

Cities Alliance Wire No. 3 (March 2001)

Working together for prosperous cities without slums

Highlights

The Year Ahead: Note from the Secretariat

We enter the new year poised to implement and deepen the Cities Alliance agenda for action. Our first year focused on establishing the Alliance's foundation. This involved creating a shared vision and strategy, setting up the Secretariat, establishing mechanisms and procedures for the Alliance's work program, negotiating the trust funds and engaging the implementation capacity of our partners. The first year also entailed putting in place governance structures – a Steering Committee, representing the Consultative Group (CG), and the Policy Advisory Board (PAB). The groundwork of this first year has now positioned us to focus on strengthening the value added of this coalition, in particular in serving as a "learning alliance".

Where do we want to be by the end of CY2001?

By the end of the year, we aim to have strengthened the political commitment to our shared vision and strategy across a broader constituency, and thus to have expanded the Alliance's membership to include one or more of the regional development banks and additional bilateral and multilateral partners. This commitment should also be evidenced by partners adapting their own strategies, programs and action plans in concert with achieving the Alliance's goals and objectives.

We aim to facilitate expanding the collective effort of Alliance partners to catalyze citywide and nationwide impacts through an additional 10 to 15 city development strategies (CDS) and slum upgrading initiatives which are aligned with the Alliance's guiding principles, and build on local initiatives with strong local ownership and partnerships with communities, local authorities and the private sector.

Most importantly, we aim to establish the Alliance as a 'learning alliance' by working with partners to sharpen the focus on the distinguishing characteristics and principles of successful approaches to CDS and citywide slum upgrading. This will include addressing where to set the performance bar for these initiatives, how to better respond to initiatives launched by the urban poor themselves, and how to scale up these initiatives by engaging the energy and resources of the private sector.

We aim to work with and through **existing** networks of the urban poor, cities, practitioners, and universities – more systematically engaging them and strengthening their networks to help scale-up successful approaches and promote knowledge sharing. Both our partners and our clients are seeking effective tools, rather than prescriptions or ready-made solutions. The purpose is to support the process of scaling-up by focusing on key knowledge gaps and facilitating learning from successful approaches and tools.

Public Policy Forum II: "Local Partnerships: Moving to Scale"

Summary Proceedings of the
Public Policy Forum
"Local Partnership: Moving to Scale"
Rome, 29 November 2000

The Italian Ministry of Foreign Affairs hosted the Cities Alliance second Public Policy Forum in Rome, Italy, on 29 November. The Forum focused on theme of "Local Partnerships: Moving to Scale". The Forum was structured around the presentation of three initiatives, each demonstrating the value of building local partnerships in order to achieve citywide scales of action: Salvador de Bahia- Brazil, Nouakchott- Mauritania, and Phnom Penh- Cambodia. Each presentation was led by a team of 3-4 persons composed of representatives from

local authorities and community based organisations.

Mr. Giandomenico Magliano, Director General, Development Cooperation, the Italian Ministry of Foreign Affairs welcomed PPF participants, and reiterated Italy's support of the Cities Alliance. Anna Kajumulo Tibaijuka, Executive Director of UNCHS (Habitat) stressed the necessity of confronting the fundamental challenge of urbanization, urban/rural linkages and the need of the Cities Alliance to promote partnership, good governance and translate the vision into actions for poverty alleviation.

Summary feedback from the forum:

Discussions focused on the necessity of local partnerships as a basis for scaling up slum upgrading. Common themes included the role of the poor in slum upgrading as key actors and change agents rather than as recipients of services; and the necessity of community involvement and partnerships in order to scale-up and deliver better quality services. Questions focused on the contributions of respective partners to urban upgrading programs, institutional arrangements, the flow of funds, cost recovery of services provided, the role of the private financial sector, and re-invasion of upgraded settlements.

Common threads across the three programs profiled in the PPF:

- Political will – Important at national and local level. The Cambodia case demonstrated how the organized urban poor, through sheer force of numbers, can put Cities Alliance issues on the political agenda.
- Community participation – Not questioned, was fundamental and underpinned each initiative.
- Working together – The necessity of partnership in order to deliver integrated and better quality services, and to scale up.
- Scaling-up – Not a question anymore, the strategy to scale up services was built into the design of all three programs. The Mauritania and Brazil examples started with pilot schemes with the intent to scale up city-wide, while Phnom Penh has already taken root citywide.

Some key issues with policy implications:

- Mutual benefit: If a solution to problems of urban land tenure works for one party but not for the others, it will not be sustainable. Only when solutions are found in partnership, will they be replicated and become sustainable.
- Collaboration: Urban and housing problems are too large and complex for any group to solve alone. Communities may be very well organised, but without funds, access to land and technical assistance, they cannot build 'secure' and 'served' neighbourhoods for themselves. Likewise, cities and foreign aid organisations may have good proposals for slum upgrading, but city wide strategies for slum upgrading policy cannot work without the active involvement of the inhabitants in both design and implementation.
- Flexibility: Mechanisms and tools that are developed to help the poor get secure tenure and progressively improve their living conditions need to be designed and built on for practical realities of both the urban poor, as well as the local authority.
- Reaching the poorest: Formal mechanisms for housing supply and access to credit are not affordable to slum dwellers. Houses are too expensive, plots do not fit the requirements and affordability of the poor, nor of service standards. These issues also need to be addressed in action with slum upgrading to avoid speculation, re-invasion and buy-outs.

Questions for the Consultative Group:

In summarizing the results of the Forum, for the Consultative Group, Mohini Malhotra raised five questions for their future was question:

1. What is the role of the private financial sector in urban upgrading? How can we engage the financial sector, in order to leverage funds to achieve the scale we aim for?
2. Where will investment come from to complement those funds raised by the urban poor themselves, demonstrated by the example of Cambodia?

3. What do "ideal" upgrading programs look like? What specifically do we mean by 'better programs' or 'not business as usual'?

4. What is the specific added-value of the Cities Alliance in scaling up slum upgrading and promoting city development strategies?

5. What do we want out of the Public Policy Forum and how can we make it more issues and learning oriented?

Note. A copy of the PPF agenda and a contact list of participants is available on the Cities Alliance website.

Scaling up Slum Upgrading in Salvador de Bahia

Salvador de Bahia- Brazil

The State of Bahia has evolved its urban development policy and strategy from a previously sectoral one aimed mainly at conventional housing projects to one implementing integrated programs that link physical interventions to social and income-generation actions, as reflected in the 2000/2001 Strategic Plan for Housing and Urban Development. The Plan also envisages partnerships between local governments, international aid agencies, other development organizations and community-based organizations.

Salvador, the capital of the state of Bahia, is a sprawling city of almost three million, of which over a million live in informal settlements in the city. The Poverty Reduction Program in the Ribeira Azul area was developed with the intent to reduce poverty in one of the most degraded parts of the Salvador metropolitan area. Ribeira Azul, is comprised of a collection of bayside neighborhoods situated in the northwestern outskirts of the city. Its surface area amounts to about 4km², its population nearly 40,000 families, the equivalent of approximately 150,000 inhabitants, or 6% of the population of the city of Salvador. Of these households, about 2,500 live in houses on stilts, on the mangrove swamp areas of two inlets, the Enseada do Cabrito and Enseada dos Tainheiros.

Population data from Novos Alagados, one of the neighborhoods in the Ribeira Azul area, reveal the following : of the total active age population, 45% don't generate any income, 59% have household incomes that amount to only half the minimum wage, the equivalent of \$45 US dollars a month, 13% of the homes built on dry ground don't have bathrooms and 64% have incomplete sanitary structures; 21% of the school age population does not attend school and 71% are behind scholastically; 40% of the population declare to have encountered difficulties in accessing public health services and 20% have self-medication as their only alternative for health care. These data from Novos Alagados can be considered representative of the entire Ribeira Azul area.

The Ribeira Azul Program is based on the success of a pilot program; the Novos Alagados Urban Upgrading and Social Promotion Project implemented in the northernmost part of the Ribeira Azul area. Novos Alagados, started in 1995, represented the beginning of a strong partnership between the local communities, an international non-governmental organization, AVSI (Association of Volunteers for International Service) and the Government of the State of Bahia. The integrated, participatory methodology will be replicated in the Ribeira Azul Program, due to its demonstrated success.

A key function of the Ribeira Azul Program will be to coordinate and integrate investments in urban upgrading and create synergies among them, in order to optimize results and fill in existing gaps. The Government of the State of Bahia and AVSI signed an agreement of technical and financial cooperation in December 1999, to replicate and scale up the methodology employed in the Novos Alagados pilot program.

The resources necessary for the execution of the Ribeira Azul Program amount to approximately US\$60 million, of which approximately US\$30 million have already been obtained by the State of Bahia, from various funding sources. Out of this amount, US\$5 million will be financed by the Italian government through a grant. The Italian grant will be made through the Cities Alliance within the framework of the "Cities Without Slums" Action Plan.

Integrated Upgrading in Mauritania

Nouakchott- Mauritania

Nouakchott is a young city; founded in 1957 with only some 4,000 inhabitants. Rapid urban growth was driven by massive rural migration has led to explore growth in 2000. The total population was estimated at 600,000 inhabitants. Persistent droughts and the resulting desertification generated a rapid increase of the urban population from less than 4 percent in 1962 to the current estimate of 61% (1.4 million of the total population of 2.3 million). Such urban growth was not coordinated with adequate city planning, resulting in fast expansion of uncontrolled urban development as more than 40% of urban land is currently occupied by squatter settlements. This was coupled with high incidence of poverty. The proportion of individuals living below the poverty line was estimated at 50 percent in the 1990s.

The public authorities response to such problems started in the 1970s by organizing the first local elections to reflect the voice of the poor, followed by several schemes of land subdivision. In the 1990s, the government launched series of projects and programs basically targeting poverty reduction; Development Project of Construction Industry (DICE) with Creation of an Agency for Execution of public interest work (AMEXTIPE), and Decentralization of Urban Infrastructure Project (DIU).

The Government launched a pilot anti-poverty program in Dar el-Beida district in 1999 with a total cost of \$640,000, which has now been replicated in another three districts. The program provided vocational training and micro-credits to improve income and living conditions. The program methodology comprised four participatory levels of intervention: housing, education, improvement of the infrastructure (sanitation, water supply, electricity and household refuse), and Micro-finance. To date, 103 jobs were created in 3 districts, 196 latrines were constructed, while credit repayment rates were 95,7% in Dar el-Beida district and 100% in Saada district. The communities have established two committees to represent their interests as well as several cultural and sport groups to carry out community activities in each district. A manual is now under preparation capitalizing on lessons learned during the pilot phase, to give guidelines for the procedures during the replication phase (scale-up) in other districts of Nouakchott (2001-2003).

Based on the success of this small home-grown and self-financed pilot program, the central and local governments of Mauritania, in partnership with urban poor communities and the private sector, combined forces to scale-up and develop a national strategy and program for slum upgrading. This program is to be financed primarily from the World Bank as well as other international donors. It aims to ameliorate living conditions in the slums of the main towns of Mauritania--Nouakchott and Nouadhibou--as well as to improve and consolidate the institutional framework for urban and land management systems. It hopes to achieve:

- Citywide slum upgrading in Nouakchott and Nouadhibou with a target to scale-up, including review of the land policy, the provision of: secure land tenure, access to basic urban infrastructure, infrastructure in support of economic activities and employment creation (mainly for the artisanal fishery activities, stock raising); and affordable serviced land and/or shelter;
- Community targeted micro-credits and technical assistance for the construction of shelter and latrines; and income generation activities;
- Empowerment of communities (associations and NGOs) and enhanced decentralization (municipalities and associations);
- City Development Strategy (economic, urban, institutional and environmental); and
- Capacity building for urban and land management

The first strategic framework of poverty reduction was prepared in 2000 in conjunction with the preparation of the Urban Development Project. The objectives of the Urban Development Project are the improvement of the framework of life in urban environment, upgrading of squatter settlements, revision of the legal and institutional framework of urban and land management, control of urban management, reinforcement of decentralization, and development of urban infrastructures.

Based on the elaboration of cities strategy, the calendar of preparation included an identification phase in May 2000, preparation, pre-evaluation, evaluation, and finally a negotiations phase in February 2001. The institutional framework of the project preparation comprises an interdepartmental committee chaired by the Prime Minister, a technical committee of co-ordination with a permanent secretariat, and sub-committees sets of themes.

The Urban Development Project has completed several studies, including: declaration of urban policy; remodeling of squatter settlements; legal Framework of urban and land; city planning and management tools; social impact of the remodeling; environmental impact; organizational audit of the institutions implied in urban management; and institutional assembly of the project. The project has also framed policies, strategies and instruments to review land policy, develop new management, adequate institutions; and City Development Strategy (economic,

urban, institutional and environmental).

Principal components of the project:

- Investment in economic infrastructures.
- Upgrading program and prevention of squatter settlements (land regularization and re-housing, the populations and the NGOs are implied in all the phases, progressive realization of the basic infrastructures and the community equipment, and preparation of new zones equipped with basic services).
- Support programs with urban upgrading for the integration of squatter settlements.
- Support of the micro finance sector for urban upgrading and the promotion of income generation activities.
- Improvement and provision of water to squatter settlements (increase in the production and volume available in the districts, and installation of community system of management and by small private contractors)
- Program for the secondary cities (plan of the existing urban structure, economic infrastructures, strategic plan of cleansing, reinforcement of the municipal capacities, water supply in Kiffa and Sélibaby).
- Institutional development program and capacity building (small companies, NGOs, institutional partners, creations of adequate structures of setting up, follow-up and evaluation).

Community Action Brings Results in Phnom Penh, Cambodia

Phnom Penh- Cambodia

The urban population in Phnom Penh city is growing at 5% per annum. 25% of the population is considered poor, living in 481 squatter settlements. Despite the local authorities' effort to improve living conditions, these areas lacked tenure and social security, financial and training services, community facilities and basic infrastructure. The majority of the residents worked as food sellers, cyclo-drivers, and construction labourers, with a significant minority being in government service such as the police and the army.

Poor people were not setting and watching, they put together a development plan and asked the government for assistance. The Municipality of Phnom Penh has initiated a project called "Phnom Penh Urban Poor Communities and Municipality Development" (1997-date) in partnership with the poor communities, UNDP, UNCHS, UK-DFID, Asian Coalition for Housing Rights/Slum Dwellers International and Squatter Urban Poor Federation. The main objectives of the project have been to reduce poverty and improve human rights situation through community involvement and partnership. The following activities are underway: a) development of constructive partnerships between key actors, including urban poor communities and local NGOs to improve the living conditions of poor urban settlements b) strengthening and expanding community development processes and generating solutions that are mutually accepted and replicable, and c) capacity-building at local operational levels of the Municipality as well as local NGOs and urban poor communities.

In 1998, an Urban Poor Development Fund (UPDF) was set up with a small capital of \$60,000 as a joint venture of the Solidarity and Urban Poor federation, the Municipality of Phnom Penh and the Asian Coalition for Housing Rights. The idea was to create a revolving fund to provide affordable credit for small business loans, housing and settlement improvements at a reasonable rate. The UPDF received strong political support directly from the Prime Minister, who is highly involved in issues of housing for the poor. He visited the project areas, met with people, and committed himself to scale-up this experience as a showcase demonstrating community capacity to manage their own development resources and processes.

The Government of Cambodia has also approved a land policy proposed by the local authority in Phnom Penh, and allocated \$200,000 for the purpose of new development and plot relocation if necessary. This demonstrated shared responsibilities between all parties involved. Several pieces of land were either provided by the Municipality or bought from landlords after the community negotiated the price, the infrastructure was provided by UNCHS, housing construction was made by the community, while housing loans were made available by the UPDF. More than 1500 families have benefited and been the key-actors in most daily management activities. From being illegal citizens, they have become legal landlords with a promising future through the resettlement project, which provide people with new learning, organisation, environment, security and a recognised status due to improved income and job security.

The Municipality of Phnom Penh now has its own urban poverty reduction strategy based on lessons learned. It aims at consolidating the achievements of the project, expand its scope to more urban communities and to prioritise the next actions that the Municipality needs to take to outreach the excluded urban poor in other settlements with the involvement of all stakeholders concerned. One of the most important functions of the UPDF

now is to build a collaborative, flexible and negotiated housing process, in which all the stakeholders concerned are involved. The UPDF supports solutions that are formed on the basis of mutual agreement and participatory bases, rather than stiff rules and regulations.

USAID Promotes Equitable and Affordable Housing in South Africa

The US Agency for International Development, in coordination with local partners and international donors, is catalyzing the provision of energy-related services to improve living conditions for the urban poor. USAID's Office of Environment and Urban Programs is promoting equitable and affordable access to energy in South Africa.

Access to energy by the urban poor is a basic component necessary to upgrade slums in burgeoning urban and peri-urban areas. Without equitable and affordable access to energy, the functioning of metropolitan areas to meet the needs of urban dwellers and to provide safe living environments is undermined. This realization is not lost on governing officials or on the development and donor community. Difficulties arise when unplanned growth is met with inadequate responses. Rapid devolution of governing responsibility to local authorities without the associated funds leaves public officials without the means to achieve change.

USAID's Regional Urban Development Office/Sub-Saharan Africa has been a leader in promoting energy equity, energy efficient housing, and more recently, energy efficiency in municipal services – all in the decentralized South African context. By leveraging private sector finance and investment, over 70,000 historically disadvantaged households have been connected to electricity. The Regional Urban Development Office has been instrumental in building alliances with national and local government partners, the private sector and in-country NGOs to improve equitable access to electricity and to increase energy efficiency in South Africa.

Through the Sustainable Homes Initiative, jointly sponsored by the South African government and the private sector, the Regional Urban Development Office has sponsored the development of over 200-model "eco-houses." The initiative will provide support for the construction of 30,000 more eco-homes. It will conduct energy efficiency training for builders and small developers and will establish a web site and information network on technologies. Moreover, the Republic of South Africa's Housing Ministry has committed to encouraging energy efficiency in siting and designs of housing. Concurrently with USAID assistance, the City of Johannesburg is improving fee collections, and thus, ensuring the financial viability of its electric utility. A USAID grant is supporting Johannesburg in conducting a municipal energy audit, which recently identified six areas where the city could save substantial sums through energy efficiency improvements. The focus on cities and energy use will be dramatically increased in the coming year with the introduction of the South African Cities for Climate Protection Program. The International Council for Local Environmental Initiatives (ICLEI) will be assisting 5-6 South African cities in identifying and reducing their energy use.

In collaboration with a local NGO, the Regional Urban Development Office is also supporting the creation of a locally owned and staffed technical assistance company that will provide advice and project management of environmentally sustainable houses in the Port Elizabeth area. Hundreds of homes are anticipated, as well as job opportunities for construction workers.

The Regional Urban Development Office, working closely with USAID's Office for Energy, helped design a micro-loan program for solar power assisted economic activities – a \$15 million Productive Uses of Renewable Energy (PURE) Fund. The fund will provide financing options for people and small enterprises to purchase solar or other renewable energy sources to initiate or expand their businesses, particularly those in non-grid areas. This program could reinforce the residential electrification program being implemented by public-private partnerships in South Africa.

The focus on energy, as it relates to slum upgrading, has been most successful when stakeholders collaborate. The synergy that results helps all participants to develop innovative and sustainable approaches to overcome obstacles and achieve results. Moreover, discussion and collaboration reduces duplication of effort and promotes lessons learned. USAID initiated its Making Cities Work strategy in 1998 to focus Agency efforts on building alliances to address urban and peri-urban issues in an integrated, multi-sectoral approach. For more information on USAID's Making Cities Work initiative and regional urban activities, please visit www.makingcitieswork.org.

For additional information, you can contact David Painter, Director, Office of Environment and Urban Programs

via email at dpainter@usaid.gov.

Cities Alliance in the News

- An interview with Mark Hildebrand in the American Planning Association's *Interplan* See [interview in *Interplan* No. 65, December 2000](#)
- [Article on the Cities Alliance \(Page 16 - 17\) in the First Edition \(January 2001\) of *Global Outlook* - The International Urban Research Monitor, a new quarterly publication of U.S. Department of Housing and Urban Development Office of International Affairs and the Woodrow Wilson International Center for Scholars.](#)
- **WACLAC Now** newsletter reported on the Cities Alliance Public Policy Forum. See page 17, at: <http://www.waclac.org/newsletter/index.htm>

Citysites

Hyderabad and Secunderabad, India: <http://www.ap-it.com/twins.html/>

Bangalore, India: <http://www.blrforward.org>

San Fernando, Philippines City's CDS homepage: <http://www.sflu.com/city/>

Kathmandu, Nepal: <http://www.catmando.com/ktm-metropolitan/kglance.html>

Johannesburg, South Africa: <http://www.igoli.gov.za/>

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