

A Strategy for Transforming Settlements  
of the Urban Poor in Uganda  
A Secondary Cities Support Programme

A Partnership between Cities Alliance and the Government of  
Uganda

**PROJECT CONCEPT DOCUMENT**

**CA member partners:**

The World Bank  
UN Habitat  
Slum Dwellers International (SDI)  
United Cities and Local Governments (UCLG) represented by Urban  
Authorities Association in Uganda (UAAU)

**Other Partners:**

Makerere University  
Energy Sector Management Assistance Program (ESMAP)

**October**

**2009**

## Background

The “Strategy for Transforming Settlements of the Urban Poor in Uganda” is the first national initiative within the Cities Alliance’s global programme: Land, Services and Citizenship for the Urban Poor. This programme was designed to assist a select group of developing countries grapple with the challenge of rapid urbanization, growing cities and deepening urban poverty. For the Cities Alliance and its members, this programme is the first significant attempt to implement the Medium Term Strategy adopted by the Consultative Group in May 2008. To place this in context, and the choice of Uganda, it is worth repeating that the first premise of the Medium Term Strategy is that the Cities Alliance should prioritise working with those governments already committed to change and reform over time – for three main reasons: (i) the Cities Alliance support will have a far greater impact and (ii) the opportunities for learning and knowledge sharing will be greatly enhanced and (iii) the model or example to other cities or countries will be more emphatic.

Further guidance is provided by the Medium Term Strategy, in which it is envisaged that the challenge of scale will most effectively be met by working with those governments which hold the greatest promise for improving the living conditions of the greatest number of urban poor. Cities Alliance’s natural partners, therefore, are those city and national governments that have already taken (or are taking) the decision to decisively address the needs of their urban poor and have recognized that, in order to make this sustainable, this needs to be undertaken in the context of citywide or nationwide reforms.

The initiative aims to give real meaning to citizenship through re-enforcing the linkages between national and sub national governments, and urban poor communities. This will be achieved in a number of ways, including the delivery of urban services through improved urban management, and a planning and policy framework aimed at introducing necessary systemic changes.

For its part, the newly-created Ministry of Lands, Housing and Urban Development (MoLHUD) had already approached the Cities Alliance for support. In its submission to the Cities Alliance, the Government of Uganda identified a number of key challenges including:

- Rapid urban population growth;
- Outdated urban legislation;
- Weak linkages between social, economic, financial and physical planning; and
- very limited capacity of local governments.

The Cities Alliance subsequently approved a \$694,000 programme supported primarily by the World Bank, with assistance from UN-HABITAT. The programme will assist the Government of Uganda in the formulation of a National Urban Policy, and the development of a Strategic Urban Development Plan for the period 2010-2025, ‘...to guide and manage the urbanization process to ensure effective management of the expected urban growth’.

Unlike many African governments, the Government of Uganda has recognized the need to capture the positive impacts of urbanization, and seeks to devise a strategy '....to enhance competitiveness of the urban sector in order to harness its potential as a driver of economic growth'. At the same time, the World Bank is in the process of developing a significant pipeline of investments into the urban sector in Uganda.

This is the context that leads to the initial discussions between the Cities Alliance Secretariat (CAs) and the Ministry of Land, Housing and Urban Development and, at the same time, with the World Bank Country Director. These discussions, and consultations with Slum Dwellers International (SDI), as well as UN-HABITAT, all confirmed the desirability of identifying Uganda as the first country to be supported through the multi-year Land, Services and Citizenship for the Urban Poor programme.

## **1. Executive Summary**

In formulating this programme with the Cities Alliance Secretariat and its members, the Government of Uganda seeks national and international assistance in managing the urbanization process, building the capacities of its local governments, and integrating the urban poor into towns and cities all over the country. As a first phase in this multi-year national programme, support will be provided to five secondary cities, and their experiences and lessons systematically shared throughout the country.

### **1.1 Programme Objectives and Activities**

#### **Objective 1:**

At least 50,000 slum dweller households living within the 5 selected municipalities actively engage in both securing their rights and honouring their responsibilities through improved urban governance and formalization.

1. "Rights and Responsibilities of citizens" awareness and skills training.
2. Municipal Wide Development Forums.
3. Registration of all household structures and small businesses.
4. Promotion of increased security of tenure.
5. The development of an appropriate savings-based financial model.

#### **Objective 2**

At least 50,000 slum dweller households living within the 5 selected municipalities improve their qualitative and quantitative access to municipal services.

1. Formation of local area based residential organizations.
2. Municipal Development Strategies.
3. Municipal slum upgrading strategies.
4. Community Upgrading Funds
5. Improved municipal management and planning systems.

#### **Objective 3**

The Government of Uganda (national and sub national) in partnership with interested stakeholders develops effective and efficient inclusive urban development policies and strategies enabling the better management of future urban growth positively affecting the lives of 200,000 slum dweller households nationwide.

1. National urban policy dialogue.
2. Commissioning of research into defined urban problems.
3. Sustainable Urbanization campaign.

4. Capacity building of Public Universities.
5. Municipal institutional leadership programme.

## **1.2 Areas of Operation**

A secondary cities support programme

- Jinja            132,150 people
- Mbarara        102,926 people
- Mbale           86,642 people
- Arua            39,250 people
- Kabale         54,407 people

## **1.3 Institutional partners**

To achieve the abovementioned objectives, the following institutional partnerships have been developed as part of the Cities Alliance programme in Uganda:

Ministry of Land, Housing and Urban Development – Responsible Ministry

World Bank – Lead CA member

Municipal Council – Key Partner 1, Driver Slum Dwellers International – Key partner 2, Mobiliser

UN-Habitat – Support Partner

Universities and research institutions – Support Partners

Urban Authorities Association of Uganda (UAAU) – Support Partner

## **1.4 Budget**

Multi source budget

- a.) LSC
- b.) Cities Alliance Core Funds
- c.) CA member contributions
- d.) Key Partner contributions
- e.) Symbiotic partner contributions

## 2. Introduction

The Cities Alliance has packaged a global project entitled Land, Services and Citizenship for the Urban Poor.<sup>1</sup> Working with a limited number of developing countries in Africa, Asia and the Middle East, and working through its members, the Cities Alliance will assist in the development of municipal wide strategies to **upgrade** existing slums, and to help cities and their citizens **plan and implement** strategies for future growth.

Through its membership, and accumulated years of global experience, the Cities Alliance is uniquely positioned to identify both successful and less effective approaches to slum upgrading. Consistent support to a diverse range of cities and countries in Latin America, Asia, African and the Middle East have highlighted essential lessons, which include:

- All attempts to stop, limit or manipulate urbanization have always failed, even when backed by violence and repression;
- Slum clearance, mass evictions or re-locating the poor to the urban periphery destroy livelihoods, embitter residents and merely displace the problem;
- Insecurity of tenure inhibits household investment into private housing, and creates the conditions for exploitation via slum lords;
- Non-availability of sustainable and affordable energy has a marked impact on the quality of daily life, hampers economic growth and thus employment in urban areas further enhancing the formation of slums.
- Lack of recognition of the rights of the urban poor leads to systematic under-investment in urban services, resulting in a downward slide towards slums of despair, characterised by exploitation and deprivation;
- Government investment without meaningful community involvement seldom becomes sustainable. Equally, community-driven projects without government support seldom have an impact at scale or lead to a programmatic approach to upgrading;
- Concepts of “the community” often fail to acknowledge the fact that women, men and youth differ in their roles, needs and perceptions of urban development
- There is a need for wholly new approaches to planning and urban management, moving away from regulation and control towards flexible planning instruments that allow authorities to address the real challenges – and opportunities - posed by urbanization.

The Land, Services and Citizenship for the Urban Poor global initiative aims to respond to these lessons by designing a set of activities that will help national governments:

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<sup>1</sup> . The sources of funds for this programme include a grant from the Bill and Melinda Gates Foundation, which will be augmented by Cities Alliance core funds, and additional contributions by CA members.

- I. Identify and capture the positive elements of urbanization, recognize the rights of the urban poor, and to effectively manage the urbanization process;
- II. Formalise settlements and recognise rights to land<sup>2</sup>;
- III. Align national and other capital investments to integrated planning approaches so as to ensure that the outputs result in improved access to urban services (qualitative and quantitative) leading to slums of transformation;
- IV. Improve urban planning and management by conscious efforts to address the differing views of men, women and youth;
- V. Build effective partnerships between government, slum communities and other stakeholders based on clearly defined negotiated rights and responsibilities;
- VI. Design new town planning and urban management tools and approaches capable of responding to the scale of the challenge, and proactively planning for future urbanization to minimize the development of new slums.

These 5 key responses have been packaged into the following three key project objectives:

- 1) At least 1 million slum dweller households living in 20 cities of 5 countries in Africa, Asia and the Middle East gain active urban citizenship through improved urban governance and formalization. This objective combines I, II and III above.
- 2) At least 1 million slum dweller households living in the various cities of 5 countries in Africa, Asia and the Middle East improve their qualitative and quantitative access to municipal services.
- 3) Development of effective and efficient inclusive urban development policies and strategies involving both civil society and the different spheres of government.

In the first instance, the funds would be used to strengthen the capacity and resources available to the urban poor, better enabling them to enter into development partnerships with the local government. In the main, the funds would be used to assist communities and local governments to (i) extend basic services to informal/slum areas; (ii) formalise existing settlements, with land adjustments as necessary; and (iii) make appropriate provisions for future growth.

Achieving success will clearly require bold changes in policy and practice in a number of developing countries, resulting in a more inclusive approach to the urban poor, and in proactive preparations for an urban future. Specifically, this would result in significant and visible progress extending citizenship to the urban poor, and ensuring their access to land, services and economic opportunity on a citywide basis. **Such a programme could benefit at least a million households over five years.**

In order to achieve this vision, the Cities Alliance and its members will work with governments that are already beginning to strategise for their urban future, and which

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<sup>2</sup> These rights can be achieved through a variety of different mechanisms;

have a constructive attitude to their urban poor. With the promise of Cities Alliance support over a number of years, and the active involvement of Cities Alliance members, from the World Bank to Slum Dwellers International, we believe that each country will be able to launch national and local programmes designed to provide land, services and citizenship to hundreds of thousands of households, and eventually form the core of a national programme.

Wherever possible, this programme will also build upon and complement related initiatives, such as existing nationwide or citywide programmes currently supported by the Cities Alliance and its members, including the Community Led Infrastructure Finance Facility (CLIFF), as well as the International Urban Poor Fund of Slum Dwellers International, the Scale-Up Programme of CHF International and the IIED/ACHR initiative in Asia.

Funds administered under this grant will be open to any reputable organisation representing the urban poor.

### **3. Uganda**

Like most developing countries Uganda is experiencing rapid urbanization. The inevitable process is happening in the context of a history of conflict, widespread poverty, shrinking peasant economies, growth constraining limited and unreliable energy supply and an acute scarcity of resources available for local authorities.

In 2000 the level of urbanization was only 14.2%, but with an annual urban growth rate of 5.2%, it is projected that Uganda's urbanization rate will reach 21% by 2015. While Uganda still has a relatively low rate of urbanization, with Kampala being by far the dominant city, there has been a clear growth of secondary towns with 50% of the urban population now living in the 13 designated municipalities.<sup>3</sup> The National government has decentralised functions to the local level, however it has done so without the concomitant resources and capacities. Whilst the secondary towns are still relatively small, unless they are managed properly they will over time grow into large unplanned settlements. Uganda has the rare opportunity to proactively manage urbanization to ensure a better urban future for its residents, through programmatically extending support to its secondary cities.

Both the Cities Alliance and the National Government of Uganda represented by the Ministry of Land, Housing and Urban Development believe that the Land, Services and Citizenship for the Urban Poor support programme is highly relevant and has the potential to be effective within the Ugandan context. Taking into account local knowledge and the need to ensure that the project is clearly understood at all operational levels, the Ugandan partners have decided that the Land, Services and

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<sup>3</sup> These numbers are sourced from discussions with senior government officials and are not presented as academically researched facts.

Citizenship for the Urban Poor project is to be re-branded as the Strategy for Transforming Settlements of the Urban Poor in Uganda.

The Strategy for Transforming Settlements of the Urban Poor in Uganda would give additional impetus to:

- a) The decentralisation policies already in active progress
- b) The recently developed national slum upgrading strategy and action plan
- c) National negotiations with the World Bank and other multi laterals and donor organisations regarding an urban investment pipeline.

After detailed discussions with the Government of Uganda, it has been agreed that the programme would not focus on the capital city Kampala, which is undergoing a process of institutional restructuring and in relative terms already receives a greater percentage of direct and indirect support, but that the programme would rather support five key secondary municipalities that face the challenge of both upgrading existing settlements and planning for future growth.

While ensuring a regional balance within Uganda, two different types of secondary cities have been identified as partners. The first category includes municipalities selected on the basis of their institutional capacity, good governance and relative size, while the second category includes municipalities selected on the basis of their potential. These include:

**a) Jinja**

Jinja is the second largest town in Uganda with an approximate population of 132,150 people and a population growth rate of 3.2% per annum. It is located within the Lake Victoria Basin about 80 km from Kampala, the countries capital and about 125kms from the Kenyan border. The town was historically the centre for trade and industry within Uganda, however much of the industrial base has either declined or transferred closer to the markets in Kampala.

Besides subsistence agriculture the immediate region is characterised by cash crop production such as tea, coffee and sugar. Due to the obvious attraction of the Nile a tourism industry is developing based on white water rafting, horse riding, bird watching and bungee-jumping.

**b) Mbarara**

Mbarara municipality has an estimated population of 102,926 people with an annual population growth rate of 5.1%. It is the major urban centre serving the south western region, located some 266km along the Kampala-Kabale highway. The economy is based mainly on a spread of agriculture, commerce and trade, light and small scale industry and informal sector activities.

### c) Mbale

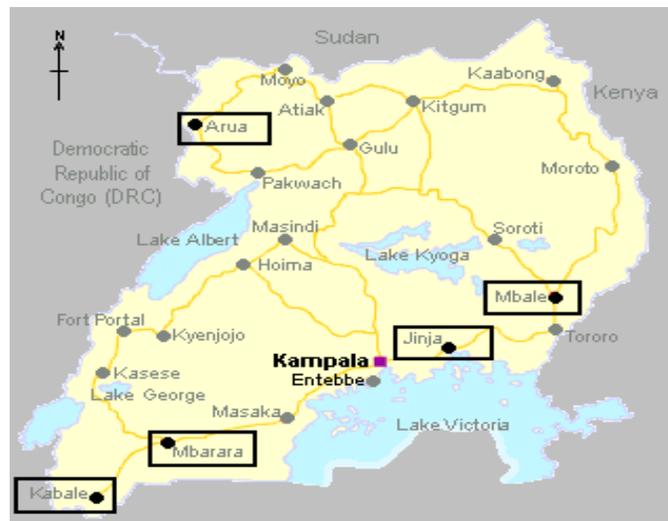
Mbale municipality has an estimated population of 86,642 people and an annual population growth rate of 4%. It is located in the eastern part of Uganda. It is one of the biggest commercial towns in Uganda. It serves as a regional link and gateway to Uganda notably from Kenya. It is a transportation hub with good access to roads and railway. It has untapped tourism potential offered by the proximity to the Mount Elgon mountain range, rich biodiversity, historical heritage and cultural attractions.

### d) Kabale

Kabale municipality has a population of 54,407 people and an annual population growth rate of 4%. It is a regional transport hub with road links to Kisoro, Kanungu, Kihhihi, Ntungamu, and Rukungiri districts. It is located close to the Rwanda border and has historically benefitted from cross border trade. In recent times the economy has declined due to stricter controls over cross border movement with neighbouring Rwanda.

### e) Arua

Arua municipality has a population of 39,250 people and a population growth rate at 4% per annum. It is an important local commercial centre. It is also a base for a large refugee population from Sudan and the Democratic Republic of Congo. In recent years this population has been the base for dramatically increased cross border trade. Furthermore, oil has recently been discovered in close proximity to the town and it is expected that this will serve to attract a wide range of investments to the town, as well as a large influx of new residents eager to search for work.



A key theme that cuts across all 5 municipalities is the negative environmental and economic consequences on the household and broader economy due to insufficient and inefficient energy availability and use. The absence of reliable sources of energy is a major inhibitor of urban economic growth, as well as impacting negatively on the daily quality of life of ordinary Ugandans. To help overcome these challenges, the Cities Alliance has entered into a partnership with the Energy Sector Management Assistance Program (ESMAP), which will focus on both energy efficiency and access to sustainable energy as part of this programme.



Waragi brewing, with severe environmental and social consequences

While the project would be active in five municipalities, the programme is explicitly designed to become a national programme, through the systematic sharing of experiences and lessons with all Ugandan local governments. The sharing of these experiences, and the assimilation of lessons, will be spearheaded by the National Government, but with important roles also envisaged for the Urban Authorities Association of Uganda (UAAU), the University of Makerere, as well as all active Cities Alliance members and partners. National replication is essential to long term success and, indeed, the sharing of these lessons with neighbouring countries should also be anticipated.

#### **4 Programme Objectives**

The Strategy for Transforming Settlements of the Urban Poor in Uganda fits into a broader overarching objective of identifying good practice and influencing international responses to urbanization and slum upgrading through learning from the experience of other countries (in Latin America, for example), practical demonstration and active advocacy.

The Strategy for Transforming Settlements of the Urban Poor in Uganda will have the following three objectives:

1. At least 50,000 slum dweller households living within the 5 selected municipalities actively engage in both securing their rights and honouring their responsibilities through improved urban governance and formalisation.
2. At least 50,000 slum dweller households living within the 5 selected municipalities improve their qualitative and quantitative access to municipal services.
3. The Government of Uganda (national and sub national), in partnership with interested stakeholders, develops effective and efficient inclusive urban development policies and strategies enabling the better management of future urban growth positively affecting the lives of 200,000 slum dweller households nationwide.

## **5 Programme Design Principles**

The Strategy for Transforming Settlements of the Urban Poor in Uganda is premised on five guiding principles.

1. Support of national urban agenda.

To strengthen and support the domestic urban initiatives of the Government of Uganda at both national and sub national levels such that the country is better equipped to upgrade slums and proactively deal with, and benefit from, urban growth. The programme is designed to support existing and new initiatives of the Government of Uganda in achieving these objectives.

2. Re-energise and link into past and on-going urban initiatives

To recognise that a number of actors have over many years engaged with a wide range of urban issues and that a body of knowledge exists that has typically become victim to the operational islands that often characterise development organisations and government. The programme would aim to identify the fruit of these initiatives and bring them back into the mainstream at national, municipal and community levels.

3. Promote heterogeneous understanding of community.

To recognize the complexity of urban communities and promote a participatory approach to urban planning and management based on clearly identified community profiles. Provide an institutionalised structure that will ensure that each group which makes up such a profile is given influential voice. A profile would typically be based on gender, age and ability criteria.

#### 4. Promote multi stakeholder participation.

To recognize that sustainable urban development is a product of multi stakeholder participation and that the solution to problems and response to opportunities only emerge when partnerships are forged between such stakeholders. Provide a space for dialogue where such partnerships can be forged.

#### 5. Investment alignment

To bring greater coherence of effort by creating an institutional framework that enables a myriad of stakeholders to align their efforts and finance towards common objectives. In particular, this programme is designed to articulate with the urban investment programme being jointly developed by the World Bank and the Government of Uganda. While this programme only provides modest financial resources, it is designed to facilitate additional public and private investment into the urban sector by enabling a wide range of organisations to find the institutional hooks onto which to hang support programs.

#### 6. Skills alignment

The institutional framework should also enable specialist organizations to link up with, complement and strengthen the broader development initiative. Within this context ESMAP (Energy Sector Management Assistance Program) will work in partnership with the Cities Alliance and its members to provide specialist support focusing on energy access for the urban poor and the dissemination of best practices in empowering Small Medium Enterprises (SMEs) to help promote productive uses of energy by urban slum dweller. In addition, a range of opportunities are likely to be available for organizations working directly with local government training and university support.

### 3.0 Project Design Activity by Activity rationale: <sup>4</sup>

While the project is divided into 3 clear objectives responding to the essential issues defined above, they need to be implemented as a complete package. It is only with the accumulative effects of an integrated response to the challenge of urban growth that a coherent set of solutions will be found.

#### 3.1 Objective 1.

At least 50,000 slum dweller households living within the 5 selected municipalities actively engage in both securing their rights and honouring their responsibilities through improved urban governance and formalization.

Five interrelated activities are designed to meet this objective:

##### **Activity 1: The development of a “Rights and Responsibilities of citizens” awareness and skills training programme targeting both government officials and slum dwellers.**

The fundamental premise underlying the Strategy for Transforming Settlements of the Urban Poor in Uganda is the belief that all people have rights but how these rights are realised is a result of dialogue and engagement between communities, local governments and service providers. It is through this active process of engagement that creative partnerships emerge and new ways of sustainable service delivery are found. The objective of a “Rights and Responsibilities” awareness and skills training program is to build the capacity of different stakeholders (government and community) to actively engage in constructive result oriented public community dialogue. The activity helps cement an appreciation of each others’ duties and the importance of public community partnerships. Over and above rights and responsibilities the awareness and skills training programme will include an understanding of urban government and governance, community profiles (with a focus on gender) and stakeholder management, sustainable urban planning and development and conflict resolution and partnerships.

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<sup>4</sup> This section must be read in conjunction with the log frame.

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<b>Budget</b>	<b>&lt;=20%</b>				
<b>Activity 1:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The development of a “Rights and Responsibilities of citizens” awareness and skills training programme targeting both government and slum dwellers.		400 government officials and service providers receive training. 20 local slum dweller organisations receive training and cascade down the key messages.	Progressive realisation of rights through public community partnerships based on reciprocal responsibilities.	Training curricula Attendance registers Photographs	The lack of knowledge of and inability of both communities and service providers to articulate rights and responsibilities and to actively engage for their realisation impedes the development of local sustainable solutions.

**Activity 2: The establishment of municipal wide Development Forums inclusive of all service providers and organized civil society working both within the slums and in other sectors.**

For a meaningful engagement between citizens and service providers it is essential that a properly constituted Municipal Forum is established where regular dialogue can occur and solutions can be crafted and progress monitored. This activity aims to formalise municipal wide Development Forums where the urban poor, local authority, private sector and other stakeholders meet to exchange views, debate priorities and agree on common actions; The Forum is not a mass meeting but rather brings together all organised actors around a common, forward-looking developmental agenda. Participation of women and youth in the Forum is essential, together with a focus on the different perceptions, needs, roles and responsibilities of men and women in the urban setting. The Forum might decide to hold an annual summit to report back to the wider public. Equally the Forum is not an ad-hoc event but rather a well managed and an on ongoing process that may spawn working groups looking into more specific issues as they emerge. The Forum should ultimately be institutionalised as it is the fundamental building block towards good governance and the creation of on-going public community partnerships.

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The establishment of municipal wide Development Forums inclusive of all service providers and organised civil society working both within the slums and in other sectors.		A Forum where a) the voice of the urban poor can be formally articulated and heard b) Key problems identified and partnership solutions sought c) Partners held to account for assumed roles and responsibilities. d) Local issues inform the development of the City Development Strategy.	Consensus based planning and negotiated public community partnerships based on rights and reciprocal responsibilities.	Agenda of meetings including attendance registers Photographic evidence of meeting with meeting banner proclaiming date and venue of meeting. Copy of CDS including long term planning for future urbanization and growth
				<b>Assumptions</b> Regular result oriented dialogue occurs between service providers, Slum Dwellers and other organised stakeholders results in negotiated solutions to local problems.

### **Activity 3: The Registration of all household structures and small businesses with a number and street name.**

Fundamental to good governance is the daily interaction that urban residents have with local service providers. While residents are part of the communities in which they reside, they are also individuals with specific needs. Yet, far from engaging as individuals, slum dwellers are most commonly invisible within the city. They typically do not live in settlements that appear on city maps, nor do they have street addresses, nor are their needs – nor their contribution – reflected in the city’s budget. The act of registering and enumerating all household structures and businesses is a very tangible step in the process of local government recognition, and the building of an active citizenship. Further having a recognised address provides the first steps towards building a sense of urban permanence and security so necessary for community resource mobilisation

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<b>Activity 3:</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The Registration of all household structures and small businesses with number and street name.	All men and women living within the municipality have a recognised residential and business address.	Greater sense of responsibility to the household and greater sense of ownership by the household	Maps and registers developed	A major barrier to citizenship and accessing services is a lack of a formal address.

**Activity 4: The promotion of improved legal access to land and increased security of tenure through the establishment of systems that clearly define and protect rights and responsibilities attached to urban land usage, occupation and ownership.**

By definition the very process of human settlement requires the occupation and use of land. For the urban poor unable to access the formal housing markets the process of accessing land can be very opaque and non transparent almost completely dominated by informal processes. This results in very complex land ownership patterns and markets. The resolution of the land question is the cornerstone to successful slum upgrading and the management of urbanization. The land issue is a wide agenda that cuts across the themes of good governance, human rights and sustainable development. Two key questions dominate the land agenda. How is land made available for settlement that enables the urban poor to access land on which to live? Secondly how does one enable security of tenure once the land is settled? Security of Tenure can be achieved in a number of ways ranging from individual to community options. This activity seeks to create a legal framework that firstly governs the process by which settlement and access to land occurs. Secondly the processes that governs relocation due to state (national and sub-national) planning and thirdly tenant landlord relationships. A major barrier to increased security of tenure is how women in many cases are excluded from land titles and inheritance of land. Even if laws and policies provide for it, the land rights of women must also be socially recognised and enforceable. The system developed will define rights and responsibilities of all parties with a clear legal framework for conflict resolution. The vulnerability of slum dwellers to both forced eviction and downward raiding is a product of weak and often unclear legal frameworks that characterise informal settlements. Further the activity seeks to find ways of strengthening land tenure rights for slum dwellers to enable resources locked within the community to be unleashed into an incremental housing process, through which the local government supports the slum dwellers efforts to improve their living conditions through constant improvements over time.

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<b>Activity 4:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>
The promotion of improved legal access to land and increased security of tenure through the establishment of systems that clearly define and protect rights and responsibilities attached to urban land usage, occupation and ownership.		A legal framework that governs access to land, relocation and land lord tenant relations.	Improved household investment into incremental housing that derives from an increased sense of land tenure rights.	The legal framework Adjudicated cases Housing investments.
				<b>Assumptions</b>
				That an improved sense of security of tenure results in increased investment in shelter.

**Activity 5: The development of an appropriate savings-based financial model that enables poor households to gain access to affordable finance, and to upgrade their housing.**

The final activity under objective 1 links with Activity 3 and 4 above, and will involve the provision of support to the urban poor and their organisations to establish savings mechanisms, controlled and managed by the urban poor themselves. Internationally, this practice has been well documented as an effective component of the poor building their own capacity, increasing their organisational ability and negotiating strength. It provides the means by which the poor can effectively respond to improved citizenship and tenure by investing in the upgrading of their own households. It is also a tested mechanism for promoting the active participation of women, who are generally the key to the success, not only of the savings groups, but of sustainable development as well.

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<b>Activity 5:</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The development of an appropriate savings-based financial model that enables poor households to gain access to affordable finance and upgrade housing.	Increased community investment into the slum.	Incremental increase in the quality of housing	Base line and time series studies.	A major barrier to investment in housing is lack of security of tenure and accessible finance.

### 3.2 Objective 2:

At least 50,000 slum dweller households living within the 5 selected municipalities improve their qualitative and quantitative access to municipal services.

Municipal services include;

- Road access
- Household water supply and drainage
- Sewer and household sanitation
- Solid refuse removal
- Storm water control
- Public space
- Community facilities

The project does not promote a prescribed sector approach to urban development but rather the mobilisation of resources and the incremental delivery of services according to agreed local plans and priorities. Five interrelated activities are identified to meet the realisation of the objective:

#### **Activity 1: Formation and capacity building of local area based residential organisations.**

To enable effective dialogue between service providers and urban communities it is important that local Area Based Organisations that are rooted in their communities are empowered to both effectively engage in local level planning and to negotiate with service providers. Through inclusive participation, area based organisations provide a vehicle to include the needs of women and youth in local urban planning priorities. Commonly these groups already exist in some shape or form, but need to be empowered to engage, and to meaningfully participate. Area Based Organisations

must over time be empowered to both initiate and replicate local initiatives, which will be a key indicator of success.<sup>5</sup>

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<b>Objective 2:</b>		<b>At least 50,000 slum dweller households living within the 5 selected municipalities improve their qualitative and quantitative access to municipal services.</b>		
<b>Budget</b>	<b>&gt;= 50%</b>			
<b>Activity 1:</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
Formation and capacity building of local area residential organisations.	Area Based Organisations empowered in community development techniques and participatory planning processes.	Empowered citizen organisations able to effectively promote the realisation of their community rights.	Photographs of community participation within the planning process Copies of local plans	That slum dweller rights will only be realised through the active involvement of slum dwellers.

**Activity 2: The development of Municipal Development Strategies that plan for future urbanization, proactively make land available for settlement by the poor, and provide adequate energy for household production and consumption.**

Working through the multi stakeholder Municipal Development Forums each municipality will develop a Municipal Development Strategy (MDS). Fundamental to any MDS is the broad issue of local economic development and the strategic positioning of the municipality into the larger sub-regional, regional, national and global economies. A number of short comings have been identified in the global experience of MDS. The MDS will respond to these lessons by actively including into the process the following key elements.

- Land use plans - Physical urban growth needs to be managed. Such strategies need to ensure the identification and provision of adequate, affordable land for future settlement.
- Human settlement - Slum upgrading is often little more than a reactive set of sectoral activities, trying to repair damage after the fact. Even while cities (and donors) are developing projects, and some slum upgrading is taking place, new slum formation is in progress. A comprehensive approach to slum upgrading needs to focus on the whole city, and deal with the systemic failures that gave rise to existing slums – unchanged, the same policies will cause the next generation of slums to appear even as the current slums are being upgraded. This activity aims to draw the linkages between slum upgrading and managed urban growth.
- Energy - Successful urban development requires energy for household consumption and economic production by the urban poor. A MDS should answer the question as to how these energy needs will be met.

<sup>5</sup> Area based organizations will include both slum and non slum areas.

- Environment - A key element of the MDS will be to develop an Environmental Management Plan (EMP). The EMP proactively identifies both the environmental assets and environmental challenges facing the community.
- Capital investment - Too often the MDS concludes with no more than a “wish list”, with very little attention having been paid to how the investments and initiatives identified would be financed including assessing domestic revenue collection.

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<b>Objective 2:</b>		<b>At least 50,000 slum dweller households living within the 5 selected municipalities improve their qualitative and quantitative access to municipal services.</b>			
<b>Budget</b>	<b>&gt;= 50%</b>				
<b>Activity 2:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The development of Municipal Development Strategies that plan for future urbanization and proactively make land available for settlement by the poor, focus on adequate energy for household production and consumption and includes the development of an Environmental Management Plan (EMP)		An integrated City Development Strategy with a focus on sustainable energy, environment, and land availability for the poor.	Strategies in place to guide future sustainable urban growth and investment.	City Development Strategy. Land audit Land use plan Energy plan Environmental Management Plan	Unplanned municipalities with no strategic vision will always be reacting to slum formation and never responding to the opportunities of urbanization.

### **Activity 3: The development of detailed municipal slum upgrading strategies and plans including prioritised projects.**

A major weakness of slum upgrading plans is that they often result in the displacement of poor households through downward raiding as rents rise with improved service delivery. This activity seeks to match local planning initiatives with technical support to ensure that slum upgrading plans meet the real requirements of slum dwellers. The plans will include the identification of structures requiring relocation and the agreed approach to undertaking such relocations. This activity aims to develop detailed slum upgrading plans based on the interaction between local planning initiatives and appropriate technical support. A major issue to be tackled will be the standards stipulated by the local authority, which are often unrealistic and unattainable for slum dwellers, except through incremental improvements.

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<b>Objective 2:</b>		<b>At least 50,000 slum dweller households living within the 5 selected municipalities improve their qualitative and quantitative access to municipal services.</b>			
<b>Budget</b>	<b>&gt;= 50%</b>				
<b>Activity 3:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The development of detailed municipal slum upgrading strategies and plans including prioritised projects.		Consensus recommendation plan approved by local government resolution with allocated budgets.	The alignment of local planning initiatives with national and multi lateral funding.	The community maps and detailed plans.	Consensus plans that incorporate public community partnerships provide the basis for national funding.

**Activity 4: The design and capitalisation of municipality specific Community Upgrading Funds that are jointly managed by area based slum dweller organisations and local authorities.**

The objective of the fund is to enable slum based community organisations to access grants to finance initiatives that meet certain clearly defined criteria. Access to small grants enables rapid and visible progress to occur, strengthening participation and help to build the profile of area based organisations. The fund will be located within the municipal budget and will be managed by a board consisting of both local government political representatives and representatives of Community Based Organisations including women and youth representatives. It is envisaged that the fund will be substantially enlarged by contributions from national and municipal government as well as contributions from the community. The activity entails the establishment of clear criteria and the procedures to apply and evaluate applications.

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<b>Objective 2:</b>		<b>At least 50,000 slum dweller households living within the 5 selected municipalities improve their qualitative and quantitative access to municipal services.</b>			
<b>Budget</b>	<b>&gt;= 50%</b>				
<b>Activity 4:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The design and capitalisation of municipality specific Community Upgrading Funds that are jointly managed by area based slum dweller organisations and local authorities.		The implementation of community based projects that have high community cohesion impact	Increased community cohesion, through community action leading to an improved living environment	Photographic evidence of implemented projects	That often the resolution of small things such as painting a previously unpainted school or landscaping a vacant lot can help build community cohesion.

## Activity 5: The systematic review and improvement of municipal management and planning systems.

While slum conditions are a function of numerous factors, it is also true that often relatively small changes in the management and planning systems of local authorities can have a big positive impact. At times it is simply the enforcement of existing by laws or the clarification of procedures that can help resolve a problem. This activity aims to review systems with the objective of identifying changes to the existing systems to improve them in the interest of slum dwellers.

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<b>Objective 2:</b>		<b>At least 50,000 slum dweller households living within the 5 selected municipalities improve their qualitative and quantitative access to municipal services.</b>			
<b>Budget</b>	<b>.&gt;= 50%</b>				
<b>Activity 5:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The improvement of municipal management and planning systems.		Systems operating with increased efficiency and effect	Improved levels of service delivery	Base line	Small system changes can have big effect.



Inaccessible planning data /records



Non-functioning water pump.

### 3.3 Objective 3:

The Government of Uganda (national and sub national) in partnership with interested stakeholders develops effective and efficient inclusive urban development policies and strategies enabling the better management of future urban growth positively affecting the lives of 200,000 slum dweller households nationwide.

Four key activities combine to realize this objective:

**Activity 1: The promotion of an ongoing national urban policy dialogue that links communities, local authorities and national government as well as other non government actors.**

A key inhibitor to policy formation is the lack of an internal country debate regarding urban issues and, most significantly, how urbanization will gradually change the social and economic fabric of the country. A way needs to be found that directly feeds inputs from the communities and the local authorities into the national urban debate. Further the debate needs to be enriched by the participation of the wide variety of actors who have urban programming experience both nationally and internationally. This activity seeks to promote a national Urban Forum where an ongoing and structured dialogue can occur focusing on the need to develop policy to resolve real problems experienced by poor heterogeneous urban communities.

<b>Project Name:</b>		<b>Strategy for Transforming Settlements of the Urban Poor in Uganda</b>			
<b>Objective 3:</b>		<b>The Government of Uganda (national and sub) in partnership with interested stakeholders develops effective and efficient inclusive urban development policies and strategies enabling the better management of future urban growth positively affecting the lives of 200,000 slum dweller households nationwide</b>			
<b>Budget</b>	<b>&lt;= 30%</b>				
<b>Activity 1:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The promotion of an ongoing national urban policy dialogue that links communities, local authorities and national government as well as other nongovernmental actors.		Regular quarterly forums held.	Clear definition of problems and the establishment of an urban policy agenda.	Minutes of Forum. Papers presented.	That the regular meeting of practical urban actors publicly focusing on urban issues will help raise the profile of the urban development agenda.

**Activity 2: The commissioning of research into defined urban problems resulting in policy changes leading to improved urban planning and management.**

Many of the problems facing municipal government and urban communities result from outdated planning and management systems. In many respects town planning is in crisis in developing countries, with many outdated, post-colonial approaches still in evidence. The traditional procedures that make fully serviced land available for township development are often extremely cumbersome, inappropriate and slow, stipulating standards that are neither realistic nor affordable, and do not help cities and countries to adequately respond to the scale and speed of urbanization. This has meant that most new settlement happens completely outside the formal planning process, even though planning should have a fundamental role to play in the future shape of cities. Focal group discussions reveal specific gender and youth social issues that characterise slum living that require specific planning and urban management responses. This activity seeks to respond to the need to undertake detailed research into key constraints and to develop policy for political consideration. The activity makes monies available to finance coherent research on issues that have been identified at the National Urban Forum. In the interests of both building local capacities and tapping into international best practice the research is to be preferentially commissioned out as far as possible to public Ugandan universities and supported by UN-Habitat. Indeed, this programme has identified a key role for national Universities, which can not only provide direct services to local governments, but also contribute to the national urban debate referred to in Activity 1.

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<b>Objective 3:</b>		<b>The Government of Uganda (national and sub) in partnership with interested stakeholders develops effective and efficient inclusive urban development policies and strategies enabling the better management of future urban growth positively affecting the lives of 200,000 slum dweller households nationwide</b>			
<b>Budget</b>	<b>&lt;= 30%</b>				
<b>Activity 2:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The commissioning of research into defined urban problems resulting in policy changes leading to improved urban planning and management.		Detailed studies on issues pertinent to managed urbanization flagged and prioritised at the national urban forum.	Improved policy dialogue and new policy initiatives.	Research reports Policy documents Baseline	A major impediment to managed urbanization and serviced delivery is inappropriate planning systems and policy frameworks.

**Activity 3: The development of a Sustainable Urbanization campaign linked to the UN- Habitat Urban Global campaign.**

The promotion of a “Sustainable City” campaign directly linked to the global campaign presently in planning and being coordinated by UN-Habitat. The activity involves the planning, collection of data and the packaging of information targeted at schools, universities, civil society, religious groups and government. The objective of the campaign is to increase wide spread public understanding of the broad urban development agenda through the creative use of media and other communication forms, tailored to Ugandan needs and priorities.

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<b>Budget</b>	<b>&lt;= 30%</b>				
<b>Activity 3:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The development of a “Sustainable Urbanization” campaign linked to the UN-Habitat Urban Global campaign.		Public Information on Ugandan Cities and the need for sustainable urban development.	Greater public and political awareness of sustainable cities and urbanization.	Media reports Posters Photographs of public events	The urban agenda will only be fully promoted when citizens understand the issues and how they relate to them.

**Activity 4: Support the capacity of Public Universities to train future and existing urban planners in interactive planning based on a practice based approach.**

The ability to effectively manage urbanization will ultimately depend on the capacity to train and supply the municipalities with appropriately qualified personnel. Currently the municipalities are radically understaffed with at best one or two planners being responsible for data collection, land use planning and development control. Two issues emerge linked to this gap in capacity; firstly that of financial compensation, and secondly the nature of the training received. Makerere University currently has programmes in urban planning both at the undergraduate and the master’s levels, although the two programmes are currently somewhat disconnected. . The objective of this activity is to provide the university the opportunity to directly participate in the planning and research processes at all three levels of the project namely community, municipality and national, and to help ensure that students are emerging equipped with skills that Uganda is going to need for decades to come.

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<b>Objective 3:</b>		<b>The Government of Uganda (national and sub) in partnership with interested stakeholders develops effective and efficient inclusive urban development policies and strategies enabling the better management of future urban growth positively affecting the lives of 200,000 slum dweller households nationwide</b>			
<b>Budget</b>	<b>&lt;= 30%</b>				
<b>Activities 4:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>verification</b>	<b>Assumptions</b>
Support the capacity of the Public Universities to train future and existing urban planners in interactive planning based on a practice based approach.		Planners trained in relevant skills to better support national and local urban planning	Local governments develop an improved capacity to plan	The curriculum and training programs	A major impediment to planning is the disconnect between planning education and the needs of local governments.

**Activity 5: The development of a municipal institutional leadership programme specifically targeting “town clerks” but also including both political leadership and other senior officials.**

Successful municipalities are those that assume a strong leadership role. Leadership takes two aspects. Firstly team work and secondly the ability to mobilise. Much of the problem associated with the municipality’s weak ability to effectively respond is that of operational isolation, with working in silos, with little horizontal integration. The key to successful urban management is to forge a representative integrated team<sup>6</sup> that works together towards realising common, citywide objectives. A further key to successful local governance is the ability to effectively engage with stakeholders in a way that inspires confidence and mobilises additional resources. This activity aims to build the institutional leadership of the municipalities such that they work better as a team and systematically become more effective at community outreach and communication.

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<b>Objective 3:</b>		<b>The Government of Uganda (national and sub) in partnership with interested stakeholders develops effective and efficient inclusive urban development policies and strategies enabling the better management of future urban growth positively affecting the lives of 200,000 slum dweller households nationwide</b>			
<b>Budget</b>	<b>&lt;= 30%</b>				
<b>Activities 5:</b>		<b>Outputs</b>	<b>Outcomes</b>	<b>Verification</b>	<b>Assumptions</b>
The development of a municipal institutional leadership programme specifically targeting “town clerks” but also including both political leadership and other senior officials.		Town clerks Political Councillors and officials trained in institutional leadership	Improved institutional performance	Service delivery records	That a strong positive correlation exists between service delivery and institutional leadership.

<sup>6</sup> consisting of both genders

## **4. Institutional arrangements**

The following principles guide the institutional arrangements established to ensure project success.

- Maximum national and local ownership
- Project implementation through stakeholder partnerships
- Align project implementation with National, Municipal and Community structures such that they operate as an integrated whole
- Align the LSC programme with existing strengths, and help fill any gaps;
- Identify the best institutional arrangements for efficiency and effectiveness

On the basis of the above described principles and in order to realize the previously stated objectives the following institutional arrangements will be established.

### **4.1 Catalytic partner / Cities Alliance**

The Strategy for Transforming Settlements of the Urban Poor in Uganda is an initiative of the Ugandan National Ministry of Lands, Housing, and Urban Development (MoLHUD). The Cities Alliance has secured funds from the Bill and Melinda Gates Foundation to implement the Land, Services and Citizenship for the Urban Poor programme globally, which will be augmented by Cities Alliance core resources, as well as the contributions of Cities Alliance's members. The objective of the LSC initiative in Uganda is to support the Ugandan government to effectively implement its own initiative.

Consistent with its more proactive role, the Cities Alliance Secretariat will also bear some responsibility for both project implementation, and reporting back to the Consultative Group – and the donor - on the progress of the global programme. In this respect the Cities Alliance (Regional Adviser) will visit the project on a quarterly basis to provide broad based oversight. The Regional Advisor will in addition provide a secretariat service to a steering committee comprising the key stakeholders focused on operational issues. While the Cities Alliance has played a resource mobilisation role, through the proactive approach of its Secretariat, it is not an implementing partner and can only play facilitative and supportive roles. As part of this role the Cities Alliance will actively engage in the knowledge management and sharing of information. As a “learning alliance” Cities Alliance will document the important process and lessons learned at both country and global level.

In this regard the Cities Alliance will provide Technical Assistance by;

- Linking Uganda to International experience.
- Linking CA membership to the programme objectives.
- Linking Uganda to potential South – South and North- South cooperation opportunities.
- Linking the 5 chosen countries together for experience exchange.
- Document the process and draw out lessons learnt at a country and global level

#### **4.2 CA lead member: World Bank**

The World Bank Uganda mission will play the role of pivotal CA member for a number of clearly defined reasons:

- The World Bank has both a strong country presence, a strong urban investment pipeline, as well as a clear interest in urban programming.
  - A strong country presence and accumulated knowledge of both government and urban issues is essential to legitimately and effectively accompany the process and offer targeted and meaningful advise/coaching. The Cities Alliance has no country presence and will monitor the project through quarterly visits. However as with any programme there will be a need for constant and ongoing trouble shooting.
- It has a strong capacity to convene both the Donor community and diverse government ministries.
  - An initiative of this type requires a high degree of integrated cooperation both between government ministries and between potential donors. While it is not the World Bank's role to actively convene stakeholders in realising day-to-day project objectives, the Bank is however uniquely positioned to convene such stakeholders, as necessary. As such the World Bank is positioned to play a pivotal check and balance role on the implementation of the project.
- It has a substantial loan pipeline in excess of \$100,000,000 targeting urban infrastructure projects within the 13 municipalities of Uganda.

- Ultimately, urban development and economic growth depends on capital investments. Within this spirit, the World Bank is packaging a substantial investment loan. However, capital investments, if not conceptualised correctly, do not automatically lead to sustainable urban development. A fundamental indicator of success is therefore the proactive alignment of capital investment with the processes established under this initiative that help to define the needs and priorities of national and sub-national governments, and communities. The World Bank with its strong links into government is the pivotal actor that can ensure that such alignment successfully occurs.

As such the World Bank is vital to project success. As a pivotal member of the Cities Alliance and as the institution programmed to invest in urban development the World Bank country office will play the following role;

- Act as the Lead Member on behalf of the Cities Alliance membership.
- Ensure ongoing project management and effective communication.
- Facilitate synergy between the Strategy for Transforming Settlements of the Urban Poor in Uganda and WB urban operations and investments.

#### **4.3 The insomnia partner/ Ministry Land, Housing and Urban Development**

In order for project objectives to be realized within Uganda a partner is required that will assume full responsibility of the project. The partner will drive and monitor the implementation of the process and constantly worry about project progress. This is the partner who does not sleep at night unless all is on track. In consultation with the National Government of Uganda the Ministry of Land, Housing and Urban Development will be the insomnia partner.

The basis for partnership is Common Purpose. Both the Cities Alliance and the Ministry share a commitment to the;

- Promotion of an inclusive urban agenda
- Crafting of national and local solutions
- Development of institutional capacities for proactive urban management
- Institutionalisation of a partnership and process approach to urban development

**The Ministry of Lands, Housing and Urban Development is the party responsible for project implementation and has overall accountability for the effective and efficient use of project finances in realising project objectives.**

In assuming this role the Ministry will

- Ensure through a formal co-governance agreement inter-governmental coordination and cooperation including both national and sub national stakeholders.<sup>7</sup>
- Enter into a cooperation agreement/MOU between the Ministry of Land, Housing and Urban development, selected municipalities and Slum Dwellers International.
- Ensure that appropriate dedicated capacity is assigned to realise the mandated role of the ministry.
- Coordinate cross learning between the five selected municipalities.
- Ensure the efficient flow of funds to the selected municipalities.
- Champion and help facilitate multi-stakeholders' involvement at national and municipal levels.
- Facilitate and coordinate capacity building of national and sub national government stakeholders.
- Plan and co-ordinate a national sustainable urbanisation campaign.
- Ensure alignment of national and municipal level planning and budgeting processes
- Lead and facilitate inclusive urban dialogue platform
- In partnership with key project partners define and facilitate the research agenda.
- Coordinate and commission work linked to project support partners
- Provide constant and regular oversight of Local Government activities and ensure report back to the Cities Alliance as defined in the grant agreement.
- Pay for all time based expenses related to the national Ministry's participation.
- Make a contribution to the Community Upgrading Fund.

It is important to note that the parent ministry responsible for all Local Government (rural and urban) in Uganda is the Ministry of Local Government (MoLG) and not the Ministry of Lands, Housing and Urban Development. The MoLG has the mandate to inspect, monitor and ensure that there is compliance by Local Government with all statutory requirements and central government policy directives. All local government accounting officers are accountable to the Permanent Secretary of MoLG. The MoLG therefore has an important oversight role to ensure government procedures are followed in the implementation of the project, although it will not directly get involved in the implementation and supervision, which is the mandate of MoLHUD.

The MoLG will therefore ensure that the participating municipalities comply with the following norms:

- Project is captured in the municipal development plan
- Project fund is captured in the municipal mid-term expenditure framework (MTEF) and annual budget and is approved by council

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<sup>7</sup> The co-governance agreement specifically focuses on the vital interrelationship between the Ministry of Lands, Housing and Urban Development and the Ministry of Local Government with special reference to the effective interface between national and local government.

- Records of receipts and expenditures for projects are properly kept for statutory audit as required, for all public funds by law.
- The Town Clerks for each municipality, as the accounting officers, are held responsible for project funds and success.
- Project funds are used for purposes they are intended for, by conducting inspection audit of use of project funds.

It is for this reason that it is vital that a co-governance agreement is entered into that clearly defines the working relationships between the two ministries and local government such that the ministry of Lands, Housing and Urban Development can effectively assume its mandated role.

#### **4.4 Key partner 1. Driver / Municipal Council**

It is at the municipality level where slum dwellers engage with government on a daily basis. There can be no meaningful impact on the lives of slum dwellers without the active involvement of municipal government. In effect the municipality is the key partner of the community in the pursuit of public community partnerships to resolve problems and unleash creative energy. The strength of the programme will depend on the degree to which municipal government takes ownership of the process.

The partnership with municipal government is therefore on the basis of,

- Proximity
- The level of government practically dealing with urbanization
- Directly accountable to citizens
- Responsibility for environmental health

As the key partner the municipal government is responsible for driving the project at the local level to ensure project success. In assuming this role the Municipal government will

- Ensure that a Council resolution supporting the programme is passed and minute.
- Have overall accountability for the use of funds at a local municipal level.
- Report on programme progress on a quarterly basis to the national ministry.
- Create the municipal wide Development Forum and institutionalise effective multi stakeholder participation.
- Link the City Development Strategy and other planning and implementation processes to the Municipal wide Development Forum.
- Ensure alignment of local community planning and outcomes to municipal planning and budgeting process
- Establish a Community Upgrading Fund accountable to a joint municipal/community board targeting slum settlements
- Participate actively in the national dialogue platform ensuring input of local level issues

- Incorporate initiative into organisational structure of municipality
- Contribute to the Community Upgrading Fund
- Provide Technical and project planning support to targeted community groups
- Enter into a MOU with the Ministry of Land, Housing and Urban development and SDI.

#### **4.5 Key partner 2. Mobiliser / Slum Dwellers International**

Central to the whole Land, Services and Citizenship for the Urban Poor programme is the belief that slum dwellers are a significant part of the solution to long term incremental upgrading of slum areas. Government (national and sub national) alone cannot transform slums into settlements of transition. It is the partnership between slum dwellers and government that will go a long way to ensuring success.

Slum Dwellers International (SDI) will be the mobilising partner on the basis of

- The organisation's grassroots understanding of slum communities.
- The established and growing international network especially within East Africa.
- Expertise and experience in mobilising slum dwellers as active citizens.
- Clear convergence of objectives between SDI, Ministry of Land, Housing, and Urban Development and Cities Alliance.

As the key mobilizing partner SDI will perform the following roles

##### **a) Develop local capacity**

- Identify appropriate Community Based Organisations to implement the project within all five operational areas.
- Ensure that chosen implementing partners have the capacity to implement appropriate methodologies and practice.
- Ensure sufficient capacity through the international networks is deployed to effectively empower the chosen implementation partners to implement the programme.

##### **b) Support partners to**

- Develop local development organisations (slum dweller organisations) and saving groups and help build local level capacity.
- Facilitate the participation of slum dwellers in local development planning processes.

- Ensure slum dwellers' capacity to effectively engage with the municipal wide Development Forums.
- Support slum dwellers organisations to engage and network with other stakeholders in realisation of plans.
- Enumerate and map slums and link to municipal databases.

**c) Directly engage in the process by:**

- Documenting key policy issues and bring to National Urban Forum
- Entering into a MOU with the Ministry of Land, Housing and Urban development and the selected municipal governments.
- Participating in the design and ongoing management of the Community Upgrading Fund at a municipal level.
- Contributing an additional 25% of the amount allocated by programme.

## **4.6 Support partners**

While the key partnership for project success is between the Ministry, Municipal governments and SDI a number of important support partners have been identified. A support partner plays a more discreet role providing specific time bound services to the project.

### **4.6.1 Urban Authorities Association of Uganda (UAAU)**

- Working closely with the National Ministry of Lands, Housing and Urban Development ensure wide municipal level involvement in the national urban sustainable development campaign.
- In consultation with key stakeholders (UN-Habitat) assess institutional capacity of local governments and design in partnership appropriate training and capacity building program.
- Develop or source from partners training materials and disseminate
- Capture key lessons of the programme and ensure knowledge spread across all municipalities.
- Ensure sufficient capacity is developed through international partnership (supported through international cooperation with a CA member country) to enable the municipal association to effectively engage in an institutional leadership training programme.

#### **4.6.2 Universities and research institutions**

- Provide technical support to the municipalities to undertake CDS and slum upgrading planning processes.
- Actively engage with project planning processes as a means of gaining practice based experience for both students and educators.
- In partnership with UN Habitat undertake participatory research related to urban land, housing, planning and management
- Link into National Urban Forum
- Ensure sufficient capacity is developed through university to university cooperation (supported through international cooperation with a CA member country) to enable the university to effectively engage and to use the opportunity to build sustainable institutional capacity.

#### **4.6.3 UN-Habitat**

- Support the skills and need assessment process and help design and implement appropriate training and capacity building programs.
- Support CDS and slum upgrading processes by providing technical support and skills transfer to the municipal planners and university.
- In partnership with universities undertake participatory research related to land, housing, planning and urban management.
- Link into National Urban Forum.

#### **4.7 Symbiotic Partners**

A major indicator of success of the initiative is the degree to which other development partners find an institutional framework onto which they can link their initiatives and which simultaneously promote the broader project objectives. The Strategy for Transforming Urban Settlements cannot become a closed shop of actors; rather the initiative should be a catalyst to promote broad based urban programming. In this way the strategy is as much about how business is done as about the business itself. Within this spirit any organisation that has a programme that could be strengthened through a structured dialogue at both the national and sub national level would be welcome to link their initiative to the institutional systems created in terms of the good governance objectives of the strategy.

#### **4.7.1 Energy Sector Management Assistance Program (ESMAP)**

ESMAP will support the government of Uganda to formulate and implement policy reform measures and strategies to enhance Small and Medium Enterprise's (SMEs) productivity as users of modern energy services. ESMAP's partnership with Cities Alliance will focus on disseminating best practices in empowering SMEs to help promote productive uses of energy by urban slum dwellers.

#### **4.7.2 International City Managers Association (ICMA)**

ICMA working with funds independently mobilised through USAID (CA member) will actively support the UAAU to implement effectively the roles defined for it.

### **5.0 Critical Factors**

The following critical factors for success have been identified:

**5.1 Change in Business as usual:** The key to programme success is the seamless interconnectivity of activity and exchange between the national, sub-national and community levels of endeavour. In the context of hierarchical government and disempowered communities this will not happen without a clear commitment to the outcome. A critical factor of success therefore is a conscious understanding that for programme success things must be done differently by all parties.

**5.2 Confidence:** The success of public community partnerships depends on the ability to build confidence between partners. Historically nothing has destroyed such partnerships as the imagined or real misallocation of resources. A critical factor of success is the transparent accountability of programme resources.

**5.3 Politics with a small p:** The success of negotiated solutions is premised on an understanding of the political context of urban development. However, the inherent tendency to transform the small p politics into party political interventions poses a threat to the objectives of building a consensus based planning process.

**5.4 Clarity of Mandates:** The nature of government with its myriad of departments each with specific responsibilities poses the risk of working within

silos. It is vital for project success that all of government works in an integrated way via the cooperation agreement.

## **6.0 World Bank safe guard policies**

In broad terms the contents of this proposal outlines a project that can best be described as “Technical Assistance” to the Government of Uganda with reference to urbanization in general and secondary towns in particular. The project does not release funds for direct capital investment but rather provides funds to enable detailed planning for the development of appropriate future capital investment projects. In this respect only 6 safe guard policies have been identified as relevant, applying directly to the project. In the advent that unforeseen circumstances arise that will impact on the project further relevant safeguards will be put in place.

### **6.1 Environmental assessment /Physical cultural resources/ Natural Habitats**

Each of the selected cities will participate in the development of a City Development Strategy. A key element of such a strategy is the Environmental Management Plan (EMP). The EMP will proactively assess three interrelated concerns.

- a) It will proactively identify both the environmental assets and environmental challenges facing the community. It puts in place both measures to protect the assets and integrated strategies to reverse environmental decline. It provides the base information to ensure that any planned projects are environmentally sound and sustainable through enabling improved analysis of actions and of their likely environmental impacts.
- b) The plan will include an audit of physical and cultural resources with policies to mitigate possible adverse impacts of development projects on such resources. Physical cultural resources are defined as moveable or immovable objects, sites, structures, groups of structures, natural features and landscapes that have archaeological, paleontological, historical, architectural , religious, aesthetic, or other cultural significance.
- c) The plan will clearly map out any natural habitats within the project areas and will develop policies to protect and restore such habitats. Natural Habitats are defined as land and water areas where most of the original plant and animal species are still present. They include areas lightly modified by human activities, but retaining their ecological functions and most native species.

The EMP then becomes the base consensus environmental management plan against which all future development is monitored.

## **6.2 Forests**

The expansion of cities in Uganda has a direct impact on neighbouring Forests for three interrelated reasons.

- 1) Urban sprawl: As the urban areas sprawl so they impinge on forest reserve.
- 2) Energy hungry: The lack of alternatives places increased pressure on the forests for timber and charcoal to meet both domestic and economic production needs.
- 3) Housing: The construction of traditional shelters relies heavily on timber for the super structure without active mitigation measures.

While the project is essentially focused on urban management and urbanization an important proxy indicator of success is the protection of the Forests. Attempts at protecting the forests without dealing with root causes are likely to lead to both resentment and failure. The development of detailed land use plans will enable the more rational use of urban land leading to greater efficiencies through increasing density and compactness. The planned focus on energy (electrification) and how to make it available to the poor for both domestic and productive use will have a considerable impact on forests. A clear link will be drawn between the Environment management plan and the protection of Forests.

## **6.3 Involuntary Settlement**

A key focus of the project is the establishment of municipal wide Development Forums where issues related to urban development and slum upgrading in particular can be negotiated. The active empowerment of slum dweller organisations to effectively engage in the negotiation process is a vital mechanism established to ensure that any re-locations that might occur do so, on the basis of a consensus development with clear negotiated upfront terms and conditions for relocation.

## **6.4 Cultural diversity**

The question of national identity within Uganda is both complex and sensitive. The project does not in any way mobilise around issues of ethnicity but rather focuses on the traditional community profile (i.e. youth, woman the elderly etc) irrespective of tribal ethnicity and origins. It is however clear that within all the municipalities there exist different cultures and peoples with strong traditions that might not sit comfortably with emerging urban management practices. The projects will endeavour to respect at all times such cultures whilst actively engaging to find workable solutions through negotiations at both the National and sub national levels.

## **7.0 Funding Flows and agreements**

While the project has many stakeholders, the Cities Alliance proposes to enter into only two substantial agreements. In the first instance a grant agreement with the Ministry of Finance and Economic Development representing the Ministry of Lands, Housing and

Urban Development. This agreement would effectively place the project on the national budget. The Finance Ministry would then release monies under instruction from the Ministry of Lands, Housing and Urban Development in accordance with an approved business plan. In this way monies will be released from the Ministry of Finance to either the Ministry of lands, Housing and Urban Development or directly down to the municipalities.

Secondly the Cities Alliance would have a separate grant agreement with Slum Dwellers International who in turn would contract local community based organisations to realise the community development aspects of the project.

Over and above these two grant agreements the project will be underpinned by two agreements of collaboration. Firstly the co-governance agreement. This agreement would effectively align the different ministries and spheres of government towards the common realisation of the Land, Services and Citizenship for the Urban Poor objectives. Secondly a MOU between Slum Dwellers International, the Ministry of Land, Housing and Urban Development and Municipal governments that clearly highlights the spirit of joint cooperation needed between government and communities to realise the project objectives.

While it is the intention of the project to place the project funds onto the national budget to enable direct national management of the program, there is a substantial time lag associated with the due process in doing this. In order for the project to proceed, over the first year of the project the World Bank via a Senior Urban Specialist will serve as the interim project coordinator. As project coordinator the World Bank will;

1. Receive and manage a grant for first year activities (to June 2010).
2. Work closely with the National Ministry of Land, Housing and Urban Development.
3. Convene and ensure active participation of key stakeholders
4. Ensure that the defined activities listed below are effectively and efficiently implemented.

## **7.1 First year activities**

### **a) Develop operational manuals**

Develop a set of operational manuals that define the institutional arrangements, relationships and structure of the project. It will include detailed definitions on the role, function and procedures of the National Urban Forum, municipal wide Development Forums and the Community

Upgrading Fund. The operational manuals will take into account and respect the diverse local contexts.

**b) MOU and co-governance agreements**

Facilitate the process of drafting a MOU and Co-governance agreement. The institutional relationships of the project are defined in two important agreements. Firstly an MOU entered into between the National Ministry of Land, Housing and Urban Development, the participating municipal governments and Slum Dwellers International. The aim of the MOU is to clearly state that the project can only succeed if all three parties actively participate and co-operate in the spirit of good governance. Secondly a co-governance or participation agreement entered into between the key government role players. The objective of the agreement is to recognise the integrated nature of the project and the need for active cross ministry and department co-operation.

**c) Launch and sustain the National Urban Forum**

Strategise for the launch of the National Urban Forum and ensure all key stakeholders have a common understanding of the Forums long term objectives. Ensure that all stakeholders are invited including at the community and municipality levels. In consultation plan and strategise for the Forum to be held on a quarterly basis.

**d) Start Municipal Forums and ensure sustainability**

Support the set up of municipal wide development forums in each of the selected 5 municipalities. Support the identified local municipalities to build up a strong understanding of rights and responsibilities based planning and management. The effectiveness of the Forums is premised on a strong understanding of the importance of public community dialogue in pursuit of sustainable solutions. In addition ensure that the processes are in place at the local level to ensure the ongoing planning of regular forums (eight sessions per year)

**e) Package City Development Strategies (CDS) proposal**

A key component of the initiative is the development of City Development Strategies. In order to gain access to CA funding a detailed proposal must be developed that clearly outlining how the CDS process will be undertaken and how it will link into the broader objectives of the project. The proposal should be a joint CDS and Slum Upgrading proposal. The proposal will clearly define the partners and the mobilised capacity. In

addition the CDS proposal will look to build national capacity through the active involvement of the Makerere University urban planning faculty.

**f) Detail slum profiles**

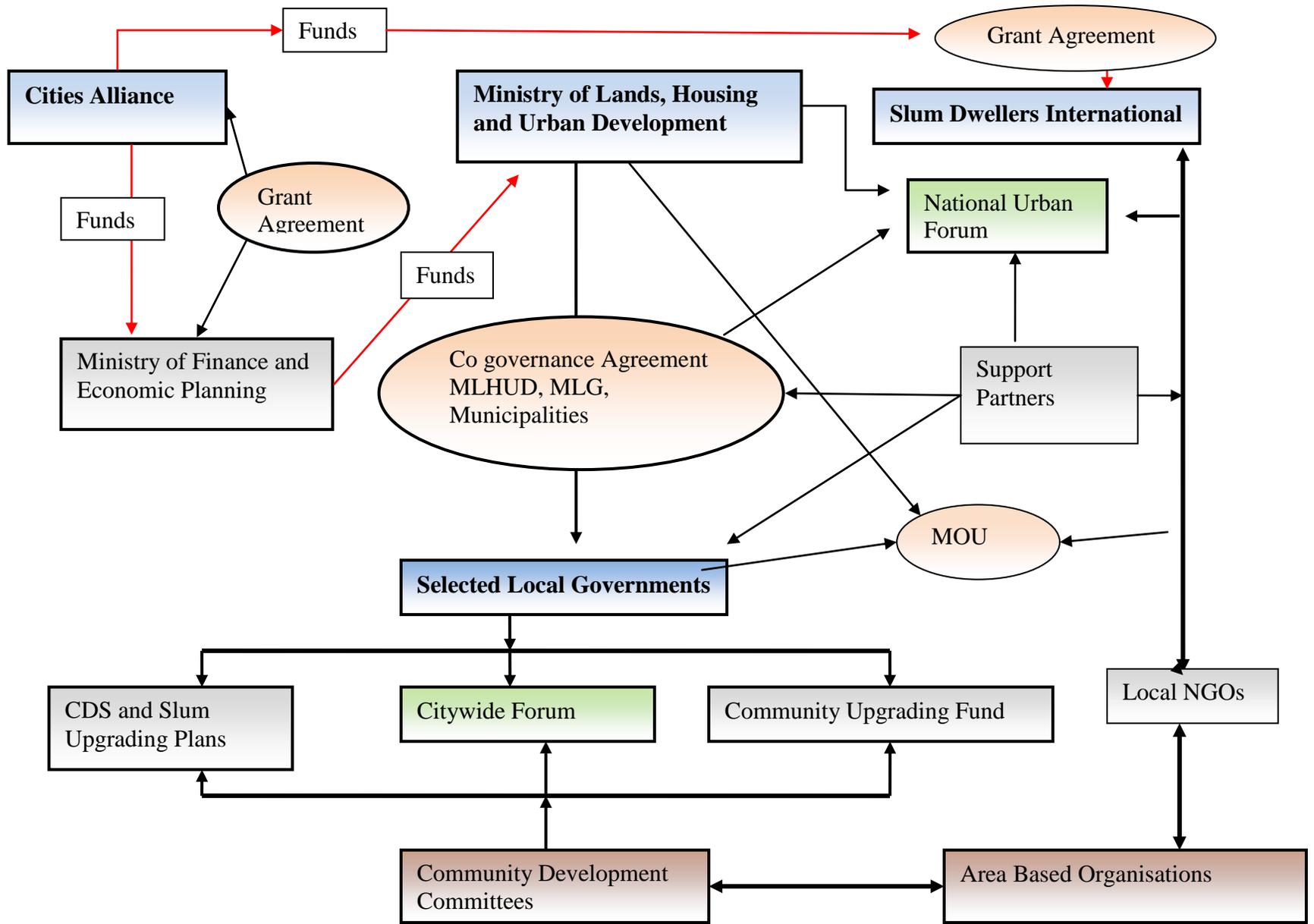
Working closely with all stakeholders especially SDI develop a clear methodology and undertake a detailed slum and municipality profile. It is important that all information needs are identified such that the profile becomes a useful tool for all stakeholders. It is important to note that this is not a sector profile but rather a municipality profile with a strong focus on slums and the needs of future planning.

**g) Initiate Research**

ESMAP will partner with the Cities Alliance to launch a complimentary knowledge dissemination series, Energy Access for the Urban Poor, which will focus on best practices in empowering Small and Medium Enterprises (SMEs) to help promote productive uses of energy by urban slum dwellers.

**h) Local Government institutional capacity assessment**

Working closely with key stakeholders, notably including the Urban Authorities Association of Uganda (UAAU) undertake an institutional assessment of Local government capacity to effectively engage in a rights and responsibilities approach to urban planning and management. On the basis of institutional capacity assessment design an appropriate capacity building programme.



6.0 Schematic representation of institutional arrangements

## 7.0 Time line/critical path

Activity	3/4 09	4/4 09	1/4 10	2/4 10	3/4 10	4/4 10	Comment
Agreement with Ministry signed				x			
First Year Facilitative Agreement with World Bank signed	X						
Agreement with SDI signed	X						
Establishment Community Partners		X	x	x			
National Urban Forum		X	x	x	x	x	
Co governance agreement		X					
SDI Mou		X					
Field Activities		X	x	x	x	x	

## 8. 1 Financing plan: First Year Indicative Budget

### I. Summary Budget

Components / Main Activities	Lead Actor	Support	Sub-Activities	Total (US\$)	Funding Sources							
					LSC	CA- Core	ESMAP	National Govt.	Municipal	SDI	Others	
Project Set-up: Government	World Bank	MLHUD	Develop Operational Manual	20,000	20,000							
			Development of MOU and Co-governance Agreements	7,000	7,000							
			Launch of National Urban Forum	33,000	33,000							
			Launch of the Municipal Forums	10,000	10,000							
			Development of City Development Proposals	25,000	25,000							
			Preparation of Detailed Municipal Profiles (5 Municipalities)	50,000	50,000							
			Local Government Capacity Assessment ( 5 Municipalities)	25,000	25,000							
Sub-Total				170,000	170,000							
World Bank Admin & Supervision Costs (15%)				25,500	25,500							
<b>Total</b>				<b>195,500</b>	<b>195,500</b>							
Project Set-up: Community	SDI	ActTogether	Identify local CBO partners	36,600	28,300					8,300		
			Capacity Building of CBO Partners	36,600	28,300					8,300		
			Develop Savings Groups	36,600	28,300					8,300		
			Formation of area based committees	36,600	28,300					8,300		
			Preparation of Detailed Slum Profiles (5 Municipalities)	36,600	28,300					8,300		
			Develop Community Slum	36,600	28,300					8,300		

			Priority Plans								
<b>Total</b>				<b>220,000</b>	<b>170,000</b>					<b>50,000</b>	
<b>Parallel Activities</b>											
Research –Municipal Energy Supply	ESMAP	MLHUD, SDI	Data collection Data Analysis Strategy Formulation	100,000			100,000				
Development of National Urban Policy	MLHUD MoLG	World Bank UN-Habitat	See separate project approved by CA for details	855,000		450,000		50,000			355,000 <sup>8</sup>
<b>Total Year 1 Project Costs</b>				<b>1,370,500</b>	<b>365,500</b>	<b>450,000</b>	<b>100,000</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>355,000</b>

## II. Project Set-up Costs Managed by World Bank: Breakdown by Type of Expenditure

Components / Main Activities	Total (US\$)	Type of Expenditure				
		Consulting Services (US\$)	Training/ Workshops/ Capacity Building (US\$)	Dissemination Costs (US\$)	Other (US\$)	Project Supervision & Administration
Develop Operational Manual	20,000	15,000		2,000	3,000	
Development of MOU and Co-governance Agreements	7,000	3,000	2,000		2,000	
Launch of quarterly National Urban Forums	33,000	3,000	25,000	5,000		
Launch of the Municipal Forums	10,000		10,000			
Development of City Development Proposals	25,000	15,000	5,000	5,000		
Preparation of Detailed Slum Profiles (5 Municipalities)	50,000	15,000	30,000	5,000		
Local Government Capacity Assessment ( 5 Municipalities)	25,000	25,000				
<i>Sub-Total – Project Set-up Activities</i>	<i>170,000</i>					
World Bank Admin & Supervision Costs	25,500					25,500
<b>Total CA Funding</b>	<b>195,500</b>	<b>76,000</b>	<b>72,000</b>	<b>17,000</b>	<b>5,000</b>	<b>25,500</b>

<sup>8</sup> Co-financing: World Bank US\$115,000 and UNDP US\$240,000

## 8.2 Financing plan: Full Programme Indicative Budget

Components / Main Activities	Lead Actor	Support	Sub-Activities	Total (US\$)	Funding Sources						
					LSC	CA- Core	ESMAP	National Govt.	Municipal Govt.	SDI	Others
<b>First Year Activities</b>											
Project Set-up	World Bank	MLHUD	Project Set-up Activities	195,500	195,500						
Launch of Community Mobilization	SDI	ActTogether		220,000	170,000					50,000	
Research –Municipal Energy Supply	ESMAP	MLHUD, SDI	Data collection Data Analysis Strategy Formulation	100,000			100,000				
Development of National Urban Policy	MLHUD MoLG	World Bank UN-Habitat		855,000		450,000		50,000			355,000
<b>Sub-Total: Cost of Year 1 Activities</b>				<b>1,370,500</b>	<b>365,500</b>	<b>450,000</b>	<b>100,000</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>355,000</b>
<b>Cost of Year 2-4 Activities: Managed by National Government</b>											
National Urban Forum	MLHUD	UN-Habitat Universities MoLG etc	Organizing and facilitating the forum	70,000	70,000						
National Research	MLHUD	UN-Habitat Universities MoLG, SDI, etc	Conducting research on policy issues identified at Forum	250,000	250,000						
National Pro-urban Poor Campaigns	UAAU ULGA	UN-Habitat		100,000	100,000						
Sub-Total				420,000	420,000						
<b>Cost of Year 2-4 Activities: Managed by Municipalities</b>											
City Development Strategies	Municipalities	UN-Habitat Universities World Bank		250,000		250,000					
Municipal Development Forums	Municipalities	SDI		100,000	100,000						
Slum Upgrading Development	Municipalities	UN-Habitat SDI		125,000		125,000					

Strategies											
Community Upgrading Fund	Municipalities	SDI		1,300,000	1,300,000						
Municipal Management & Planning Systems Improvement	Municipalities	MoLG		200,000	200,000						
<b>Sub-Total</b>				<b>1,975,000</b>	<b>1,600,000</b>	<b>375,000</b>					
<b>Cost of Year 2-4 Activities: Managed by Community</b>											
Municipal Slum Upgrading Development Strategies	SDI	Municipalities UN-Habitat		125,000		125,000					
Local Slum Planning & Development Committees	SDI	Local based CBOs		350,000	300,000					50,000	
<b>Sub-Total</b>				<b>475,000</b>	<b>300,000</b>	<b>125,000</b>				<b>50,000</b>	
<b>TOTAL PROJECT COSTS</b>				<b>4,240,500</b>	<b>2,685,500</b>	<b>950,000</b>	<b>100,000</b>	<b>50,000</b>	<b>0</b>	<b>100,000</b>	<b>355,000</b>

### 8.3 Financing plan: Budget Assumptions

1. While an indicative budget for first year project activities has been presented in some detail above, a breakdown by type of expenditure and by key implementing partner will be prepared for all the components/main activities
2. It is assumed that SDI contribution of US\$50,000 will cover costs for project supervision and administration and therefore no CA funding