

Latin America and the Caribbean

Senior Adviser to World Bank President, Mamphela Ramphele, in hat, Paulo Souto, Governor of the state of Bahia, and Mario Gordilho, President of CONDER, with other city officials and children during a visit to the Novos Alagados, Ribeira Azul, Brazil



Latin America and the Caribbean is the most urbanised of the developing regions, with 75 per cent of its population of 523 million living in cities in 2000. While it has a number of megacities, more than 60 per cent of the population lives in smaller cities of 50,000 people or more.²¹

Nowhere else in the world is the urbanisation of poverty more evident, and the increasing inequity and disparity threaten stability and sustainable development. To halve the number of people living in extreme poverty, the region needs to grow at 3.2 per cent per year for the next 20 years. It is the region's dynamic cities that hold promise in this regard. Strikingly, the informal sector accounts for more than 70 per cent of new jobs in the cities.

One of the positive recent trends in the region has been the growth of democratisation—a rapid and remarkable change from 1980, when only three countries had mayors elected by popular vote—and decentralisation, which has seen the sustained transfer of

²¹ Inter-American Development Bank (IDB), *The Challenge of an Urban Continent* (Washington, DC: IDB, 2004).

functions to local governments. However, the latter trend started from an extremely low base, and currently local governments handle a mere 15 per cent of government expenditures.

During the last year, the region's associations of local authorities have expanded and strengthened their network. The Latin American Federation of Cities, Municipalities, and Associations (FLACMA) now also serves as the Latin American Regional Section for the newly formed UCLG. This consolidation of the region's associations of municipalities provides scope for local authorities to have a stronger voice in the policy dialogue process, as well as for strengthening learning and knowledge sharing among cities in the region.

The Cities Alliance has its strongest national portfolio in Brazil, a country with strong local governments noted for their innovation and for the strength of civil society. Cities like São Paulo, Recife, Rio de Janeiro, Porte Allegre, and Salvador have all introduced policies and programmes that have attracted the attention of urbanists from around the world. Cities Alliance members were delighted when Brazil became the first developing country to join the Cities Alliance at its 2003 Annual Meeting in São Paulo. Brazil's participation is expected to have a significant impact on the deliberations of the Cities Alliance Consultative Group as it brings its country experience of rapid urbanisation and its long history of slum upgrading to bear on the Alliance's knowledge sharing and policy dialogue on urban poverty reduction.

The Cities Alliance portfolio has also been expanding in the region with new activities recently approved in Chile, Colombia, and Peru.

CHILE: LOCAL DEVELOPMENT STRATEGIES TO OVERCOME POVERTY

Chile has considerable experience with implementing social policies and programmes and designing instruments for social investment. Notwithstanding the successes of its social programmes in recent decades, their impact on poverty reduction has been decreasing. Despite the increasing participation of

municipal administrations in the execution of the central government's social programmes, it is acknowledged that their impact could be strengthened if they were designed as an integral part of participatory local development strategies.

Housing is one of the key components of the government's social policy. Despite a broad array of instruments and programmes intended to meet the demand for housing, reaching the poorest families has remained a challenge. Often the provision of social housing has not been integrated with other aspects of urban development, thereby impeding its impact and sustainability.

In recent years, Chile's Ministry of Housing and Urbanism has developed the Programme for Dynamic Housing Without Debt, which has launched a series of initiatives to implement shelter programmes that reach the poorest sectors of the population. The programmes include the Fund for Solidarity Shelter Projects, initiated by the ministry and the Chilean Association of Municipalities, whereby shelter projects awarded funding are implemented in close cooperation with municipalities to ensure their integration into the overall urban and local development context.

The Cities Alliance, through its members UN-HABITAT and GTZ, is helping local governments and the Ministry of Housing and Urbanism to prepare and implement the initial stages of the Programme for Dynamic Housing Without Debt, focusing on urban municipalities in the Valparaiso and Bío Bío regions and the Metropolitan Region of Santiago. Supplementing the initial investment budget of US\$36 million, the activity will develop tools and processes to strengthen the capacity of these municipalities, their regional associations, and local stakeholders to participate in the implementation of housing programmes within the context of integrated urban development strategies.

RIBEIRA AZUL PROGRAMME MOVING TO SCALE IN SALVADOR AND BAHIA, BRAZIL

The slum upgrading programme of the state of Bahia, Brazil, is among the most successful with

Cities Alliance members visit Ribeira Azul during the Consultative Group Meeting held in São Paulo in October 2003



which the Cities Alliance has been engaged. It has been characterised by

- Being scaled up to citywide and statewide levels;
- Using a participatory, integrated, and area-based methodology;
- Involving a broad group of local and international partners;
- Focussing on monitoring and impact evaluation.

Building on the experiences of a slum upgrading programme begun in the mid-1990s and affecting 15,000 slum dwellers, in 1999, the government of Bahia teamed up with Cities Alliance members, the Italian government, and the World Bank to scale up its efforts to improve the lives of 150,000 slum dwellers living in 40,000 households in the Ribeira Azul area of Salvador, Bahia, the state's capital and largest city. Approximately 45 per cent of Salvador's 2.7 million inhabitants live in squatter settlements or informal land subdivisions.

During the past year, the government has taken bold steps to continue scaling up its efforts via a new, statewide programme—Viver Melhor II—that will affect seven other slum areas in Salvador and launch citywide upgrading programmes in other cities throughout the state. The government of Bahia is working with the World Bank to prepare a new US\$96 million loan as part of a US\$160 million financing package to support this effort.

The upgrading methodology includes physical interventions (water and sanitation, roads, housing, and so on) as well as regularising land tenure, and a package of social interventions, including the provi-

sion of health care, education, day care, job training, and support to local cooperatives; the improvement of homes; and the building of social equipment. Thus the programme takes aim not only at target 11 of the MDGs (to improve the lives of slum dwellers) but also at many of the other MDGs. The methodology also features extensive community participation and a focus on the community as a whole.

Another feature of the programme is its broadly based partnerships. Through the Cities Alliance, the government of Italy provided more than €5 million in grant funds for technical and social assistance activities for the ongoing Ribeira Azul programme and has pledged a further €5 million for the new statewide programme. The World Bank has provided extensive technical assistance for the Ribeira Azul programme and is helping the government of Bahia design and prepare the statewide programme.

An international NGO, Associazione Volontari per il Servizio Internazionale (AVSI), has administered most of the Italian grant funds. This NGO has worked in partnership with the state's Urban Development Agency, CONDER, for more than 12 years and has contributed millions of dollars for social infrastructure, including schools and day care centres. It works closely with more than 60 local NGOs, community-based organisations, and cooperatives to help it deliver social and technical assistance.

The Bahia government has also strongly supported the efforts of all the partners involved to design an ambitious monitoring and impact evaluation plan that will inform programme implementation and future programme design. AVSI and its partners are working closely with the University of Trento (Italy) on this initiative, and the World Bank is also drawing upon this work to strengthen its approach to the impact evaluation of slum upgrading.

Throughout this programme, the Cities Alliance and its members have played a catalytic role in ensuring the replication and scaling up of the methodology, building the international partnerships, and emphasising the developmental impacts. The scaling-up process from community, to area development, to citywide and now statewide levels

has been made possible by the coherent efforts of the broad range of development partners who are directly contributing to these efforts. Such scaling

up and co-operation are primary objectives of the Cities Alliance.

Community-based approaches to slum upgrading take root in Salvador, Brazil

For most of his 32 years as an engineer in the private and public sectors in Salvador, Jurandir Fonseca built roads, bridges, sewerage lines, houses, and office buildings, but the past few years of working on the Ribeira Azul programme have led him to a new and broader perspective of his job: helping people improve their communities.

'When I first joined the programme', Fonseca recalls, 'I felt like just a technician'. But after he started living and working with the slum communities that the programme was upgrading and associating with the social sector professionals also involved with the integrated social and physical intervention, Fonseca notes, 'I started getting involved in the community's problems, but no longer as an outsider'.

'I realised that I just couldn't put in a street or a house', says the engineer. 'With a broader understanding, I realised there were people involved. I just couldn't put a road through their house'.

Fonseca has learned that 'you need to build with them [the community], to involve them far in advance during the planning process'. He has gained a greater understanding of the needs and demands of the families in the programme area. 'I am becoming a social engineer', he proudly declares.

The Ribeira Azul programme in Salvador is not only improving the lives of 150,000 slum dwellers, but is also helping transform the urban development agency that is leading the slum upgrading programme. As co-director of the Technical and Social Assistance Project for Ribeira Azul, the US\$5 million assistance project supported by the Cities Alliance and the Italian government, and as a special adviser to the president of CONDER (Bahia's Urban Development Agency), Fonseca is in an excellent position to help influence the agency. He notes that the integrated methodology of the Ribeira Azul programme is communicated to many of the other 750 staff of CONDER, including nearly 200 engineers and architects, through periodic internal seminars and meetings. Other staff will apply the Ribeira Azul methodology as part of a new, statewide slum upgrading programme currently under preparation.

The climate of working hand-in-hand with the slum communities has been instilled by CONDER's president, Mario Gordilho, a prominent businessman from Salvador who was asked to lead the agency five



Fátima Cardoso and Jurandir Fonseca

years ago. Described by the governor of Bahia as 'an engineer with a social touch', Gordilho has positioned CONDER as a 'school to train public managers for Bahia'.

The changes in CONDER are obvious to Fátima Cardoso, the social work coordinator for Ribeira Azul. 'This focus on the social aspects is no longer seen as a mere way to mediate conflicts between the community and the institutions involved', she observes. 'Now that we have learned this lesson, our work integrates technical aspects and a constant effort to accompany the community in a process of identification of its own needs'.

The slum communities involved have responded with high levels of participation in the development process, reports Cardoso, although some community leaders voice the desire for even more engagement.

Fonseca cites several lessons learned from the programme:

- We have learned how to bring a project up from the community rather than down from the technician.
- We have learned to be more patient and to listen. We always thought we needed to impose, but we now know we need to listen and learn from the community.
- Community involvement also has its risks, as people can be motivated politically to obtain more power and assets for themselves, rather than for the good of the community.

CDS FOR THE RECIFE METROPOLITAN REGION

The Recife Metropolitan Region, which comprises 14 municipalities, is the fourth largest metropolitan region in Brazil and the largest in the Brazilian northeast. Located in the state of Pernambuco, one of the poorest regions of the country, 41 per cent of its 3.3 million inhabitants live below the poverty line. Unlike other metropolitan regions of the Brazilian northeast, Recife's economy is stagnant and its per capita income has remained the same for the last 20 years.

Recife's problems are similar to those of most of Brazil's other metropolitan areas and big cities. Extremely unequal income distribution, high concentration of poverty, high crime and violence, high unemployment, inadequate housing, water and sewage problems, and bad quality of public transportation are among the most serious issues Recife's inhabitants face.

To better prepare the metropolitan region to deal with these problems and to take advantage of its tourism potential and availability of land and natural resources, the Metropolitan Area Authority, supported the development of a long-term vision and alternative scenarios for Recife's economic future through the preparation of a CDS.

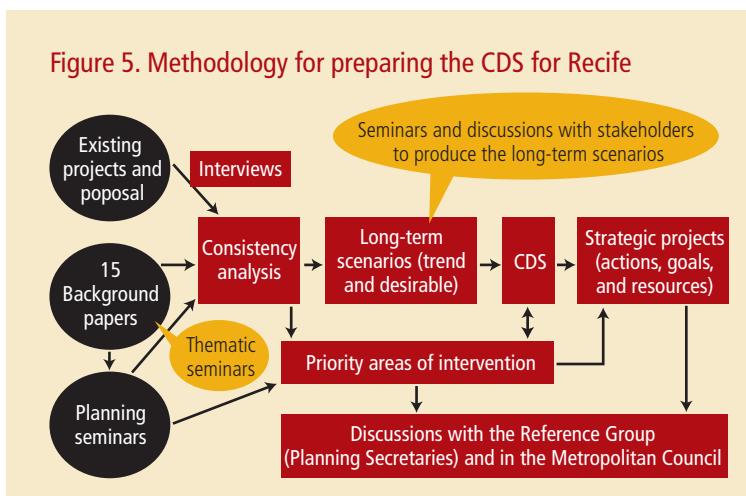


The Recife CDS was prepared by the political and technical organisations responsible for the development of the metropolitan region, namely, the Metropolitan Development Council and the Metropolitan and State Planning Agency in partnership with Brazil's renowned Applied Economics Research Institute. The Institute wanted to test the CDS as an important tool for promoting economic growth and poverty reduction not only for Recife, but also for the 50 other metropolitan regions in the country. On the basis of a series of analytical reports covering the socioeconomic background and social and infrastructure issues, a regional metropolitan strategy was formulated that identified 20 strategic, priority investment projects (Figure 5).

The CDS has resulted in significant mobilisation of stakeholders. Based on a thorough analysis of the most important economic sectors, stakeholders discussed long-term trends and prioritised strategic actions. The proposed well-defined and viable strategy led to a comprehensive urbanistic plan that was approved by the Metropolitan Development Council.

Simultaneous with the preparation of the strategy for the development of the Recife Metropolitan Region, the largest World Bank slum upgrading project for Latin America, Pro-metropole, was prepared and initiated with US\$84 million worth of investment. The substantial synergy between the metropolitan development strategy and the upgrading project helped shape the preparation of another World Bank investment in the Recife region, the Capibaribe River Valley Project, which focuses

Figure 5. Methodology for preparing the CDS for Recife



Source: Lima, Ricardo A., *City Development Strategy for The Recife Metropolitan Region*, (São Paulo: May 2003, p. 15).

on basic infrastructure in most of the slums of the municipalities of Recife and Olinda.

As a result of the success of the Recife CDS, several other metropolitan regions in Brazil have indicated their interest in initiating a CDS process.

CITY NETWORKS FOR DEVELOPMENT AND SOCIAL INTEGRATION, MISSOES REGION, BRAZIL



During a May 2004 regional seminar organised by UN-HABITAT's Urban Management Programme in San Miguel das Missoes, Brazil, delegates from small and medium municipalities in Argentina, Brazil, Ecuador, and Mexico discussed the implications of increasing globalisation for their cities and how to be better prepared to deal not only with the resulting increases in unemployment and poverty, but also with its potential benefits.

The experience of the Missoes region in southern Brazil, where the shift to export-oriented, monoculture farming of transgenic soja has impoverished small-scale farmers, is particularly instructive. The region's poor municipalities (25 municipalities with a total of 270,000 inhabitants) have been unable to meet the demands of a population reduced to poverty.

In response, the state government, the Association of Missoes Municipalities, and local stakeholders, with support from the Urban Management Programme and the Cities Alliance, have formulated a micro-regional plan for economic development, poverty reduction, and inclusion based on

the notion that strengthening (or creating) city networks is central to the integral development of any region.

After an initial period of raising the awareness of all the actors, more than 60 proposals have been discussed in depth not only by the public and private partners traditionally involved in such exercises, but also by those frequently excluded: the poorest, the indigenous, the rural workers, the women. To facilitate the process, five commissions have been established on formal sector development, informal sector development, municipalities as promoters of economic development, the environment as a job creating opportunity, and gender and ethnic equity. Each commission assessed proposals against common criteria and selected those to pursue by consensus.

This resulted in 14 cross-cutting projects being chosen for an action plan that was grouped into three categories: initiatives for strengthening local capacities, projects to generate labour and income, and projects to improve the region's economic and social structure. Funds to cover their estimated costs of about US\$5 million were identified at the national, state, and local levels from both the public and the private sectors.

Among other innovations, a participatory public-private entity, hosted by the Association of Missoes Municipalities, was formally established to manage the action plan and its implementation. With demonstrated success in preparing the regional council for the implementation of the national Fome Zero programme to combat hunger, the national government has expressed its intent to support the Missoes' action plan as an example of what could be replicated elsewhere in Brazil.

The small cities of the Missoes region provide positive lessons about the possibilities for devising alternative development models for regions excluded from globalisation. Of particular note for many small and medium cities in Latin America and the Caribbean is the significance of active participation by all urban actors as a critical starting point.