhan plan to develop a long-term development vision that is focused on their competitive advantages and provides support to the surrounding areas and to vulnerable groups in the cities.

CDS activities in Mongolia recently received a significant boost with the creation of the Mongo-

lian Association of Urban Centres. The association was formed to facilitate cooperation between urban centres, exchange information, and facilitate urban development and cooperation with local government associations in other countries. The association is expected to contribute significantly to sharing the experience and results of the CDS and strengthening the capacities of local governments.

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