

Independent Evaluation of the Cities Alliance

Volume II: Case
Studies



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1. Case Study: Brazil

1.1 Brazil: The Urban Context

Brazil, at 8,511,965 sq. km. and a population of approximately 188 million, is by far the largest and most populous country in Latin America. Brazil, like most other Latin American (and especially South American) countries, is very urban. Defining “urban” as “urban and suburban zones of administrative centers of *municípios* and districts” (United Nations 2002, 116), the Brazilian census estimated a population in 2000 that was 81.23% urban. This figure had gone up from 67.59% in 1980 and 75.59% in 1990. By 2010, the United Nations projects an urban population that will have risen to 86.6% of the total (United Nations 2004, 37). Of the five main regions in Brazil, the Southeast was the most urbanized in 2000 at 90.52%, while the Northeast was the least urbanized at 69.04%. In Brazil, urbanization is roughly correlated with level of income and infrastructural development. One of Brazil’s major challenges is to reduce inequalities – of wealth and of living conditions – both between regions, and within cities, between neighborhoods and major groups of the population.

The extreme inequalities visible in Brazil’s cities, which developed as a result of their very rapid growth, are dramatized in the language of an introduction to a small booklet produced by the Polis Institute, UN-HABITAT, and CAIXA, Brazil’s national housing and urban development bank. The language of this document is stark:

- The dizzying urbanization, spanning periods of highs and lows in the performance of the Brazilian economy, introduced in the territories of the cities a new and dramatic passage: more than evoking progress or development, it came to reflect – and intensify – the injustices and inequalities of society.
- These are presented in the large and medium size Brazilian cities under various morphologies: in the immense differences between the central and peripheral districts of the metropolitan regions, in the precarious occupations of swamps or hillsides in contrast to the high quality neighborhoods in the edge of coastal cities, in the eternal dividing line that separates the level regions suitable for urban development, from the steeply inclined and potentially erosive regions where the poorest live.
- These so called “favelas”, the most extreme and sharpest situation of urban precariousness and legal insecurity, are present today in at least 1/3 of Brazilian municipalities: in more than half of the 279 municipalities between 50 and 100 thousand inhabitants, in 80% of the 174 cities with between 100 thousand and 500 thousand and in all of the 26 cities with populations above 500,000 people (*The Statute of the City* n.d., 16-17).

With its large urban population, a well-developed institutional structure supporting democratic municipal governance at the local level, and a growing slum population, Brazil is an important test of the ability of Cities Alliance to give effect to its key programmatic elements.

1.2 The Cities Alliance in Brazil

The Cities Alliance has a substantial presence in Brazil, at least in comparison with other Latin American countries. The 2005 *Annual Report* lists four projects in Brazil as “new and ongoing partnership allocations”. Next to Brazil, Colombia has two projects, with Chile, Jamaica, Panama and Peru having one each. World-wide, only India (with six projects) has more projects, even though aggregate funding (as listed in the *Annual Report*) is greater for Brazil. A document given to the evaluation team by Cities Alliance, entitled “Cities Alliance Portfolio Managed from Sao Paulo” (4 pages, no date), lists four “on-going activities”, three “current proposals” being considered, and five “completed activities”. All these projects involve Brazil. Including both current and completed projects (but excluding current proposals), the total expenditure indicated is US\$8,000,289 and Euro 5,798,000. At current rates of exchange (1 Euro = 1.2735 USD), this would constitute a total of US\$15,702,429. Of this total, US\$14,127,729 was financed by the Italian government (a partner in the Cities Alliance), and US\$1,575,000 by the core fund of the Cities Alliance.

The Cities Alliance (CA) opened an office in Sao Paulo for the first time in 2001. This was the first year of the Marta Suplicy (Partido dos Trabalhadores, PT) administration in the City of Sao Paulo. It was also the year of Istanbul+5, a major event for the international urban policy community. The CA formed a close working relationship with Paulo Teixeira, then the secretary of housing and urban development to the municipality. (Paulo Teixeira became a member of the CA policy advisory board, and, in the 2004 elections that saw the defeat of Mayor Suplicy, was elected councilor in Sao Paulo representing the PT. At this writing, he is running as a PT candidate for the Federal House of Representatives.) The connection with the Cities Alliance was further cemented through the selection by Mayor Suplicy of Jorge Wilhelm as secretary of planning for the city. During the 1990s Wilhelm, an internationally famous urban thinker and architect, was the executive officer at Habitat involved in the planning of the Habitat II conference in Istanbul in 1996. He was a close friend of Mark Hildebrand, who as a Habitat official later founded the Cities Alliance in 1999. Wilhelm left his planning position after the defeat of the Suplicy government in 2004, but the Cities Alliance has continued to have a good working relationship with the new Sao Paulo government under Gilberto Kassab.

Currently, the Cities Alliance occupies a cluster of offices in the Department of Civil Engineering on the campus of the University of Sao Paulo. The University contributes the space, some furniture, and pays for water and power. Italian funds pay for part of the CA staff salaries, and for the (current) renovations to the premises. These renovations will include upgrading to video conference facilities, and the installation of a connection to high-speed internet so that the office can deal with the Bank’s SAP accounting system. (This installation could even permit the office to undertake “outsourcing” of Bank work in Sao Paulo.) The Italian grant, called **Scaling up in LAC Region**, started in 2005 and will run for three years. The work of the office, and of the Cities Alliance in Brazil, has been directed by Ivo Imperato. A civil engineer with a degree from the University of Sao Paulo, Imperato also has training in urban planning in Italy. From July 2001 to June 2003 his entire salary was paid out of “earmarked” Italian funding. Subsequently, the Bank paid about 60 percent of his salary, with the Cities Alliance picking up the remainder through Italian funding. Technically a World Bank staff member, Imperato’s responsibilities are divided between supporting the Cities Alliance in Brazil, and the work of the World Bank. Imperato is also an experienced diplomat, having worked previously in the Italian foreign service. His official title is Regional Advisor for Latin America (Cities Alliance). In the event, this situation will soon end, as Imperato has been transferred to the Bank’s head office in Washington, and is in the process of being replaced by a person who is not at the same time a Bank employee.

When the Cities Alliance office was established in Sao Paulo, the choice was deliberately made not to locate either in Brasilia (where the World Bank office for Brazil is located) or in Rio de Janeiro (where the UN-HABITAT office is located). Although the Cities Alliance office serves all of Latin America, most of what it does (from 90-95% of its work) is in Brazil. The location of the office in Sao Paulo causes some mild concern in the World Bank office in Brasilia, considering the fact that the Regional Advisor has been a World Bank official and that there is complementarity between CA projects and World Bank infrastructure programming for the country.

Some concern about process was expressed to the evaluators during our travels. At the Ministry of Cities, and at the Bank, we were told about what some felt was an overly lengthy process of vetting and commenting on project proposals from municipalities. The Belo Horizonte metropolization project, for example, has already taken three years of internal memos and discussion, and the project is still not completed. In Brasilia, we were told that the main initial proposal for the Ministry of Cities (initiated with a meeting with Mark Hildebrand when the Cities Alliance met in August 2003 in Sao Paulo) went through a large number of drafts from the beginning, and took close to a year to get underway once it had been agreed in all substantial details in March 2004. (Against this claim, we were also told, in mitigation, that the proposals submitted by the Ministry needed a considerable amount of work in order to be accepted by the Cities Alliance system.) Given the speed at which policies and programs changed in Brasilia, by the time the funds came through, it became almost inevitable that the Ministry of Cities was obliged to reformulate the project. At the Ministry meeting, the evaluators were also told that, given the fact that the budgets of CA projects deduct approximately 15% (plus a small monthly supplement) for the management of the project (a sum which accrues to the office in Sao Paulo), not enough time is spent working on local projects for Brazilian clients.¹ On the Bank side, the evaluators were told about a group including CAIXA and Ministry of Cities that can vet and even block projects originating from municipalities². While these “process” complaints represented a certain level of irritation, they did not override the general satisfaction that both the Ministry and the Bank had with the performance of Cities Alliance³.

¹We were told that, in response to this kind of concern expressed in many other projects, both the Cities Alliance and the Bank are moving towards client execution, so that new grants will be client-executed without the customary 15 percent charge for project-related administrative expenses.

² This situation arose because, once Brazil became a member of the Cities Alliance, a process needed to be put in place to vet Brazilian projects before they got to Washington, so that the Brazilian members of the Consultative Group would not be put in a position of having to refuse proposals from their own country. Although this process seems to “work”, the irritation it causes in some quarters is partly a reflection of the awkwardness of including both donors and clients in the same organization, with many of the same powers and rights.

³ As our evaluation was ending, we were told about the successful completion of a distance learning program, financed through Cities Alliance funding through the Ministry of Cities, involving 900 participants across Brazil. The subject matter was important: how to undertake land tenure regularization for the poor. We were told by both the CA and a consultant who worked on the project that it was very successful and “worked beautifully”.

UN-HABITAT is of the major founding partners of the Cities Alliance. The agency also operates in Brazil, with a Regional Office for Latin America and the Caribbean (ROLAC) located in Rio de Janeiro. Its budget is much smaller than that of the Bank, both internationally and in Latin America. In Brazil, ROLAC focuses primarily on technical assistance to the national government as well as to individual municipalities in three main areas: urban environmental planning (particularly Local Agenda 21 projects), technical assistance to help achieve the MDGs, and urban safety issues. When the Cities Alliance first began in Brazil, some tension developed between ROLAC and CA over one particular project. Partly as a result of this experience, the current director of ROLAC moved to re-focus ROLAC's work on initiatives outside Brazil. Now, there appears to be little overlap between ROLAC and the CA's work in Brazil, while there is a good working relationship between CA and UN-HABITAT in the region as a whole. Joint initiatives between CA and UN-HABITAT elsewhere in Latin America usually involve a blend of the two main programs of Cities Alliance – slum upgrading and city development strategies.

1.3 The National Level

A new urban reform law called “The Statute of the City” was passed in 2001 by President Fernando Henrique Cardoso. When Luis Inacio Lula da Silva (Lula) of the Workers Party (PT) won the 2002 national election, he established a new Ministry of the Cities, appointing Olivio Dutra as Minister. (Dutra had been, in turn, mayor of Porto Alegre and Governor of the state of Rio Grande do Sul). The Ministry, established in January 2003, includes four national secretariats dealing with housing, environmental sanitation, transport and mobility, and urban programs. It is coordinated by an executive secretariat. Following a political reorganization at the center, President Lula removed Dutra from the Ministry in July 2005, appointing Marcio Fortes de Almeida (the current Minister) who represents the Progressive Party (PP) in the new governing coalition.

Dr. Raquel Rolnik, the current Secretary of the Urban Programs section in the Ministry, was active in developing a national Cities Alliance program to be administered through the government. We were told that the initial proposal for this program was initiated through a meeting with Mark Hildebrand when the Cities Alliance met in August 2003 in Sao Paulo. The project, which eventually was called the **National Urban Development Policy: Support to the National Program for Land Tenure Regularization and Socio-Environmental Risk Prevention in Precarious Settlements**, took close to a year to get underway after all substantial details had been agreed in March 2004⁴. Given the speed at which policies and programs changed in Brasilia, by the time the funds came through, we were told that the Ministry of Cities had to reformulate the project. From the point of view of “efficiency”, one of the criteria of our evaluation, this process (at least that part of it that took place between parties in Brazil) seems to have been below local expectations, even though the process was a new one, and the CA office in Sao Paulo worked hard to make the documents conform to Bank requirements, and to translate everything into English for the Washington office.

However, there were some very positive aspects of this relationship, which included bringing the newly-formed Ministry of Cities into contact with other groups like the Disaster Management Program of the World Bank. The national Risk Prevention program was born out of this connection, and a \$49,000 grant from the Bank which allowed them to contract a Brazilian institution to set it up. This relationship showed great agility on the part of the Cities Alliance, according to the Ministry. The final project, (for \$500,000) was formally approved in November 2004, and activities started in February 2005.

⁴ There is disagreement on the CA (Sao Paulo) side with respect to this statement.

Since Brazil became a member of the Cities Alliance, Dr. Rolnik has been an active and vocal representative of Brazil in the Cities Alliance Consultative Group. She also represents the three developing country members (Brazil, Nigeria and South Africa) on the 5-member informal Steering Committee of the Cities Alliance in Washington. CAIXA, the country's massive national housing and urban development bank, along with the Ministry of the Cities, are the two institutions that form the twin pillars of Brazil's national urban policy. So far, CAIXA has not played an important role representing Brazil on the Consultative Group, but its potential for influence is very great, and it appears (based on what we heard) that CAIXA wishes to play a larger role in the Cities Alliance project development process in the future. Already, CAIXA is a very substantial financial institution. To illustrate, it carried out 263,513 evaluations of requests for funding during the last fiscal year; and it employs close to 1,800 housing professionals, of which about 800 are architects and engineers. Totally, it employs over 78,000 across the country, and operates through approximately 1,000 local banking branches. In the year 2005, it extended housing loans worth over R\$9 billion, to both individuals and public institutions in 3,751 municipalities in Brazil. Its coverage has been both increasing and widening. In 2002, CAIXA extended housing loans to about 200,000 families, of which 51% were in the "lower-income" category of receiving less than 3 minimum salaries. By 2006, more than 270,000 families were being serviced (of which 77% were in the same lower income category); and preliminary figures show that for 2006 CAIXA is extending 85% of its loans to the lower-income group (Relatorio....2006). Indeed, Caixa's expansion of housing credit to poor families is one of the significant ingredients in the widespread support for Lula's current presidential candidacy.

1.4 A Tale of Two Cities: Salvador (Bahia) and Belo Horizonte (Minas Gerais)

In a huge country like Brazil, a relatively small program like Cities Alliance may have little effect in an aggregate sense. But has Cities Alliance made a difference locally – especially in terms of improving the life chances of the urban poor? Our approach to this more limited question is to compare two cities of roughly comparable size. One of these cities (Salvador) has been the beneficiary of a Cities Alliance project, while the other (Belo Horizonte) so far has not.

1.4.1 Salvador

The capital of the state of Bahia, Salvador is located in the relatively poor northeast region of Brazil. It was one of the first Portuguese settlements, and served as colonial capital of Brazil until the middle of the 18th century. As a result, it was the cradle of an unequal social structure grounded in slavery; the city's black population would eventually play a prominent role in shaping today's distinctive culture and local traditions. Partly because of its location (in a region where agriculture is stagnating), Salvador has experienced one of the highest rates of population growth among large cities in the country. The state of Bahia showed 32.95% of its population living in rural areas in 2000, one of the very highest levels of rural population in the country (IBGE 2000, Table 1.9). From a population of 1,027,142 in 1970, Salvador had more than doubled its population to 2,440,828 in 2000 (IBGE 2000, Table 1.6). Salvador is the third largest city in Brazil, after Sao Paulo and Rio de Janeiro. Out of its total population, some 107,379 individuals over 10 years of age (or 4.4%) had no formal education, or less than one year of formal education. As for housing quality, it was estimated recently that fully 45% of the population lived in squatter settlements or informal land subdivisions. During the 1990s, Salvador was considered to have the highest index of poverty among state capitals in the country. According to a reliable text published in 1997, "[f]inancially Salvador is Brazil's worst-off state capital because of the lack of industry and the size of its poor population. Most of those who have jobs are employed in commerce and

services. Salvador is the only state capital among the metropolitan regions where the main source of revenue comes not from industry” (Souza 1997, 154). We have seen no evidence that this situation has changed substantially over the last decade. As for the municipality, its receipts for the 2003 financial year are listed at 1,180,462,766 Reals. Dividing by the population of the city in 2000 would produce an annual municipal revenue per person of R\$483.18, or at exchange rates in 2003, US\$135 per person. In comparison to other large municipalities in the country, such as Belo Horizonte (about which more below), Sao Paulo or Porto Alegre, this level of municipal revenue is very low. The following table gives some comparative information about these four cities. They were chosen because three are the sites of CA projects, while the fourth (Porto Alegre) is well known for its participatory budgeting program.

Exhibit 1.1 Comparative Statistics on Four Brazilian Cities

CITY	CITY POPULATION (2000) ⁵	ESTIMATED ANNUAL COMPOUND GROWTH RATE (2000-2005) ⁶	POPULATION WITHOUT SCHOOLING (%) ⁷	BUDGETED MUNICIPAL REVENUES (2003) (R \$) ⁸	BUDGETED MUNICIPAL REVENUES (2003) (USD/CAP) ⁹
Belo Horizonte	2,238,526	2.59	3.6	2,081,178,691	260.32
Porto Alegre	1,360,590	1.59	2.9	1,799,323,133	370.29
São Paulo	10,435,546	2.31	3.9	10,920,771,317	293.02
Salvador	2,443,107	1.39	4.4	1,180,462,766	135.29

The experience of Cities Alliance in Salvador has been focused in the low-income area of Ribeira Azul, where many families had lived for many years in *alagados* or “slums on stilts” over the mangrove swamp areas of All Saints Bay on the Atlantic ocean. This is a large area with an estimated population of about 150,000. The precursor to this project was a program called *Novos Alagados*. This program had begun with work in small targeted areas in the early 1990s with support from the Italian government, through CONDER – a semi-autonomous agency of the Bahia state government under the Secretariat of Urban Development. CONDER is one of the few metropolitan development corporations, originally conceived in 1974 under the military government period in Brazil, to have successfully survived to the present.

In the mid-1990s, the Italian government asked an Italian religious NGO, AVSI to act as the local operator of their funds in Salvador. (From the early 1990s, AVSI had been making proposals for support for their work on *Novos Alagados*.) AVSI (Association of Volunteers for International Service) was founded in 1972, and works in 35 developing countries. It has a close association with the Catholic Church in Italy. In 2004, AVSI was involved in 96 projects around the world, of which 13 were in Brazil – the country with the highest involvement of the agency. Around the world, AVSI works with local partners – a network of 24 organizations are listed in its annual report. In Brazil, AVSI partners with two local NGOs, CDM and CODESC.

⁵ 2000 Brazilian Census, <http://www.ibge.gov.br>.

⁶ United Nations Population Division, 2003.

⁷ Refers to population 10 years or age or older who have no schooling or less than 1 year of schooling. Figures from 2000 Brazilian Census, <http://www.ibge.gov.br>.

⁸ Brazilian Census, <http://www.ibge.gov.br>.

⁹ Per capita conversions as of 1 January 2003, using <http://www.oanda.com/convert/classic>.

In Salvador, the AVSI presence includes 7 Italians and 15 local employees. Its local partner in Salvador is CDM (Cooperation for Development and Human Settlements) -- a large organization, with 280 employees we were told. In interviews AVSI claimed that when they were originally called to Salvador to work in the Alagados area it was because the Cardinal of Salvador requested their presence. Perhaps he knew of their successful earlier work in Belo Horizonte, where they had established a model of social assistance and urban redevelopment in poor areas. Their work in Belo Horizonte had included work on land regularization.

Cities Alliance in Salvador currently works closely with CONDER and AVSI. The major project undertaken so far, entitled "Technical and Social Assistance Project for the Ribeira Azul Program" (known as PATS) began in June 2001 and was completed in December 2005. With a "voluntary contribution" of \$5,500,000 from the Italian government (funnelled through the Cities Alliance), the grant supported the state government "in applying a participatory and integrated approach" and managing the various elements in the Ribeira Azul program. In addition to the Cities Alliance support for slum upgrading in Ribeira Azul, the Bahia state government put in funds from its own budget, obtained support from CAIXA, got access to IBD funds from the federal government, and funds from the World Bank's *Projeto Metropolitano* and PRODUR loans. Both physical development (including improvement of the infrastructure in the most flood-threatened areas on the edge of the water; community facilities; and new housing for those displaced from the flood-threatened areas) and social assistance was supported. From what we could see, CONDER did the physical construction, and AVSI took the lead on the social assistance side, though both seem to have worked effectively together. In this complex partnership, PATS was an extremely important program in that it was the only source of funding for social programs; other sources of funds financed only infrastructure and housing development. An undated color brochure describing the *Programa Ribeira Azul* lists eight financing/participating agencies (The World Bank, Italian Cooperation, the Cities Alliance, CAIXA, the Ministry of Cities, the Federal Government, the Municipality of Salvador, and the Government of Bahia), and two implementing agencies, AVSI and CONDER. The brochure also indicates a management structure under the coordinative authority of CONDER, including various committees (which involved the City of Salvador, Cities Alliance/World Bank, the Ministry of External Affairs of Italy and AVSI) which were to consult regularly. It is interesting that the World Bank and Cities Alliance are listed as a single unit in this brochure.

A very useful evaluation of the Ribeira Azul program has been published in a Bank document written by Judy Baker (Baker 2006). While the program (with a total budget of \$69 million) was able to reduce the number of "stilt houses" from 3,500 to about 650, to rehouse those moved out of the most precarious environments, and to provide a range of social services for the larger population of the Ribeira Azul area, there were still some complaints. Most people liked their newly built housing away from the water, but there was less privacy, the quality of the materials was poor, and the sanitation system was deficient. Partly because there is a "culture of entitlement" in Bahia state, and partially because CONDER apparently subsidizes low-cost housing by up to 80%, the new housing is not economically sustainable on a large scale. But generally the infrastructure and social program was a big success, not least because the community itself was well organized and could express itself; and because the partnership between AVSI and CONDER developed well. AVSI, for its part, had begun to give more responsibility to its local counterpart CDM.

A summary of this \$70 million program in a World Bank project appraisal document for the new, upscaled program makes three important points. The first is that, given the large number of participating agencies and donors, ensuring consistency and coherence in the implementation process was a big challenge. The second point, however, is that, given this challenge, the Italian grant given to the Cities Alliance for social assistance and coordination (PATS) helped immeasurably to keep the project on course (World Bank 2005, 31-2). Third, the report notes that the PATS grant financed a series of studies to support a new, larger slum upgrading program for Salvador and seven other important cities in Bahia state.

This new Cities Alliance program (now called PAT) also fits into a much larger, scaled-up program. This new program, into which a second Italian government grant through Cities Alliance has been inserted, is known as *Viver Melhor II*. This World Bank grant was estimated to cost approximately \$82.2 million, of which \$32.9 million is to come from the government of the state of Bahia, and \$49.3 million from the World Bank (IBRD) as a loan. The document that describes this project, produced in Portuguese by the state of Bahia, lists the World Bank, the government of Bahia, and CONDER as the principals. The additional Cities Alliance piece of this project will be funded by Euro 5,798,000 from an Italian government contribution (grant), plus another \$250,000 from the Cities Alliance Core Fund. The Cities Alliance grant will be executed through AVSI, with supervision by the Cities Alliance. This Cities Alliance project was approved on September 2005 and has a duration of 36 months. It actually began to function in July 2006 once the Italian funding came through. The purpose of the Cities Alliance piece is to assure continuity with earlier work; but the Bank rather than the Cities Alliance portion of the grant will be responsible for social development initiatives. While AVSI will be involved, their role in the new program (funded through the Cities Alliance) will be to supervise and train local people, rather than (as in the earlier grant) to undertake direct implementation.

It should be pointed out that there is little or no place for the Municipality of Salvador in this process. In the first Cities Alliance grant, the City was involved only through the consultative process described above as *Programa Ribeira Azul*. Under the current Brazilian Constitution, the city must approve physical developments within its planning jurisdiction; and it can take responsibility for education and primary health care, at the very least. In our visits around the sites of the Bank and Cities Alliance projects, we saw little evidence of the municipality, although we were told that they were consulted and needed to approve certain work. (The *Viver Melhor II* project apparently requires participation by the municipalities in many important respects.) At a meeting with the Secretary of Urban Development of the state of Bahia we had a discussion of municipal/state responsibilities for urban development. Briefly, we were told, the municipal role really depends on how active the municipality wishes to be. In the field of transport, for example, the construction and operation of roads is a responsibility of the Ministry, but the state gives money to the city for maintenance. For sanitation, the state undertakes projects, but the state needs official permits from the municipality to put in a waste treatment plant for example. As for housing, some projects are undertaken by the state, others by the city. We were told that the Salvador Mayor would be requesting funding from the state for a housing social movement supporting a political party not in power at the state level, and that he would likely get the funds. While the Mayor of Salvador is from the PDT (a center-left) party, the Governor of the state of Bahia represents the PFL (Liberal Front Party), a right of center party one of whose prominent members at the national level is a very powerful Bahia politician, Antonio Carlos Magalhaes (known as ACM). Over the last decade, relations between the state and the city have been cool or even hostile when left-leaning parties were in power in Salvador, and more collaborative when the PFL has been in power at both levels. But during most of the time, as we were told by city officials, the city has not been consulted (or at least not seriously taken into consideration) for major urban development projects, even when they occurred within the boundaries of the city of Salvador – for example in

the Ribeira Azul area. While this lack of collaboration with the city on the part of the state and by CONDER in particular is partly a matter of politics, it is also a result of the fact that the city has few resources – its level of revenue is very low as we saw above – and little capacity on the planning and urban development side. As a result, as we were told by many people, the city has been “absent” in the urban development field for many years. When, for example, AVSI earlier attempted to put a Euro 5 million grant from the Italian government through the city (the Cities Alliance project involving PAT), “there was no city” to respond, we were told by city officials. Another interview informant confirmed this. The new mayor of Salvador, Joao Henrique (who has a master’s degree in economics from Canada) has been trying to be sensitive to social problems by getting to know the city’s neighbourhoods, and he has been making major efforts to collaborate with his political adversaries at other levels of government.

How to evaluate the Cities Alliance efforts in Salvador? There are three major points to make here. First, although the Cities Alliance has worked exclusively through state rather than municipal agencies, it has received very strong support at the state level (essentially through CONDER), while there is little evidence that it could have effectively worked through the municipality if it wanted to get projects underway. Second, the Cities Alliance work has been only a part of a larger development process (which involved significantly more funding than the Cities Alliance grants, even with Italian support) in which the state government and the World Bank (more recently) have been very active. At the same time, all our knowledgeable informants stressed that the Cities Alliance “value added” was connection to experience in other places (including outside of Brazil) and to other agencies, including of course the World Bank. Finally, the Cities Alliance work has been closely aligned both with the World Bank and with the interests (political, religious or otherwise) of the Italian government as an important partner at the local level. At the end of the day, in spite of the Cities Alliance’s valiant efforts to support local urban development initiatives (especially in the large Ribeira Azul area), the city remains very poor, and the slum (or squatter) problem is growing by the year. The city has a deficit of 100,000 housing units, of which 80% (we were told) are for low-income housing. A major movement of the landless in Salvador (the MSTs) makes headlines, and – like the case in many other poor cities around the world – programs of this nature cannot stem the trend. Although the Cities Alliance programs reinforce positive initiatives by the state government – and this is entirely laudable – it is difficult to conclude that a significant part of the poorest parts of the city’s population have been assisted. Those who have been helped in the social assistance projects which we saw on the ground, in land regularization, and in some of the new modern housing units built for slum residents displaced from the most perilous *alagados*, have received important benefits. But here we touch on much larger issues of social policy in Brazil, and the role that a small agency like the Cities Alliance, might reasonably be expected to play. We can only allude to these issues here; we cannot resolve them.

1.4.2 Belo Horizonte

While Salvador and Belo Horizonte have roughly similar populations in terms of aggregate size, they are very different. Salvador, a very old city, located in a poor state in the northeast of the country, relies on services and commerce, and experiences a high rate of poverty and unemployment, and a rapid pace of population growth. Belo Horizonte (BH), a relatively newer, planned city in a large, wealthy state, is economically more dynamic, marked by industrial development, a much lower rate of poverty, and a lower rate of population growth. As we saw in the table above, municipal revenues per person in BH are almost twice the level as they are in Salvador (US\$260 vs. US\$135). Per capita GDP in 2002 was R\$8093 in Belo Horizonte, as against R\$4309 (Fundacao Joao Pinheiro 2005, 346). A detailed comparison of the two cities was carried out in the late 1990s by Renato Raul Boschi, a distinguished Brazilian social scientist with an American doctorate (Boschi 2003). The comparison did not in any way touch on Cities Alliance

projects in Salvador or their absence in BH. But in comparing municipal policies in three areas – budgeting, cultural policy, and master planning – we learn that Salvador (at least in the 1990s) was generally unable to operate very successfully -- except in the operation of the yearly and very famous local *carnaval*, which is administered through a Municipal Council for Carnival in that city. By contrast, BH was judged successful in all three policy areas. In particular, on its own the city developed a very participatory process of discussing the master plan, a process that was smoothed by decentralized urban management based on the division of the city into 9 “regions”. But even more remarkable is the success which BH had with its version of participatory budgeting.

The Brazilian model of municipal participatory budgeting (PB) is often ascribed to Porto Alegre in the state of Rio do Sul, since the beginnings of this initiative date back to the 1980s there, and because the system has continued in Porto Alegre since that time with considerable success. In the case of Belo Horizonte, participatory initiatives began in 1979 with the creation of the Program for Community Development, geared primarily to improvements in lower-income neighbourhoods and slum areas. Then, after the city began to get subdivided into administrative regions in the 1970s, the local government began to get in better touch with its neighbourhoods. Under the PSDB administration (1989-92) the city created community councils for each of the nine administrative regions, and began a participatory program for priority works (PROPAR). Out of all these initiatives, the first participatory budgeting exercise was undertaken in 1993. It still takes place on a yearly basis, as an integral part of the planning process. The BH model of this popular innovation in Brazil “uniquely combines participation by popular associations (chiefly community associations) with other representative entities (religious and cultural groups, for example) and with citizens at large, thus incorporating a substantial contingent of individuals without ties to organized movements” (Boschi 2003, 120). Of course, participatory budgeting (as is the case in other Brazilian cities) involves citizen involvement only in the “investment” and not the “recurrent” budget of the municipality. The investment budget is typically only about 10 to 15% of the total budget; and the PB process involves just a proportion of this investment budget, as maintenance expenses must be protected. Nevertheless, a municipal document shows that, starting in 1994, the participatory budget process involved, on a yearly basis, from 15,216 citizens (in 1994) to a high of 43,350 citizens in the 2001/2002 exercise. In the 2003/04 and 2005/6 exercises, there were 30,479, and 38,302 participants, respectively (*Investir BH* 2006, 67). Since the outset of the initiative, there have been 1,086 approved local projects, and 771 completed projects (*Investir BH* 2006, 44). While the BH participatory process has been studied by many international groups, its origins and continuation were based on purely local resources. At the World Urban Forum in Vancouver in June, 2006, the chief budgetary officer of the municipality of Belo Horizonte made a presentation on the integration of the annual budgeting and participatory exercise, in which he argued that most of the participants come from the poorest parts of the city. Once the budget is decided every year, an independent committee follows up on the spending of the funds (World Urban Forum, June 21). Our impression of the quality of the municipal planning and financial staff was strengthened by our meeting in BH with the chief urban planner.

Belo Horizonte has been in the forefront of housing policy innovation as well. In 1983, we were told in an interview, the city passed a Profavela law, by which the government recognized the existence of favelas, and was prepared to apply planning instruments to their development. At the time, this was very progressive. This led in 1993 to a policy which regularized favela land and began to develop infrastructure – such as water reticulation and roads – in these areas along with “deep” social assistance policies (“A favela...” 2003). With support from the Italian government beginning in 1994, the BH government began the Alvorada program, a program which won a “best practices” award at the Habitat II conference in Istanbul in 1996. In subsequent years, under the leadership of mayors such as Patrus Ananias (now the federal Minister of Social

Development) and others, neighborhood development programs were elaborated in the favelas, and (as was noted above) planning processes became increasingly participatory.

An important initiative involving the Cities Alliance is currently underway. With a strong municipal council, a good relationship between the state government and the city, and substantial human and financial resources, the local government of Belo Horizonte, spearheaded by the state government, and supported by 33 adjacent municipalities, is in the process of applying to the Cities Alliance for the first time. The project proposal is entitled, "Poverty-Focused City Development Strategy for the Metropolitan Region of Belo Horizonte, Brazil". The project is officially submitted by SEDRU, the State Secretariat of Regional Development and Urban Policy, but it is supported by the World Bank, the Italian Ministry of Foreign Affairs, two departments of the Ministry of Cities in Brasilia, and CAIXA. The total amount of the project described in the application is US\$2,613,786, with US\$500,000 requested from Cities Alliance, and the rest from the State of Minas Gerais, the 34 municipalities in the Metropolitan Region of Belo Horizonte (MRBH), and CAIXA. If the project is accepted, according to the proposal document we were given, it will be jointly implemented by Ivo Imperato representing the Bank, and by Manoel Costa, representing SEDRU at the state level. The project will provide technical and operational support for developing institutional arrangements and investment plans to make the MRBH a reality. This is indeed potentially an important project, but it is not within our terms of reference to evaluate it – not least because the project has not yet been approved. But the only previous CDS exercise in Brazil, that of Recife, was also metropolitan. We should point out that in the recently published *Guide to City Development Strategies* (2006) there is scarcely any mention of metropolitan CDS options, except in a short paragraph on page 38. The document – meant to be the main guide to prospective applicants for CDS grants – focuses almost entirely on options at the level of individual municipal governments. Metropolitan governance has been, and continues to be a very important issue in Brazil.

1.4.3 Salvador and Belo Horizonte Compared

There are three main elements which emerge from the comparison between Salvador and Belo Horizonte. First, at the municipal level there is a much higher level of technical and financial resources available in Belo Horizonte than in Salvador. Second, there has generally been a relatively harmonious and complementary relationship between the municipal government in Belo Horizonte, and the state government (also located in Belo Horizonte). Third, Belo Horizonte as a city is one of the most innovative in the country. All of these features make Belo Horizonte different from Salvador. But given the differences between the cities – in spite of the fact that they are both state capitals and roughly the same size in terms of population – what can we learn about the context of Cities Alliance projects?

Perhaps the first, and most obvious point, is that the relationship between the municipal and state government is very important for municipal development to take off. In Salvador, for many years the state government has been in the hands of a powerful conservative party run by a dominant politician (now operating at the national level), while at the municipal level, left-leaning parties and social movements have been (with the exception of 1997-2004) the norm. For whatever reasons, this balance of political forces has coincided with the municipality being excluded from most urban development initiatives, which have in turn come from the state level. The jury is still out on whether the weakness of the municipal government and the corresponding strength of the state government in Bahia is a result of regional factors, or of politics – or both. Whatever the reasons for this unfortunate situation, the Cities Alliance has chosen to work with the state government and its powerful urban development corporation, CONDER, with support from the Italian government through the international NGO, AVSI. In Belo Horizonte, successful urban

reforms were initiated locally, with (later) the full support of the state government. But in the case of Minas Gerais state (a much wealthier state than Bahia), there has been more agreement (if not necessarily consistent political alignment) between the BH mayors and state governors. Had CA chosen to work primarily with the municipal government of Salvador, progress would undoubtedly have been slower. In the future, however, CA projects should endeavour to work through the municipality whenever possible.

A second point is that resources make a difference. Brazilian cities are among the most innovative in the world. Witness the tremendous spread of the participatory budgeting (PB) model around the world. At the World Urban Forum session on participatory budgeting in 2006, it was claimed that there are more than 1000 local governments in Latin America (800 of them in Peru alone) working with PB, and as many as 55 in Europe (World Urban Forum, June 21). This innovation started locally in financially and politically strong cities in Brazil, spreading largely without external assistance. Other examples of Brazilian local innovations include the idea of community boards or councils (an idea that has been taken up, for example in Jamaica); and assistance to slum/squatter neighbourhoods through regularization of land tenure and social programs. At the national level, the “Statute of the City” and its offspring, the Ministry of Cities, are surely pause for thought in many other countries. In wealthier and well-organized cities, many of these ideas – and more – have been developed without outside help. But in Salvador, a poor city with a weak municipality and a very large and even despondent (from our interviews) poor population, the Cities Alliance support for programs already mounted by the state government came as a welcome addition, and signalled that governments of both the left and the right can adopt “socially progressive” innovations to help the burgeoning slum populations.

Finally, the comparison between Salvador (where there was a Cities Alliance presence) and Belo Horizonte (where Cities Alliance has not yet begun to work), shows the importance of finding the right “fit” between what the Cities Alliance can do and what it cannot do. The Salvador projects combined physical development (under the direction of CONDER) and social assistance (under the supervision of AVSI) in an apparently very positive and synergistic fashion. These projects were part of a larger vision of the state government which eventually leveraged a substantial loan from the World Bank in the form of a current project known as Viver Melhor II. In Belo Horizonte, so far the metropolitan project has not been accepted; but if it is, the Cities Alliance will have to add such an approach to multi-city planning to its collection of approaches under the CDS banner. Such an approach may have a real “market” in Latin America (including elsewhere in Brazil) and in many other developing countries where the metropolitan challenge is increasingly insistent. This seems an appealing prospect for Cities Alliance, but it would have to be absorbed into its current toolkit.

1.5 Key Points from Brazil Case Study

- 1) The Cities Alliance has a strong presence in Brazil, supported significantly by Italian assistance.
- 2) The projects we studied were vital and effective in terms of strengthening policy for slum upgrading and reinforcing constructive local initiatives.
- 3) The Cities Alliance in Brazil needs to differentiate itself more clearly from the World Bank.
- 4) Cities Alliance should work more systematically with municipalities rather than state-level agencies; and should consider more work in poorer municipalities.
- 5) Cities Alliance in Brazil needs to consider its level of support for the proposal process, so that its response can be more rapid once a proposal is supported by a partner.

- 6) Cities Alliance should consider expanding the CDS toolkit to include metropolitan development.

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2. Case Study: Egypt (Alexandria)

2.1 Introduction

The land of Egypt has perhaps the most remarkable history and legacy of any country in the world. The same is true of its cities and, in particular, of Alexandria. Before discussing the Cities Alliance project in Alexandria, it makes sense to begin with a brief description of Egypt and its urban spaces. Egypt occupies 1,001,450 square kilometres of mostly arid land in northeastern Africa. Despite the relatively large area of Egypt, the vast majority of its 70 million inhabitants live around the Nile River banks and at the Nile Delta. Consequently, the inhabited portion of the country makes up only about 4 percent of the total area. As a result, Egypt suffers from over population and a concentration of industrial activities in the capital and the main cities of the Northern region. This situation has an adverse impact on the economy and social stability of the country. Moreover, extensive environmental pollution problems have developed as a result of the unplanned random expansion of the industrial sector and the enormous increase in informal settlements (Abou-Elala et al, 2005).

As is true for much of the world, Egypt faces increasing economic pressures from both globalization and modernization. Aspects of Egypt's recent globalization are marked by the country's long history as a destination for travelers and tourists (Kuppinger, 2005). Egypt does not earn a great deal of income from either its oil or natural gas resources and average GDP per capita is quite low at \$3,606 per capital (in 2000, the GNI per capita was estimated at \$1,490). In addition, the country has undergone dramatic economic transformations as it moved quite rapidly from a somewhat closed and socialist economy in the 1950s and 1960s (under Nasir) to a global capitalist economy under President Anwar Sadat in the 1970s. At the same time, Egypt has been one of the countries most affected by hostile and, now, more peaceful relations with Israel and has a reputation as one of the most secular countries in the volatile Middle East region.

Since the early nineteenth century, urban areas in Egypt have undergone dramatic changes (Bayat, 2003; Ayubi, 1991), reflected particularly in its urban quarters and their residents' everyday lives (Singerman 1995; Fahmy, 2004) and in changes in popular culture and everyday practices (al-Sayyad, 2001). Just under 50% of the population lives in urban areas and the urban growth rate is predicted to average 2.3% a year over the fifteen year period between 2000-2015. This is compared to an average rural growth rate of only 0.7%. While most urban migration is directed at Alexandria and Cairo, the Cairo suburbs, which stretch on for miles, are growing equally quickly (www.makingcitieswork.org/files/pdf/neareast-n-africa/Egypt.pdf).

Approximately 44% of the country's poor live in urban areas and 23% of the urban population is poor. Reports indicate that female unemployment rates are about three times higher than those of males and that this trend is worsening over time. Approximately 4% of all people in urban areas are without water supply and 2% live without sanitation coverage, at least according to recent government data. The urban poor in Egypt tend to live in informal settlements (*ashwa'iyat*), which, in some cases, resemble informal cities with paved roads, multi-storied brick apartment buildings, and decent connections to basic public services. Other informal communities are less urban in nature and feature poorly constructed shacks, dirt lanes, open garbage pits and latrines, and rely on private water vendors and illegal electricity hookups. As presented by Dr. Mostafa Madbouly (2005) at the Cities Alliance Public Policy Forum in Marakech, about 1,221 areas have been defined as slums in the Governorates in Egypt,¹⁰ with about 15.7 million inhabitants living in

¹⁰ As of this writing there were 26 governorates, with administrative and legal amendments underway to add Luxor as a separate governorate.

these areas. This figure represents approximately 24% of the total population and 40% of the urban population. All of these settlements are marginalized to the extent that they lack the schools, health clinics, and open spaces that make up much of the social infrastructure of a city.

2.2 Egypt: Urban Development and Reform

The historical development of Egypt's government institutions has created a strong bias in favour of centralization. As noted in the *Egypt Human Development Report 2004: Choosing Decentralization for Good Governance*, Egypt is one of the most highly centralized economies, where budget figures for 2003/04 show that the shares of local government in total government revenues and expenditures are only 3% and 15%, respectively. The political system is also highly centralized. However, there are signs of change – the 2004 Human Development Report (HDR) focused on the issue of decentralization and the 2005 HDR addressed the development of a new social contract for Egyptians. As noted in one of the interviews, two years of a new government in Egypt has brought a shift in the wording – although perhaps not yet in the policy and action – regarding decentralization and the greater involvement of civil society. Six years ago there would have been much more hesitancy to use the term “decentralization.”

Sub-national governments in Egypt have traditionally enjoyed limited power. A series of Amendments to the Local Administrative law has helped to reduce administrative and budget control by central government, but a Governorate's ability to take advantage of these changes varies. The selection of Alexandria as a pilot city for testing new development initiatives reflects an assessment by Cabinet that Alexandria had the capacity to take advantage of these positive changes (World Bank, 2005, PID). Interviews during the Cities Alliance field visit also confirmed that if capacity and vision exist at the Governorate level, then there is room for governors to act.

Within the Government of Egypt, at least three central agencies have a role in shaping local, and particularly urban development: the Ministry of Planning, the Ministry of Local Development, and the General Organization for Physical Planning (GOPP) at the Ministry of Housing. The GOPP is the national entity responsible for setting the general directives for physical planning policy, preparing urban development plans and programs in Egypt, and coordinating these plans with other economic and social development plans to meet present and future needs. Yet, as one respondent indicated, at the national level, there is no single agency responsible for improvement of slums and poverty reduction in local areas.

In recent years, the Government has shown increasing recognition of the need to address Egypt's urban challenges. An urban reform agenda, launched by the GOPP, builds on a 2004 report of the National Democratic Party (NDP) that defined three dimensions of Egypt's major urban challenges over the next two decades as:

- Preserving scarce arable land from informal urbanization;
- Upgrading squatter and slum settlements; and
- Enhancing service delivery capacity to accommodate an expected increase of 26 million in Egypt's population by 2020.

To articulate its approach to slums and informal settlements, the Government introduced the National Slums Upgrading Policy in 1993. The stated goals of that policy included the improvement of the living standards of informal settlements, integration of slums within the formal city, providing slums with basic needs in terms of infrastructure and roads and, sometimes, services. The policy also included a hidden goal of greater security control of slum areas. In his reflections on the first 10 years of the National Upgrading Policy (1993-2003), Dr. Madbouly (2005) indicates that the upgrading initiatives tended to concentrate on infrastructure and roads,

with no community participation, no land tenure regularization (except in a few cases), and lacked an integrative approach for development. In his 2005 presentation to the CA Public Policy Forum, Dr. Madbouly also pointed to the difficulties in defining the vision and strategy to prevent further informal development.

Since 2004, GOPP, with the support of UN Habitat and World Bank, has been engaged in adopting a new approach for city development including slum upgrading. Improvements to the urban development process are being proposed through legislation that incorporates participatory planning, the establishment of urban planning and development departments in Governorates, cities and *markaz* (districts) to promote decentralization, and adopting strategic planning and integrative development instead of master plans. The CDS process in Alexandria coincided with and contributed to the broader changes being proposed at the national level. As the World Bank's Country Assistance Strategy (World Bank, 2005, 13) indicates, "Over the past two years, the Government [of Egypt] has successfully piloted the City Development Strategy (CDS) in Alexandria. It is now ready to mainstream this as a preferred approach to strategic planning by making it mandatory for other governorates."

2.3 Cities Alliance Involvement in Egypt

The Cities Alliance began its work in Egypt with a US\$130,000 grant to implement a slum upgrading project in the Governorate of Ismailia between 2001 and 2002, with UN-Habitat as implementing agency/Task Manager. A 2004 evaluation confirmed the positive outcome of the project and described the ways in which the CA grant helped to move forward the upgrading process and agenda in the Governorate (members of Alexandria CDS went to Ismailia for a study tour to learn from this experience). In 2004, the Cities Alliance approved a CDS grant for Alexandria that integrated components in slum upgrading and environmental issues. The World Bank is the implementing agency/Task Manager. A second grant for Phase II activities related to the CDS was approved in 2005. (The Alexandria grants are more fully described below.) Another recent initiative is the 2005 Preparatory Assistance Proposal for Egypt Urban Sector, Slum Upgrading and City Development Strategies, which received a grant of US\$74,000 to help the Government of Egypt jumpstart the urban reform process described above with a series of studies, including profiles of other Governorates that could potentially develop CDS.

2.4 The Alexandria CDS

2.4.1 Background on Alexandria

Alexandria is Egypt's second largest metropolitan area with an estimated population of 3.7 million. In total number of people, it is ranked 9th out of 26 Governorates in Egypt (Cairo being the largest and the South Sinai being the smallest). On the northern coast of Egypt, Alexandria benefits from a strategic location: it is bordered by the Mediterranean Sea in the North, by Lake Mariout in the South, and by two important Governorates on the eastern, southern and western sides. An additional advantage is its proximity and connectivity with the two most important urban areas in Egypt, namely Cairo and Giza (Dajani, 2005).

The city has numerous assets, among the most important is its cultural heritage, with historical and archaeological sites from Roman, Greek, Coptic and Islamic periods and cultures. The impressive and well-known Bibliotheca Alexandrina, opened in 2002, reflects city and national government efforts to restore Alexandria to its historical prominence as a world city. After only three years in operation, the Bibliotheca now draws about 1 million visitors a year, many of whom come to Alexandria for conferences and other events at the Bibliotheca; this is an important new type of tourism for the city. Alexandria has also been an important summer resort for Egyptians.

Alexandria is Egypt's main port and a large industrial and commercial centre that accounts for about 40% of Egypt's industrial production. It is home to one of the two "one-stop shops" in Egypt, created by the General Authority of Investment and Free Zones (GAFI) to expediently handle foreign and domestic investment registration and information needs. This is part of a government strategy to attract growing domestic and foreign investment.

The city's dynamic business sector has significant capacity to influence development priorities. The well-regarded Alexandria Businessmen's Association (ABA), which was established in 1983 and now has about 360 members, has been a driving force in engaging the business sector in the city's social and economic development. ABA is also considered a leading NGO in the field of small and micro enterprise promotion. ABA has approximately 20 branches in Alexandria that provide credit to small and micro entrepreneurs as well as a special financing window for women entrepreneurs.

Despite its many assets, however, Alexandria faces many challenges. With only 25% of the city's population active in the labour market and 7-10% unemployment, micro credit and the informal economy play a significant role in the city's development. In the Alexandria Governorate, approximately 35% of the population, or about 1.4 million inhabitants, are living in about 48 informal/squatter settlements.¹¹ Some of these are considered slums, with substandard housing conditions and decaying infrastructure, and others are considered to be informal settlements (i.e. with no land titles and or building permits, but where housing conditions might or might not be substandard) (El-Helbawy, 2005).

Lake Mariout presents an enormous challenge and opportunity for the city. Over the past decades, the lake has become the reservoir for industrial, agricultural, and sanitary water discharges. The high concentration of pollution has altered its natural balance (killing fish, destroying organic elements, increasing density of reeds and water plants) and has affected the livelihoods (based on fishing) and health of slum and informal residents around the lake. The lake is also important regionally, since it contributes to the balance of water in the Nile delta region. Since 1990, environmental groups, such as Friends of the Environment, have advocated for cleaning up the lake, while other stakeholders have lobbied for filling in the lake, citing the difficult nature of the rehabilitation process and the potential value of the land once filled in. There is also potential for redevelopment of large vacant prime land surrounding the lake to address the pressure of urbanization. As one respondent noted, "the challenge was to change the lake from a source of pollution to a source of development."

These issues, apparently rooted in the lack of a long-term economic development vision and strategy for Alexandria, provided the context for the application to the Cities Alliance in 2003 for conducting a strategic planning process.

Another critical element for the CDS in Alexandria was political leadership. We were told that the city began to address long-standing problems of urban development (such as solid waste removal, for example) several years ago with the arrival of H.E. Mohamed Abdel-Salam Mahgoub as Governor of Alexandria. The Governor was able to gain the trust of the private sector and begin to engage the academic community in city development. Many respondents commented on the

¹¹ The Ministry of Local Development Data for 2002 indicates 54 settlements. This figure was subsequently updated by Alexandria Planning Authority (2004), which indicates that 6 settlements have been eliminated, thus bringing the number to 48.

quality of the leadership at the level of Governor and Secretary General, which created the special climate and atmosphere that contributes to success.¹²

2.4.2 CDS objectives, activities, and outputs

In March 2004, the City of Alexandria received a Cities Alliance grant of US\$200,000 to support a City Development Strategy process. The co-financing of the initiative included US\$75,000 from the World Bank, Arab Urban Development Institute, and the Alexandria Governorate. The project integrates the Alliance's two main areas of programming in city strategic planning and slum upgrading.

The objective of the first grant was to "assist Alexandria Governorate to develop a strategic framework for sustainable development." The completed activities include:

- A number of institution building actions, such as formation of CDS team and capacity building of the team through study tours (e.g. the team's visit to Ismailia);
- LED (local economic development) products such as Local Economy Assessment Report, guiding set of objectives and programs, first cluster analysis;
- The inventory of squatter settlements, individual Participatory Rapid Appraisal (PRA) reports on 20 squatter settlements in Alexandria, and upgrading plans in three pilot areas;
- The assessment of environmental challenges in Lake Mariout and a comprehensive strategy for the future.

Based on the success of Phase I, CA approved a second grant of US\$350,000 in 2005 for "Alexandria CDS for Sustainable Development - Phase II." In the threshold screening of the proposal, the Secretariat noted that "there is nothing in CA statutes that prevents a phasing of a CDS/SU proposal, although the line between doing a CDS/SU strategy and implementing the outcomes of the same is sometimes thin."¹³ The screening also recognized that the initial level of resources was barely enough to carry out and complete the initial studies, such as the Participatory Rapid Appraisals (PRA). The objective for the Phase II grant is to "assist the Governorate in completing its CDS framework for sustainable development and prepare for its implementation technically and institutionally." The proposed activities include:

- In the institutional dimension, to provide assistance in designing the institutional framework that will ensure effective implementation of the CDS; the institutional arrangement that is proposed includes a High Level Inter-Ministerial and Key Civil Society Steering Committee, a Partnership Forum Executive Committee, and the Alexandria City Development Department, a new entity to be created in the Governorate. Capacity building and a city web site are also part of strengthening the institutional framework.
- In LED, further in-depth cluster analysis is to be undertaken in order to inform concrete strategies. In addition, the second phase proposes to complete a detailed study and action plan for improving the local business environment and a comprehensive review of the finances of Alexandria, with a view to strengthening municipal finances.

¹² In August 2006, H.E. Mahgoub was named Minister of Local Development, thus leaving his post as Governor in Alexandria.

¹³ See Cities Alliance Secretariat Threshold Screening, August 25, 2005

- In upgrading, the proposal aims to support participatory planning and upgrading efforts in three pilot areas, conduct 10 additional PRAs in the settlements not covered by Phase I, identify 6-8 other areas to be upgraded, and complete a city-wide wide urban upgrading strategy.
- The Lake Mariout component is to establish a lake management authority attached to the Governorate of Alexandria.

This second grant will help to deepen the analytical work done as part of the first phase and begin the process of institutionalization. The proposed activities for Phase II had just begun at the time of our visit. Based on the interviews and our own review of documents, we offer the following observations about some of the activities and outputs of the Alexandria CDS process to date.

Local Economic Development

Phase I saw the completion of the Local Economic Assessment / baseline study and one in-depth cluster analysis on Cultural Heritage and Tourism. At this stage, there is still very little specific information in the CDS documentation as to what is required by certain industries in order for them to flourish and develop. This will likely come out in the more in-depth cluster studies planned for Phase II.

One of the activities in Phase II – an International City Development Policy conference – was held in March 2006 with the participation of the European cities of Barcelona, Turin, Seville, and Lyon. The conference aimed to facilitate exchange of knowledge and experience among these cities and provide an opportunity for stakeholders to debate the opportunities and feasible options in the future development of Alexandria. We heard mixed views on the results. Many respondents cited this LED workshop (perhaps in part because it had taken place only a few months before) as a successful forum for exchange of ideas and current practices. However, a number of respondents noted that, while the conference exposed participants to the approaches of other cities, it did not allow for discussion and assessment of what elements of these approaches might be appropriate for Alexandria and its CDS. In other words, the conference did not help to draw out the most useful lessons for Alexandria. Furthermore, some interviewees noted that civil society groups were largely absent from the conference, thus missing the opportunity to bring together a broader spectrum of city stakeholders.

Urban Upgrading

Respondents offered diverse perspectives on the best approach for addressing Alexandria's growing informal settlements. Several respondents indicated that the removal of slums might be the best option, because upgrading has not worked – either because of “cultural issues” in slums or because these areas continue to grow after the upgrading. As noted by one respondent, there is a fear that “upgrading might destroy the city center” because the slums would continue to grow and overtake other areas. Such perspectives pose a challenge for the advocacy efforts of Cities Alliance, with its proposal for an integrated approach that gives preference to making improvements *in situ*. Other people interviewed noted that “the idea of moving slums is gaining ground” because of the potential to make money from the land they occupy.

The decisions on the kind of developmental intervention required to address the squatter settlements in Alexandria seem to be based primarily on the 20 PRAs conducted in 2005. While PRAs are a proven method to collect baseline data about slum conditions, they do not normally serve as a mechanism for consultation and negotiation with citizens. Yet, as a result of these assessments, at least three slums will be demolished and moved entirely. Areas slated for demolition (like Kom alMalh) are located near valuable lands (e.g. near the port) that could be

purchased and developed by investors. Among the remaining 17 areas, some are to be partially “eradicated” and rehabilitated and upgraded, and some are to be upgraded. The documents produced through the CA process suggest that this is an acceptable practice and that the slum dwellers in question are in favour of their resettlement.¹⁴ This seems questionable at best, given the lack of successful examples in the world of resettlement of slum dwellers in public housing far from their original homes. On the other hand, as noted above, there appears to be widespread support for this practice among individuals in both the private and public sectors who are active participants in the CDS process. The decision to resettle several slums does not appear to have involved the slum dwellers themselves and does not appear to have been a negotiated solution.

One of the areas slated for “partial eradication” was in Naj’a El Arab. An article in the Al Masry Al Youm (July 29, 2006), a daily independent newspaper, reported that 250 houses were recently demolished there (leading to the displacement of 500 families), based on a 2003 decree by the Western district. The official grounds for demolition were that the houses were built in 1998, the very same year the sewerage authority claimed ownership of this land which is to be the site of an expanded sewage filtration station. The families who were displaced held a demonstration because the housing promised to them by the Governorate did not come through.

Lake Mariout Rehabilitation Component

The CA grant supported an assessment of environmental challenges and a Comprehensive Strategic Development Plan for the rehabilitation of the Lake zone. One of the clear recommendations from this exercise was the creation of an authority with the power and resources to control and guide the rehabilitation of the Lake and the development along its shores. The creation of the Lake management authority is one of the specific aims of the Phase II CDS grant. While the idea of a comprehensive administration is a good one, there is also concern about the number of government bodies that have responsibility for at least some of the areas of the Lake and that the agency will overlap with these existing units. The success of this experiment will require a great deal of political clout (which the governor at the time did have) so that the institutionalization of this umbrella agency is a priority.

Overall, the current CDS is a list of projects that appear to be valuable in and of themselves. Yet the plan still lacks an overall vision of what Alexandria should be or should look like in 20 years. One factor that may be contributing to the lack of vision in the CDS is the two-year time limit to produce outputs that is part of CA guidelines. Although there is stated flexibility on the part of CA on the time frame for deliverables, it appears that this unrealistic timeline leads to somewhat sloppy research and inadequate consultation. The two-year time limit may explain, for example, why the Alexandria slums studies relied on PRAs rather than on more detailed community based research or actually attending community meetings and/or inviting community members to CDS meetings.

¹⁴ The team has two versions of the Summary of the Study Results and Conclusions of the PRA, both dated April 2005. One version clearly articulates three alternatives to the squatter areas dilemma, including “Areas that should be completely demolished.” The other version articulates only two alternatives, and does not contemplate demolition. During the field visit we visited one of the areas slated to be demolished (Kom alMalh).

2.5 Observations on the CDS

In many ways, Alexandria represents an ideal location for a CDS project in that the idea of working together to plan and improve the city has great relevance and salience for a number of different groups. The notion of resurrecting Alexandria received an enormous boost from the decision to build the *Bibliotheca Alexandrina*. The business community, in conjunction with the extraordinary efforts and support of Alexandria's governor, has created synergy and opportunity for investment in the public infrastructure and the development of a vision for the city.

2.5.1 Effects of the CDS

As in the other case studies, the actual impact of CDS and Slum Upgrading plans are impossible to quantify directly. There is no question that the CDS process brought together people and organizations that, in the normal practice of planning, would not have been brought together. The CDS seemed to create an appropriate forum to discuss problematic issues, even though at times the forum was not as inclusive as it could be. (The challenge of inclusivity is described in the following section.) One respondent observed that "a momentum has been generated" by the process, and another suggested that the CDS grant provided the "spark" for implementation of investment projects and that CA encouraged other organizations to enter the project.

The case of Alexandria also illustrates coherence of effort. Stakeholders note that government financing is better targeted through the CDS. There is strong consensus that the process allows stakeholders to agree on the timing and pattern of events, prioritize urban investments and informally earmark sources of funding (in this case donor funding) for the myriad projects identified. This is particularly true of the Alexandria Growth Pole Project (US\$100 million) and the Japan PHRD Grant, where the CDS Grant Phase I seems to have structured exactly how the infrastructure funds were to be spent. Furthermore, new partnerships and synergies have been established. For example, the Social Fund for Development (SFD) and GTZ are now targeting resources for slum upgrading initiatives in the three pilot areas, and the ABA will support micro-lending in these areas as well.

From the outset, the active involvement of the World Bank has helped to secure significant levels of follow-up finance for implementation of the CDS components. Between the proposed Alexandria Growth Pole Project (AGPP) investment, a \$7.5 million GEF grant for the Lake Mariout component, SFD funds, and others, funding is being slated for Alexandria that responds to the CDS framework.

What is less clear is how things would have proceeded if CA had not been invited into Alexandria. Given that the city already has the Bibliotheca, is one of the most economically successful Governorates, and had a remarkably able governor who focused on creating a dynamic and attractive city, one could argue that the CDS was simply a mechanism rather than a catalyst for investment and planning.

Alexandria is considered the pioneer in Egypt in implementing a CDS project that includes a city-wide slum upgrading component. As the Government of Egypt begins to put in place a national program of CDS, other Governorates are looking at the Alexandria experience. Thus, this CDS project has contributed to the urban reform process and to nation-wide scales of action.

2.5.2 Challenges in the CDS process

Nonetheless, our research suggests that there are important issues related to the CDS that need to be highlighted in order to contribute to the learning about the challenges in implementing the CDS process in different settings.

Inclusivity

Many developing countries do not have a tradition or well-established practices of public participation. In the past, the Egyptian government has not generally consulted a wide range of stakeholders before passing laws, regulations or plans. In its traditional master planning process, for example, even local planning efforts were developed under the direction of the national Ministry of Housing, Utilities and Urban Communities, and by architect planners who were typically divorced from the public and, in the end, produced plans “lacking reality.” Thus, the inclusivity requirement of the CDS (i.e., that all relevant stakeholders be included in the development of an urban vision and that they be granted a voice in the actual design, implementation and prioritization of urban investments) represents an enormous challenge to Egyptian bureaucrats and politicians.

This was particularly the case, we believe, in terms of the participation of NGOs, Community Development Associations, and other community groups who represent the voices of the poor in the CDS process. Given that a major portion of the CA initiative involves slum upgrading, we did find that the Governorate went to some effort to collect data from residents of informal communities/settlements. The overall impression we are left with, however, is that the consultation process was rushed and superficial at best. It may be that the communities in question lacked community organizations that could effectively represent their needs and preferences, or it may be that a more in-depth consultation effort would have required more time than was available. Nevertheless, the consultative process provided few opportunities for the participation of the less educated and less powerful voices. It appears, for example, that well-established NGOs in Alexandria, such as Save the Children or Hope Village (representing the disabled), were not included in the CDS consultation process. Some of the stakeholders who were involved also questioned the extent to which the formal engagement of some parties translated into an ability to effectively participate in the process.

Presumably, the CDS requirement that all stakeholders be included in the process reflects the CA’s recognition that, in many developing country cities, informal settlements make up almost 30% of the city (this is certainly the case in many Egyptian cities). Consequently, if the strategy is to actually reflect the urban landscape and its citizenry, these populations clearly need to participate in the development of the strategy. At the same time, it is a fact of human nature that it is always more efficient to hold meetings between people from similar backgrounds and perspectives. It appears that, in Alexandria, while some groups were and are a part of the process, others have been neglected.

Some ongoing urban planning efforts in Egypt do appear to be mobilizing and empowering informal communities to participate in their own futures. We were able to learn a bit about a number of initiatives in Egypt where NGOs and international donor organizations have successfully worked with communities to jointly develop programs or investments. As noted in the evaluation of the project, the CA Slum Upgrading project in Ismailia appears, for example, to have used long-term relationships with community members and NGOs to encourage actual participation among settlement dwellers. Other examples are provided by GTZ and their work in Giza and Cairo. The work in Boulaq El-Dakrou, for example, has involved long-term commitment to creating a practice of participation and discussion (and helped to unleash social capital) that, in

turn, has resulted in concrete plans and decisions among informal settlement residents. It is important, in our opinion, that CA projects emphasize the need for actual participation, rather than participation through brief surveys (participatory rapid appraisals), to meet the requirements of the CA mandate.

It also appears that key institutional stakeholders in Alexandria were not included at the beginning of the strategy process. In the early part of Phase I, for example, the Bibliotheca Alexandrina was not a participant. (The initial consultations noted in the proposal for CDS Phase I did not reference the Bibliotheca). As of 2005, however, the CDS team has included the Bibliotheca as a visible actor in the second phase, co-chairing with the Governorate the committee that is being established to continue the CDS and follow its implementation. The coordination between the Director of the Bibliotheca and the Governor is considered critical during the rest of Phase II.

Continuous Engagement

A number of the stakeholders we interviewed expressed general frustration regarding the lack of feedback and information on both the status of the CDS process and specific investments identified and prioritized through the CDS. Several stakeholders felt that there was a lack of regular and frequent contact between the people in charge of the CDS, the Governorate, and the other stakeholders. The point was made a number of times that feedback and information were vital to the implementation of the CDS. Otherwise, as was pointed out, it would be relatively easy for important stakeholders to forget or ignore CDS issues, and even withdraw from the process. Regular meetings, newsletters, or other forms of informal communication would alleviate this concern and create opportunities for stakeholders to continue to think and talk about the progress being made.

Given that feedback and information sharing is an integral part of the successful implementation of any plan, let alone an urban vision for a large city, these comments (and the point made about inclusivity in the section above) suggest that there needs to be more effort to publicize the CDS process through diverse media, both for increasing participation and for keeping people on board and actively involved in supporting implementation of the strategy. As one interviewee noted, the CDS should be the “talk of the street.” This communications/outreach dimension may be a somewhat neglected aspect of the CDS process and one that could be improved dramatically with relatively little effort.

Institutional Issues

At the national level, there is a lot of support in Egypt for a participatory and more inclusive approach to planning. It is clear that the current political and economic situation in Egypt has created a great deal of interest in planning that reflects the needs of the average Egyptian to a greater extent than was necessary in the past.

On the other hand, as is the case everywhere, there are some departments, agencies and individuals whose power and influence may be affected by any proposed change in how policy is developed and implemented. In particular, we were made aware that there is tension between centralized and decentralized power structures in Egypt, which implies that the CDS process needs to be carefully designed to reflect actual governmental structures and relationships. As an example, we were told that, in Alexandria, the central ministries were not as closely involved as might be desirable at different stages of the process. The suggestion was, and this does seem to be borne out by the content of other interviews, that, in Alexandria, the process was initiated and guided by the governor who did not really feel the need to keep the central ministries involved. Alexandria has the resources and the technical capacity required to oversee the implementation of

the CA project and the governor is held in extremely high regard by both the national leadership and the local stakeholders. As a consequence, the CDS proceeded relatively free of central ministry control or interference. Interviewees also noted that one of the roles played by the World Bank team was to visit Cairo and explain the work in Alexandria to the ministries there so that the CDS would not be isolated from central government.

One result of Alexandria's high profile implementation of a CDS process has been the request to CA for a metropolitan Cairo-wide CDS project. The implementation of the process, however, may be proceeding in a way that undermines its potential to succeed. The leadership for this effort is housed in the GOPP, within the Ministry of Housing. The governors of Giza and Cairo (these Governorates make up the metropolitan region) will need to be part of the Cairo CDS. Given that, institutionally, the governors of such large and influential places are not required to respond to a department within a central ministry, it may prove difficult for the GOPP to ensure their cooperation. It was suggested that it could prove to be a mistake to locate the leadership of the CDS effort in a department within a central ministry, which may not have the clout or influence to ensure the participation of all the necessary stakeholders. It may make more sense for CA to ask that the CDS leadership be located at the local level – within all three Governorates, for example – to ensure political cooperation within the current institutional structure.

We should note that institutionalization was a problem, as well, in the Slum Upgrading project in Ismailia. The CA evaluation of this effort indicates that inappropriate or inadequate institutionalization was one reason why the upgrading effort got off to a very slow start and why the project needed multiple date extensions.

Finally, one perception that was expressed to us more than once was a somewhat cynical view that the CDS process is actually a vehicle for facilitating World Bank loans to the urban sector and that World Bank funds seem to flow more readily once a CDS has been produced, even if the strategy is not actually a long-term development vision. One respondent suggested that the CDS could be seen as a carrot offered to a city, i.e., if the CDS is completed, more funding will be made available. One factor that may be contributing to this perception is that the World Bank and CA are broadly perceived as the same entity. Having people other than World Bank employees represent CA abroad could clear up this confusion.

2.6 Tentative Conclusions

During the course of our fieldwork it was made abundantly clear that many stakeholders in Egypt – across the spectrum of politicians, bureaucrats and NGO staff – support the concept of a CDS. Many individuals believe that a CDS for Alexandria (and other cities, including Cairo) is a very good idea and presents an opportunity, in terms of resources, time, and space, for agencies involved in all aspects of urban development to get together and articulate a vision for the city. We found almost no one who argued that CA efforts were misguided or misdirected. Alexandria provides a good example of how a city can take advantage of a CDS process.

The Alexandria case also raises some points to be considered in future CDS:

- Timeline – If processes are to be participatory, a longer timeline may be required. In effect, with the two phases approved by the Cities Alliance, the Alexandria CDS will have been completed in a much longer period of time than the 24 months stipulated in the guidelines for applicants.
- Participation – The project combines CDS and slum upgrading, yet there is a noticeable lack of opportunity for the residents of slum communities to provide input into the broader city development strategy.

- Sustainability – The CDS funds the establishment of mechanisms (new units, such as the City Development Agency) to ensure institutionalization of CDS implementation. The issue here is whether or not the local government can assume the costs of the new unit after the grant period. In the case of Alexandria, it will be interesting to monitor what happens with these organizational mechanisms after the CA grant period.
- Municipal financing – The CA grants help to fund a consultant (in Phase II) in the area of municipal finance. This has been a gap in other CDS and it will be important to track how this kind of advisory/consulting service adds value to the CDS process.
- Government buy-in – The stakeholders involved would need to link local government authorities with national government authorities throughout the CDS process to ensure buy-in at all levels. This requires attention from CA and the implementing agencies.
- Stakeholder communication – Established mechanisms that are used regularly for providing updates on progress to stakeholders would facilitate the continuous engagement of stakeholders in the process.
- Outreach – The case notes that the CDS should be the “talk of the street”, yet it does not appear to be the case in Alexandria. This suggests the need to emphasize communications and outreach in the CDS process.

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3. Case Study: India

3.1 Introduction

During the course of thousands of years of history, India has been invaded from Arabia, the Iranian plateau, Afghanistan, Central Asia, and Europe; Indian people have collected and transmuted these influences to produce an exceptional cultural synthesis. The variety of languages, traditions and practices vary almost as much among Indians from different parts of the country as they do between different Asian nations. The mix of cultures and practices in India results in vibrant urban landscapes that are both complex and problematic.

Although India occupies only 2.4% of the world's land area, it supports over 15% of the world's population. India has been urbanizing rapidly, particularly within this past century – although approximately 70% of its people live in more than 550,000 villages, the remaining 30% live in more than 200 towns and cities. And, while the total population of India grew by almost 4 times from 1901 to 2001, its urban population increased by approximately 9 times, from 25 million to 234 million over the same period. The concentration of population in the ‘million plus’ cities has been particularly striking – the number of cities in this category has increased from one in 1901 to 25 in 2001. These 25 cities account for 37.5% of India's total urban population. The characteristics of development and change in urban areas is very important, as cities contribute nearly 60% of the GDP of India and this share is expected to rise further in the coming years (Ministry of Urban Development, 2006).

India's economy has averaged more than 7% GDP growth in the decade since 1994, reducing poverty by about 10 percentage points. Most impressively, India achieved 7.6% GDP growth in 2004, through significantly expanding manufacturing and services (World Bank, 2004). Services are the major source of economic growth, accounting for half of India's output with less than one quarter of its labour force. India is capitalizing on its large numbers of well-educated people skilled in the English language to become a major exporter of software services and software workers. Some of this growth is due to changes in India's historic economic and trade regulations which previously limited international investment and ownership in the country. In 2005, for example, the Indian government decided to liberalize investment in the civil aviation, telecom, and construction sectors. More recently, however, the privatization of government-owned industries has come to a halt because of continuing political friction, particularly in the areas of traditional public services such as water supply, sanitation and transportation. The rapid growth of cities of all sizes has created urban areas with fundamental social, economic, and environmental problems.

3.1.1 Slums in Indian Cities

The most obvious and tangible symbol of rapid urban growth is the prevalence and growth of urban slums. While India has had slums for most of the past century, migration and national population increases are fueling demand for land, housing and infrastructure, particularly among the urban poor. The demands have far outpaced the capacity of municipal administrations and public agencies to meet them and, consequently, slums are a ubiquitous aspect of cities in India.

Historically, the municipal and state governments of India have dealt with slums in one of two ways. Either they have been “notified” (i.e., recognized officially as communities by the local government or a state Slum Clearance Board) or they have been subject to demolition. *Notified* slums are eligible for some types of benefits or services that vary by municipality and within municipalities, depending on the resources available and the political significance of each particular slum. In general, slums that are not notified are ripe for eviction and demolition at

any time. Most recently, Mumbai and New Delhi (both of which have millions of people living in slums) have come under criticism for these practices (Dalrymple, 2005; Srinivasan, 2005) in spite of the significant progress that Indian and international NGOs have made in terms of public attitudes towards slum dwellers in India.

In 2001, the Census of India included some slums and slum residents in their data gathering efforts for the first time. For the purposes of the census, slum areas consisted of:

- All specified areas notified as 'Slum' by State/Local Government and UT Administration under any Act;
- All areas recognized as 'Slum' by State/Local Government and UT Administration which may have not been formally notified as slums under any Act.
- A compact area of at least 300 population or about 60-70 households of poorly built congested tenements, in an unhygienic environment usually with inadequate infrastructure and lacking in proper sanitary and drinking water facilities.

The “unofficial” slums (i.e., those which fall under the last census category noted above) are growing the fastest. According to recent statistics, for example, Delhi's population increases by at least 500,000 a year, and half of these are migrants looking for work. Over the past 20 years, the Delhi Development Authority (DDA) has built only a third of the homes that it estimated would be needed to house the growing population (according to an analysis of DDA statistics by *Sajha Manch*, a federation of organizations working for the urban poor). Of the low-income housing that the DDA did build, 80% was bought by middle and higher-income groups because it was too costly for the poor. Over the same 20 years, Delhi's migrant labour force has erected more than 1,000 slum colonies on public land, and the population of Delhi's slums has grown from half a million to 3.2 million (Ministry of Urban Development, 2006).

Within India, slums are clearly a topic of overwhelming importance, even more than is true of most developing countries. There are currently a huge variety of NGOs involved in slum/community organization and mobilization in India. The mixed response of government and the private sector to slums has its roots in both the history of democracy in India and, obviously, the issues of caste and inequality. As such, most municipalities in India struggle valiantly with the issue of slums and slum dwellers and how best to ameliorate the overwhelming conditions that exist in slums. Mumbai, in particular, has a complicated and, in some ways, inspirational history of political organization of pavement dwellers in that city.

The most recent estimates suggest that up to 7 million of the 14 million people living in Mumbai, the country's commercial capital, live in slums. At periodic intervals, the administration tries to relocate those living near railway lines, airports and other strategic locations. Once they are thrown out, these people return often to hostile conditions as they fight for any place that they can find to build a shelter. Some of them live in the huge water or sewage pipes left over from civic projects, while others live in flimsy shanties on the pavements.

At the same time, Mumbai is home to a number of well-know NGOs, including: the Society for Promotion of Area Resource Centres (SPARC), which has been working for the benefit of slum dwellers in Mumbai since 1984; the National Slum Dwellers Federation (NSDF); and *Mahila Milan* (Women's Collective). NSDF was started in the mid-1970s by slum leaders from several cities who wished to participate in all policy discussions affecting the poor. *Mahila Milan* has sought to organize women slum dwellers seeking better living conditions for their families. These groups have managed to make some changes in the way that slums are perceived by government and private citizens. SPARC, for example, has helped to relocate 8,000 households from tenements along the railway lines over the past several years (Srinivasan, 2005).

3.1.2 Cities Alliance Projects in India

Not surprisingly, many of the Cities Alliance (CA) Projects in India focus on slum upgrading. At the same time, many of the issues around slums in Indian cities are related to urban planning that has not kept pace with the changes in urban space, or the practices and values in which they operate. It is obvious, for example, that slums are basically a physical manifestation of inadequate water and sanitation facilities, inefficient public transportation systems, poor or inadequate land development, and poor community outreach/investment. All of these elements are important in a good urban plan or City Development Strategy (CDS), and are critical for maintaining and improving the productivity and quality of life in the cities as well as for the overall economic growth of the country.

Since it began its programming seven years ago, CA has been involved in a variety of activities in India, including: Mumbai (slum upgrading), Hyderabad (a CDS project that is completed and an ongoing slum upgrading program, and Andhra Pradesh (an on-going CDS in Vizag – Visakhapatnam). Recently approved projects include one in Agra (CDS, approved after a long gestation period), and two efforts that we reviewed in detail in the state of Karnataka (slum upgrading in Bangalore and a CDS project underway in Hubli-Dharwad). In total, the CA has spent \$513,000 in completed projects (in Ahmedabad, Hyderabad, Gujerat and Tamil Nadu), \$485,465 in terminated or cancelled projects (in Ludhiana and Orissa), \$1,647,268 in on-going activities (in four unidentified cities as well as in Sangli, Mumbai, Hyderabad, Visak and Hubli-Dharwad), and has committed \$716,233 to new projects (in Bangalore and Agra).

Given the scope of its activities, CA had a full-time staff member (Regional Adviser) in India for a number of years, Ms. Alison Barrett, who was the staff person responsible for almost all the projects listed above. Currently, Dr. K. Rajivan serves as Urban Finance Adviser to Cities Alliance and is based in Chennai.

The field mission faced some logistical challenges since, unfortunately, the partners in Bangalore did not schedule meetings with other stakeholders in the city for our team. We arranged our own meetings and spoke with a wide variety of NGOs and potential urban stakeholders, and met with some government officials and bureaucrats involved in the project. The officer at CMAK helped to set up the schedule for Hubli-Dharwad.

3.2 Bangalore Slum Upgrading Effort

According to the 2001 census, Bangalore is the fourth most populous city in India with 4.3 million people, about 30% of whom are classified as urban poor. Bangalore is the centre of the fifth largest urban agglomeration in the country, i.e. 5.77 million residents. The city is world renowned as a global centre for software research and services. Its superheated economy has attracted migrants from across southern India which, combined with relatively high fertility rates, has led to a population growth rate of about 3% a year in the past decade (Somik et al., 2004). Bangalore has expanded geographically to accommodate the vast variety of individuals and households moving to the city to take advantage of all types of employment opportunities. The city is home to a mix of wealthy, middle-class and poor households. Some 20% of all residents are estimated to live in slums which co-exist with well-developed areas of Bangalore. Most slum residents and urban poor households have large deficiencies in water supply and sanitation services (BWSSB, 2004).

As the city with the largest middle-class in India and the highest proportion of software engineers, computer programmers and other technicians, Bangalore has become a low-density city with most buildings not exceeding 2 or 3 stories. Without a natural boundary, such as a body of water or mountains to hem in development, this low-density construction accompanied by rapid urban growth has resulted in a high degree of sprawl into the city's hinterland (Sustainable Urban

Development: The Case of Bangalore, 1999). In the past several years, mostly as a result of globalization and the IT industry, millions of dollars of foreign investment (particularly for infrastructure) have poured into the city. Bangalore, for example, has received vast sums of money from the Japan Bank for International Cooperation (JBIC) and the World Bank, and is slated to receive millions as part of the Government of India's Jawaharlal Nehru National Urban Renewal Mission (JNNUR). The JNNUR, which seeks to renew urban infrastructure in 63 selected Indian cities, has a total allocation of Rs.500, 000,000 that is to be spent in seven target types of projects, including most kinds of urban infrastructure.¹⁵

3.2.1 Bangalore Water Issues

The water situation is very complicated in Bangalore. The first issue is one of demand. While the daily demand for water in Bangalore is about 900 million liters (about 140 liters per capita per day), the current supply is less than 600 million liters per day (MLD), which falls far short of demand. Lack of piped water is particularly acute in the seven recently urbanized districts surrounding the periphery of central Bangalore, which have yet to be supplied with piped connections to the municipal water supply. In addition, the cost of water in Bangalore is the highest (on a per liter basis) of any city in India, i.e. Rs. 20 per m³ (WSP, 2006). This is because the main source of urban water, the Cuavery River, is more than 100 km away and 500 meters lower than the city itself. Transporting and pumping the water is quite an expensive proposition.

Furthermore, water is a major problem in Bangalore's nearly 400 slums. A study by Jaya Sanayog, a local NGO that works among slum dwellers, indicates that water consumed in slums is mostly contaminated and unfit for drinking. According to Bangalore Water Supply and Sewerage Board (BWSSB), the agency charged with providing water to urban residents for nearly a century, it has been piping drinking water to the city residents at very low cost (usually through unmetered public standpipes or taps). The city also has to grapple with unauthorised/illegal tap connections in slums that lead to loss of revenue, damage to the water supply system as poorly made connections lead to leaks, and contamination of water. BWSSB and others (including, apparently, the World Bank) believe that providing free water to slum dwellers is no longer possible and, thus, the BWSSB has been working in the past few years to connect slum dwellers to metered water connections.

In March 2005, the JBIC agreed to fund a project to extract another 770 million liters of water from the Cauvery River. When completed, this project will provide Bangalore with about 1,310 million liters per day (MLD). According to Connors (2005), the current demand (as of 2005) for water in Bangalore is between 850 and 870 MLD. Estimates of the current supply of water, from the same source, range from 830 to 995 MLD. Considering the demand from industrial use and the amount of unaccounted-for water (at least 30 percent), the water available for domestic consumption is roughly 100 litres per capita per day but of course this is distributed very inequitably and some get much less while others use much more. In addition, JBIC has given another \$110 million to treat the water and extend the distribution system once the water arrives. The JBIC agreement also provides for approximately \$11 million for individual/small group water metered connections to the water in slums that will be provided through the BWSSB (Bangalore CA Proposal)

¹⁵ At the time of writing, \$1 dollar US was equivalent to 46.62 Rs.

3.2.2 Cities Alliance Slum Upgrading Proposal

The CA project envisions spending US\$478,300 in support of a plan to connect households and small groups of households to piped water connections as part of a slum upgrading initiative. The money is to be spent on paying local NGOs for their work in and among slum communities. Local NGOs would be responsible for organizing and monitoring the connection process from the initial engineering work to the final collection period. The lead NGO, WaterAid, a major international organization partially funded by international donor groups and private water companies, is to identify and facilitate the liaison process with the BWSSB, the NGOs and, ultimately, the slum dwellers themselves.

The proposal suggests that it will be feasible to provide 362 slums (51 of which are notified slums) with improved access to water and even basic sewerage services in five years. Given the scope and extent of the work, and the complexities involved in providing slums with infrastructure services, this estimate seems somewhat unrealistic. At our meeting with WaterAid (the lead NGO), both representatives expressed concern about the feasibility of achieving such an ambitious target and stated that they hope to change the terms of proposal to provide metered connections to a 100 slums in the first two years of the project.

The CA proposal builds on the efforts of BWSSB to introduce metered water connections in some 40 other slums in the past few years. These efforts represent an enormous departure from traditional practice for the public utility in that, previously, BWSSB did its best to ignore the requirements of slum dwellers. However, several years ago the Municipal Corporation of Bangalore (Bangalore *Mahanagara Palike* – BMP) voted to stop paying the BWSSB for water delivered via public standpipes. At about the same time, AusAID initiated a project to introduce individual metering of water in three pilot slums. The results of this effort indicated that approximately 75% of all slum dwellers were willing to connect to piped water in response to some of the financial and legal terms being made more flexible and reflective of slum dwellers situation (Connors, 2005). While both the AusAid effort and the subsequent slum work on the part of the BWSSB's Social Development Unit have not been officially evaluated, the efforts of BWSSB to connect slum dwellers to meters have been written up in a WB Field Note and an academic paper (WSP, 2005; Connors, 2005). These sources suggest that the efforts have been largely successful in that a majority of slum dwellers were able to connect to piped water and that the BWSSB can now expect to recoup at least part of the cost of providing these communities with water.

However, the lack of a formal follow-up evaluation is problematic. Little is actually known about how many slum dwellers have **not** been able to afford to connect to piped water, or about the BWSSB collection rate in the slums. It could be, for example, that the elimination of standpipes in slums (an avowed goal of the BWSSB now that BMP is not paying for the water) may leave the poorest slum dwellers with even poorer access to water. As water is considered a basic human right in India, the efforts of BWSSB to connect everyone to meters has created some controversy.

Other problems with the proposal surfaced during our discussions with stakeholders in Bangalore. From the point of view of a number of local NGOs who work in slums, the major issue is that the proposal ignores the issue of water privatization and the inability of a sizeable faction of slum dwellers to pay more than a minimal amount, on a daily basis, for water. A recent study conducted by TCE Consulting Engineers for the BWSSB found that only 46% of 23,734 slum dwellers contacted were willing to pay for an improved water supply system (TCE, 2004). This led TCE to propose charging nothing to connect households in slums to the piped water system as well as charging heavily subsidized rates for minimum quantities of water per household. The BWSSB

has chosen, instead, to impose the higher charges it has used in previous slum infrastructure introduction efforts.

Most of the local NGOs with whom we met were extremely sensitized to the issue of poor people paying the same for water as those in more fortunate situations. In some cases, implementing user charges for the poor was equated with water privatization. Needless to say, water pricing in India is an extremely political issue. The arguments (posed in print and verbally) by a majority of the NGO leadership are that: 1) access to a basic level of water is a human right, guaranteed in the Indian Constitution; 2) the *user pays* principle seems to be applied most readily to the poorest members of society in India rather than to the companies that are fueling Bangalore's expansion and/or individuals with a great deal of private wealth; and 3) the longstanding tradition of public standpipes in India implies that there should always be at least some standpipes available for the most needy families.

As expressed by one representative of an Indian NGO, Clifton D'Rozario of the Alternative Law Forum (ALF), "The experience has been bad in cities that have seen water privatization. Water rates increased to unaffordable rates and the private utilities threatened to cut off people's water supply if they did not pay (David, 2005)." The whole issue of water pricing is likely to be problematic in Bangalore, as was the case recently in Delhi, where major protests against water privatization led to the Delhi Jal Board's decision to pull out from a World Bank project providing water infrastructure to slum developments.

The CA proposal is remarkably silent about the potential political issues that are sure to confront the BWSSB as it expands its efforts to connect slum dwellers to metered connections. At best, this seems remarkably naive, and at worst, simply misleading.

In general, the BWSSB is broadly perceived in the NGO community as favoring water privatization. While BWSSB representatives argue that they are simply using private labour to construct infrastructure, other stakeholders believe that their agenda encompasses the elimination of public standpipes and forcing the poorest of the poor to pay for water. This runs counter to the beliefs/preferences of almost all of the NGOs with whom we spoke regarding this topic, including NGOs that have worked with BWSSB before. A number of these discussions became extremely heated and, in fact, accusations regarding the World Bank and their economic relationship with private water companies were very widespread.

The selection of WaterAid as the lead NGO is also problematic. Although BWSSB has experience working with many other NGOs who are based in Bangalore slums and who have experience in doing the exact work that BWSSB proposes to expand, BWSSB defends the selection of WaterAid as lead NGO in terms of its expertise in managing large projects and its objectivity vis-à-vis the other NGOs in Bangalore.

WaterAid is a well-known international NGO with experience in provision of water/sanitation to rural areas in India, but it has little experience working in urban areas in India and has never worked in Bangalore. It lacks experience in slum infrastructure provision and has no networks/connections to people in a position to help implement the project (for example, WaterAid was unable to help us arrange interviews with stakeholders in Bangalore). In addition, the WaterAid website notes that it receives substantial funding from private water companies, i.e. Thames Water (see www.wateraid.org/uk/get_involved/corporate_partnerships/wateraid_corporate_partners/847.asp).

These factors contribute to a negative perception of the project by stakeholder groups who represent slum communities. NGOs were quite skeptical of the aims of both WaterAid and the BWSSB, and our discussions with stakeholders suggest that many of them would not be willing to participate in the project despite the promise of significant funding to help facilitate the metering process. Overall, the BWSSB has not created a positive way to initiate a project.

The BWSSB proposal to the CA makes the claim that slum dwellers are embracing the notion of paying for individual metered connections, which would legitimize the goals/objectives of BWSSB. However, according to BWSSB, approximately 30 drafts of the proposal were sent back and forth to the CA headquarters in Washington DC before the proposal was accepted, and there is still a noticeable lack of data in the document (regarding connection rates, costs of labour, percentage of people without metered connections, average payment rates, etc.). The fact that the proposal needed to be vetted so many times and that there is still a lack of key information suggests that the process of proposal development was, to some degree, problematic.

3.2.3 Hubli-Dharwad CDS

Introduction to Hubli-Dharwad

The Hubli-Dharwad Municipal Corporation (HDMC) includes approximately 800,000 people in twin-cities located in northern Karnataka.¹⁶ The agglomeration is rich in history, resources and, at the moment, is benefiting from remarkable leadership and involvement on the part of the Commissioner and his staff/associates. HDMC considers itself a city with a future given that it is that largest urban area in northern Karnataka, is the second largest city in the state (after Bangalore), is extremely well connected to both Bombay and Bangalore via highways and rail transport, and is a seat of education and training. There are a number of well-established and well-regarded institutions of higher learning in Hubli-Dharwad including Karnataka University, BVB College of Engineering and Technology, Karnataka Medical College, SDM College of Medical Sciences, and the University of Agricultural Sciences. A number of stakeholders interviewed for this case study believe that HDMC has enormous potential as a site for IT expansion and other types of advanced services. They foresee that the city could begin to compete with Bangalore, should prices in that city become prohibitive.

Hubli-Dharwad has overcome a fairly long history of communal violence and ethnic conflict and there appears to be a great deal of energy directed towards enhancing and improving both the economy of the region as well as urban governance. The recent history of religious strife between Hindus and Muslims which focused on control of a piece of land (the *Idgah Maidan*), historically used for religious purposes by Muslims has abated in recent (past 5) years (PUCL, 2002). The Commissioner and others credit the improvement to the excellent work of the current Police Commissioner as well as enhanced opportunities for citizen participation and public discussion.

¹⁶ City is located on the main Bombay-Bangalore railway and highway. The cities of Hubli and Dharwad, 13 mi (21 km) apart, were incorporated as one city in 1961. Dharwad is the district administrative center for a rice- and cotton-growing area. Hubli is a trade and transportation center, with cotton and silk factories, railway workshops, and a major newspaper industry. There are many colleges in the metropolitan area, particularly in Dharwad, making it an education center for South India.

In particular, the HDMC has made enormous strides towards improved transparency and governance, partially as a consequence of City Manager's Association, Karnataka (CMAK) efforts, but primarily because of their energetic, intelligent and charismatic District Commissioner.¹⁷ It was apparent from the interviews we conducted that the Commissioner and CMAK are the main catalysts behind the CA proposal and are extremely motivated to use the opportunity as creatively as possible. Prior to applying for CDS funding, HDMC implemented an impressive string of innovations including improvements to the main road from the south (from Bangalore), a 24-hour city hot-line for reporting of service complaints, regularly scheduled and well attended open house/town hall meetings open to all city residents, decentralization of city offices to the zone level, improved revenue collection, creation of an exceptional city web site which allows users to monitor all city services including revenue collection and expenditures on a daily basis, and a pilot project that involves privatization of the water supply that promises to supply water 24-hours a day. Each of these efforts was initiated within the past five years and all appear to be very popular and well accepted by both the HDMC staff as well as most of the general public (CMAK Proposal; Focus group discussion in Hubli-Dharwad).

CDS Project for Hubli-Dharwad

The proposed CDS for Hubli-Dharwad (\$184,268) is to support and assist the HDMC to develop a vision/strategy to better guide future development expenditures. Although Hubli-Dharwad is not one of the JNNUR target cities, HDMC is slated to receive hundreds of millions of US dollars of infrastructure funds from the WB, ADB, etc. As an example, HDMC is supposed to get funding from the North Karnataka Urban Infrastructure Development Project (NKUIDP), which focuses on urban infrastructure investment. The funds will be drawn from the ADB as well as the Government of Karnataka and there is a total of \$350 million available to approximately 20 cities and towns in the state. Similarly, the World Bank has funded a Karnataka Urban Water Sector Improvement Project (KUWASIP) for \$39.5 million, which has selected Hubli-Dharwad as one of the three cities for improvements in water service and technical assistance. The timing for a CDS thus seems ideal in terms of the development of a comprehensive planning process.

The stakeholders I met through the HDCM auspices seem to embrace the notion of communicating across departments and community groups for the purpose of developing a CDS. They seem willing to try almost any initiative related to city management improvement given the success they have achieved so far under their current commissioner. The record keeping of meetings and decisions taken so far is exemplary with detailed descriptions of attendees, matters discussed and decisions taken to date. The Commissioner and CMAK have agreed to strike work committees that will be responsible for various aspects of data gathering and evaluation that will feed into the final process. These areas include governance, infrastructure development, service delivery, slum improvement and poverty alleviation, urban environment and human health, local economic development, municipal finance and reform, and physical planning. The staffing of the working groups seems to be comprehensive and includes both technical as well as political appointees and, of course, representatives of community-based NGOs (Profile of Technical Committee Members).

¹⁷ CMAK is a quasi-public organization, based in Bangalore and originally conceptualized and funded by USAID, which promotes best practices in urban governance across all the municipalities in Karnataka. CMAK is staffed by a few intelligent and highly motivated individuals who engage in research, dissemination and promotion of better municipal management. CMAK is one of the primary implementing agencies of the CDS project in Hubli-Dharwad.

The bulk of the money requested from Cities Alliance will go to pay the consulting fees for analyzing all the material collected by the working groups, helping to facilitate public participation and discussion, and taking the lead in drafting the CDS. The consultant who won the bidding process is a consortium composed of the Administrative Staff College of India (ASCI) and Ernst & Young. This team has successfully worked on CDS plans before, according to their bid materials.

Despite the relatively successful launch of their CDS effort, HDMC feels that, up to this point, they have been operating more or less on their own with relatively little guidance from CA staff or materials. Their exposure to CA personnel has been relatively minimal. Aside from an initial visit and a follow-up meeting, the HDMC has not interacted with CA in any formal fashion. The suggestion from the focus group was that Hubli-Dharwad would greatly welcome additional input from CA particularly in terms of the experience of other cities in other countries with similar issues as Hubli-Dharwad. The opportunity to visit other cities in developing countries would be the most effective way to provide this knowledge, but even more information and feedback would be a major benefit.

Many of the stakeholders we met believe that the Cities Alliance program is a very good idea. Although it is likely that the HDMC would have embarked on a similar exercise even if the CA did not exist, the HDMC appreciated the idea of having a template to guide their efforts, as well as international expertise to draw upon and to provide them with informed guidance. The general consensus was that the CA and the CDS initiative was a very helpful idea that would make it easier to initiate a strategic planning project.

Given the positive impact of the HDCM Commissioner on the city, there is widespread recognition that the city will face an important transition point within the next three years when the Commissioner, as an employee of the Indian Civil Service, is transferred to another city. A majority of stakeholders expressed some concern about the long-term consequences and possible institutionalization of the CDS. The current Steering Committee is working hard to build a sustainable committee but would appreciate more information about how to institutionalize a CDS, specifically from the CA organization. The CDS is not uniformly popular with all bureaucrats and politicians in the city, so it is important to plan ahead for the time when the Commissioner is moved to another city.

3.3 Tentative Conclusions

One conclusion that emerged during the course of our field research in India is that CA seems to do relatively minimal upfront work with their clients. Aside from initial visits to introduce CA and its programs, the main effort is directed at piecing together an acceptable proposal. Due to the costs and time involved in working on project details, CA's hands-on work is minimal. In Karnataka this has led to: 1) complaints from Hubli-Dharwad in terms of the level of feedback and assistance that they have received to date, and 2) a fairly drastic misreading of the situation in Bangalore regarding slum dwellers' ability to pay and the politics of water in the city. This suggests that CA may want to work with fewer "clients" but to work more in-depth with each client they select to receive funding in both the entry and implementation phases.

This conclusion is particularly important in terms of the slum upgrading projects because the voices/experiences of the most marginalized are so easily ignored and distorted. As all the literature suggests, the poor (particularly those living without any kind of formal right of occupation) are so desperate that it is easy to abuse their trust and take advantage of their vulnerability.

The results of our data collection from India suggest that CA staff may need to spend more time initially setting up the project and interviewing a variety of stakeholders. This would allow staff to better gauge the viability of the CA projects proposed by individual cities. Although the failure of two CA-supported projects to reach completion may be due to the nuances of working in India, our research suggests that CA could do a better job and make more of an impact if they targeted their funding to fewer initiatives. The additional money would pay for staff time in-situ rather than additional infrastructure investment, etc.

Another theme that emerged in the field is that CA needs to spend more time/effort sharing and disseminating the actual experiences of cities. CA staff should visit project cities on a regular and frequent basis to give feedback, advice, etc. The key information and insights on how cities are coping with slums and designing and implementing action strategies does not seem to be getting through to the target cities, which should be the beneficiaries of this information. CA might consider studying CMAK's successful model of dissemination and learning, and attempt to model its own learning and sharing processes in a similar way. As noted in many CA publications, there are many cities in the developing world with just under a million people – and this is the size of city that is slated to grow the most in the next 20 years. It might make a great deal of sense to facilitate exchanges between cities of this size in the various developing regions of the world so that city officials and NGO leaders and others could learn from each other and become even more motivated to improve the governance of their own cities.

Clearly, the CA agenda is one of great relevance and importance. While the idea is sound, the approval process appears to take a great deal of time.

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4. Case Study: Kenya (Kibera Project)

4.1 Kenya: The Urban Context

Kenya is one of the largest and most populous countries in Eastern Africa, with a land area of 593,000 km² and a total population estimated in 2003 at 31,987,000. (Republic of Kenya 2002). With an estimated Gross National Income per capita of \$390 in 2004, Kenya sits squarely within the “low income” category of the countries listed in the statistics section of the World Bank’s *World Development* reports (WDR). According to the 2004 WDR, 49.0 percent of Kenya’s urban population was below the poverty line in 1997. That figure is not likely to have changed much in the interim, given several recent years of drought conditions in this largely agricultural economy.

Politically, Kenya is a “consolidating democracy” in one of the current international euphemisms, or, according to the most recent issue of the Freedom House annual report issued in 2005, it is a “partly free” political system within the larger “electoral democracy” rubric. In this position, however, Kenya is in good company in Africa, which has a total of 48 countries, of which only 11 have achieved the highest “free” designation, with another 21 rated as “partly free” and 16 listed in the “not free” category. While Kenya did have an acceptable, multi-party national election in 2002, its democratic credentials have been weighed down by the slowness of the new Kibaki regime to deal with promised reforms and the massive problems of corruption (Piano and Puddington 2005). In a major study of African governance, based on interviews with “experts” across the continent from 2002 to 2004, the Economic Commission for Africa pointed out that Kenya had (at least during that period) one of the worst reputations for government integrity in the region. In one table on tax collection, the report shows that only about 1 percent of Kenyan households did not consider themselves affected by corruption (only Nigeria ranked lower with virtually 0 percent of households in this category) (ECA 2005, 149). And in another table, Kenya was ranked at the very top of the list on “expert opinion on whether the executive is largely or completely corrupt” (ECA 2005, 150). It is unclear whether these attitudes substantially shifted after December 2002, when the government changed. But there is no question but that reform of corrupt practices was a major issue in the election campaign. After the election, however, one of the most sticky reform issues has been what to do with the thousands of public properties – many of them urban – which were “grabbed”, or illegally handed over to political and personal cronies of the previous government, in contravention of planning and zoning regulations. A major commission reported on this egregious practice in June, 2004 (Government of Kenya 2004), but little seems to have resulted from the publication of the report.

What about its urban population? Kenya is at a middle level of urbanization in Africa, with some 39.4 percent of its population considered urbanized in government statistics. However, an urban settlement in Kenya is defined very minimally, as any town with 2,000 or more inhabitants. By stricter criteria, the proportion urbanized would be much lower. In any case the five largest towns in the country, based on the 1999 census, are Nairobi (with 2,143,254 in 1999), Mombasa (665,018), Kisumu (322,734), Nakuru (231,262) and Eldoret (197,449). In every one of these cities, males exceed females, sometimes by a substantial margin. For example, the Nairobi “sex ratio” listed in the census was 117 men to every 100 women; and the figure for Mombasa was 121 men to every 100 women (Republic of Kenya 2002, 23). Since Kenya is still an agricultural economy, these figures on the “sex ratio” in the largest towns reflect the pattern of men receiving superior education, taking work opportunities in the towns, while many women and child-bearing spouses stay behind on the land, often working to gain income through subsistence agriculture. In any case, Nairobi, which is located in the central highlands region of the country, is both a city and a Province. Mombasa, the second largest city and the country’s major port, is located on the southern part of Kenya’s eastern coast, in the Coast Province. Kisumu is on the other (western) side

of Kenya, while both Nakuru and Eldoret are located in the so-called “Rift Valley” region of the country, to the west of Nairobi, but east of Kisumu. Thus, the main urban axis of the country runs in a virtual spine through the middle of the country from Mombasa in the east, through Nairobi, culminating in Kisumu on the shores of Lake Victoria.

Except for Mombasa, which, as an ancient coastal settlement, dates back many hundreds of years as an established town, virtually all the other main urban centers in Kenya are very recent in origin. Most were established during the colonial period, which began in the late 19th century, and concluded when Kenya gained its independence in 1963. Nairobi, for example, began in 1899 as a railway construction camp, and had a population of only 11,000 in 1906. During much of the colonial period, African settlement in most urban areas was either restricted or channeled into segregated areas. Only in Mombasa was there relatively free entry of African men (and later women as well) with the opportunity to obtain security of tenure in low-income housing areas. In terms of growth patterns, Kenyan towns grew relatively slowly until the postwar period, when they experienced a spurt; but this slowed during the 1950s and a period of political unrest; only to increase rapidly again in the 1960s, and after independence when freedom of movement all over the country by Africans was established. Although after Independence, many of the country’s European and Asian (i.e. South Asian) populations stayed in the country – living largely, but not entirely in the largest cities – the cities began to fill up almost completely with new African rural-urban migrants. Many of them were poor, with low educational levels; although some, with secondary or higher degrees, found ready employment in the business and government sectors.

This new flood of migration after independence continued for many years, and far outpaced the ability of the fledgling local and national government agencies to provide for their new urban populations. This created two major problems: a scarcity of good employment opportunities (about which more below), and a scarcity of adequate housing. On the housing front, the Kenyan government followed the approach of most other sub-Saharan governments for a period, by periodically eradicating “slums” and “squatter areas” and building so-called “low income” housing estates. But by the mid-1970s this policy had failed in most countries, as large-scale public construction could not keep up with population increase, and in any case the new estates were increasingly being diverted to accommodate middle-income groups. The next phase of housing policy, the aided self-help approach, concentrated on the new “sites and services” approach of the World Bank, but by the late 1980s this approach also fell well short of its goals, and for similar reasons. By the 1990s, the approved approach for dealing with the housing deficit in Nairobi (and other Kenyan towns) was to concentrate on better urban management of services and infrastructure, on the premise that this would liberate the private sector to build more effectively. To some extent, this is still the approach followed in Kenya, but with two additional elements: the first is the understanding that better local governance is necessary to complement good planning and urban management; and the second is more emphasis on the upgrading of squatter or low-income housing areas *in situ*. From a donors’ perspective, improving local facilities for the financing of housing is another important element in an emerging policy approach to housing in the current decade.

In spite of valiant policy efforts, the urban housing deficit continued to swell, particularly in Nairobi. The result is that a large proportion of the Nairobi population lives in “squatter” or “informal” settlements. “Informal” or “squatter” areas are not necessarily the same as “slum” areas, the difference being that the first two terms refer to security of tenure for the most part (based on a largely legal understanding), while the notion of “slum” refers to the condition of the dwelling and its immediate physical environment. Informal settlements can be slums, and vice versa, but the overlap is not complete. Normally, the term “slum” has been used rather sparingly in Kenya; most of the estimates of low-income populations refer to “informal settlements”.

Housing for low-income Africans has always been a major issue in Nairobi (and for that matter, in most other large Kenyan cities), and has always been closely tied to the issue of productive employment. Beginning in the colonial period, Kenya's urban poor seemed to eke out a living within the informal sector, while the more educated (and therefore generally wealthier) found secure and much better paid employment in the so-called formal sector. Although the most famous original research study of African employment was based on observations in Accra, Ghana (Keith Hart, 1973), the classic first study of a country's informal sector, published by the International Labour Office (ILO) used Kenya – and particularly Nairobi – as an example (ILO 1972). This ILO study, which captured the imagination of the development community around the world, developed a clear, operational definition of informal sector activities (ILO 1972, 6). Based on this analysis, the ILO argued that from 28 to 33 percent of the urban African population was employed in the informal sector. And further, it said, the informal sector was productive:

The popular view of informal-sector activities is that they are primarily those of petty traders, street hawkers, shoeshine boys and other groups “underemployed” on the streets of the big towns. The evidence presented....{in this} report suggests that the bulk of employment in the informal sector, far from being only marginally productive, is economically efficient and profit-making, though small in scale and limited by simple technologies, little capital and lack of links with the other (“formal”) sector. Within the latter part of the informal sector are employed a variety of carpenters, masons, tailors and other tradesmen, as well as cooks and taxi-drivers, offering virtually the full range of basic skills needed to provide goods and services for a large though often poor section of the population (ILO 1972, 5).

In the year following the publication of this report, the Kenya government, in its Sessional Paper No. 10 of 1973, accepted many of the ILO's suggestions as forming their future policy. In particular, the government committed to a more positive approach to the informal sector, including a halt to indiscriminate destruction of both informal housing and shelters for informal sector trade and enterprise. In the event, little change took place in the government's policy over the next decade or so. As Kenneth King, who studied the employment side of the informal sector in great depth put it, following the ILO report,

True, there were references in the Development Plans to the informal sector, and there was even a Sessional Paper on Employment issued shortly after the ILO Mission. In the Kenya Government Development Plans that followed the ILO Mission, figures for the urban and rural informal sectors were duly produced, and it is interesting to note that 10 years after the Mission had estimated the size of the urban informal sector as at least 100,000, it was said to be just over 150,000 [in the 1984-88 Kenya Development Plan] (King 1995, 12).

Although, as King explains (1996), the Kenya government did begin to support some aspects of small enterprise development in the informal sector, calling it the *jua kali* (“hot sun”) sector, it made little or no effort to take parallel initiatives in the informal housing area.

4.2 Informal Settlements in Nairobi

From the 1970s through to the present, informal settlements in Nairobi have continued to grow, both in area and in population. Current estimates are that more than half of the population of Nairobi currently lives under very poor conditions with little or no security of tenure and totally inadequate access to services. In 1999, it was estimated that 52 percent (1,116,971 people out of a total population of 2,137,000) of Nairobi's population lived in defined “informal” areas of the city (Nairobi Situation Analysis 2001, 36). Some current estimates put the figure at close to 60 percent.

Over the years, different informal settlements in Nairobi captured the public's (and various writers') imagination. During the pre-war years it was Pumwani, originally started as a resting place for unmarried women (Bujra 1973; White 1990). Later, by the late 1960s and early 1970s, the best known informal settlement area was Mathare, partly because of a ground-breaking study (Etherton 1971) carried out by economists at the University of Nairobi. The next three major objects of (at least) social science writing were Dagoretti, from the work of the Kenyan political scientist Michael Chege (Chege 1981); Kibera, popularized in the development literature by the work of Philip Amis (Amis 1984); and Korogocho (Lee-Smith 1990), an informal housing area that developed in response to the growth of the first large sites and services project – Dandora— during the 1980s. By the time of the estimate by the University of Nairobi team nominally for 1995, there were 134 separate “squatter villages” in Nairobi. (Nairobi Situation Analysis 2001, 35). Projecting the figures to 1999 with a 10-year growth rate of 6.18% (surely an underestimate!), the Nairobi consultants put the number of people in Kibera at 377,624, making it by far the largest single informal settlement in the city. The next largest, by their count for 1999, was Makuru at 99,336, followed by Mathare with 89,719, and Korogocho/Kinyago with 86,098 (Nairobi Situation Analysis 2001, 36). Assuming these areas were to be constituted as municipalities, they would all fall within the range of the ten largest cities in Kenya!

The reasons behind the growth of informal settlements in Nairobi are relatively well documented. As the Nairobi Situation Analysis suggests, they include inappropriate building standards for low-income housing suitable to the very poor; the Nairobi City Council's failure to implement its own regulations by removing houses that did not comply with their (minimal) standards; the virtual withdrawal of the state from the production of low-cost housing – both in the form of support for sites and services schemes, as well as discontinuing the construction of low-cost houses and flats after the 1970s; and an absence of housing finance at the low-income level (particularly for individuals employed in the informal sector). In addition to these essentially policy factors, the central and local governments have undertaken sporadic large-scale demolitions (in spite of the Kenya government's undertaking in the 1970s not to demolish squatter areas unless they could provide an alternative site for resettlement); and there have been occasional clumps of internal “refugees” following ethnic conflict in nearby parts of the countryside.

Living conditions in Nairobi's slums are notoriously poor. Moreover, Kibera has the reputation (among outsiders at least) of being one of the slums with the harshest living environment. The American journalist Robert Neuwirth paints a stark picture of his short stay in Kibera:

One glimpse is enough. You have discovered the famous misery of the Third World. A sea of homes made from earth and sticks rising from primeval mud-puddle streets. Massive numbers of people live here: somewhere between 500,000 and a million souls. Many have lived here for decades, but half the residents are under the age of 16. All, old and young, new arrivals and long-term residents, live without running water, sewers, sanitation, or toilets.

Piles of trash line every alley and avenue, giving the neighborhood its trademark look: a motley patina of red dirt, green mango peels, and the festive but faded colors of thousands of discarded plastic bags. Chickens and goats wander by and scratch at the heaps for food. Upon occasion, to reduce the load, someone will rake some of the garbage into a pile, push it to the side or against a mud wall, and set it on fire. These smoldering mounds pose the biggest danger to the community: that the flames will spread to the dry wood of the huts. But what else is there to do with trash? There's no one around to pick it up (Neuwirth 2004, 67-68).

A four-part BBC news article written around the same time called Kibera “a cramped and filthy squatters camp....home to some 800,000 people – who can’t afford to stay anywhere else. At least half the population of Nairobi live in Kibera and other nearby slums – hidden away like a dirty secret along railway embankments, and beside rubbish dumps” (BBC October 4, 2002).

Notwithstanding these extreme portraits of life in Kibera, the University of Nairobi team made a few telling comments. Although poor in conventional terms, they said, Kibera’s housing stock appeared better than other unauthorized housing areas, as reflected in the relatively higher rents per room, which averaged Kshs 1,200 in 2000. They also pointed out that Kibera was considered relatively safe from crime and violence, especially when compared with Mathare Valley. Because Kibera is located within walking distance of Nairobi’s industrial area in the western part of the city, with good *matatu* (private bus) connections to Central Nairobi and to affluent homes for service jobs (Syagga, Mitullah and Karirah-Gitau 2002, 13), it is a desirable location, especially for working women with some education. Interestingly, based on the average room rents paid by Kibera residents (most of whom are tenants rather than owners of the structures in which they live), Kibera came out on top in terms of percentage of return on capital invested by house owners, with an average annual return of 102.5 percent. At this rate, if a house was fully occupied, the owner would recoup his initial investment within 9 months. After that all subsequent rental income would be pure profit (Syagga, Mitullah and Karirah-Gitau 2002, 15). A study carried out in 2000 found that 57 percent of Kibera’s landlords were public officials (government officers and politicians), suggesting that it was unlikely that the structures would be demolished in the near future by the government (Ibid, 15).

Other survey data tend to confirm these impressions. In 2000, the African Population and Health Research Centre carried out a massive survey of 4,565 households, 3256 women of reproductive age, 1683 adolescent boys and 1934 adolescent girls. All the interviews took place in “slum clusters” of Nairobi. Since the purpose of the survey was to learn about reproductive health practices among the poorer population of the city, the data, while rich, need not concern us here except in two respects. First, the data showed that 73 percent of the women surveyed had completed primary school and at least some secondary school – as compared to census figures of 46 percent of rural residents, and 77.8 percent for Nairobi as a whole. But in terms of services available to households, only 21.7 percent of the sample had water piped to their place of residence, as compared to 77.6 percent for the population of Nairobi as a whole; 7.3 percent had flush toilets, compared to 56.0 percent for the city as a whole; and 17.8 percent had some kind of electrical connection, compared to 60.1 percent for the city as a whole. Second, we learn about the most important expressed health needs/problems for the slum population. Overall, the three most important expressed needs are for toilets, better sanitation/drainage, and water connections. In Kibera, for example, 29.6 percent of all respondents said their most important need was a toilet; 30.4 percent said it was better drainage; and 15.5 percent said it was clean water (African Population and Health Research Centre 2002, Chapter 2).

In another large-scale survey, this one carried out by the World Bank with financial support from the Norwegian Trust Fund in 2003, we can learn a lot more about both the economics of slum life in Nairobi, and some of the major differences between the largest slum settlements. The research was originally done in both Dakar and Nairobi, but has been disaggregated for Nairobi, and within Nairobi, for Kibera and other specific settlements. To do justice to this survey would take us away from our main purpose in this short case study. The data is massive, and deserves careful consideration. However, a few cursory observations are in order. The male female ratio is 55:45; the average household size is higher for the poor households than for the non-poor households; almost all are tenants rather than owners, even though female-headed households have a higher rate of home ownership (13 percent) than male-headed households (7 percent). (On the other

hand, 23 percent of female-headed households own a home outside Nairobi compared to 60 percent of male-headed households.) In terms of previous place of residence, only 48 percent of all respondents came from a rural area (the rest were born in the city, came from another urban location, or another country). And fully 30 percent of households surveyed operated an income-generating enterprise over the previous two weeks. As many as 43 percent of female-headed households were operating small (informal) enterprises (Gulyani, Talukdar and Potter 2006).

Looking through the disaggregated data from this survey for Kibera, as compared to the other areas surveyed (Central, Makadara, Kasarani, Embakasi, Pumwani, Westlands, and Dagoretti), there is nothing about Kibera that stands out particularly from the group. For the most part, the survey responses on all questions tabulated show that Kibera residents are more or less similar (within a range) to residents in other “slum” areas in Nairobi. For example, on the question of whether residents perceived they had security of tenure (whether they were tenants or land owners), 48.03 percent of Kibera residents said “yes”, compared with 50.51 percent for the sample as a whole. Again, in terms of service indicators, Kibera was neither the best nor the worst. Refuse disposal is perhaps typical. When respondents were asked, “What is the most commonly used mode of disposing refuse from this household?” 86.17 percent of Kibera respondents said they would simply dump it in their own neighborhood; but the average response for this category was 77.95%, and two other areas gave even higher response levels than did Kibera. On the whole, Kibera was not the worst, nor was it the best, in terms of a large number of indicators (World Bank 2004). Thus in terms of the evidence from these surveys, it is hardly the most egregious slum area in Nairobi, let alone in Africa. Further work on comparing Kibera with the other areas in terms of an index of housing and infrastructure indicators might be useful, but such information would not be very useful to an intervention project unless it pinpointed a particular area or purpose of the upgrading work to be done.

4.3 A Slum Upgrading Project for Kibera

Even if Kibera’s situation was not entirely the worst in the city, by the end of the 1990s it had attracted a great deal of attention from the press and from politicians. In many respects, it was the “poster child” of Kenyan urban slums – it was the biggest, it was visible from certain highways in the western part of the city, and it was extremely dense. Kibera’s prominence may have been one of the reasons why, in July 2001, Habitat along with the Kenya government and a number of co-sponsoring bilateral agencies, applied to Cities Alliance for the inception and preparatory phases of the “Collaborative Nairobi Initiative on Slum Upgrading Frameworks”. The time period proposed was five to seven years, and the amount requested from Cities Alliance was \$240,000. Additional amounts totaling \$260,000 – for a total of \$500,000 – were pledged from UNCHS (then the acronym for UN-HABITAT), the Government of Kenya, Pamoja Trust and Slum Dwellers International (whose funding came from the Ford Foundation and Homeless International), and the Water and Sanitation Programme-Africa. The application was 18 pages long, with details of what was involved in the inception phase (apparently already completed), and the second, or preparatory phase. There were five major deliverables for the second phase, consisting of: Nairobi social and economic mapping, physical mapping of the build environment, the exploration of community-based mortgage finance systems, work on a national policy on slum upgrading, and the provision of “detailed recommendations for citywide upgrading”.

On July 18, 2002, the Bank wrote to UNCHS agreeing to make \$240,000 available as a Window2 grant to Habitat, for the funds to be forwarded to the Cities Alliance. In the letter, Habitat was given until December 31, 2003 to spend the funds for the purposes requested. The letter stated that *“The Recipient shall exercise the same care in the administration of the Grant as it exercises in the administration of its own funds, having due regard to economy and efficiency and the need to*

uphold the highest standards of integrity in the administration of public funds." In a letter dated June 11, 2003, the agreement was extended until June 30, 2004.

In a document written by the Government of Kenya and UN-HABITAT (19 February 2003), a summary of the Inception Phase of this project is developed for the period November 2000 to January 2003. A number of important elements are apparent in this document.

First, there was a meeting between the President of Kenya (then Daniel arap Moi) and the Executive Director as early as November, 2000. This meeting came two months after Dr. Anna Kajumulo Tibaijuka was appointed Executive Director of (then) UNCHS. Dr. Tibaijuka is the first African to have been Executive Director of either of the two UN bodies that are located in Nairobi. The first meeting between the two leaders was followed up by staff meetings on both sides, and a second meeting between the President and the ED in May of 2001. More activities followed, until in November 2001 the President held a public meeting in Kibera with local residents. Given the fact that in December of 2001 there were rent-related riots in Kibera, the subject of Kibera's improvement was clearly a high profile political issue. A third meeting between the ED and the President took place in April of 2002, when the ED explained the Collaborative Kenya Slum Upgrading Programme (CKSUP) which had been in gestation between HABITAT and the Government of Kenya for almost a year. To underscore the importance of this project for UN-HABITAT, the first World Urban Forum (held in Nairobi between 29th April and 3rd May, 2002) featured a visit *"to the slums of Nairobi by the ED and other WUF participants. In addition, at the opening session of the WUF a play was performed by people drawn from Nairobi slums to underscore the importance of consultation, stakeholder participation, consensus building, leadership and priority setting in slum upgrading"* (Kenya, Government 2003). Thus relations between HABITAT and the Government of Kenya, which were established at the beginning by a meeting between their most senior officials, were a strong part of this process. And public expectations for success of the project were clearly raised by the activities of both parties.

A second element was the very elaborate nature of the initial outputs planned and the complex nature of the planning process. One aspect of the planned outputs was a task force on seven diverse institutional elements involved in planning the initiative and developing different aspects of the program. Given the rather limited funding for this activity, the range of organizational elements seems rather ambitious for the purposes envisaged. Perhaps this is one of the reasons why, after the Kenya government changed as a result of the elections of December 2002, it was difficult to change course and achieve the same level of political support. While the project was supported politically by the new government after the December 2002 elections, this took time to sort itself out, and seems to have resulted in support from the new Ministry for Roads and Public Works (the Hon. Raila Odinga) rather than directly from the new President. But a new MOU between this minister and UN-HABITAT was not signed until January of 2003, and its objectives were both grandiose and vague.

What happened? In a word, not very much. The project was able to document a wide variety of work in Kibera currently underway by local groups; and it was able to produce a very good digitized base map of the area. Large aerial photos of Kibera were visible in various parts of the UN-HABITAT offices after 2004, for example. But other major objectives were not successfully completed. After much correspondence between UN-HABITAT and Cities Alliance, the project was concluded, in effect, when on April 16, 2006 the Cities Alliance Secretariat wrote UN-HABITAT to return a sum of \$43,907 to its account in New York. The document attached to this letter admirably summarizes the situation (Cities Alliance April 16, 2006), but the main point was that *"it is difficult to avoid the conclusion that the implementation of this activity must be considered substantially unsuccessful"*.

The letter went on to say that

...there is little evidence that the manner in which Cities Alliance funds have been used has made a discernible impact on the policies and practices of either the Nairobi City council, or the Government of Kenya. Neither body seems to have made any significant progress towards introducing a comprehensive, long term approach to the issue of slum upgrading, nor have there been any verifiable changes in the behaviour of the private sector in general, or the commercial finance sector in particular, in exploring new ways of doing business for, or with, the urban poor of Nairobi" (Cities Alliance April 16, 2006).

In mitigation, the letter did say that, as a result of this project, the Kenya government went on to establish the Kenya Slum Upgrading Programme, but the materials available to this study show only a draft document prepared in March, 2003 by the Department of Housing (presumably of the Ministry of Roads, Public Works and Housing). There is also a draft document, prepared at the same time, entitled "Kibera-Soweto Slum Upgrading Project". This second document proposes a pilot upgrading project in Soweto, one of the 13 constituent villages of Kibera, a settlement containing about 3000 structures and a population of about 60,000. The project was to involve consensus building with tenants and structure owners, some upgrading, and later proposals for replication to the city and later national level. It would liaise with the City Council and various donor and local stakeholder groups; and it would *"employ an inclusive approach which will engage stakeholders in the implementation of all the components"*. While the document is comprehensive, and very competently written as an initial proposal, there is no evidence in the materials we received to show that any of these worthy objectives were followed up.

Two footnotes. The first is about two important recent books on slums and the urban poor. As the Kibera project (or at least what there was of it) was winding down, Robert Neuwirth published his book *Shadow Cities* on squatting around the world. He is quoted above (on page 5) for his dramatic description of everyday life in Kibera, as seen by a Western journalist. But in his chapter on Kibera, Neuwirth also takes UN-HABITAT to task for its plans for a project in Soweto. These plans, according to Neuwirth, who was resident in Kibera at the time, *"[have] created a great amount of worry and unrest"* (Neuwirth 2004, 97). This worry and unrest was reinforced, he says, by government demolitions of illegal structures all over the city. It is unlikely, however, that many Kenyans will have read Neuwirth's chapter on Kibera.

By now, perhaps more Kenyans, and certainly more English-speaking readers around the world, will have (or soon will) read the book, *Planet of Slums* by the well-known American author, Mike Davis (2006). Davis' book is a lugubrious overview of failed government attempts to deal with urban poverty, at the same time as the living conditions of the poor have steadily deteriorated. Responsible for this situation, he argues, are a combination of corrupt leadership, institutional failure, and World Bank/IMF imposed structural adjustment programs. Regardless of the causal arguments presented, however, Davis' prose is arresting and emotionally powerful. In his short book, Davis refers to Nairobi many times, and specifically to Kibera seven times in the text. On Nairobi, he says that the city's slums *"are vast rent plantations owned by politicians and the upper middle class"* (Davis 2005, 86). And on Kibera, on page 92 we learn for example that *"[m]odern mega-slums like Kibera ...have achieved densities comparable to cattle feedlots: crowding more residents per acre into low-rise housing than there were in famous congested tenement districts such as the Lower East Side in the 1900s or in contemporary highrise cores such as central Tokyo and Manhattan."* The tone is apocalyptic, the chances for any improvement appear dreary at best.

A second footnote. In his highly publicized trip to Kenya, the home country of his father, the junior Senator from Illinois, Barack Obama, paid a recent visit to Kibera. The Daily Nation, reported the visit on the front page:

Senator Barack Obama yesterday came face to face with abject poverty while visiting two projects in Kibera – one of Africa’s largest slums.

Mr. Obama, who stopped at one point to address chanting crowds, some perched on roof tops and others on tree tops, said: *“I want everyone in America to know about Kibera. That everyone here needs to get education opportunities and a good livelihood”* (Daily Nation 28 August, 2006).

When it comes to poverty and slum settlements in Nairobi, Kibera, it appears, will always be in the forefront of public attention.

4.4 Conclusions

Kibera is an important part of a substantial, and growing, collection of technically illegal (or “slum”) settlements in Nairobi. Partly because it is one of the most high profile of these areas, it was singled out for an upgrading project by the Executive Director of UN-HABITAT, with support from the (then) President of Kenya. In the event, the government of Kenya changed during the implementation of the project, but the subsequent government seems also to have supported the project, after a transitional period. In the end, the project failed to achieve many of its initial objectives, although it appears to have led the Kenya government to put a number of slum upgrading programs into place, even though work on these programs was not part of the required deliverables of the initial project.

Any evaluation of this project must start with the recognition that doing almost anything to relieve the steady increase in irregular housing development in a city like Nairobi is a Herculean task. And it is too easy to second-guess after the fact. The situation has been building for over forty years, and neither the local government nor the national government (headquartered in Nairobi) seems to have had the political will to effectively tackle the problems. The mere fact that UN-HABITAT, with the backing of the World Bank and Cities Alliance, was willing to develop a project shows, at a minimum, naïveté, but at a higher level, some political courage. However, the project was undermined, as the documents indicate, by two major factors.

The first factor is the complexity and imponderable nature of the slum challenge in Kibera, and more generally, in Nairobi. For example, since the dwellings in Kibera are built very close together on poor land, any consensus-based improvement of basic infrastructure or the addition of community facilities has to involve compensating the landlords for the loss of some structures, and moving the existing tenants to another location. But land for resettlement is not evidently available in a city like Nairobi, nor is it easily available in a location in which many of the tenants – whose informal livelihoods are often connected to their physical location – will not suffer social and financial losses. At the same time, even though the land is public, owners of dwellings are able to make a credible claim in the courts that they have acquired rights that cannot easily be taken away. Finally, the low and uncertain incomes of most of the inhabitants of Kibera make physical changes in the neighborhood difficult to finance through conventional means. While the funds available (\$500,000 totally, including the \$240,000 made available by Cities Alliance) is enough for a few comprehensive studies – which were apparently carried out by local consultants – it is a pittance in relation to the work necessary to get a real upgrading program underway. To deal with this criticism, the project should have had more limited objectives, objectives which could realistically have been carried out in a place like Kibera with the funds available. Alternatively, the

project should have simply focused on starting a national slum upgrading program without bringing Kibera and all its problems into the limelight.

The second factor is conjunctural and political. When the first meeting between the ED and Kenya's President took place, the ED had been in office for two months (as the senior African woman in any UN agency), while Kenya's President had been in office for 22 years. It is not unreasonable to assume that the ED was very warmly welcomed to her new position by the Kenyan President, but that in terms of local knowledge of the Kenyan situation, his understanding was more comprehensive. It served his purposes to have the United Nations show interest in the Nairobi slum problem, because this would relieve his government of some responsibility for a problem which they had shown no aptitude (or appetite) for solving in the many years of their rule. For UN-HABITAT, a public determination to do something about Kibera might relieve the agency (to some degree at least) of the oft-expressed cynicism that they were international bureaucrats with no interest in the real problems of the country in which they were located. (We can call this the "Lords of Poverty" theme, after the acclaimed book by Graham Hancock published in the late 1980s.) Of course, we will never know the real motives behind this understanding, but many of them certainly involved a genuine interest to solve a serious social problem. The agreement between the Kenya government and UN-HABITAT was certainly a powerful force behind the early part of the project.

In the meantime, a major electoral campaign in the fall of 2002 culminated in the predictable defeat of the Moi government and its replacement by a coalition government under Mwai Kibaki. All the ministers were replaced, and the Kenya government took a new course. The focus was on constitutional reform, and the reduction of corruption and various other arbitrary practices which had developed over a long time under the Moi regime. The Kibera project in many ways fit into this thematic perspective, but the regime change undoubtedly caused a major disruption in work on the project on the ground. Finally, it was championed by none other than a very populist politician, Railla Odinga, many of whose constituents, it was thought, had migrated from Western and Nyanza provinces to live in Kibera. There is no information in the files suggesting that Railla Odinga's support for this project upset its progress, but the transition to a new regime, and a more vocal champion on the Kenya side might very well have raised the level of anxiety and insecurity on the part of some local residents and homeowners in Kibera who did not feel that secure in the first place. There is some evidence of this having happened in the comments expressed to the American journalist quoted above. Since the Nairobi City Council had a minor role in the process, the continuity of the local government (which might have at least calmed the surface) was not brought into play. *Thus, while support from the highest political level for a project of this nature was a benefit at the outset, it was a detriment in the longer run because of regime change during the course of the project, and because a high level of publicity for a very delicate operation on the ground gave prominence to the potential of the project to remove some people from their homes, and to threaten the livelihoods of many owners and tenants in the informal sector.* Focusing the work of the coordinating committee behind the project in the Nairobi City Council rather than in the central government might have been one way of reducing the publicity around the project, and of bringing more continuity into the process. But in retrospect, it appears good lessons were learned about the perils of slum upgrading in Nairobi – lessons which will be remembered if and when a new, and more focused and careful project is designed.

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