ADB

CITY DEVELOPMENT STRATEGIES TO REDUCE POVERTY

Asian Development Bank

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Contents

Abbreviations and Acronyms

Organizational Terms

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
BCDA	Bases Conversion Development Authority (Philippines)
BHIT	Bonifacio Housing and Information Technology (Philippines)
BSNL	Bharat Sanchar Nigam Ltd. (India)
CA	Cities Alliance
CDA	Cooperatives Development Authority (Philippines)
CDSoc	Community Development Society (India)
CMC	Calicut Municipal Corporation (India)
CPDO	City Planning and Development Office (Philippines)
CWRDM	Centre for Water Resources Development and Management (India)
DILG	Department of Interior and Local Government (Philippines)
DOH	Department of Health (Philippines)
DOJ	Department of Justice (Philippines)
DOLISA	Department of Labor, Invalids, and Social Affairs (Viet Nam)
DOTC	Department of Transportation and Communications (Philippines)
DPC	Da Nang People's Committee (Viet Nam)
DPI	Department of Planning and Investment (Viet Nam)
DPWH	Department of Public Works and Highways (Philippines)
DSWD	Department of Social Welfare and Development (Philippines)
DWCUA	Development of Women and Children in Urban Areas (India)
ESCAP	Economic and Social Commission for Asia and the Pacific
GTZ	Gesellschaft für Technische Zusammenarbeit [German Technical Cooperation]
HOAI	Homeowners Association Inc. (Philippines)
HLURB	Housing and Land Use Regulatory Board (Philippines)
HUDCC	Housing and Urban Development Coordinating Council (Philippines)
HUDCO	Housing and Urban Development Corporation (India)
JBIC	Japan Bank for International Cooperation
KAMANAVA	Kalookan, Malabon, Navotas, Valenzuela (Philippines)
KSEB	Kerala State Electricity Board (India)
KUDFC	Kerala Urban Development Finance Corporation (India)
KWA	Kerala Water Authority (India)
LWUA	Local Water Utilities Authority (Philippines)
MB	Management Board (Viet Nam)
MHDO	Municipal Housing and Development Office (Taguig, Philippines)
MMDA	Metro Manila Development Authority (Philippines)
MMUSP	Metro Manila Urban Services Project (Philippines)
MOC	Ministry of Construction (Viet Nam)
MOLISA	Ministry of Labor, Invalids, and Social Affairs (Viet Nam)
MPI	Ministry of Planning and Investment (Viet Nam)
MWSS	Metro Manila Waterworks and Sewerage System (Philippines)
NAPC	National Anti-Poverty Commission (Philippines)
NATPAC	National Transportation Planning and Research Centre (India)
NCR	National Capital Region (Philippines)
NEDA	National Economic and Development Authority (Philippines)

NHA	National Housing Authority (Philippines)
NHC	neighborhood committee (Calicut, India)
NHMFC	National Home Mortgage Finance Corporation (Philippines)
NIT	National Institute of Technology (India)
NSO	National Statistics Office (Philippines)
OCZA	Office of the City Zoning Administrator (Philippines)
OECD	Organisation for Economic Co-operation and Development
PCUP	Presidential Commission for the Urban Poor (Philippines)
PNR	Philippine National Railways
PRC	People's Republic of China
PSC	Project Steering Committee (Calicut, India)
QC HURA	Quezon City Housing and Urban Renewal Authority (Philippines)
SBV	State Bank of Viet Nam
SJSRY	Swarna Jayanti Shahari Rozgar Yojana [Golden Jubilee Urban Employment Program] (India)
TC	Technical Committee (Calicut, India)
UN	United Nations
UPAO	Urban Poor Affairs Office (Philippines)
USEP	Urban Slum Eradication Program (India)
VAMBAY	Valmeeki Ambedkar Avass Yojana [National Housing Program for Slum Dwellers and Urban Poor] (India)
VSNL	Videsh Sanchar Nigam Ltd. (India)

Technical Terms

APIS	Annual Poverty Indicators Survey (Philippines)
BOT	build-operate-transfer
BOOT	build-operate-own-transfer
CDS	City Development Strategy
CMP	Community Mortgage Program (Philippines)
CWS	Cities Without Slums
FIES	Family Income and Expenditure Survey (Philippines)
GDP	gross domestic product
HDI	Human Development Index
IT	information technology
LED	local economic development
LOG	letter of guarantee
MFI	microfinance institutions
MRB	medium-rise building
MTPDP	Medium-Term Philippine Development Plan
NGO	nongovernment organization
PAFs	project-affected families
PCL	purchase commitment line
PM	project manager
PO	people's organization
RETA	regional technical assistance
S-W-O-T	strengths, weaknesses, opportunities, and threats
TA	technical assistance
TOR	terms of reference
WBM	water-bond macadam

Units of Measurement

1 lakh	100,000 (10 x 10,0000) (India)
1 crore	10,000,000 (1,000 x 10,000) (India)
ha	hectare(s)
hh	household
hu	housing unit
kg	kilogram(s)
km	kilometer(s)
km^2	square kilometer(s)
kWh	kilowatt-hour(s)
m	meter(s)
m^2	square meter(s)
m^3	cubic meter(s)
mld	million liters per day
µg	microgram(s)

Foreword

The world's urban population is growing fast. In Asia, 2.2 billion people (one out of two) are expected to live in cities by 2020. Urban centers are also increasing in size and number. Asia now has 11 megacities, each with more than 10 million people. In addition, hundreds of towns and cities throughout the region have populations of 0.5 million to 9 million, and smaller town and cities are peopled by hundreds of millions. Urban centers are important to national economies because they are the engines of economic growth and the focal points for important activities like trade, commerce, industry, and government administration. Cities are centers of excellence for education, health care, technological innovation, entrepreneurship, and governance. They provide access to large markets for goods and services and communication with the rest of the world. Urban centers create opportunities for jobs, employment, and livelihood.

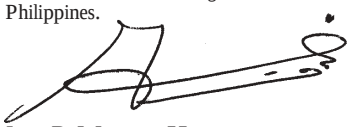
But, despite these advantages, most rapidly growing Asian towns and cities face significant problems. It is the urban paradox that amid the wealth and prosperity generated by towns and cities a high incidence of urban poverty persists. Urban poverty can be extreme and harsh. The poverty incidence ranges from 15% of the population for cities like Bangkok and Manila, to 50% for Dhaka. In many cities like Kolkata, Karachi, and Jakarta the incidence ranges from 30% to 35%. Poverty is similarly great in most secondary cities and small towns throughout the region. Infrastructure is inadequate and dilapidated, particularly for water supply, sanitation, drainage, and waste management services. Many towns and cities also suffer from poor standards of public health and hygiene, a degraded urban environment, the prevalence of slum housing, severe traffic congestion, poor air quality and ineffective land management.

To promote safe, livable, well-managed towns and cities that are free of poverty and fulfill the promise of development, ADB in 2002 joined the Cities Alliance (CA), a global coalition of cities and their development partners committed to tackling urban poverty. ADB also approved a regional technical assistance titled "Promoting Urban Poverty Reduction through Participation in the Cities Alliance." The technical assistance developed and introduced the concepts and techniques for preparing City Development Strategies and Cities Without Slums programs, which are the cornerstones of the CA approach to poverty reduction. The City Development Strategy (CDS) is a participatory planning process that represents the collective vision of its stakeholders for the future development of their city. A Cities Without Slums (CWS) program works toward the eradication of slum housing by upgrading deprived low-income settlements throughout the city. Both techniques encourage the people living and working in towns and cities to devise their own strategic approaches to meet their basic economic and social development needs, and to create an urban governance system that responds to needs and is accountable for outcomes.

This publication, *City Development Strategies to Reduce Poverty*, sets out the results of the technical assistance, including guidelines for the preparation of CDS and CWS programs, and summaries of case studies on the CDS and CWS approaches adopted by five cities[1] in three countries. Each participating city faces difficulties in providing land security, infrastructure, and basic services to the poor. The case studies show that there is more than one way to prepare CDS and CWS programs. The case studies also suggest that, for cities to benefit from their comparative advantages, they must become more efficient, govern well, and establish coherent poverty reduction programs.

The guidelines, case studies, and institutional arrangements for the preparation and implementation of CDS and CWS programs are intended as a source of learning about city development. It is hoped that this publication will contribute to good governance, successful management, and continuing development of towns and cities in the region.

[1] Calicut, India; Da Nang, Viet Nam; and Caloocan, Quezon City, and Taguig, Philippines.



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Responding to Urban Growth and Poverty

ADB and the Cities Alliance

Box 1: Key Terms and Definitions

Key Term	Definition
Human poverty	The lack of essential human capabilities, notably literacy and nutrition.
Income poverty	The lack of sufficient income to meet minimum consumption needs.
Absolute poverty	The degree of poverty below which the minimal requirements for survival are not being met. This is a fixed measure in terms of a minimum calorie requirement plus essential nonfood components. While absolute poverty is often used interchangeably with extreme poverty, the meaning of the latter may vary, depending on local interpretations or calculations.
Relative poverty	Normally defined in relation to some ratio of the absolute poverty line or, as in developed countries, as a proportion of average income per capita. As a relative measure, it can differ across countries or over time.
Human Development Index	United Nations Development Programme (UNDP) composite of three factors: (i) life expectancy at birth; (ii) adult literacy, and (iii) income per capita (adjusted for purchasing power parity).
Human Poverty Index	UNDP measure of deprivation in basic human development. The variables used to determine the index are (i) the percentage of people expected to die before age 40; (ii) the percentage of adults who are illiterate; and (iii) overall economic provisioning, in terms of the percentage of people without access to health services and safe water, and the percentage of underweight children below 5 years.
Gender Empowerment Measure	UNDP assessment of the level of gender inequality in key areas of economic and political participation and decision making.

Source: World Summit on Social Development 1995.

Urban Strategy and Poverty Reduction

ADB's Development Goal

Poverty is an unacceptable human condition.

ADB's overarching goal is the reduction and eventual elimination of poverty throughout the Asia-Pacific region.[1] Other ADB strategic development objectives, such as economic growth, human development, good governance, sound environmental management, and a better status for women, is being pursued in ways that contribute most effectively to poverty reduction. This fundamental shift affects every aspect of ADB operations.

Defining Poverty

Definitions of what constitutes poverty continue to evolve. Through a series of United Nations (UN) conferences, principally the World Summit on Social Development in 1995, the international community agreed on a common set of definitions and targets for reducing poverty (see Box 1). In 1996, the Organisation for Economic Co-operation and Development (OECD) endorsed seven targets as Strategy 21 goals (see Box 2). These are international and not regional goals. ADB supported the Fifth Asian and Pacific Ministerial Conference in 1997, which resulted in a comprehensive set of targets outlined in the Manila Declaration[2] for the ESCAP[3] region (see Box 2). Targets listed in Box 2 represent only a portion of the strategies and objectives agreed upon.

[1] For further details of ADB's Poverty Reduction Strategy go to adb.org/Documents/Policies/Poverty_Reduction.

[2] Manila Declaration on "Accelerated Implementation of the Agenda for Action on Social Development in the ESCAP region."

[3] Economic and Social Commission for Asia and the Pacific.

Box 2: Poverty Reduction Goals

Strategy 21 Goals	Target Year	ESCAP[1] Goals	Target Year
For economic well-being			
■ Reduce by half the proportion of people in extreme poverty.	2015	■ Reduce absolute poverty to half the 1990 level. ■ Eradicate absolute poverty.	2000 2010
For social development			
■ Achieve universal primary education.	2015	■ Ensure at least 80% completion of primary and secondary education.	2000
■ Eliminate gender disparities in primary and secondary education.	2005	■ Achieve universal access to basic education.	2010
■ Reduce by two thirds the mortality rates for infants and children under 5 and by three fourths the mortality rates for mothers.	2015	■ Equalize participation rates for girls and boys in primary and secondary education. ■ Reduce under-5 mortality rates to 45 or less per 1,000 live births and infant mortality to 34 or less.	2005 2015
■ Provide access to reproductive health services for all females of appropriate age.	2015	■ Reduce maternal mortality by three fourths. ■ Halve 1990 rates of malnutrition.	2015 2000
For environmental sustainability and regeneration	2005	■ Formulate plans for poverty-focused environmental protection and conservation, including plans for land and marine management supportive of local and indigenous communities. ■ Introduce measures to enforce sound management of toxic wastes.	As soon as possible
■ Implement national strategies for sustainable development.	2015		
■ Reverse the current loss of environmental resource globally and nationally.			

[1] Economic and Social Commission for Asia and the Pacific.
Source: OECD 1996.

In addition to considerations of income, employment, and wages, ADB's definition of poverty includes the lack of access to basic education, health care, water and sanitation, and secure tenure, and exclusion from relevant decision making.

In practice, the most broadly used standard for defining and measuring poverty is the adequate consumption of food and other essentials. This yardstick will vary between countries, depending on income, cost of living, and cultural values.

Just as the nature of poverty is diverse, so too are its causes and victims. The primary responsibility for finding solutions to poverty rests with the individual countries themselves, but success depends on the unified efforts of governments, civil society, and often the international community.

ADB's Poverty Reduction Strategy

ADB's approach to poverty reduction is based on the premise that any responsive strategy must be sufficiently comprehensive to address the many causes of poverty. For this reason the strategy is structured around a socially inclusive development process that combines sustainable economic growth and social development with sound macroeconomic management and good governance.

However, to attain socially inclusive development, there is a need for a better understanding, of both the environmental implications of pro-poor policies and the impact of environmental policies on the poor. These include "brown" issues such as air and water pollution in cities where the poor live in the worst-affected areas, and "green" issues of deforestation, depletion of natural resources, and land degradation.

Key elements of the strategic framework are described below.

Sustainable Economic Growth

Sustainable economic growth is fundamental in the fight against poverty. Economic growth can reduce poverty by generating employment and increasing incomes, especially when linked to more labor-intensive activities. Policies and programs that support economic growth are powerful pro-poor measures, since they not only have direct employment and income benefits, but can also increase the resources available for other pro-poor initiatives. Key

policy initiatives to promote sustained economic growth include those that (i) seek to create a conducive environment for private sector investment in all aspects of development, thus reducing the pressure on limited public sector (human and financial) resources; (ii) promote local enterprise and self-employment, especially for women and other groups outside the formal sector; (iii) support infrastructure and social services development, as a source of increased job opportunities as well as the creation of a healthy, more productive workforce; (iv) remove market distortions such as credit subsidies and import/export restrictions; and (v) encourage improved regional/subregional economic cooperation.

Environmental Management

Environmental considerations are key elements in sustainable economic growth. Pressures of population and poverty often compound the threat of deforestation and the exploitation of resources. Many rural poor live in ecologically fragile areas that require sensitive resource management in the face of increasing degradation. At the same time the urban poor are exposed to disease and illness resulting from overcrowding and degraded living conditions. Effective poverty reduction strategies therefore need to be accompanied by measures that enhance the productivity and quality of the environment and natural resources.

Social Development

Economic growth can effectively reduce poverty only when accompanied by a comprehensive program of social development. In order to be most effective, a poverty reduction strategy should include (i) human capital development, (ii) a population policy, (iii) removal of gender discrimination, (iv) social capital development, and (v) social protection.

Good Governance

Good governance is critical to poverty reduction as it (i) directly supports participatory pro-poor policies, (ii) facilitates sound macroeconomic and public expenditure management, (iii) ensures accountability and the transparent use of public funds, (iv) encourages the growth of the private sector, (v) promotes effective delivery of public services, and (vi) helps to establish a rule of law.

ADB's Involvement in the Cities Alliance

ADB is participating in the Cities Alliance (CA) to promote, facilitate, and support improved urban management; strengthen the impact of urban poverty interventions; and enhance networking and cooperation among selected rapidly urbanizing cities. More specifically, a regional technical assistance (RETA) is designed to (i) strengthen the process by which a practical, implementable **City Development Strategy (CDS),** incorporating priorities for action, is prepared for each participating city; and (ii) support slum eradication, urban upgrading, and urban regeneration at both city and nationwide levels, by identifying and formulating high-priority investments in a **City Without Slums (CWS) Program**.

These two objectives are clearly interrelated, and when set in the context of the CA, indicate that issues of slum eradication, urban upgrading, and regeneration—all the elements that make up an

[4] ADB. 2002. *Promoting Urban Poverty Reduction through Participation in the Cities Alliance.* Manila.

approach to poverty reduction and form the basis for formulating a CWS program—will logically be identified as investment priorities under the CDS.

The implications of this are twofold:

- That consideration be given to the commitment and capacity of local governments to participate in the CA, together with the likelihood that poverty reduction is high on the public investment agenda. This has to be anticipated using the broadest possible definition of poverty to include not only income but also quality of life, security of tenure, and employment.
- That initial preparatory stages of CWS Program formulation should be undertaken as an integral part of the preparatory/analytical stages for the CDS. It can be anticipated that as a result of this process, poverty reduction will be identified as a key problem area, and the CWS program will be prepared as part of the broader (CDS) strategic response.

City Development Strategies

Increasingly, national economic growth is being determined by what happens in urban areas. Globalization is strengthening competition among cities as private investment seeks to maximize returns within highly competitive markets. Decentralization has meant additional power and resources to cities and their populations, but many urban areas are not well managed and their economies remain uncompetitive. Throughout the world, two scenarios are emerging: one of cities characterized by increasing poverty, social exclusion, and decline amid pockets of splendor and wealth; the other of more inclusive cities characterized by equitable and sustainable growth, with small but decreasing pockets of poverty.

The rapid transformation within the developing world as its population moves from the rural areas to urban centers means that government must respond to the challenge of urban growth. National and local governments need to be better equipped to manage the transition from central control to a decentralized and market-based provision of services. For cities, the result will be demand-driven urban development with service providers being directly accountable to their consumers, and local governments to their constituents. One outcome of this increased accountability is for people living and working in urban areas to devise strategic development initiatives to meet their perceived "urban challenge." The CDS initiative is an example of this effort.

A CDS is an action plan for equitable growth in a city, developed and sustained through public participation to improve the quality of life for all citizens. The goals include a collective city vision and an action plan to improve governance and management, increasing investments to expand employment and services, and systematic and sustained programs to reduce poverty. Although a city is expected to drive the process, local ownership is essential. In reality a CDS is a corporate plan for the city.

A CDS focuses on the process of change, highlights urban dynamics and opportunities, and adopts a flexible strategy for responding to economic realities within a competitive environment. It also helps to build stakeholder capacity to manage a city more efficiently and to encourage and attract businesses in national and global markets. It does this by encouraging stakeholder participation and empowerment. Thinking about the future within a CDS framework often changes the way that a city is managed and planned.

A CDS focuses on a city as the unit of analysis, much as a corporate plan focuses on a company. A CDS assists a city in improving its contribution to national development. It helps a city to make the most of its strengths and opportunities, determine its future in relation to its vision, and improve its competitive position. A CDS focuses on the "big picture" that sets the overall direction for the growth of a city on the basis of the views of individuals and stakeholders.

A CDS is defined by the process under which its outputs (products) are formulated and implemented. Past efforts to produce similar, integrated approaches have often failed because of the lack of coordination between implementing agencies, thus leading to conflict and wasted resources. Furthermore, past approaches to planning, such as city master plans, have been technical and often unresponsive to citizens' views and aspirations. A CDS, as a dynamic process, is very different from the more static master planning of the past, in recognition of the fact that cities are now better able to respond to opportunities for growth. Decentralization is enabling cities to have more opportunities for action, and increased demand for representation is opening the planning and political process to greater participation and accountability. A CDS is able to respond to these changing circumstances.

Box 3: Strategic Planning and CDS

Strategy is the rule for making decisions. A *strategic plan* is a statement about the future within which we expect to live and work in pursuit of our vision. A strategic plan indicates how to influence the future, and the goals and strategies employed to achieve the vision.

A *corporate plan* relates to the planning of an organization. The plan clarifies what is expected, who is responsible for implementation, and what resources are needed to achieve the goals. The plan restates the vision of the strategic plan—where one expects to be in, say, 5 years. But it also defines the mission—what the organization should do to achieve the vision. Under each goal, a corporate plan will identify performance indicators, measures, and targets.

Business plans provide the detailed planning outcomes and assumptions for specific areas or business units (such as water and sewerage, roads and drainage, community services, or housing). They relate to asset management and cover issues relating to capital and recurrent expenditures, revenues, and debt.

A *city development strategy* combines strategic and corporate planning for a unit, that is, a city. It represents the statement of rules for making decisions on the development of a city and outlines what is expected, who is responsible for implementation, and what resources are needed to achieve the goals.

However, a CDS is not a substitute for integrated master plans, land use plans, investment plans, or institutional development plans. These are key complements of a CDS. A CDS is a strategic visioning exercise that helps identify goals and directions for a city, and helps guide policy decisions and resource allocation (see Box 3). With agreement on a larger vision, often to secure a competitive position, cities can plan for land use, transport, and other sectoral needs with a clearer view of priorities and the timing of investments.

In summary, the CDS is a participatory process involving key stakeholders that arrives at their collective vision of the city's future. The objectives and targets that measure the accomplishment of the vision should reflect what people want.

Kutcha housing in a fishing village in Pallikandi West, Calicut, a priority project under the CWS Program

Cities Without Slums Programs

Background

The CWS Action Plan was developed in July 1999 and launched by Nelson Mandela at the inaugural meeting of the CA in December 1999.

The CWS initiative has been endorsed internationally at the highest political levels. It is based on a challenging vision with specific targets to improve living conditions among the urban poor, the most vulnerable and marginalized of those living in towns and cities throughout the world. The UN strongly supports the program and has asked all member nations to endorse and act on it. The CWS initiative was subsequently endorsed by heads of state attending the UN Millennium Summit in September 2000, and was reflected in the UN Millennium Declaration with the following goal:

By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers, as proposed in the CWS initiative.

Progress toward the goal will be monitored mainly in terms of the proportion of people with access to secure tenure and improved sanitation. The underlying rationale for the focus on slum settlements is that the vast majority of poor urban households live in slum settlements. Subsequent investigations in each of the five participating cities in the RETA have shown this to be the case.

What is a CWS Program?

The main purpose of the CWS initiative is slum eradication through a process of upgrading. Slum upgrading clearly addresses the legal and environmental accomplishments set out as CWS Program accomplishment indicators (land tenure and sanitation), but it is far more wide-ranging. In addition to physical improvements, it includes interventions to bring about better social, economic, environmental, and governance conditions within poor urban communities.

The CWS Program therefore potentially involves a wide range of interrelated interventions, including the following:

- Regularizing security of tenure;
- Installing or improving basic infrastructure, such as water supply, sanitation, garbage collection, access and circulation roads, stormwater drainage and flood control, electricity supply, security lighting, and public telephones;
- Removing or mitigating environmental hazards;
- Providing incentives for community management and maintenance;
- Constructing or rehabilitating community facilities, including health centers, children's nurseries, and public open space;
- Improving houses;
- Relocating residents dislocated by the upgrading process, with appropriate compensation and assistance (although every attempt is made to minimize resettlement);
- Improving access to health care, education, and social support programs to address issues such as security, violence, and substance and drug abuse;
- Enhancing income-earning opportunities through skills training and microcredit support for small and medium enterprises and livelihood development;
- Building social capital and the institutional framework to sustain and further develop improvements; and
- Providing training and incentives for greater self-reliance and empowerment, and improved management and organization of communities.

Like the CDS process, with which it is so closely interlinked, the CWS Program depends for its success on the participation of, and consensus building among, all relevant stakeholders including, in addition to government agencies at all levels, community groups, private sector interests, NGOs, and other concerned groups.

Urban Growth and Poverty in the Region

Urban Growth in Asia

Urban Population Growth

In 1999, the population of the world reached 6 billion people, about 47% of these living in urban areas. By 2020, it is estimated that 57% of the world's population will be living in urban areas.

The urbanization trend started in the developed world and was largely a result of increased industrialization. At present about three quarters of the population in developed countries is urban. In developing countries, the percentage of the total population living in urban areas rose from around 30% in 1985 to 40% in 2000. More than 1.5 billion people in developing countries currently live in urban areas. By 2020, it is estimated that more than half the population of developing countries will be urban.

In Asia about 38% of the population is now urban. This will increase to more than 50% by 2015, and there will be a doubling of urban population before 2025.

The rapid growth of the urban population is due both to natural increase and to the influx of migrants from rural areas. In many less-developed countries, where there is limited population control, natural growth is a key factor. However, some of the most dramatic increases in urban population are in countries like the People's Republic of China (PRC) where there is strict family planning. Rural-urban transition is also a key factor. The movement of workers from rural areas to the towns and cities of the PRC is one of the most extraordinary patterns of migration in history.

Formation of Megacities

Not only is the world's population becoming urban, it is increasingly concentrated in larger towns and cities. At the beginning of the last century there were only 11 cities in the world with populations of more than 1 million. By 2015, the UN predicts, there will be about 360 such cities. More than 150

of these will be in Asia. By 2030 there will be more than 500 cities in the world with populations of more than 1 million; more than half of these cities will be in Asia.

Within this general pattern of urban growth there is a growing number of megacities. Megacities are defined by the UN as cities with populations of more than 10 million. They are formed not only by natural population growth and immigration but also as a result of the physical and administrative merger of rapidly growing urban settlements into larger metropolitan agglomerations.

The number of megacities is increasing throughout the world. According to the UN, in 1985 there were only 12 such cities, and only 5 of these were in Asia. By 2015, there will be 27 megacities, of which 18 will be in Asia.

In theory, the larger concentrations of population in megacities should benefit from economies of scale and be easier to manage and service than more dispersed populations. This might be true if there were adequate resources and capabilities to plan and manage such cities. However, this is not generally the case, and in most of the resource-strapped economies of the developing world, the rapid growth of megacities has proved difficult to manage. The present rate of urban growth is well beyond anything ever experienced before, and urban managers and systems in the developing world have simply been overwhelmed.

Not surprisingly, therefore, a recent survey of Asian cities showed that only three megacities were ranked among the 10 most livable cities in Asia.[5] In contrast, seven of the top-ranked cities were medium-sized, with populations of 1–3 million people. The lesson probably has less to do with absolute city size as with the rate of urban growth and the experience and resources available to urban managers.

Urban Poverty in Asia

In the 1970s, more than half of the population of the Asia-Pacific region was poor, average life expectancy was 48 years, and only 40% of the adult population was literate. Today, the percentage of poor people has decreased to nearly one third of the population, life expectancy has increased to 65 years, and 70% of adults are literate. Despite an increase in total population to around 3 billion in 2000, the number of poor people[6] in Asia has fallen from slightly more than 1 billion to about 900 million. Asia's poor represent about 70% of the world's poor.

Nearly one in three Asians is poor. Although the proportion of people below the poverty line is declining, trends in poverty reduction have worsened. South Asia now has more than half a billion poor people. Approximately 450 million of these are in India, 225 million in the PRC, and 55 million in Southeast Asia. Until recently, trends in poverty reduction throughout the Asia-Pacific region had been positive. However, the Asian financial crisis of 1997 stalled progress and the number of poor people, especially in Southeast Asia, has increased.

Although the large cities of Asia are growing rapidly, and it is forecast that more than 80% of Asia's economic growth will be in its urban areas, the reality is that after more than three decades of rapid economic growth one of the defining characteristics of Asia's cities is poverty: almost 25% of Asia's urban population is poor.

Urban Growth and Poverty In India

Population

In spite of a declining population growth rate, which dropped from 24% over the decade 1981–1991 to just over 21% in 1991–2001, India is now the second most populous country in the world after the PRC. In the last decade India's population grew by more than 180 million (more than the population of Brazil), and by March 2001, its population had officially reached 1 billion. If current trends continue, estimates are that India's population will overtake that of the PRC by 2025.

Urban Growth

In 2001, India's urban population was estimated at 307 million, more than 30% of its total population. This represents a hundredfold increase over the past century, almost a threefold increase over the last 30 years, and a 40% increase over the last decade. Urban population growth over the past 4 decades has ranged between 36% and 46%. Between 1991 and 2001 it was 41%.

Levels of urbanization vary widely. Maharashtra (38.7%), Gujarat (34.4%), and Tamil Nadu (34.2%) are the most urbanized states; Delhi (92.7%) and Chandigarh (93.6%) are the most

[5] *Asiaweek*. 2000. Asia's Most Livable Cities Survey, December.

[6] Poor people defined in 2000 as those living on less as than $1 per day.

urbanized cities (union territories), and Dadra and Nagar Haveli (8.5%) are the least urbanized.

In 1991, about two thirds of India's urban population lived in 300 cities with populations of more than 100,000, and about one third of the urban population in cities with populations of more than 1 million. The number of such cities rose from 5 in 1951 to 23 in 2001. By 2015, it is estimated that more than 34 cities will have populations above 1.5 million, and there will be four megacities (Mumbai, Kolkata, Delhi, and Chennai) with populations in excess of 10 million, the largest being Mumbai, which it is estimated will have a staggering population of 27 million.

Urban areas are increasingly the centers of economic growth. The contribution of urban areas to national economic development over the last 50 years has more than doubled and in 2001 was 60%. In the period 1981–1991, growth in formal employment in urban areas was 38%, as against 16% in rural areas.

In spite of the rapid rise of economic activity in urban areas, massive urban population growth has resulted in the general deterioration of social and environmental conditions in most towns and cities. The demand for essential urban infrastructure and services has far outstripped supply, and market distortions have resulted in rapidly spiraling land and housing prices. These conditions have left the urban poor with little choice but to seek informal housing solutions, with the result that slums and squatter settlements in most urban areas have mushroomed.

Present estimates are that about one third of all urban residents live below the poverty line. About 15% of these have no access to safe drinking water and more than half no adequate sanitation. These problems are compounded by poor drainage and the lack of garbage collection, education, and health facilities and services. The lack of education facilities has contributed to the continuing high rate of illiteracy, which in 1997 was 52% nationwide. Increasing levels of traffic congestion and pollution add to the list of serious urban environmental problems and the deteriorating quality of life endured by urban residents, especially the poor.

Rapid population growth, poverty, and low investment in housing have also created a serious shelter problem in urban areas. The majority of the urban poor living in slums lack access to housing finance from the formal sector. There is an urgent need to expand the capacity of financing institutions to respond to the need for housing finance for poor families, especially by developing new approaches to the financing of low-cost housing.

Urban Poverty

Despite some progress, poverty remains widespread throughout India. Although the proportion of the population living below the poverty line declined from 50% in the 1970s to about 36% by 1995, in absolute terms the number of India's poor doubled from 164 million in 1951 to 320 million by 1993–1994. Present estimates are that 40% of the rural population and 33% of the urban population live below the poverty line.

Geographically, the poor are mainly concentrated in the eastern and central parts of the country, with the highest incidence in Bihar, Orissa, and Madhya Pradesh. Poverty is characterized by substantial variations between and within states, and by urban-rural disparities that are widening over time. Urban poverty in Bihar and Assam was between 2 and 6 times that in Punjab. While urban poverty is highly concentrated in a few states, including Andhra Pradesh, Madhya Pradesh, and Rajasthan, the incidence of urban poverty is generally higher in larger cities and metropolitan areas, such as Kolkata and Mumbai.

Government Pro-Poor Initiatives

In recent years, the Government has made efforts to reduce poverty, mainly through self-employment initiatives, rural public works, food subsidies and nutrition programs, and increased spending for basic education and primary health care. Programs addressing income poverty have been developed that seek to create individual assets for the urban poor by financing fixed or working capital, providing training, and generating wage employment. However, these programs often suffer from poor targeting and leakage of resources, and in many cases have proved inefficient and ineffective in addressing the needs of the poor.

Official estimates of the financial and human resources needed to address the rapidly deteriorating situation in urban areas go well beyond the budgetary resources and institutional capacity of central, state, and local governments. As a result, there is a growing recognition of the need to induce full-scale private sector involvement in urban development. However, this will not take place until the policy and regulatory climate to stimulate private sector interest and guarantee adequate returns on investments is in place. Tax reforms and a review of

user charges are among some of the measures now being investigated, along with various modes of public-private joint ventures, alternative land management approaches, and revenue-raising initiatives such as municipal bonds.

Increasingly, the definition of poverty is being expanded to cover governance, empowerment, and the ability of the poor to participate in decision making. The 73rd and 74th amendments to the Constitution support increasing devolution of authority and responsibility from the states to the rural and urban local authorities, as well as the mainstreaming of the poor and disadvantaged into the development process. However, in doing so, recognition is also given to the need for institutional strengthening and capacity building at the local level. Building a fair and equitable governance system and development process has thus become a crucial issue of poverty reduction, in addition to the mere provision of physical facilities or social services.

Under the National Housing Policy (1994), the Government aims to increase the access of poor households to housing and other basic services, integrate poverty reduction and employment opportunities with improved housing, and mobilize additional financial resources by establishing linkages between the formal sector, NGOs, and community-based financing institutions. At the same time, the role of government has been changing from one of provider to one of facilitator, and the Government is promoting increased private sector participation, including foreign investment in the housing sector.

Most infrastructure and service providers in India have traditionally been public sector. The Ninth Five-Year Plan (1997–2002) recognizes the need to boost the level of private sector participation and adopt a more commercial approach to the provision of public services, as part of a move toward better service provision and improved levels of urban financial management. Social development is also recognized as a high priority, and about 21% of public sector expenditure is earmarked for education, literacy, health, and nutrition programs.

Urban Growth and Poverty in the Philippines

Population

The Philippines has one of the highest urbanization rates in the developing world. Between 1960 and 1995, the country's urban population growth averaged more than 5% per year and increased from just 8 million to 34 million.

By 2000, the population of the Philippines had risen to around 78 million, more than half of whom lived in urban areas. With an annual average urban population growth rate of more than 3%, urban areas are expanding by more than 1 million people

every year. Estimates are that by 2010, the urban population will be 60% of the total, and by 2050, 127 million, or more than 80% of all Filipinos.

Urban Growth

Approximately 54% of the country's urban population today lives in the "extended" Metro Manila region, with 28% in Metro Manila and 26% in the Central Luzon and Southern Tagalog regions. The population of Cavite and Rizal provinces, both adjacent to Metro Manila, is growing at 5% annually. This concentration of the urban population is expected to continue, even as high urban growth continues in other emerging metropolitan regions.

High urban population growth has resulted in an increase in urban population densities. In 1995, Metro Manila had an average density of 14,865 persons per square kilometer (km^2); by 2000, this had risen to 15,617. Navotas is the most densely populated local government area in Metro Manila, with 88,617 persons per km^2.

In 2002, the National Economic and Development Authority (NEDA) emphasized that the rate of urban population growth is one of the most important factors affecting economic development, employment creation, and the coverage and quality of social services. All of these are essential components of any pro-poor initiative. Rapidly increasing concentrations of urban population represent large markets that are likely to attract new investments. The continued population growth and expansion of Metro Manila, which has already the largest concentration of consumers in Southeast Asia, has the potential to attract considerable investment. However, if the deteriorating environmental and social conditions that now characterize Metro Manila are not quickly and effectively dealt with, they will act as a disincentive to potential investors.

Basic infrastructure in informal areas is insufficient

Urban Poverty

Between 1980 and 1990, the Philippines achieved a steady improvement in the social indicators relating to life expectancy, adult literacy, rates of immunization, access to safe drinking water, child malnutrition, and infant mortality. As a result, the country's rating in the Human Development Index (HDI) rose to 77th place among 174 countries.

There are indications that the incidence of poverty throughout the Philippines continued to decrease throughout the 1990s, although it is still considered high. The World Bank[7] reported that in 1999 the incidence of poverty throughout the country was 26.3%; however, there are some indications that it may now be higher, especially after the Asian economic crisis. A National Statistics Office (NSO) survey[8] measuring poverty incidence in terms of food and nutrition, access to health services, electricity, water, sanitation, shelter, education, and employment showed that there had been only minimal improvement in the lives of Filipinos in 1999. More than 50% of all respondents had not experienced any improvement over the preceding 12 months, and the majority did not expect to be better off in the short term.

Self-assessment and perceptions of the incidence of poverty show that the minimum acceptable income threshold below which households regard themselves as poor is higher than official estimates. About 60% of all households regard themselves as poor.[9] This level has risen considerably over the past 15 years, indicating that self-rated poverty is related not only to absolute poverty but also to rising expectations.

By 2000, the urban population of the Philippines had increased to 7.5 million households. The NSO Family Income and Expenditure Survey (FIES) of 2000 indicated that more than 20% (about 1.53 million of all urban households) had incomes below the poverty threshold of $314.39 per capita per year. An estimated 3.5 million urban households

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[7] World Bank. 2000. *Philippines Poverty Assessment,* May.

[8] National Statistics Office. 2000. Annual Poverty Indicators Survey, September.

[9] Social Weather Station Survey, Manila, 1999.

had incomes below the 5th decile, or $632.58 per capita per year.

Although income alone does not define poverty, the reality is that a high percentage of income-poor urban households live as informal settlers in slums or squatter areas. The environmental conditions in most of these informal and illegal settlements are characterized by poor-quality housing, overcrowding, inadequate access to basic services, insecure tenure, and increased public health risks. Lack of tenure can delay connection to municipal infrastructure services, leading in turn to suppressed property values, underutilized capital assets, poor living conditions, and a high incidence of sickness. Improving access to affordable shelter and formal land tenure would significantly improve living conditions in informal settlements and contribute to the goal of poverty eradication.

Government Pro-Poor Initiatives

The Philippine Government and ADB have agreed that an effective strategy to reduce poverty in the country must be able to address the following leading causes of poverty: (i) the slow creation of employment opportunities on account of the anemic record of growth; (ii) inequality in the distribution of wealth and access to resources; (iii) the inadequate provision of basic social services; and (iv) the lack of effective political participation by the citizenry, which encourages stopgap measures rather than fundamental policy reforms with long-term poverty-reducing impact.[10]

The Medium-Term Philippine Development Plan (MTPDP) (2001–2004), which envisions the elimination of absolute poverty within the decade, has been used as the basis for the country's commitment to poverty reduction. The State of the Nation Address of the President spelled out this goal in very concrete terms—jobs, education, shelter, and food on every table. To attain this goal, the Government will endeavor to (i) provide the enabling environment for poverty reduction through macroeconomic, political, and institutional reforms, including advancing the peace process; and (ii) undertake redistributive reform through core programs that will equalize access to economic resources and political and social opportunities.

Government pro-poor plans and projects are mostly coordinated by the National Anti-Poverty Commission (NAPC) and the Presidential Commission for the Urban Poor (PCUP). NAPC is responsible for coordinating agencies in addressing the needs and providing programs and projects with the 14 sectors of society including the urban poor, the disabled, formal/informal labor, indigenous people, youth, senior citizens, women, and children. The commission acts as secretariat and monitors the implementation of various programs and projects in coordination with agencies like the Housing and Urban Development Coordinating Council (HUDCC) and its shelter agencies, the Cooperatives Development Authority (CDA), the Local Water Utilities Administration (LWUA), the Department of Social Welfare and Development (DSWD), and the Department of the Interior and Local Government (DILG). The Comprehensive and Integrated Delivery of Social Services (CIDSS) and the Kapit-Bisig Laban sa Kahirapan (Linking Arms Against Poverty) are two of the more popular poverty reduction programs being implemented by DSWD at present.

The PCUP, on the other hand, is a coordinating body linking the various agencies of the Government that have regular pro-poor programs and projects. Some of the agencies that it works with, depending on the identified need of the urban poor community, are the Department of Social Services and Development (DSDD), the Department of Health (DOH), HUDCC and its shelter agencies, and the Department of Justice (DOJ). The PCUP is mandated to coordinate all demolition activities affecting the urban poor, and acts as the HUDCC secretariat in antisquatting activities.

Urban Growth and Poverty in Viet Nam

Population

In 2000, the urban population of Viet Nam had reached 20 million, almost 24% of the total population. The average population density was about 230 persons per km^2, one of the highest densities in the world for a country with a primarily agricultural economic base. In some areas, such as the Red River Delta, population densities were more than 1,000 people per km^2. The national annual population growth rate in Viet Nam is now around 1.5%, but the urban growth rate is in excess of 2.5%. Government estimates are that the urban population will have reached 46 million by 2020, about 45.0% of the total.

[10] Republic of the Philippines–Asian Development Bank Poverty Partnership Agreement, 10 October 2001, page 2.

Urban Growth

Three cities—Ho Chi Minh City (6 million), Hanoi (3 million), and Haiphong (1.7 million)—account for 80% of the population living in the 12 cities with more than 150,000 people. Da Nang, one of the cities participating in the RETA, is the fourth-largest city in the country, with a population of 740,000.

Viet Nam's cities suffer the same problems experienced by many cities throughout the developing world. Rapid urban growth coupled with an inadequate government response has led to the proliferation of unhealthy, poorly serviced, infrastructure-deficient informal settlements. Land constraints mean that such settlements are often on public or marginal land. It is mostly the urban poor who are forced to settle in these areas, and who suffer most from the prevailing conditions.

Urban Poverty

The incidence of poverty in urban areas of Viet Nam is lower than in the country as a whole. In 2000, it was estimated that there were 265,000 poor urban households, less than 10% of all poor households nationwide.[11] However, many other households are extremely vulnerable to unemployment, natural disasters, or the death or illness of a family member, which can easily drag them down below the poverty line.

Most of the urban poor are concentrated in the large urban areas, in particular in Ho Chi Minh City, which attracts many in-migrants who are disadvantaged but not always included in poverty statistics. A high percentage of the urban poor live in informal settlements with deteriorating environmental conditions and experience a poor quality of life. Apart from high densities, overcrowding, and substandard and poorly maintained housing, infrastructure, and social services, informal settlements are mostly unplanned and often encroach into natural

[11] See the "new" definition of poverty in the National Target Poverty Reduction Program, quoted in the fourth draft of the Comprehensive Poverty Reduction and Growth Strategy. *"Poverty is a situation in which a proportion of population does not enjoy the satisfaction of human basic needs that have been recognized by the society depending on the level of economic and social development and local customs and practices."*

waterways, and canals. Inadequate drainage means flooding is often a serious problem. Poor sanitation means many toilets discharge directly into drains and canals, creating highly polluted streams, environmental hazards, and chronic health problems.

Government Pro-Poor Initiatives

Rural poverty has been the main focus of Government action to date, and urban poverty reduction programs so far have been limited both in number and impact. One of the key problems that needs to be addressed is the high and increasing rate of in-migration to larger urban areas. The process of industrialization and urbanization has increased the inflow of unregistered migrants from rural areas, who are unable to secure either permanent registration, stable employment or a reliable income. These migrants have limited access to social services.

Government generally views slums as an unsightly blight on a city. Its response, where resources are available, is to carry out slum clearance programs and resettle residents in high-rise buildings, often far from their original homes and place of work. Surveys reveal that many poor families who are allocated apartments soon move out since they cannot afford the monthly installments and utility charges. Many of these people return to form new slum settlements on other marginal urban land.

The Government's position of considering slum settlements as temporary settlements for resettlement has often made it difficult to carry out on-site upgrading programs other than on an emergency services basis. There appears to be a misconception about the meaning of settlement upgrading, which is interpreted by some to mean removal and resettlement. Nevertheless, some tertiary urban infrastructure improvements are being undertaken at the local level. For example, alley improvement programs are carried out in most cities under the guidance of local district or ward officials. These programs involve concerned residents, who cooperate to implement improvement schemes. These schemes often comprise the provision of improved drainage, pavement surfacing, and alley widening, which involves the partial dismantling of adjacent structures. However, these urban upgrading schemes are limited in scope and involve legal occupants who do not qualify as urban poor.

There are a few examples of more comprehensive, multisectoral upgrading schemes that have been carried out on a pilot basis, but mainly with donor support. However, there is no official policy at present that covers multisectoral urban upgrading, and the fairly rigid structure of local city administrations makes it difficult to mainstream such programs and projects.

A recent study,[12] jointly funded by the World Bank and the Ministry of Construction (MOC), was undertaken to prepare policy recommendations to the Government in support of improved access by the urban poor to affordable shelter, infrastructure, and services. The study recommendations will have some impact on the official stance on slum upgrading.

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[12] Viet Nam Urban Upgrading Project, *Policy Building for Upgrading Infrastructure and Housing for the Urban Poor.*

The City Development Strategy Process

Institutionalizing the City Development Strategy

The CDS Process

Cities are the prime drivers of economic growth, and they need to become the focus of good government and the venue for social inclusion and poverty reduction. The outputs of a City Development Strategy (CDS) focus on creating an environment to ensure that this happens. A CDS is defined by its process and outputs. The CDS process

- Enables the building of trust and relations between stakeholder groups as a mechanism of social inclusion;
- Builds and improves the capabilities of stakeholder groups to ensure good governance, changes institutional behavior, and creates an internal institutional ability to guide the economy and manage civil society;
- Encourages people to think about the development of their city differently from the past by enabling a critical mass to think strategically;
- Achieves a coordinated strategic approach toward addressing the complexity of development; and
- Precipitates a change in dependency attitudes and behavior among stakeholder groups.

The process is shown diagrammatically as Figure 1 and specific guidelines for each phase are found in Appendix 1.

The CDS has five stages:

Preparation: identification of the drivers of change and key partners, process management systems, objectives, and work program;

Analysis: baseline information collection, analyzing strengths and weaknesses, consensus building around a common understanding of the city's problems and priorities;

Strategy formulation: defining a vision and mission, formulating and evaluating options, identifying stakeholder roles, and developing action plans within an affordable financing framework;

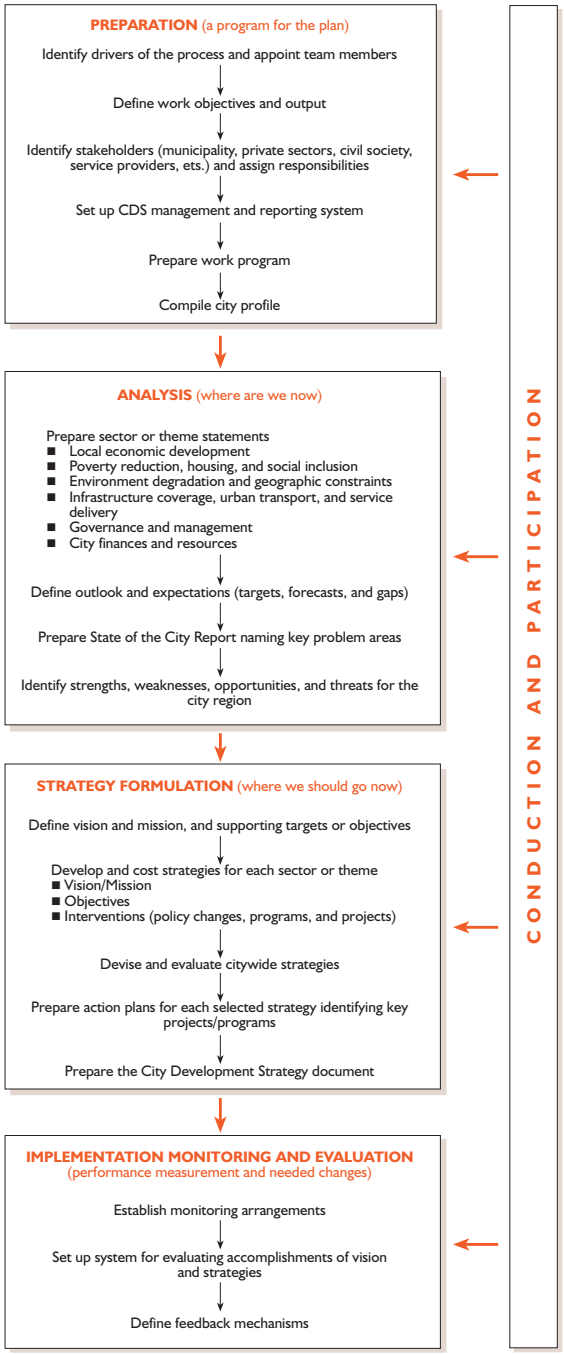


Figure 1: The CDS Process

Box 4: Collective Vision

The vision for Calicut is to become the regional development center of Malabar. Caloocan aims to become a progressive and peaceful city. Da Nang aspires to be a type-A city and a center of trade and tourism for central Viet Nam. The vision for Quezon City is to become a quality city, meaning a dynamic, healthy, productive, safe and secure, caring, environment-friendly, and well-governed city. Taguig's vision is to be a premier city recognized for its quality environment, people-oriented services, and economic opportunities for its residents. These visions represent the common aspirations of the majority of the city residents including the poor.

Implementation: implementing demonstration projects, resource mobilization by stakeholders, agreed investment plans, and donor support. CDS focuses on monitoring and evaluating progress against the vision and mission; and

Consultation: across the above four stages is a continuous participatory process involving stakeholder group meetings and consultations to arrive at a formal political commitment, agreed vision, and a strategic framework.

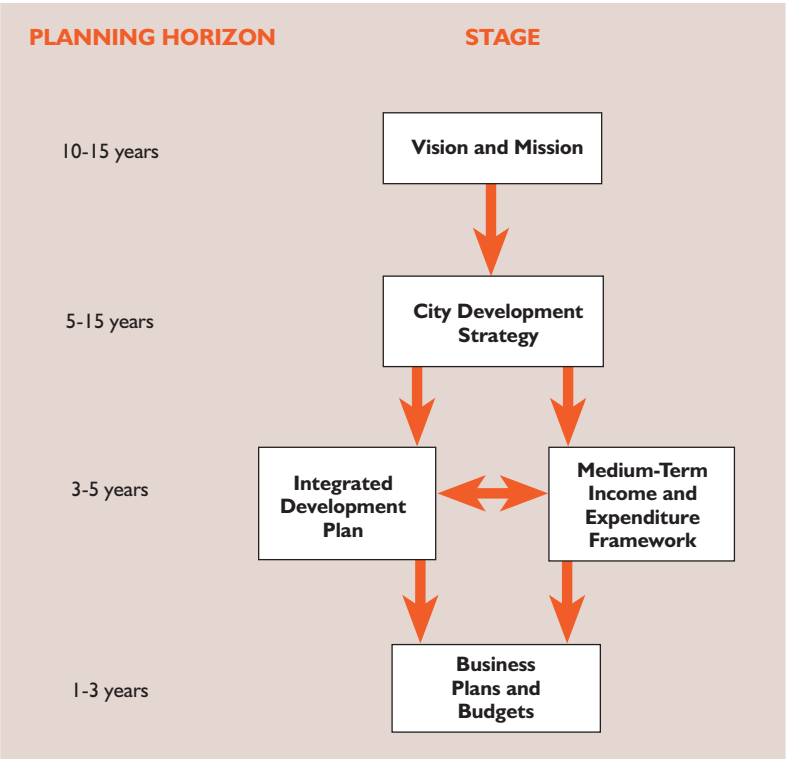
Outputs of a City Development Strategy

These are:

- A collective vision and strategy for a city, to act as the foundation for economic growth and introduce strategic thinking into city development, institutional, and financial plans;
- Defined priorities and action plans, to promote economic change and assist stakeholders in determining development priorities and resolving issues related to intersectoral priorities and investment programming;
- Development strategies that promote economic growth and address poverty reduction; and
- Defined policies that lead to an improved investment climate.

In summary, a CDS should have clearly defined aims and outputs, be based on an agreed program logic, incorporate a performance management and evaluation system, establish effective processes, and focus on appropriate outcomes and implementing mechanisms (see Box 4). The ultimate goal is for the city to create the internal institutional and political capacity to innovate and respond to the rapidly changing economic and social realities of today.

Figure 2: CDS Process and Development Planning



City Development Strategy Document

Ideally, the CDS should be presented as a summary document, comprising an executive summary (2–3 pages) and a main text (about 20–30 pages). It should contain the following:

- State-of-the-city report, covering a summary city profile, key problem areas, economic base analysis, and sector statements;
- Findings of the analysis of strengths, weaknesses, opportunities, and threats;
- Vision and mission statement, including measurable targets or objectives;
- Outline development strategies, including cost estimates;
- Action plans and interventions for each strategy, including priority projects and programs; and
- Monitoring, evaluation, and feedback mechanisms.

The relationship between the CDS and the planning process is presented in Figure 2.

Sustaining Stakeholder Participation

Saying Yes to Participation

Getting the participating cities to accept that managing a city is not the sole call of the city mayor was the easy part in most cases. Stakeholders were

identified. Their views were solicited. Opinions of the experts were heard. Together the stakeholders assessed the city's strengths and weaknesses, reflected in their aspirations for the city, and formulated a shared vision. Carrying on the CDS process through strategy formulation, selecting solutions from various options, initiating an action, a program, a project, or a policy change was the difficult part.

Participation takes time, particularly since the CDS initiative must work within the stakeholders' capacities and initiatives. Moving the CDS process too fast would have undermined participation. Participation requires commitment building. It is a process that is based on ownership and partnership, and involves consultation, information sharing, debate, and empowerment. It is a fundamental ingredient of good local governance (Gaventa and Valderrama 1999). Through participation, governments become more accountable, responsive, transparent, predictable, and effective in delivering services.

Time-consuming as it may seem, being able to participate makes people feel good. It enhances a sense of ownership. It boosts project performance. Yet sustainability of participation or its outcomes is difficult.

Developing Sustainability

One key lesson from the CDS exercise is the critical role of champions in sustaining the process. Those who have a taken the lead in the preparation of a CDS (such as mayors and local government heads) should find allies to support the city's vision and mission. These allies will be in the private sector, in government, in civil society, among the urban poor, and even among interested stakeholders who operate outside city boundaries: donor agencies who may also provide support. It is the stakeholders' mission to network, form alliances, and enable champions to emerge, make decisions, and drive the process forward. During the discussions in the Final RETA Workshop in May 2003, one of the city mayors related how "champions" are developed. A song about the city's aspirations was popularized by schoolchildren to instill in the residents' minds the ideals of their city. Another mayor in Metro Manila is planning to develop an audiovisual presentation that will depict the municipality's vision, mission, and programs in order to mobilize the residents' support for the city's programs and seek more champions.

A change in people's attitude and behavior is also necessary to sustain participation. Stakeholders must be initiated into the participatory process. Often, a project is designed without factoring in stakeholders' concerns. Stakeholders should be involved early on in all other phases of the CDS process, wherever appropriate.

Based on experience, cities that establish clear targets, show results, are transparent and responsive to the needs of the residents could encourage better participation. For instance, matching results with targets makes it easier for residents to monitor how the city performs and thus would encourage them to participate. Keeping the residents informed is essential to sustaining participation. Development goals or performance targets should be translated into monitorable units that are both quantitative and qualitative. Translating the targets into performance indicators, for example, clarifies the objectives of motherhood-type vision statements. Cities may choose the themes or drivers of the monitoring system such as customer focus and develop specific performance targets and indicators to measure progress and to facilitate sound actions.

In Melbourne, Australia, two sets of priorities were developed. One was based on the council's plan and the other was based on the city development plan to reduce duplication of direction and effort. The nature of the council's work relates to addressing environmental, social, and economic inequity or other problems of the city, and the internal priorities are determined by the city government. Examples of performance measures for the municipal government are (i) total number of days lost to staff absenteeism or sickness, (ii) proportion of rates as a percentage of total revenue, and (iii) total quality of waste generated per year by council facilities.

Box 5: Women Participation in Poverty Reduction in Kerala, India

The Community Development Society (CDSoc) is a successful model of women in development that has now been replicated in 57 towns and 1 entire district in Kerala State, which includes Calicut. The CDSoc was organized in 1993 by 10,300 women from poor families, with assistance from UNICEF and the federal and state governments. Its objective is to improve the situation of children under 5 and of women 15–45 years. The CDSoc has undertaken the planning, resource mobilization, management, implementation, and monitoring of programs and activities to eradicate hunger, malnutrition, and poverty. Poor families were identified by the local community members through the use of a newly developed poverty index. The poverty index is based on the following 10 risk factors, malnutrition and ill health, illiteracy, unemployment, substandard housing, lack of safe water supply, lack of sanitation, consumption of two meals or less a day, alcoholism, one or more children under the age of 5, and membership in scheduled castes and tribes.

CDSoc plans to eliminate the 10 risk factors. Examples of their activities are: enrollment in literacy programs,school attendance campaigns, income-generating schemes for women, thrift and credit, shelter upgrading, provision of safe drinking water, low-cost household sanitary latrines, immunization; and child care.

The community structure of the CDSoc is organized in a three-tier pattern with neighborhood groups of women consisting of 20–40 poor families, area development societies at the ward level, and a community development society at the town level.

The CDSoc has resulted in the empowerment of women and the building of community leadership. It is a unique example of community-based poverty reduction efforts of women. Since its organization in 1993, CDSoc has grown into a large-scale women's movement with a membership of 357,000 poor women from rural and urban areas, covering 20% of poor people in the state.

Source: *http://iisd.ca/50comm/commdb/desc/d33.htm*

Box 6: Indicators

Indicators are the interface of policy and data. Data are usually assembled into statistics, which often take the form of tables or other partially organized data frameworks. Indicators are usually single numbers, mostly ratios, such as the unemployment rate or the economic growth rate, which permit comparisons over time and space and have normative and policy implications.

Indicators are not data. They are models simplifying a complex subject into a few numbers that can be easily grasped and understood by policymakers and the public. They should be user-driven and are generally highly aggregated, so that changes or differences in the value of an indicator may be more important than its absolute level.

Source: ADB. 2001. *Cities Data Book: Urban Indicators for Managing Cities.* Manila..

To measure how the development plan or the city's vision/mission achieves its targets, other measures are surveyed such as (i) number of visitors who feel safe in the central business district, (ii) immunization coverage rates, (iii) amount of investments coming in, and (iv) percentage of breakdown of municipal waste stream (percent recycled, percent to landfill).

In the case of Kerala, India, the Community Development Society (CDSoc) is geared toward eliminating nine risk factors. These factors are measurable and can be monitored over time (see Box 5).

The CDS Guidelines (see Appendix 1) give a brief on performance monitoring. ADB's publication "Urban Indicators for Managing Cities" available at the web site *http://www.citiesdatabook.org* includes a suite of indicators for measuring cities' performance. The development of the indicators system was based on a study of 18 cities in Asia and the Pacific that represent different sizes and patterns of growth. The study maintains that developing indicators requires capacity building since the cities have insufficient resources. It is essential for cities to start on a manageable scale and, in consultation with stakeholders, identify a small number of meaningful objectives and indicators that are a priority for them and demonstrate measurable progress. Some of the targets may be easier to measure than others. Cities can build on the objectives and indicators as their capacity improves. A description of indicators is contained in Box 6.

Some local governments are "service driven" when it comes to social and infrastructure areas (e.g., how many police outposts were constructed? how many vaccinations rather than how many crimes responded to? how many kids get sick with what disease?). These indicators may represent a one-dimensional view and may be collected, but should later be supplemented with more meaningful messages juxtaposing two or more indicators. Over time the cities may adopt new priorities and new mission targets, and new sets of monitoring indicators will be developed. This iterative nature of the monitoring process is essential to its success and sustainability.

In the process of improving performance, cities will measure what they have accomplished in certain areas such as solid waste management or health delivery against other cities. The process is called benchmarking and is another way to sustain stakeholders' interest and participation.

Integrating CWS Programs

Slums Defined

The United Nations has defined slums as

> buildings, groups of buildings or areas characterized by overcrowding, deterioration, unsanitary conditions or absence of facilities or amenities which, because of these conditions or any of them, endanger the health, safety or morals of its inhabitants or the community.

An alternative definition provided by the Government of India describes slums

> as any area where such dwellings predominate which by the reason of dilapidation, overcrowding, faulty arrangement of design of buildings, narrowness or faulty arrangement of streets, lack of ventilation, light or sanitary facilities, inadequacy of open spaces and community facilities or any combination of these factors, are detrimental to safety, health or morale.

There is therefore a close correlation between the characteristics that define slum settlements and those define poverty (see Chapter 1), especially the lack of security and access to basic infrastructure and services. It is clear that in those cities that have slums, these areas are mostly the domain of the poor. They represent an initiative on the part of the poor to provide for themselves what government or the private sector is otherwise unwilling or unable to provide.

CWS Program Scope and Links to the CDS

A major consideration in the selection of participating CA cities was the need to address pressing issues of urbanization and poverty. Poverty reduction is an overriding CDS objective that is reflected in the identification and development of key CDS sectors or themes.

The CWS Program focuses the poverty reduction effort in each participating city on slums and squatter settlements: after all, these areas are where the majority of the urban poor live. Preparing a poverty map identifying the various slum and squatter settlements, and comparing baseline physical and socioeconomic data for these areas with data for the entire city, will serve to confirm this assumption.

The CA identifies secure tenure and improved sanitation as the principal indicators of CWS Program accomplishment. The CWS Program therefore focuses on related legal and environmental issues, to ensure the provision of secure, serviced housing for poor urban families. This will be achieved not only through the upgrading of existing slum settlements, but also by (i) resettling households from slums in danger areas, on strategic government reservations or private land otherwise

Lalluthan Kadavu Slum Settlement in Calicut

committed; and (ii) providing new, affordable serviced housing and sites in anticipation of future slum formation. An assessment of low-cost shelter for participating cities will lead to a plan for achieving this, which will take into account the limited affordability of housing for the urban poor, their competing development priorities, and capacity and financial resource constraints, among others.

The city shelter needs assessment is an important component of the CWS Program. But the CWS Program must look beyond shelter provision and address other causes of poverty in slum areas. The CWS Program will need to create the policy framework and conditions that will enable greater private investment and stakeholder participation in slum upgrading. It will also have to (i) stimulate economic regeneration to create employment and income growth; (ii) promote social development and improve systems of governance and empowerment in poor urban communities; (iii) link local infrastructure and services to wider strategic networks; and (iv) assist in creating a more skilled and productive community through improved public health, education, and welfare services.

To address all these aspects of poverty reduction, the CWS Program will have to draw upon the strategies identified in the CDS. In this sense, the CWS Program is a focused application of the CDS to specific communities and conditions, namely, poor urban households in slum settlements.

There is a high level of interdependency between the CDS and the CWS Program. See Figure 3. But because of the urgent need to initiate the slum improvement in the face of continued rapid urban population growth and slum formation, it is essential that, whatever the status of CDS preparations, existing pro-poor initiatives be continued, and those identified in the CWS Program be started as soon as possible. Priority interventions will be identified as part of a CWS Action Plan drawn up on the basis of agreed criteria linked to "doability," the need to exploit any ongoing or committed pro-poor initiatives, and prevailing resource constraints. As these priority CWS initiatives are being undertaken, the CDS may well need to be further refined and finalized through research and study in certain key sectors (themes) identified in the course of the CDS preparation process. Many of these sectors will have

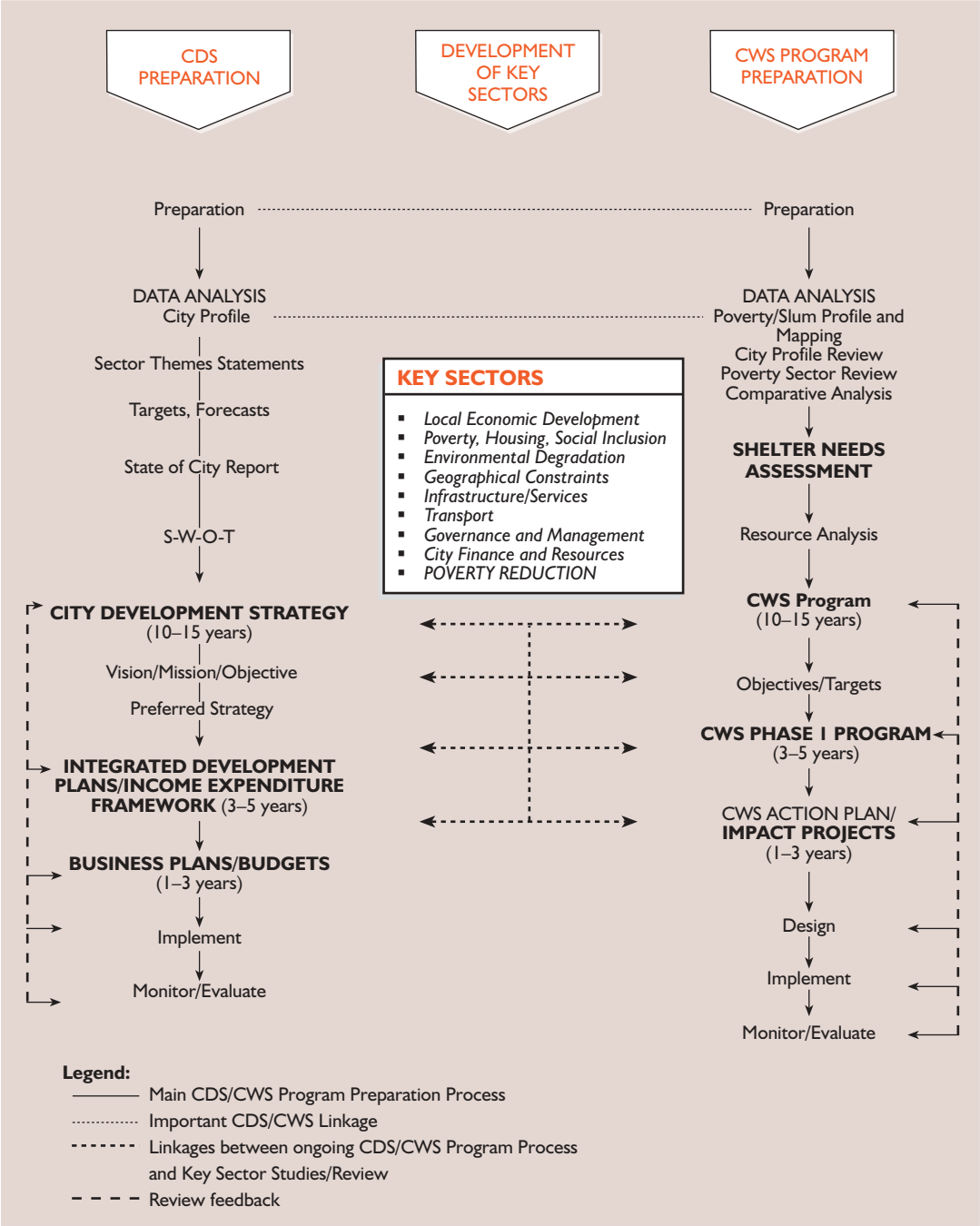


Figure 3: The CDS and CWS Processes Interrelation

important poverty reduction/slum upgrading implications that will inform and sustain the longer-term CWS Program.

Details of the proposed guidelines for CWS Program preparation are given in Appendix 2.

Potential CWS Program Components

The CWS Program will identify a wide range of policy and program interventions that will help formulate and sustain the program over the long term. It will also include interrelated project and subproject components that will address the many causes of poverty, such as the following:

- *Land acquisition:* including the subdivision and titling of land in existing slum settlements or for new low-cost housing and resettlement sites;
- *On-site/off-site civil works:* including site preparation (in some instances reclamation), and the upgrading or provision of public infrastructure, services, and facilities;
- *Provision of affordable serviced plots and housing;*

- *Finance and microfinance:* to support house or plot purchase, small business enterprise and livelihood development, and home improvement loans;
- *Community training and capacity building programs:* to empower and promote greater self-reliance, and to support training for improved community organization, estate management, and small business/livelihood activities;
- *Institutional strengthening of key stakeholder groups:* including training and capacity building of local government agencies, NGOs, and microfinance institutions; and
- *Education and awareness-raising campaigns:* including those directed to the private sector to encourage investment in pro-poor programs, and to communities in relation to HIV, crime and drugs prevention, and the encouragement of community savings and loan programs.

The preparation of CWS Program projects and subprojects will involve a wide range of activities, including physical, structural, and socioeconomic surveys; feasibility study preparation including economic and financial analysis; resettlement action plans; project/subproject design and implementation; contract documentation; and additional studies and research needed for further program/project development.

The CWS Program Document

The CWS Program should be presented as a document that contains the following:

- *Poverty/Slum Settlement Mapping/Profile:* This will list and locate all slum and squatter areas in the city, and provide key physical and socioeconomic data for each. This will provide the basis for (i) reconciling the CWS Program objective of poverty reduction with its slum settlement focus; (ii) preparing the shelter needs assessment; and (iii) preparing the CWS program and action plan including the prioritization and detailing of identified impact projects and subprojects.
- *A Review of the City's Profile:* This will be undertaken on the basis of the data derived from the CDS. It will describe existing conditions in the city, including key physical and socioeconomic characteristics that define citywide poverty, and lead to a comparative assessment of relative poverty in the city with that in slum areas.
- *Poverty Sector Overview:* This will describe existing and proposed government and private sector poverty reduction/slum upgrading policies, programs, and projects, and the activities of NGOs, the private sector, and funding agencies in the sector.
- *Low-Cost Shelter Needs Assessment:* This will be based on the existing backlog and future need (including resettlement) for low-cost housing and infrastructure, and will include (i) upgrading, resettlement, and new housing provision; (ii) social services, livelihood, and employment needs; and (iii) an analysis of affordability and resource constraints.
- *Cities Without Slums (CWS) Program:* This will comprise a phased program of intervention over a 10–15-year period linking the outputs of the shelter needs assessment to resource availability. It will incorporate policy and program interventions to sustain the CWS initiative, and projects/subprojects designed to address all poverty-related issues in slum settlements including economic, social, and governance issues. The CWS Program will include a more detailed phase 1 program of about 3–5 years.
- *CWS Action Plan (1–3 years):* This will identify a range of priority slum upgrading and poverty reduction interventions derived from the first phase of the CWS Program. These may include policy, program, and project interventions, some of which will be defined spatially in existing slum settlements or identified new low-cost housing sites.
- *CWS Impact Projects/Subprojects:* These will be drawn from the action plan, and will be designed to (i) maintain poverty reduction/slum improvement momentum from ongoing government/private sector initiatives; (ii) maximize impact; and (iii) provide a basis for the implementation of the sustained, long-term CWS Program.
- *Potential CA Funding Proposals:* These will be drawn from the CDS or from the CWS Program and based on CA eligibility criteria. The proposals will support the implementation of the action plan/impact project.
- *Monitoring, Evaluation, and Reporting Mechanisms:* for the performance monitoring of identified action plans and impact project proposals.

Guidelines for the preparation of a CWS Program are contained in Appendix 2.

The Case Studies

This part summarizes the output of the CDS/CWS process in each of the five participating cities. Each document was produced by the cities in close cooperation with key stakeholders and with the assistance of the RETA consultants. The texts that follow are summaries produced by the consultants from the original documents prepared by the city governments. The visions, objectives, problem areas, strategic interventions, and other contents were all determined by the cities themselves in various participation exercises. The editing, and in some cases the interpretation, is that of the consultants. Furthermore, since the CDS and CWS are continuing processes, the summaries reflect work completed at the end of the RETA period. Changes naturally will occur as the work-in-progress continues. The proceedings of the consultation meetings held between July 2002 and May 2003 are found in the accompanying CD-ROM under *Consultations Held*.

Figure 4: Location of Case Studies on City Development Strategy

Calicut: Partnerships in Growth and Development

Figure 5: Maps of Calicut City and Kerala State

This chapter starts with an outline of the process followed by a brief description of the state of the city, a summary of the key problem areas, and the highlights of the results of the strengths, weknesses, opportunities and threats (S-W-O-T) analysis undertaken. The vision and mission for the city is then presented and sector strategies are summarized. Finally a plan for performance measures and monitoring is discussed. A more detailed CDS as produced by the city is found in the enclosed CD-ROM under *Case Studies.*

Process

The CDS process started in Calicut in August 2002 with the preparation of guidelines and a program for the plan. A Project Steering Committee (PSC) under the City Mayor and a Technical Committee (TC) under the Deputy Mayor were set up to manage the process. Stakeholders from the public and private sectors, including civil society, were widely represented in the committees. A series of deliberations were undertaken at ward and city levels and with different stakeholder groups between August 2002 and January 2003. Fifty-one consultation meetings were held in the wards. Major stakeholders participated in citywide development seminars and group discussions. The recommendations of the ward- and city-level development seminars were analyzed and discussed by the PSC, a consensus was obtained, and a draft of the CDS document was prepared. The PSC and TC held joint sessions on the draft CDS report and arrived at common priorities for addressing future city development.

State of the City

Calicut City in 2001 had a population of 437,000 within the administrative area of the corporation and a further 184,000 in the adjacent rural areas (*panchayats*) who depend on the city for their

employment, education, health care, and commercial needs. Projections show that the population of the corporation area is expected to be 455,000 by 2010 and about 476,000 by 2020. The active labor force of the corporation area in 2001 was 134,000 (117,000 full time and 17,000 part time), representing 31% of the total population. About 15% of the labor force had part-time and seasonal work, with labor in-migration from Tamil Nadu state. Female workers represented 16% of the total. Projections show that the labor force in 2005 will be about 141,000 and is likely to reach 148,000 by 2020. Employment in the organized labor sector is diminishing.

In 2001, the primary sector accounted for 29% of total economic output, the secondary sector 27%, and tertiary activities 44%. Annual economic growth from 1991 to 2001 was minimal at about 3.2%. Lack of investments, low productivity especially in the primary sector, inadequate infrastructure, and the low level of technology all contributed to the relative economic stagnation of the city. Local economic development is driven by tertiary sector services. The city functions as a trading, education, and administrative center and has some domestic tourism potential. The percentage of population living in poverty is estimated to be 30%. The total slum population was about 77,000 in 1991 and increased to 84,000 in 2001. There are 11,000 houses in 79 informal settlements, mostly in the coastal area, covering 387 hectares (ha).

Summary of Key Problem Areas

Five key themes were identified: local economic development, poverty reduction, infrastructure and public services, environmental management and urban governance, and finance and resources. The key problem areas for each sector are summarized below.

Sector	Key Problem Areas
Local economic development	■ Slow economic growth ■ Increasing urban poverty, with widespread unemployment and underemployment ■ Paucity of skills development facilities ■ Low levels of private investment ■ Substandard urban infrastructure services and poor environmental conditions that combine to act as disincentives for private investment ■ Competing economic activities in urban outgrowth areas, which lead to the decline of the city center ■ Lack of planning perspective
Poverty reduction	■ Shortage and poor quality of shelter, basic infrastructure, and public services, including civic amenities, in poor areas and informal settlements ■ Shortage of land for low-cost housing ■ Land tenure issues in the informal settlements ■ Waterlogging of slum sites during the rainy season ■ Increasing incidence of crime and violence, addiction to drugs, and high morbidity rate in poor areas ■ Health problems stemming from poor environmental conditions ■ Increased incidence of HIV and AIDS, premature mortality, and high rate of morbidity in poor areas ■ Starvation among groups like fishermen or slum dwellers ■ Social exclusion of the poor from decision making ■ Lack of full-time job opportunities; seasonal, irregular, and part-time employment is more common ■ Presence of many unemployed but educated people ■ Lack of coordination among the agencies tackling poverty ■ Paucity of investment funds in the public and private sectors, including diminishing resources of the state government
Infrastructure and public services	■ Irregular supply and poor quality of drinking water ■ Lack of citywide sewerage and storm water drainage systems ■ Inadequate solid waste treatment plant ■ Inadequate power supply

Sector	Key Problem Areas
	■ Traffic congestion, lack of road safety, poor quality of road pavements, and major public transport deficiencies ■ Inadequate facilities for pre-primary education for children among the deprived group ■ Inadequate government-run health service and facilities
Environmental management	■ Severe flooding during the monsoon season ■ High levels of groundwater pollution ■ Inadequate sewage treatment and poor sanitation facilities ■ Deterioration of the Canoli Canal ■ Inadequate solid waste collection and disposal services ■ Degradation of wetlands and mangrove swamps ■ Pollution from vehicle emissions
Urban governance, finance, and resources	■ Lack of finances for investment and operation and maintenance of public services ■ Lack of experienced and adequately trained municipal staff ■ Lack of achievement in monitoring the agreed development goals ■ Inefficient urban and financial management system, especially in terms of the interface with the public in matters related to rates and tax collections, and the approval, licensing, and certification processes ■ Paucity of funds for urban infrastructure investments

S-W-O-T Analysis

Strength	Weakness
■ Prime location in northern Kerala ■ Adequate transportation network ■ Availability of developable land in peri-urban sector ■ Longest coast in Kerala ■ Considerable greenery and mangroves in the city ■ Trading center ■ Good administrative set-up ■ Historical city ■ Presence of major educational centers ■ Decentralized administration ■ Grassroots-level participation ■ Highly skilled manpower	■ Stagnation of the local economy ■ Inadequate sewerage system ■ High unemployment ■ Shortage of potable water ■ Presence of many slum areas ■ Inadequate solid waste disposal ■ Degradation of Canoli Canal and its associated environment ■ Lack of a citywide storm water drainage system ■ Low rate of women's participation ■ Lack of coordination among development agencies
Opportunity	**Threat**
■ Considerable tourism potential ■ Development of special education areas ■ IT and infrastructure development ■ External financial assistance ■ Potential private sector investment in developmental activities ■ Potential for participatory development activities	■ Infrastructure deficiencies ■ Lack of industrial investment ■ Changing agricultural scenario ■ Competing economic activities in the adjoining areas

Vision and Mission

The vision for the city of Calicut is "*to become a central place for the regional development of Malabar, the northern part of Kerala State.*" The goal is to eradicate poverty and to hasten local economic development. This can be achieved by funding investments in infrastructure development, improving slums, creating employment opportunities to increase household incomes, and strengthening partnerships between the government, private sector, and civil society. Skills development and improved access to education and training is a key priority.

The vision involves the city functioning as the capital of Malabar and remaining a major trading center. There is a need to develop better marketing

channels, improve transport of goods, and further develop Beypore port. Calicut is the headquarters of Calicut (Kozhikode) district and will continue to be the administrative and educational center serving northern Kerala. It will become a center for higher education in management, engineering, horticulture, medicine, and law. Developing information technology (IT) parks and electronics centers will play a vital role in the modernization of the city, particularly in Mavoor and Kunnamangalam.

Calicut is a verdant city. Its greenery particularly in the Kottooli wetlands and the mangroves is to be retained for the future generations.

Calicut will become a transit point for domestic and international tourists with the commissioning of the Bekkal tourism project and the development of a north Kerala tourism circuit. Urban architecture, symbiotic with the green environment of the city, will be promoted.

The long-term goal of the city is to become a clean, healthy, wealthy Calicut.

Sector Strategies

The vision and key objectives for each sector strategy are set out below.

Local Economic Development

Vision

The establishment of a viable and robust economic base

Objectives

- To stimulate greater investment in economic development particularly in infrastructure development, housing, social services, and tourism;
- To substantially reduce present levels of unemployment and underemployment by 2020;
- To firmly establish the city as a viable and diversified regional trading center, the hub of tourism activity in the Malabar region, a regional center for tertiary education, and a regional center for private health care and convalescence by 2020; and
- To develop the outskirts of the corporation into a commercially viable agricultural area specializing in spices, floriculture, and vegetable cultivation.

Interventions

- Creating urban investment funds and tapping different sources including external agencies and nonresident Indians;
- Generating employment through the development of the secondary and tertiary sectors;
- Reducing poverty;
- Developing the skills of the urban working class;
- Preparing a city master plan. The master plan would include the identification of land for residential, commercial, and industrial expansion on the northeastern periphery of Calicut city and would contain a local economic development strategy;
- Preparing and implementing projects and programs designed to exploit the tourism industry, IT software parks, retail supermarkets/warehouses, hotels and food industry, and small-scale industries. Sick industries would be revamped and satellite townships/corridors would be developed;
- Developing the city as a center for higher education;
- Strengthening the primary sector in outgrowth areas through increased agricultural production focused on the specialized cultivation of spices, floriculture and horticulture, and new agricultural products including vanilla, nutmeg, and herbal plants particularly those for ayurvedic medicine; and
- Making land available for developmental programs.

Poverty Reduction through Slum Improvement

Vision

A slum-free Calicut by the year 2020

Objectives

- To attain improved security of land and structure tenure for all existing slum dwellers by 2020;
- To improve basic infrastructure and services in all slum sites suitable for upgrading by 2020;
- To improve shelter conditions in slums;
- To strengthen and build the capacity of local NGOs and the community;
- To improve human resource capability of the urban poor
- To generate local employment and increase household incomes;
- To improve access to education, health care, and welfare services for the slum dwellers;
- To prevent the further growth of slums;

- To facilitate the provision of financial support to residents of slum communities; and
- To build capacity of the city corporation staff and the members of PSC and TC by 2005.

Interventions

Implementation of a poverty reduction program (2003–2020) comprising:

- Expanded coverage of the ongoing poverty alleviation programs implemented through the Urban Poverty Cell of the corporation with the participation of the community and area development societies and neighborhood communities. The programs include the National Slum Development Program (NSDP), Valmeeki Ambedkar Avass Yojana (VAMBAY), Development of Women and Children in Urban Area (DWCUA), and Urban Self-Employment Program (USEP).
- Strengthening and capacity building of local NGOs, the city corporation, and the members of the PSC and TC.

Environmental Management

Vision

In the short term (5–10 years), to improve the environment of the city, and in the long term (15–20 years), to make Calicut the cleanest, greenest, and healthiest city in Kerala.

Objectives

By 2020, to make significant improvements in all aspects of the urban environment and related standards of public health, including the implementation of public health information programs with more active public participation.

Representatives from various sectors discuss the problems in Calicut

Infrastructure and Services

Vision

By 2020, to secure access to an internationally acceptable standard of civic amenities, municipal services, and urban infrastructure for all citizens of Calicut.

Objectives

To facilitate the incremental upgrading and expansion of infrastructure and services throughout the city to an internationally acceptable standard.

Urban Governance, Finance, and Resources

Vision

By 2020, to turn Calicut Municipal Corporation (CMC) into a fully committed, efficient, well-organized, resourced, and equipped urban management organization that is capable of providing first-rate service to its citizens.

Objectives

- To significantly improve the level of urban and financial management by increasing internal revenue generation through a simpler tax structure and a more efficient collection system;
- To improve interagency collaboration and coordination to ensure timely access to planned national and state funding and attain agreed development goals and targets;
- To strengthen CMC capability through organizational improvements, streamlining of its management system, and implementation of staff training programs;
- To encourage more representative grass roots involvement and civil society's participation in the planning and implementation of the city's programs; and
- To attract greater private sector involvement and investment in planning and development initiatives.

Performance Measurement and Monitoring

The output of CDS will be judged by the implementation of programs and projects supporting the selected development approaches, the level of the stakeholders' commitment to the strategies, and the extent to which the vision/mission is achieved. A performance measurement system will be set up and indicators designed to measure performance against targets. These will be used to evaluate progress in achieving the vision/mission and the effectiveness of the CDS process. Monitoring will be undertaken for the city, and for the key themes as expressed in the specific strategies.

Cities Without Slums Program

Slum Settlement Characteristics

In 1996, Calicut City had 79 "notified"[13] slum settlements and 10–15 other slum settlements that were "unnotified". The largest of these slums was Chakkumkadavu with more than 5,000 people. The slum settlements

- covered an area of about 386 has;
- had a population of more than 84,000 people (about 19% of the total population), composing 11,260 households with an average size of 7.46 persons per household;
- had an average gross residential density of 217 persons per ha;
- comprised more than 11,000 housing units with an average occupancy of 1.16 households per unit; and
- had about half of all housing units in *kutcha* (poor), 38% in semi-*pucca* (satisfactory), and 12% in *pucca* (good) condition. Most structures were exclusively residential.

The generally pleasant coastal environment and climate, coupled with the limited extent and low densities of the city's slums, means that conditions in the slums are generally not as depressed as in many other major cities in India. Nevertheless, conditions are bad and deteriorating because of poor housing conditions and inadequate drainage and sanitation (40% of all houses have no latrines). Other problems are the lack of a reliable supply of drinking water and inadequate power supply (almost 40% of all houses have no electricity).

Links Between Slums Settlements and Poverty

Poverty—the lack of security and income, unemployment, illiteracy, and poor living conditions—is more prevalent in slum settlements than elsewhere in the city.

In 2001, about 65% of all poor families in the city lived in slum settlements. About 41% of these were unemployed, 47% had some kind of part-time work, and only 12% had regular work. A high percentage of the communities were coastal settlements that depended heavily on fishing with its low and seasonal incomes.

Literacy rates in slum communities are lower than elsewhere. In 2001, the literacy rate among the slum population was 74%, lower than the average of 84% for the entire urban area.

Poverty Reduction Programs

Current poverty eradication programs are implemented through the system involving community development societies, 44 area development committees, and 700 neighborhood committees, which was set up to implement the Swarma Jayanti Shahari Rozgar Yojana (SJSRY). The following urban poverty reduction programs are now being implemented:

- National Slum Development Program (NSDP);
- Valmeeki–Ambedkar Avass Yojana (VAMBAY); and
- SJSRY, which includes components of the Development of Women and Children in Urban Areas (DWCUA) and the Urban Slum Eradication Program (USEP).

Many families in the slum areas in Calicut live below the poverty line and are eligible for benefits under the various poverty reduction programs of the Government. The community development societies therefore have an essential role to play, and the proposed CWS program will be implemented with suitable integration with their activities. See the description of community development societies in Box 5.

The CWS Program

The main poverty-related problems and issues to be addressed by the CWS program are highlighted in

[13] Notified slum settlements are the 79 informal settlements identified by the Kerala State Town and Country Planning Department in the 1996 Socio-Economic Survey.

Chapter 1: Responding to Urban Growth and Poverty. The causes and symptoms of poverty include the following: lack of secure land tenure; poor environmental conditions and quality of life brought about by inadequate housing, infrastructure, and services; and high unemployment or underemployment resulting from a low level of appropriate skills and literacy.

The various conditions that define poverty are found mostly in slum settlements. Poverty can be reduced through a CWS program focused on poor urban communities in slum areas.

Program Goal

The goal is a slum-free Calicut by the year 2020.

Program Objectives

The specific objectives of the CWS program are those defined for poverty reduction as a priority sector in the CDS.

Program Initiatives (2003–2020)

To meet the CWS objectives and address the full range of poverty-related issues, the proposed interventions relate not only to physical improvements in identified slum settlements but also to relevant social, economic, and governance issues. The proposed CWS initiatives are classified into the following:

- *Poverty reduction program* designed to establish a policy and procedural framework to sustain the long-term CWS program, to complement and support ongoing poverty reduction initiatives, and to maximize stakeholder participation at all levels to increase the sense of ownership and improve the administrative capability of the corporation in dealing with poverty alleviation programs.
- *Specific project and subproject interventions* designed to address poverty-related issues, slum eradication, and the need for affordable low-cost shelter in the city and its outskirts.

Poverty Reduction Program

The major components of the program are the following:

- Preparation of a comprehensive slum upgrading policy for Calicut, including a review of the draft National Slum Upgrading Policy and its application;
- Expansion of ongoing poverty eradication programs (NSDP, VAMBAY, DWCUA, USEP, and SJSRY);
- Strengthening and capacity building of key institutions involved in poverty reduction and slum eradication;
- Strengthening of women's participation in poverty reduction programs;
- Development of institutions and local bank support for income-generating activities including skills training, growth-oriented enterprise and livelihood development, housing finance, and microfinance for home improvements;
- Improved education, health care, and welfare services with an emphasis on preschool and primary health care facilities and systems, maternal and child health care centers in slum areas, recreational facilities, counseling centers, rehabilitation centers, and specific projects for the destitute;
- Support for the awareness campaigns of local NGOs against crime, alcohol and drug abuse, and HIV-related problems, and in support of healthy and good behavior and improved food and nutrition, sanitation, environmental protection, and civic-mindedness;
- Information sharing and dissemination on various aspects of CDS/CWS program through the City Corporation's IT- and community-based information network, community and general public awareness campaigns, and field visits;
- Strategic planning and programming, including the formulation of a Metro Calicut development approach and supporting institutional framework, master plans in key sectors (including local economic development), a local shelter strategy and program, and project performance monitoring and evaluation guidelines; and
- Preparation of a CWS program operations manual, containing data and guidelines for use in the ongoing CWS program and in the preparation of project and subproject interventions.

Project and Subproject Interventions

The proposed project and subproject interventions are:

- Improvement of security of land and structure tenure, including the mapping and valuation of slum settlements and vacant developable land, the conduct of topographical, physical, and cadastral surveys, the establishment of acquisition procedures and tenure arrangements, and the acquisition of sites according to the CDS and current plans and programs;
- Upgrading or provision of basic infrastructure

and services in slum settlements and new low-cost housing sites, including all the necessary physical and social infrastructure and facilities;
- Provision of affordable serviced plots and housing in new development sites for new low-income households and relocated squatters;
- Improvement of slum shelters by maximizing self-help and capitalizing on ongoing government poverty reduction programs and microfinance support;
- Development of specific implementing and funding arrangements including institutional roles and responsibilities, implementation schedules, funding sources, and cost recovery arrangements;
- Establishment of project performance monitoring indicators; and
- Training of poor communities, especially their women members.

Scope of the CWS Program

The CWS program will cover all 79 notified slums and other slum-like settlements. New housing sites must be found in the city and the neighboring area for the resettlement of the slum dwellers. The CWS program will also be extended to slums in the outgrowth *panchayats*. Most resettlement and new housing sites will be located in these *panchayats*. Studies leading to the incorporation of the outgrowth *panchayats* and "unnotified" slum settlements will be part of the proposed CWS program.

Preliminary Local Shelter Plan

The preliminary shelter plan presents estimates of the demand for housing, infrastructure, and services in the Calicut City Corporation area, based on the estimated present population and the projected population up to 2020. The plan is based only on "notified" slum settlements in Calicut City and the future demand for low-income housing, and does not consider the backlog or the future demand for all housing. It is intended to provide a framework for prioritizing CWS program initiatives and preparing an action plan for pilot interventions. The shelter plan will be implemented in four phases: Phase 1, from 2003 to 2005; Phase 2, from 2006 to 2010; Phase 3, from 2011 to 2015; and Phase 4, from 2016 to 2020.

The preliminary shelter plan for Calicut City for 2003–2020 and its main assumptions are shown in Table 1. The plan assumes a steady increase in housing delivery over the period, in line with increased institutional capacity and access to funds.

Priority Impact Projects (2003–2005)

The Project Steering Committee (PSC) identified three slum settlements in Calicut City as priority areas for intervention. These are Kalluthan Kadavu, Pallikkandi (West), and Koyavalappu (Table 2). These settlements will be the focus of CWS subproject interventions in Phase 1 (2003–2005).

Physical improvements and programs to increase income generation by building capacity, improving skills, and raising awareness are key components of the action plan for the first phase of the proposed CWS program in the three priority areas.

Table 1: Low Cost Housing and Slum Settlement Shelter Plan for Calicut City, 2003–2020

Phase (years)	1 (2003–2005)	2 (2003–2010)	3 (2010–2015)	4 (2016–2020)	Total
Slum Settlements[a]	3	23	30	23	79
Houses and Structures[b]	420	3,220	4,200	3,220	11,060
House Relocated Because of Upgrading[c]	85	645	840	645	2,215
Houses Remaining After Relocation[d]	335	2,575	3,360	2,575	8,845
New Houses to Replace *Kutcha* Housing[e]	165	1,285	1,680	1,290	4,420
Semi-*pucca* Housing to be Renovated[f]	125	980	1,275	980	3,360
New Housing for Population Growth[g]	260	310	330	400	1,300
Total New Housing (Resettlement + Population Growth)[h]	345	955	1,170	1,045	3,515
Gross Area of New Housing Sites (ha)[i]	3.45	9.55	11.70	10.45	35.15

Notes
[a] Seventy-nine existing notified slum settlements in Calicut City.
[b] Average of 140 per slum settlement.
[c] Assumed average of 20% of all existing structures in each settlement to be relocated due to upgrading process.
[d] Assumed residual housing after relocation and resettlement.
[e] Fifty percent of all remaining houses are *kutcha*, for replacement in situ on-site with new housing.
[f] Thirty-eight percent of all remaining houses are semi-*pucca*, for renovation and repair.
[g] Demand for new low-cost housing. Assumptions: Demand based on 20% of total projected population growth, diminishing average household size from 7 persons in 2003 to 5.5 persons in 2020. Assumed one household per structure.
[h] Total demand for new housing demand formed resulting from resettlement (63%) plus housing for and new population growth (37%).
[i] Assumed gross area per house/plot = 00 m^2 per house/lot (60 m^2 net residential area + 40 m^2 for public open space, roads, etc.).

Table 2: Priority Impact Projects in Calicut City: Area, Households, and Population Covered

Settlement	Area (ha)	HHs	Population	Existing Houses		
				Kutcha	Semi-*pucca*	*Pucca*
Kalluthan Kadavu	1.20	89	365	89	–	–
Pallikkandi (West)	2.00	71	524	11	10	50
Koyavalappu	30.00	272	2,001	178	42	52
Total	**33.20**	**432**	**2,890**	**278**	**52**	**102**

HHs = households.

Comments

Selection of Calicut

Calicut was selected as participating city in the ADB RETA following discussions between central and state government officials, officials of ADB, and representatives of the ADB resident mission in New Delhi. Calicut is in Kerala Province, which is the focus of several ongoing and proposed ADB interventions, including the proposed Kerala Sustainable Urban Development Project (PPTA: IND 32300-01). After the selection, the City Corporation submitted a formal letter to ADB requesting inclusion of the city in the RETA.

The RETA team made separate visits to Calicut and New Delhi to meet with central Government officials. The first visit in July–August 2003 involved meetings with state officials, Calicut Corporation and Council members, Calicut Development Authority and other municipal agency officials, NGOs, and the private sector to introduce the RETA. Activities included:

- A formal introduction of the Cities Alliance to the Mayor and the City Council;
- A workshop and detailed briefing of key government agencies and representatives of NGOs, community groups, and business interests, at which the groundwork for strategy formulation was laid and a draft vision and mission statement was prepared; and
- Separate meetings with state and local government agencies, NGOs, and community and business leaders. A PSC was formed; it included representatives of the corporation, other government departments, NGOs, business interests, community groups, and the academe. Agreement was also reached on schedules and working arrangements, and the counterpart staff to be assigned to the program.

The RETA team made a second visit in November 2002, this time to meet with central Government officials, the CA Regional Adviser in New Delhi, and the Mayor and representatives of the City Corporation and the Steering Group in Calicut. The visit reaffirmed ADB's commitment to the CA and followed up on the progress of work.

A third visit of about 3 weeks was carried out in December 2002–January 2003 to assist with the production of a draft report on the CDS/CWS program.

Understanding and Accepting the CA Concept

Corporation and Steering Committee staff mostly showed a high degree of technical capability, although only a limited number could be made available for CDS/CWS preparation. There was acute awareness of the problems facing the city, and wide interest in participation. The state government has an essential role to play in local affairs, not least of all because it allocates state plan funds to the corporation budget, but the corporation enjoys a high level of autonomy in decision making.

Members of the corporation and the Steering Committee were generally proficient in the English language. Simultaneous translation or interpretation was nonetheless helpful in understanding the proceedings of workshops and Council meetings.

The need for stakeholder participation in CDS/CWS program preparation was generally appreciated. About 50 consultative meetings were reportedly held with various stakeholder interest groups.

Counterpart Team

The corporation had limited staff available for full-time involvement in CDS/CWS program preparation. The Steering Committee was involved at key decision-making junctures of the process, but day-to-day responsibility for CDS/CWS program preparation fell solely on the nominated Project Coordinator, the then Deputy City Secretary. The Coordinator reported regularly to the Mayor and members of the corporation and the Steering Committee.

Progress

Whatever the level of internal discussion and coordination, it appears that the Project Coordinator, with limited technical support, was almost singlehandedly responsible for CDS/CWS program documentation. This considerable workload, in addition to the Project Coordinator's other duties,

clearly affected the rate of progress. Under the circumstances, the progress made was significant, even if it was slower than originally expected by ADB and provided for in the agreed work program.

CDS/CWS Program

Preliminary reports on the CDS/CWS program were sent to the RETA team for review and comment. Although not complete, the reports were generally sound and broadly followed the recommended guidelines. The team has sent its comments on the reports to Calicut, but has received no response to date. In summary, the comments urged the city government to

- Describe the process and rationale for the selection of the five key sectors around which the CDS was formulated, and the role of the Steering Committee in the process;
- Provide more comprehensive baseline population and poverty data for CDS/CWS program preparation, or suggest ways in which the present data could be expanded (possibly with CA funding support);
- Validate population projections drawn up for illustrative purposes and incorporated in the draft CDS/CWS documents;
- Translate sector statements into broad plans and programs, with some indication of priorities and estimated costs;
- Complete the descriptions of priority action plans and impact projects in the CWS program document;
- Reexamine and develop the concept of a Greater Calicut planning area, incorporating outlying *panchayats* (possibly with CA funding support); and
- In coordination with the CA office in Delhi and considering the need for an economic development study, prepare a proposal for possible CA funding.

Caloocan: Onward Caloocan's Best

Figure 6: Map of Caloocan City

Process

The initiating workshop in July 2002 and several meetings between the RETA team and the staff of the city government clearly showed similarities and differences between the CDS and a city development plan.

The technical staff decided that the city's Medium-Term Development Plan for 2000–2005 (MTDP) was to be the basis for its CDS. The MTDP had been prepared in consultation with representatives of various sectors, department heads of the city government, barangay heads, and representatives of people's organizations, NGOs, and the private sector. In a meeting at the Asian Institute of Tourism in 2000, City Council committee heads presented the recommendations of a report prepared by the technical staff on the plan to about 400 participants, mostly from Caloocan. A technical committee, composed of staff from the Planning Office, consolidated the comments on the report, revised the MTDP, and submitted the revised version to the Sangguniang Panglungsod (Legislative Council) in 2001. After several months of deliberations, the Legislative Council approved the revised MTDP and endorsed it to the Metro Manila Development Authority (MMDA) and the National Economic and Development Authority (NEDA).

A draft CDS report was presented by the Mayor in the final workshop on 27 May 2003. A copy of his presentation is in the attached CD-ROM under *Case Studies*.

State of the City

Caloocan City, in the north of Metro Manila, the National Capital Region (NCR), has a total land area of 5,333.40 has, and is made up of two noncontiguous parts: North Caloocan (3,970.90 ha) and South Caloocan (1,362.50 ha).

In 2000, the city had a population of about 1.18 million. The population increased by 3.06% a year, on the average, between 1995 and 2000. In the last 10 years, the increase in population has been more rapid in North Caloocan, where about 52% of the city's population now lives. The city's population is projected to reach about 1.59 million by 2010, and about 1.87 million by 2017.

Most of the high-density commercial and residential activity in the city is concentrated in the south, which has a population density of about 428 persons per ha. In 2002, about 63% of the land in South Caloocan was residential, 11% industrial, and 7% commercial. North Caloocan, in contrast, is still relatively undeveloped. In 2002, only 46% of the land in North Caloocan was residential, and less than 5% commercial and industrial; 36% was still vacant land.

The CDS envisages a shift in urban development emphasis from South Caloocan toward North Caloocan, mainly because of the relatively low population density and the large area of vacant land in the north. However, this development strategy will entail close cooperation with the national Government, which owns more than 60% of all vacant land in the city (Table 3).

Tables 3 and 4 summarize the land use and population distribution in the city.

The city had a young population, with 36% aged below 14 and about 2% 65 years and over in 1995. There were 61 dependents for every 100 persons in 1995.

In 1989, simple literacy (the ability to read and a write a simple message in any language or dialect) in the city was 98% while functional literacy (including mathematical skills) was 91%. In 1995, about 33% of the population had at least a secondary education.

Table 3: Vacant Lands in Caloocan City, 2002

Ownership	Area (ha)	Percentage of Total
National Government	3,285.91	61.61
Danger Zones	1,088.01	20.40
Local government	196.80	3.69
Right-of-way		
Private	762.68	14.30
Total	**5,333.40**	**100.00**

Source: ADB TA 3760-PHI: Metro Manila Urban Services for the Poor Project, 2002.

Table 4: Current and Projected Population of Caloocan City, 1990–2010

Year	Caloocan City	North Caloocan	South Caloocan
1990	761,824	277,635	484,189
2000	1,349,044	737,632	611,412
2003	1,592,487	928,333	664,154
2005	1,778,726	1,074,222	704,504
2010	2,345,265	1,518,020	827,245

Key Problem Areas

Poverty and Unemployment

- In 2000, 23.13% of the work force was unemployed—84,000 more than the 1997 level of 45,000 unemployed.
- In 2000, 33.5% (84,000 households) of all households were below the poverty threshold.[14]
- Savings rate per family dropped from 26% in 1991 to 16% in 1997, indicating the increased cost of living.

Social Services

- There is one classroom for every 112 public elementary school students.
- There is one hospital bed for every 2,124 people.

Institutional Issues

- Roles are unclearly defined.
- Coordination among government agencies is weak.
- There is a lack of technical and administrative capability.
- The general public hardly participates in development.
- Political boundaries are under dispute.

Drainage and Flooding

- About 23 has of the land area is flood-prone.
- Rapid and unplanned land development in North Caloocan has paved forested and other green areas with concrete and other nonpermeable materials.
- Reclamation blockage[15] and the conversion of natural streams into underground drainage[16] has resulted in the loss of natural waterways.

[14] The threshold monthly income estimated at $200 in 2000, is the minimum amount required to meet all the nutrition and other needs of a household with 6 members.
[15] First Consultative Meeting, Metro Manila Flood Control Program. MMDA, 17 August 1999.
[16] Ibid.

Solid Waste Management

- Caloocan City generated more than 614 metric tons of solid waste in 1995.
- In 1995, only about 62% of garbage was collected daily; 38% was dumped in rivers, roads, and open spaces, or recovered by scavengers.

Housing Backlog and Urban Blight

- In 2002, informal settlements had a housing backlog of about 43,100 units. Of these, about 5,600 were in danger zones and government reservations, and about 37,500 were potentially upgradable units on government or private land (see Table 3).
- The household occupancy ratio in informal settlements is about 1.28 households per unit, versus the desired level of 1.05 households per unit.

Opportunities

- Nineteen percent of the land is available for new urban development (slope of 0–3%).
- New transportation projects:
  - Four railway projects (two in the pipeline);
  - Manila–Clark Rapid Rail Project;
  - Manila–Calamba Commuter System (South Rail); upgrading;
  - Extension of two circumferential roads;
  - C-3 Road and C-4 Road connection;
  - Development of two highways;
  - Extension of Mindanao Avenue; and
  - Skyway 2 Project, above grade of C-3 Road.
- Upgrading of the urban core in South Caloocan and development of new subcenters in North Caloocan.
- Renewal of shopping areas in South Caloocan.

Vision and Mission

Vision: Onward Caloocan's Best

The city envisions itself to be a self-reliant, progressive, peaceful, and orderly city, with South Caloocan successfully transformed into a commercial and financial hub, and North Caloocan into a bustling industrial center serving the northwestern part of Metro Manila.

Mission

The city's mission is to build a responsible community of people who

- respect one another's dignity and uniqueness, and the diversity of the citizenry;
- respect their common historical and cultural heritage;
- responsibly use their environment and finite resources;
- are self-reliant, healthy, and educated, and are concerned with the well-being of their fellow men;
- have equal access to socioeconomic opportunities and public resources; and
- have compassion, especially for those who have less in life.

Major Development Goals

- Reduce poverty and unemployment;
- Facilitate the provision of adequate social and economic infrastructure services;
- Promote a livable urban environment; and
- Upgrade the capacity of local institutions.

Development Strategies

Five priority themes were identified: economic development, trade and industry, labor and employment, housing, and health. Summary strategies under each theme are shown below:

Economic Development

- Develop South Caloocan into a financial center for the northern parts of Metro Manila and Region 3;
- Establish industrial estates in North Caloocan; and
- Increase the incomes of the urban poor through effective livelihood programs and projects.

Trade and Industry

- Develop an investor-friendly registration system for businesses;
- Promote private sector participation in economic development;
- Provide investors with investment guidelines;
- Coordinate with national agencies in developing industries concerned with export potential (garment and furniture);
- Provide tax incentives for investors;
- Establish an effective system for monitoring the accomplishment of economic programs and projects of the local government; and
- Develop growth points that are conducive to commercial and industrial development.

Labor and Employment

- Implement training programs based on demand identified by the Technical Education and Skills Development Authority;
- Improve the efficiency of job placement programs and projects of the Public Employment Service Office and private enterprises; and
- Establish an industrial peace mechanism for *barangays*, the local government, the private sector, and the Department of Labor and Employment.

Housing Development Policies and Strategies

- Promote equitable access to housing services for underprivileged and homeless constituents;
- Provide security of tenure to legitimate beneficiaries and protect the welfare of small landowners; and
- Improve the capability of stakeholders to undertake housing programs and projects.

Health Development Policies and Strategies

- Construct, rehabilitate, and upgrade sanitation and health facilities;
- Coordinate with agencies of the national Government in the provision of additional health personnel, health facilities, and medical equipment;
- Strengthen the health service capability of health personnel, including community volunteers and *barangay* health workers; and
- Promote and strengthen community participation in health and nutrition activities and sustain people's awareness through intensified advocacy and information, education, and communication campaigns.

Cities Without Slums Program

Introduction

The city government is implementing an integrated and comprehensive urban and housing development program throughout the city to deal with the problem of increasing urban blight and ultimately reduce poverty. The city's report on its CWS Program (in the accompanying CD-ROM), prepared in coordination with the City Local Housing and Urban Development Board and in consultation with the RETA team, seeks to provide low- and middle-income families with the opportunity to acquire decent housing at affordable cost.

Informal Settlements

The population has increased steadily in recent years, partly because of natural population growth, but also because of in-migration from the following sources:

- Rural migrants drawn by the economic opportunities in Metro Manila;
- Informal settlers from neighboring cities in Metro Manila relocating to National Housing Authority (NHA) resettlement sites such as Bagong Silang, Bagong Barrio, and Dagat-Dagatan; and
- Migrants from overcrowded neighboring cities in Metro Manila, moving especially to North Caloocan.

The city has become a favored entry and transit point for migrants. Many families have settled in Caloocan because of its strategic location and proximity to their places of work. Informal settlements have formed along waterways, railroad tracks, and idle government and private lands (see Table 5). These areas are blighted and poorly served. Most have inadequate supply of water and no proper means of disposing of sewage and storm water, worsening problems of sanitation and flooding, and resulting in deplorable living conditions for the residents. As of July 2002, there were about 55,221 slum and squatter families in Caloocan. Almost two thirds of them were on government land (Table 5).

In 2000, about 22% of the city's population lived in depressed areas and informal settlements (Table 6). Unemployment and underemployment were higher in these areas than elsewhere in the city (Table 7). Poverty, brought about by unemployment, is one of the main factors contributing to the increase

Table 5: Informal Settlers in Caloocan City, 2002

Depressed Area/Location	No. of Families	Percentage of Total
A. Danger Area		
1. Waterways	1,883	3.41
2. Railroad Tracks	1,200	2.17
Subtotal	**3,083**	**5.58**
B. Government Infrastructure		
1. Road Right-of-Way	3,196	5.79
2. Public Utilities	899	1.63
Subtotal	**4,095**	**7.42**
C. Government-Owned Land	34,895	63.19
D. Private Land	13,148	23.81
Total	**55,221**	**100.00**

Source: Urban Poor Affairs Office, and Office of the Mayor.

Table 6: Characteristics of the Population of Depressed Areas in Caloocan City , 2000

	Caloocan City-Wide	Depressed Areas
Population	1,177,604	306,177
No. of Households	249,567	54,966
Average Household size	4.72	5.57
Percentage of Households in Depressed Areas	22.02	
Area (ha)	5,333.4	1,026.0
Gross Density (persons/ha)	220.8	298.4

Source: ADB. 2002. Metro Manila Urban Services for the Poor Project. Manila.

Table 7: Economic Profile of Depressed Areas in Caloocan City, 2000

Employment/Livelihood	Caloocan City	Depressed Areas (%)
Employed (% of labor force)	82.0	60.8
Part-time Employed	n.a.	9.5
Unemployed	18.0	39.3

Source: ADB. 2002. Metro Manila Urban Services for the Poor Project. Manila.
n.a. = not available.

in informal settlements. Other factors include the following:

- Increase in the number of poor urban households through natural growth and in-migration;
- Lack of affordable housing and housing sites;
- Availability of vacant and idle government and private land, especially in North Caloocan;
- Presence of government resettlement and relocation sites in the city;
- Weak monitoring and enforcement of housing laws and ordinances;
- Presence of squatting syndicates; and
- Land disputes and conflicting claims, which hamper land development.

Socialized Housing Programs of the City Government

A shelter program launched by the national Government pools the resources of all shelter agencies to meet the needs of the poorest 40% of the population. Under the Medium-Term Philippine Development Plan for Shelter (1999–2004) the housing sector targets the provision of shelter security to 1.2 million households for the period 2001–2004. The city government of Caloocan, for its part, has implemented the following programs to address the shelter needs of the city's homeless and low-salaried constituents:

- In coordination with NHA, relocation to government resettlement sites of informal settlers occupying danger areas and sites earmarked for government infrastructure projects.
- Legalization of the land tenure status of informal settler families occupying private properties through the Community Mortgage Program (CMP). Completed and ongoing projects benefit almost 400 families.
- Relocation to resettlement sites through the CMP of informal settlers scheduled for eviction through court order or from government projects.
- Awarding of disposable lots in the city-owned Camarin 1 and 2 projects. About 400 families are expected to receive lots in the projects.
- Expropriation of private properties identified as socialized housing sites by the city government. The expropriation is expected to benefit about 1,800 families.
- City Employees Housing Program, in coordination with the NHA. The potential beneficiaries number more than 400 families.

Key Issues

To improve the quality of life of poor urban communities in slum settlements, the following key issues need to be addressed:

- Poverty and unemployment,
- Lack or poor quality of education and skills training,
- Lack or substandard quality of physical and social infrastructure and services,
- Growing backlog of housing,
- Environmental pollution,
- Poor garbage disposal,
- Traffic congestion,
- Flooding and drainage problems, and
- Underdevelopment of prime urban land.

Addressing the housing backlog, and the deepening urban blight, requires policy reforms. These reforms pertain to the following:

- Local fund sourcing for socialized housing;
- Access by the urban poor and the informal sector to housing loans, credit, and microfinance;
- Acquisition and disposition of land for socialized housing that meets the needs and economic condition of the beneficiaries;
- Active participation of people's organizations (POs) and NGOs in the drafting of laws and ordinances, programs, and plans of action for socialized housing for the urban poor;
- Stricter enforcement of housing and antisquatting laws and ordinances, especially against squatting syndicates; and
- Land titling.

Low-Cost Shelter and Slum Upgrading Strategy

Vision

Caloocan City envisions itself as becoming a slum-free, ecologically sound, clean, and progressive city.

Mission

The city has set for itself the mission of uplifting the living conditions of its urban poor by providing them with decent shelter through socialized housing, with access to basic services and a share in the benefits of progress and development.

Objectives

- Formulate a 15-year strategy for the city that will address the housing backlog and provide decent and affordable housing to low-salaried residents and urban poor families eligible for such housing under Section 16, Article V, of RA 7279 Urban Development and Housing Authority (UDHA);
- Encourage private sector participation in socialized housing by fostering joint ventures and partnerships between the city government, the corporate sector, and the target beneficiaries;
- Transform the city's housing sites from their underused state into environmentally sound, responsive, and productive communities with the active participation of the affected families; and
- Raise the standard of living of the city's housing beneficiaries.

Present and Future Housing Needs

In 2002, there were 316,634 households occupying 247,430 housing units in Caloocan, for an occupancy ratio of 1.28 households per housing unit. This ratio is expected to increase to 1.30 by 2005

Table 8: Housing Needs of Informal Settlements in Caloocan City

	Existing Conditions (2002)[a]		Backlog (2002)	Housing Need (2002–2017)[b]		Assumptions/ Remarks
	No. of HHs	Housing Units		Units to be Upgraded On-Site	Units that Cannot be Upgraded	
Total Units that Cannot be Upgraded						
Danger Zones	3,083	2,409	2,936	0	2,936	
Government Infrastructure Projects/Road Right-of-Way	4,095	3,199	3,900	0	3,900	HHs to be resettled at 1.05 HHs/unit
Total	**7,178**	**5,608**	**6,836**	**0**	**6,836**[c]	All housing units to be replaced
Total Units that Can be Upgraded[d]						80% to be upgraded on-site 20% to be displaced
Government Land	34,895	27,261	33,234	21,809	11,425	
Private Land	13,148	10,272	12,522	8,218	4,304	
Total Backlog (as of 2002)	**55,221**	**43,141**	**52,592**	**30,027**	**22,565**	
Future Housing Needs due to Growth of Informal Settlers (2017)[e]						
No. of HHs/ Housing Units	**32,064**	**0**	**30,537**	**0**	**30,537**	
TOTAL HOUSING NEED	**87,285**	**43,141**	**83,129**	**30,027**	**53,102**	

Source: Caloocan City Planning and Development Office/Urban Poor Affairs Office.
HHs = households.
[a] Assumed average occupancy of housing units: 1.28 HHs per unit (2002).
[b] Assumed future desirable occupancy of housing units: 1.05 HHs per unit (see Metro Manila Urban Services Project).
[c] Units that cannot be upgraded are those in danger zones and government infrastructure reservations. All structures will be replaced with new housing units in resettlement sites.
[d] Of the units that can be upgraded, it is assumed that 80% will be upgraded on-site and 20% will be displaced by upgrading (such as the introduction of infrastructure and services, and the demolition of structures in poor condition).
[e] Based on estimated 2017 Caloocan City population of 1,872,619; annual average growth rate (2002–2017) of 2.50%; total increase in population (2002–2017) of 587,841; potential informal settlement population equivalent to 30% of total, or 176,352; average household size of 5.5 persons, for a total of 2,064 households; desirable occupancy of 1.05 households per unit, for a future housing requirement of 30,537 housing units.

as population growth outstrips housing provision. The ideal occupancy ratio suggested in the Metro Manila Urban Services Project (MMUSP) is 1.05 households per housing unit.

More than 83,000 low-cost housing units will be needed by 2017 (Table 8). About 30% of the housing need can be met through on-site upgrading of housing units in informal settler communities, while 70% will require the development of new sites and affordable housing to accommodate households resettled from nonupgradable housing and to provide for future growth.

CWS Program

The following housing programs and projects are proposed for the period 2003–2017 to address the city's housing backlog and future needs. Details are found in the attached CD-ROM.

- Resettlement of informal settler families occupying danger areas and government properties earmarked for development: relocation of informal settlers to government resettlement sites, in coordination with NHA, or acquisition and development of private land into serviced home lots through the CMP.
- Community Mortgage Program (CMP): assistance to poor urban communities in purchasing the private land they occupy through the CMP.
- Legalization of tenure status of informal settlers occupying government resettlement or socialized housing sites, in coordination with NHA and other government agencies concerned.
- Conversion of idle government lands into socialized housing sites, including noncore properties of the Philippine National Railways; Tala Estate (Department of Health [DOH] property); Department of Social Welfare and Development property; and the Civic Center area.
- Joint venture acquisition and development of private lands for socialized housing, including Eng Hiong Tan property in Bagbaguin and Pangarap Village.
- Construction of temporary shelters: construction of bunk houses with community facilities in a government-designated evacuation center for families rendered homeless by natural or man-made disasters.
- Expropriation of private properties.

CWS Pilot Project

A number of potential slum settlements were evaluated and a priority CWS pilot project that met the following selection criteria was identified:

- Development priority of the city government,
- Good development potential,
- High impact on poverty reduction (large number of potential beneficiaries),
- Positive impact on the economy of the surrounding areas, and
- Development plans for the area and its environs.

Civic Center Upgrading Site

The initial evaluation led to the selection of the Civic Center site in Tala Estate as an appropriate CWS pilot project for slum upgrading. The details of the proposed project site are as follows:

- *Location:* North Caloocan, Tala Estate, Barangay 178, Zone 15.
- *Area:* 10 has. Residential lots, 7 has; roads and public parks and playgrounds, 3 has.
- *Lots generated:* 1,400 50-square-meter home lots; 7 phases of development, at 200 lots per phase.
- *Beneficiary households:* 1,400.

Victoria Wave Resettlement Site

At the wrap-up meeting with the RETA team on 12 June 2003, the Mayor suggested the Victoria Wave site, close to Tala Estate in North Caloocan, as another priority resettlement project under the CWS Program. This 130-ha site has been leased by NHA to a private company (Victoria Wave) for commercial and industrial use. But it is largely vacant, although parts of it are occupied by squatters. The Mayor intends to have the city buy out the lease and develop the site for the resettlement of poor households from slum settlements around the city, with national Government support. Further details of the proposal are not yet available at this stage but are being prepared by technical staff of the City Planning and Development Office (CPDO) and Urban Poor Affairs Office (UPAO) at the Mayor's instruction.

Comments

Selection

Caloocan City was included to enable lessons to be drawn from the city's ongoing involvement in the Metro Manila Urban Services for the Poor Project (ADB TA 3760-PHI). Also, the city has an emerging IT capability, which could facilitate participation and support the networking objective of the TA.

Understanding and Accepting the CA Concept

At the first meeting, the RETA team gave a comprehensive briefing on the scope and objectives of the RETA for the Mayor and his senior technical staff. However, until the concluding workshop in May 2003 the senior technical staff showed little understanding of the CA process. There was also some confusion between the RETA and a parallel ADB TA project, the MMUSP that was only dispelled after the MMUSP was completed.

Counterpart Team

Interaction between the RETA team and the city in the early stages was complicated by the fact that until about halfway through the RETA there was no counterpart team.

Responsibility for the city's participation was eventually given to the CPDO (for the CDS) and to the UPAO (for the CWS Program). The CPDO division head was asked to drive the overall process. However, the city lacks resources and the necessary technical planning and development skills. The preparation of the CDS and CWS Program also coincided with Comprehensive Land Use Plan (CLUP) preparation and approval, and in the initial stages with involvement in the MMUSP. The CPDO was reluctant to participate in the CDS process. The UPAO, on the other hand, showed interest and willingness to take part in CWS Program preparations. A new CPDO head was named toward the close of the RETA.

City Development Strategy

The responsibility for the preparation of the CDS rests with the CPDO. The CDS is based on the City Development Plan (CDP). No external or non-local government unit stakeholder seems to have been involved in its preparation, and only cursory reference was made to the CDS guidelines presented by the RETA team. Suggestions made to expand the City Development Council to include other stakeholders evoked no responsive action.

An audiovisual presentation of the draft CDS was prepared and the draft CDS (found in the accompanying CD-ROM) was formally submitted to the RETA team.

The CDS vision and mission are stated in general terms. However, the underlying strategy of developing North and South Caloocan through different development approaches appears sound.

The CDS, such as the parts pertaining to the emerging national highway network (C5 and C6) and the proposed MRT extension to Monumento, displays some awareness of its strategic framework. But it hardly, if at all, recognizes the essential interdependency between local governments in Metro Manila, a factor especially critical in Caloocan, which is bisected by Quezon City.

City Without Slums Program

The UPAO, which was responsible for the preparation of the CWS Program, made some progress in spite of limited resources. It submitted a preliminary CWS Program to the RETA team for comment in April 2003, responded well to comments, and incorporated many of these in the draft CWS Program report it submitted in early-June 2003. There are indications that the RETA succeeded in building UPAO staff capacity.

Comments on the draft CWS Program report include the need

- to link the CDS strategy with the city's shelter needs and with its public investment plan and pro-poor initiatives, as well as those of the national Government, particularly with respect to slum improvement and low-cost housing;
- for more details on priority actions;
- for more details on supporting actions such as those related to livelihood and housing finance and the involvement of the private sector;
- to indicate possible proposals for CA funding; and
- to suggest further training needs and capacity building requirements.

Da Nang: Economic Growth Through a Sustainable Environment

Continued economic growth is a key target of Da Nang's CDS. This chapter summarizes the document produced by the stakeholders of Da Nang. It starts with a brief outline of the CDS process, gives an overview of the current state of the city, sets out the key problem areas, and summarizes the results of the strengths, weaknesses, opportunities and threats (S-W-O-T) analysis. Then it presents the vision and mission statements and key targets for Da Nang, followed by the key themes, preferred development strategies, priority actions, and implementation notes. A more detailed write-up on the CDS is found in the accompanying CD-ROM.

Process

In August 2002, a Management Committee comprising senior representatives[17] from a number of agencies was formed to oversee the implementation of the CDS/CWS. An Implementing Team was organized to support the Steering Committee. The Management Committee and the Implementing Team conducted workshops and held consultations with stakeholders. The Implementing Team sought technical advice from experts in the field and referred to approved government plans in preparing the CDS report. Further consultations with stakeholders were being planned to confirm the targets set out in the initial CDS document.

State of the City

Da Nang City is in a key economic area of central Viet Nam. It is a major transport center along the

Figure 7: Map of Da Nang City

[17] Nguyen Hoang Long, vice chairman of Da Nang People's Committee; Huynh Van Thanh, vice director of the Department of Planning and Investment; Nguyen Manh Hung, director of the Department of Labor, Invalids, and Social Affairs; Bui Hay Tri, vice director of the Institute for Planning and Construction; Nguyen No Truing, vice director of the Department of Foreign Affairs; and Tran Thi To Mai, vice director of the Department of Labor, Invalids, and Social Affairs.

Da Nang Harbor

1A National Road and the national railway, and is a focal point of sea and air routes. The completion of the East-West Corridor project in 2005, linking the seaport of Mawlamyine, Myanmar, in the west and with Da Nang in the east will facilitate cross-border trade and investment, diversify economic activities and exports, and open a gateway to the Pacific Ocean for the hinterlands of Lao People's Democratic Republic (Lao PDR), northeast Thailand, and Myanmar.

From 1998 to 2002, services, the largest of the country's three sectors, contributed about 51% of gross domestic product (GDP). Manufacturing and construction contributed 42%, and agriculture, fisheries, and forestry, 7%. The city's recent GDP growth, at 8.2% per year, has been higher than that of the whole country. But there are signs that such growth may be difficult to sustain. In 1997, Da Nang, and the country as a whole, suffered an economic slowdown because of the regional financial crisis. Investments from foreign sources, including overseas development agencies, dropped by more than 60% from 1997 to 2000. However, the trend has now been reversed and investment growth has resumed.

Da Nang had a population of about 740,000 in 2002, and a population density of 570 persons per km^2. About 80% of the population is urban. At the end of 2002, about 5,000 households, or 3.8% of the total population, lived below the poverty line.[18] The population increased by 1.8% from 2001 to 2002, but is projected to increase by 2.6% yearly between 2001 and 2010, to reach 930,000 by the end of that period. By 2020, the city will have about 1.2 million people. The population is relatively young: more than 80% are below 40 years of age.

Key Problem Areas

Five sectors have been identified as priorities. These are institutional and policy reform, infrastructure, resources, population, and the environment. Key problem areas within each sector are summarized below.

[18] Defined as those with personal incomes of less than $810 per year.

Sector	Key Problem Areas
Institutional and policy reform	■ Unclear division of responsibilities between the central and local governments. ■ No long-term planning framework for sustainable urban development. ■ Limited effectiveness of public management and low capabilities of consulting agencies in investment and construction. ■ Inadequate institutional capacity for the increasing demands of urban development.
Infrastructure	■ Inadequate infrastructure for resettlement areas. ■ Poor feasibility studies for public works, especially for large-scale projects or for other projects that are expected to benefit the majority of the population (culture, education, health, trade, services, parks, entertainment, sports). ■ Low priority given to infrastructure investments for scientific and technical, trade service, banking and finance, culture, and sports centers at city and regional levels. ■ Inadequate implementation and funding of public open space development, recreation, and public services. ■ Insufficient data analyses and project preparation for priority infrastructure investments (such as roads, railways, port facilities, airport improvements, electric supply network, underground telephone cables, sewerage system). ■ Inadequate public transportation system for future demand.
Resources	■ Weak policies for mobilizing domestic and foreign capital. ■ Inadequate enabling policies for encouraging community and private sector participation in urban development. ■ Misuse of resources.
Population	■ Relatively high population growth rate. ■ High unemployment rate. ■ Mismatch between training for unskilled labor and potential employment opportunities.
Environment	■ Projected increase in environmental pollution and industrial waste disposal problems with further economic growth. ■ Insufficient levels of investment in environmental management for sustainable development.

S-W-O-T Analysis

Strength	Weakness
■ One of four national cities managed by the central Government ■ Strategic location in the country ■ Relatively good infrastructure ■ Young population ■ Good educational facilities and training opportunities ■ Presence of the country's second largest port	■ Lack of skilled managers ■ Lack of resource mobilization system ■ Lack of a dominant economic sector ■ Long-run inadequacy of urban management and planning ■ Low GDP ■ Limited and poorly synchronized public facilities ■ Harsh weather

Continued next page

S-W-O-T Analysis continued

Opportunity	Threat
■ Membership in ASEAN ■ Attractive investment environment ■ ODA assistance ■ Tourism and service potential ■ Economic transformation, industrialization and modernization, greater competitiveness in the global market	■ High rate of urbanization ■ High population growth rate ■ Limited resources of the city ■ Competition from other provinces and cities in central Viet Nam (Hue, Quang Nam, Quang Ngai) ■ Impact of world affairs

ASEAN = Association of Southeast Asian Nations, and ODA = overseas development assistance.

Vision, Mission, and Targets

Vision

Da Nang envisions becoming a Type 1 city, and a major transport, economic, cultural, service, and tourism center in central Viet Nam and the country.

Mission/Objectives

- To transform Da Nang into a modern city and ensure its stable and sustainable development;
- To industrialize and modernize the city's economy by increasing the proportion of industries engaged in processing and the manufacture of consumer goods for export, construction materials, and chemicals, and by strengthening services and tourism;
- To develop the economy while conserving the environment, to ensure the sustainability of the city, protect people's health, and improve living standards;
- To link economic growth with social development and equity;
- To create jobs and raise intellectual standards;
- To increase investments in rural and mountainous areas and reduce the income gap between urban and rural parts of the city;
- To utilize the strength of all economic sectors, diversify forms of production and trading, develop internal resources, encourage a favorable and transparent investment climate that will attract external capital and technology, and enhance domestic and overseas trade;
- To develop and improve the quality of human capital to meet development needs, particularly to encourage the application of new scientific and technological approaches;
- To ensure an appropriate balance between investments that improve the old urban area and those that encourage more modern urban structures;
- To provide the poor with easier access to basic social services, and to increase employment opportunities for them in production and enterprises, in agriculture, forestry, and fisheries, in business service activities including credit, and in education, health, and cultural pursuits;
- To mobilize and allocate resources for investments in major growth areas including Hoa Vang District, coastal areas, and new urban centers, and in priority interventions for capacity building in business development, credit provision, and poverty reduction; and
- To mobilize additional local, national, and international resources for sustainable poverty reduction programs.

Substandard housing eligible for government upgrading in Binh Hien Ward, Hai Chau District, Da Nang

Main Targets

- Increase the GDP of Da Nang City from 1.2% of national GDP in 2000 to 1.8% in 2005 and 2.1% in 2010;
- Increase average GDP per capita in the city from $448 in 2000 to $1,000 in 2005 and $2,000 in 2010;
- Achieve an average annual GDP growth rate of 13% for 2001–2005 and 14% for 2006–2010;
- Increase export turnover by an average of 21% to 23% per year;
- Reduce poverty by 1.3% per year (equivalent to 1,905 fewer poor households a year), so that by the end of 2005, there will be no households below the current poverty line;
- Create 95,000–105,000 jobs, or 19,500–20,000 new jobs each year, over the period 2001–2005;
- Reduce the unemployment rate to 4.2% by the end of 2005, and raise the work hours in the countryside to 82% by 2005;
- Decrease the number of malnourished children to 5% by 2005;
- Decrease the annual population growth rate from 1.5% in 2000 to 1.2% in 2010;
- Provide electricity to all households and clean water to at least 95% by 2010;
- Increase the scope of education and training and improve the quality of teaching in city universities, colleges, technical secondary schools, and technical workers schools;
- Achieve an industry innovation rate of 20–25% per year, including investment in capital equipment, technology, new factories, and higher production capacity and turnover;
- Prevent pollution and environmental degeneration, and restore and improve the quality of water and air especially in the Da Nang Industrial Zone, Hoa Khanh Industrial Zone, and Lien Chieu Industrial Zone; and
- Improve infrastructure facilities or install new ones, particularly for transport, water supply, sewerage, wastewater treatment, and solid waste management.

Development Strategies

Key Themes

Five key themes are prevalent throughout the strategies. These are the following:

- Stable economic development, through a high and sustainable rate of economic growth and improved product competitiveness;
- Technology improvements, through appropriate research and development;
- Skills improvement, through human resource mobilization and upgrading and through better education and training;
- Poverty reduction and hunger eradication, through more jobs and appropriate solutions to pressing social concerns; and
- Efficient administration and urban management, through innovations and streamlining of procedures, to attract foreign and domestic investments.

Preferred Development Strategies

Improve Major Infrastructure

- Develop new infrastructure. Upgrade the water supply system;
- Speed up the construction of infrastructure in major industrial zones and in medium and small industrial areas, and establish trade centers for general and service activities; and
- Improve the public transportation system, strengthen the postal service infrastructure, and improve the telecommunication network to meet future needs.

Promote Planned Urban Development

- Upgrade or construct basic urban infrastructure, especially roads, drains, sewers, and treatment facilities to improve environmental sanitation;
- Complete the construction of industrial zones in Lien Chieu, Hoa Khanh, and An Don;
- Construct infrastructure in new residential areas, combine low-income state housing with individual private housing to create modern, diversified, and well-designed settlements, and achieve the housing floor space target of 10 m^2 per capita with the construction of 17,000 new housing units by 2005;
- Restrict the development of the old town districts of Hai Chau, Thanh Khe, and Son Tra;
- Upgrade or build public utilities in residential areas and central industrial zones;
- Upgrade or create parks in districts and wards; and
- Invest in the seaside resorts in My Khea and Non Nuoc and in the Ba Na–Suoi Mo tourist area, and improve environmental conditions in

tourist areas along My Khe Beach and the banks of the Han River.

Promote Stable Economic Development

- Encourage the growth of economic sectors with high economic value and marketable products made according to modern industrial standards, and give priority to export-oriented products, seafood processing, construction materials, mechanics, machinery, electronics, rubber products, leather shoes, garments, and chemicals;
- Encourage investments in industrial zones, and give priority to attracting medium and small industries;
- Support medium and small businesses that focus on technology innovations and export-oriented activities, including those engaged in highly processed products;
- Create an investment-friendly environment to attract foreign capital and technology;
- Encourage investment in service sector activities, such as tourism, financial services, banking, transportation, aviation, agency services for product consumption, and export, and implement strategies to attract export-oriented industries and diversify the structure of the export industry;
- Create favorable conditions for handicraft development, and improve handicraft facilities;
- Provide preferential credit to farmers for raw materials, and support improvements in rural infrastructure;
- Strengthen the traditional markets (People's Republic of China [PRC] and Lao PDR), and expand and develop new markets (United States, Japan, Russia, and the Arab countries);
- Improve and develop the cooperatives sector, in accordance with the city's socioeconomic development objectives; and
- Speed up investment in Tho Quang Industrial Zone for services and seafood processing, and Thuan Phuoc for fresh and frozen seafood processing, establish a trade center and fish auction market, and invest in infrastructure for shrimp culture.

Protect and Improve the Environment

- Prevent pollution and environmental degradation, and improve water quality and land and air quality in industrial zones and in urban and rural areas, by repairing and upgrading the transport system, the water supply network, wastewater treatment, and solid waste disposal;
- Protect natural resources by relocating polluting industries from inner city sites to more suitable areas outside the city; and
- Promote better use of agricultural and forest lands, increase capital for reforestation by 45%, and develop forest protection programs.

Reduce Poverty and Provide Better Education and Training

- Promote economic development for sustainable poverty reduction, and target the elimination of slums by 2005;
- Expand and diversify education and training schemes and adopt a program for universal high school education;
- Focus on vocational training of the poor;
- Improve social welfare services for the poor;
- Expand training for cooperatives officials and skilled workers in the economic sector;
- Mobilize and effectively use all resources for education and training, and encourage the establishment of private schools;
- Focus on training in sciences, technology, and business management (tourism, international trade economy, commerce, banking, and information technology), and upgrade workers' skills;
- Focus on developing human resources needed to exploit the city's potential, and its cultural and historical value;
- Promote technology transfer, and use new technologies in the manufacture of products for export, the processing of raw materials, and the manufacture of products listed in the ASEAN Free Trade Agreement;
- Develop high-technology applications including biotechnology, information technology, and automation;
- Encourage and support businesses in research and technology, for better production and trading;
- Publicize, wage education campaigns, and increase community awareness of environment protection;
- Provide preferential policies to effectively tap the resources of scientific and technical professionals, and attract leading scientists from state agencies and other provinces; and
- Train faculty members and develop preferential policies to encourage young teachers to move to rural communes.

Improve Population and Health Services

- Continue the family planning program and reduce the birth rate to 0.5%;
- Implement programs to prevent HIV infection, bronchitis, malaria, whooping cough, tetanus, and polio;
- Expand the coverage and implementation of reproductive health and family planning programs;
- Protect children, especially the malnourished; and
- Integrate hunger eradication and poverty reduction goals into funding programs that create jobs and support other national targets.

Priority Actions and Implementation

Priority actions for implementation are those that support the transformation of the economy of Da Nang City into one of the three major marine-based economies of Viet Nam and the major service center for the central region. More specifically, these priority actions are:

- Continue to improve urban infrastructure, including the inner city road network;
- Coordinate with relevant national agencies in upgrading Da Nang Seaport and Da Nang International Airport;
- Complete the nodal transport projects connecting the city with other areas; and
- Upgrade the power network and water supply system and construct new wastewater treatment and solid waste management facilities.

The estimated cost of the first stage of CDS implementation, up to 2005, is $567 million, of which $140 million is projected to come from the city budget and the balance from other sources.

Comments

Selection of Da Nang

Da Nang was selected following discussions between the Government of Viet Nam and ADB, including the resident mission in Hanoi. Da Nang is the dominant city in the central region and is the focus of ADB's investment activity in Viet Nam.

The RETA team made three visits to Hanoi and Da Nang. The first was in July–August 2002, to introduce the RETA team and the CA concept to the Government and meet with key national and local government officials. During the visit (i) government officials were given a general introduction to the CA and the scope and purpose of the RETA, (ii) a workshop and detailed briefings on the CDS/CWS Program were held for individual agencies and officials, and (iii) agreement was reached with leading local government (Da Nang People's Committee) representatives on schedules and working arrangements for the completion of the CDS/CWS Program.

At a second visit in November 2002, the team was accompanied by the RETA Project Officer and a member of the ADB resident mission. The visit reaffirmed ADB's commitment to the CA and emphasized the advantages of Da Nang's involvement.

A third, extended, visit was made in December 2002–January 2003 to directly assist with the production of a draft CDS/CWS Program document. The RETA team met again with local officials and held a workshop to clarify certain aspects of the work.

Comprehending and Accepting the CDS/CWS Concept

For the national and local governments, the preparation of the CDS/CWS Program involves a number of new and unfamiliar concepts. These include (i) an approach to planning and development that requires the full participation of government agencies and other relevant public and private stakeholders; (ii) the preparation of a truly comprehensive and integrated approach to urban development,

Three-storey public housing near Da Nang Port rented to poor households

involving all relevant sector agencies; (iii) a rational and sequential planning process that moves from a comprehensive database, through subsequent stages of analysis and vision and strategy formulation, to arrive at a long-term development program and priority actions focused on poverty reduction; and (iv) a CWS Program approach based on "slum upgrading," a concept not fully understood or accepted by government agencies.

Even though the need to involve local stakeholders in the CDS/CWS Program preparation process was emphasized, follow on meetings and consultations with local stakeholders were held. The Project Steering Group (PSG) felt that they required additional technical assistance to consult with stakeholders and engage their participation in the preparation of the CDS/CWS Program. The RETA team, supported by the Urban Management Programme/UN-Habitat, planned to hold a further training program to assist the Project Steering Group in preparing the CDS/CWS Program and to equip the PSG and the relevant stakeholders with tools for participation, investment programming, poverty reduction, and other CDS/CWS approaches. Unfortunately, this training program was delayed to a date beyond the conclusion of the RETA.

Counterpart Team

The overall direction of Da Nang's participation in the CA was the responsibility of the Vice Chairman of the People's Committee. Technical responsibility for CDS/CWS preparation was initially given solely to Department of Labor, Invalids and Social Affairs (DOLISA) but was later shared by Department of Planning and Investment (DPI). The responsibility for coordination with the RETA, for translation, analysis, and report preparation, and for interpretation at meetings with the Government, was assigned part time to a representative of Habitat for Humanity, who was supported by a staff member of DPI. A GTZ consultant to Ministry of Labor, Invalids and Social Affairs (MOLISA) on poverty reduction provided occasional advice and assistance.

Throughout the RETA, there was a high level of commitment to the CDS from Vice Chairman Nguyen Hong Loang, and recognition of the value of the CDS to the long-term development of Da Nang and the more immediate goals of the Investors' Conference in March 2003. However, by January 2003, the CDS/CWS Program outputs had slipped well behind schedule. This led to an undertaking by the Vice Chairman to redouble efforts and appoint a dedicated project coordinator. But it remains unclear if the coordinator was appointed to oversee CDS/CWS Program preparation.

Progress

During the first RETA mission, government officials insisted that they could complete draft CDS and CWS Program documents by the last quarter of 2002. Despite reminders of the need for a participatory approach, they intended to base these documents on data drawn from existing government agency documents. This initial schedule and subsequent adjustments were unattainable. A draft CDS document was eventually forwarded to the RETA team in May 2003.

Factors that delayed the submission of CDS/CWS documentation were:

- Budgetary constraints in meeting the expenses incurred in preparing the CDS and CWS Program reports and workshop materials; and
- Inadequate time for officials to accept the CDS/CWS concept, bring about stakeholder participation and cooperation, and produce comprehensive CDS/CWS documentation.

City Development Strategy

The preliminary CDS report was submitted to the RETA team in May 2003. The team sent its comments on the report to Da Nang on 15 May 2003.

City Without Slums Program

One key reference that PSG may refer to in preparing the CWS program is the Comprehensive Poverty Reduction and Growth Strategy approved by the Prime Minister on 21 May 2002 (Document No. 2685/VPCP-QHQT). As of mid-June 2003, no preliminary CWS Program report had been submitted to the RETA team, for the reasons referred to above and in the "Summary and Conclusions" section.

Quezon City: Working in Partnership with the Citizenry in Building a Quality Community

Quezon City developed its City Development Strategy (CDS) from its Comprehensive Development Plan (CDP). This chapter summarizes the process adopted and briefly outlines the state of the city. A summary of key problem areas and the city's development potential and opportunities follows. This leads into the S-W-O-T analysis and the setting of the vision equation for the city. Sector strategies and plans for infrastructure, environmental management, economic development, and improved governance are discussed next. Finally, brief notes are presented on strategy implementation, and on performance measurement and monitoring.

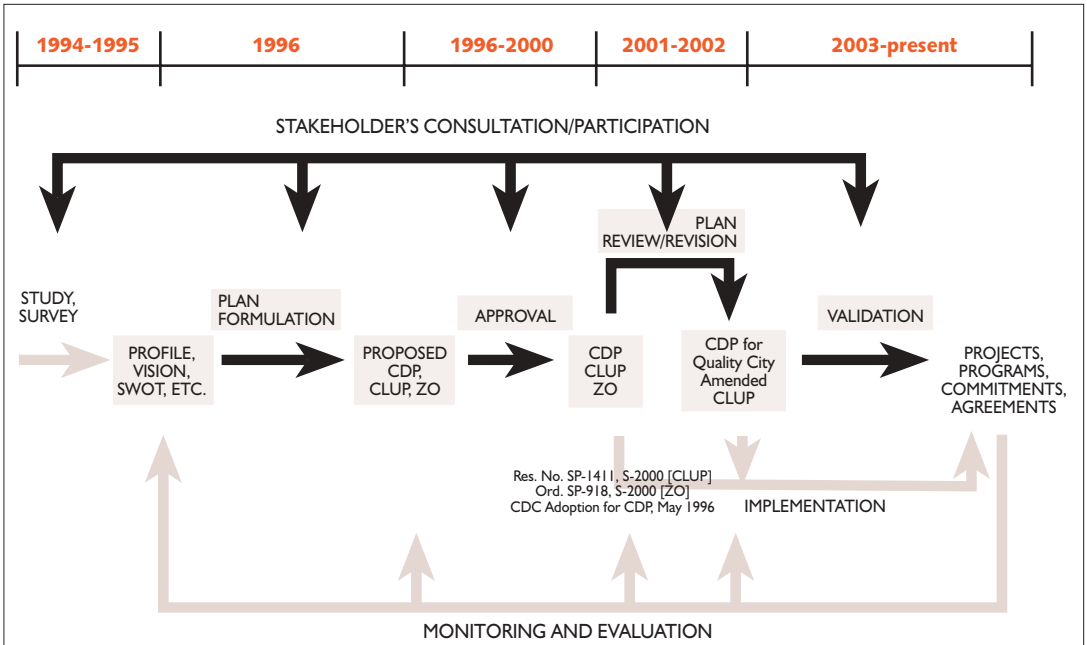
The CDS was produced as an audiovisual presentation. A copy is found in the attached CD-ROM.

Process

The Quezon City CDP, as well as its CDS, was a product of participatory processes. The plan continuously evolves to reflect current realities, as derived from ideas, sentiments, proposals, and information conveyed in dialogues with the people. The current document is the outcome of work that started in 1994 and 1995 when the city conducted a round of comprehensive surveys and studies. From these, the CDP was produced and it led to the formulation of a Comprehensive Land Use Plan (CLUP) and a City Zoning Ordinance in 1996. These proposals were subjected to an approval process marked by extensive public hearings and consultations with a broad range of stakeholders (see Figure 8).

In 2001, the newly elected Mayor introduced changes and innovations that greatly strengthened the fiscal position and institutional capability of the city government. One innovation turned consultation into an effective medium for participation in city governance. A series of participatory exercises

Figure 8: Map of Quezon City



CDP = Comprehensive Development Plan, CLUP = Comprehensive Land Use Plan, SWOT = Strengths, Weaknesses, Opportunities and Threats, ZO = Zoning Ordinance.

Figure 9: Institutionalizing CDS in Quezon City

was held to review and update the city plans. These included: (i) a consultation summit of barangay leaders; (ii) strategic planning sessions of the city government; (iii) a multisectoral consultation summit; (iv) regular visits to barangays; and (v) continuing dialogues with communities.

From these consultations the vision of a "Quality City" and the mission of the city emerged. The CDP was then amended to reflect the vision.

The implementation of the CDP is being monitored as its content and substance are being validated through a continuing participatory process involving barangay leaders, the city development council, people's organizations, and nongovernment organizations, and including regular visits to barangays and community dialogues.

State of the City

Quezon City, in the northeast of Metro Manila, has a land area of about 16,100 has. It is the largest local government in Metro Manila covering about 25% of the National Capital Region (NCR) and comprising 142 barangays. The city is on the Guadalupe Plateau with its rolling ridges and lowlands. The southern part is low-grade terrain, while the northern part is undulating and contains the Novaliches Reservoir, the prime source of water for Metro Manila. The city is well drained through a network of rivers and esteros, except for a few areas that suffer flash floods because of poorly maintained waterways. The Valley Fault System is on the eastern part of the city. Quezon City was created on 12 October 1939 by virtue of Commonwealth Act 502.

In 2000, Quezon City had a population of almost 2.2 million, 22% of the population of Metro Manila and the largest of any local government in the Philippines. From 1995 to 2000, the population grew by 1.9% yearly and is estimated to reach 2.3 million by 2003. Fifty-two percent of the population is female, and the average age is 24 years. Population density is 135 persons per ha. The working-age population (15 years and older) is about 1.5 million, of which 66%, or 980,000, are in the labor force. Eighty-five percent of the labor force is employed, 4% are underemployed, and 15% are unemployed.

The average family income in 2000 was about P33,000 per month, well above the P8,857 poverty level. About 15% of households have incomes below the poverty line. The city has 481,000 households and 158,000 informal settlers. It is projected that by 2005 the city will have some 2.4 million people.

Business in the city is dominated by small- to medium-scale enterprises distributing finished products and providing basic personal services rather than producing goods. The total number of business

establishments in the city is almost 56,000 (Business and Permits License Office Data 2001). The percentage distribution of establishments among the various sectors is shown in Figure 10.

The city is predominantly (almost 40%) residential (see Table 9). However, it has retained its institutional character with the presence of the Philippine Congress, national agencies, and academic and specialized medical institutions. The city also has large areas of open space, including the Ninoy Aquino Parks and Wildlife, Quezon Memorial Circle, University of the Philippines Arboretum, and Novaliches Watershed. Commercial areas are mostly in key centers like Cubao and Eastwood City, and along major thoroughfares. Industrial development areas are found in Balintawak, Novaliches, and Ugong Norte.

The city is crossed by three main circumferential roads (C-3 Araneta Avenue, C-4 EDSA, and C-5 Katipunan–Luzon–Republic Avenue) and three radial roads (R-6 Aurora Boulevard, R-7 Quezon Avenue–Commonwealth Avenue, and R-8 Bonifacio Avenue–Quirino Highway).

There are two LRT lines—LRT 2 from CM Recto to Katipunan Avenue, and LRT 3 along EDSA. A third line, LRT 4, from Quezon Avenue to Quirino Avenue, has been proposed and is under study.

Two Metropolitan Waterworks and Sewerage System private concessionaires provide water, but only to 134,000 residential household lines out of 154,340 service connections. The Manila Electric Company (Meralco) provides electricity to 97% of the city population. Garbage is collected daily (at 0.7 kg per capita) and is disposed of at an open dumpsite in Payatas.

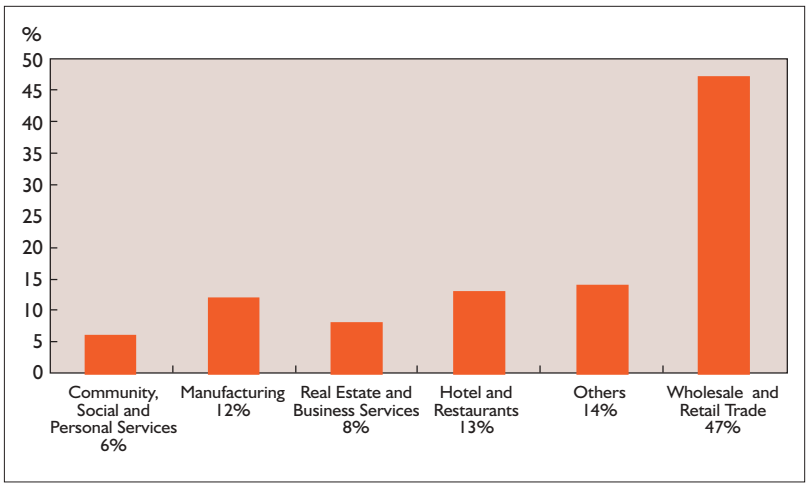


Figure 10: Distribution of Business Establishments, by Industry Classification, 2001

Key Problem Areas

Development Challenges

Physical

- Land use incompatibility or conflict in residential zones;
- Limits placed by the valley fault system on the intensity of land use;
- Constraints on the development of localities and interaction between them, because of the Marikina and Tullahan rivers;
- Growth of informal settlements on idle and vacant lands, particularly the National Government Center (NGC), Payatas Estate, Luzon Avenue, Balara–Pasong Tamo area, Krus na Ligas, and East and North Triangle areas;
- Urban blight;
- Environmental deterioration particularly in Payatas, unsanitary, inefficient, and open dumpsite and informal settlements, poor air quality along major roads, and polluted rivers and creeks;
- Deficiencies in the road network, particularly the unbuilt segments of the C-5 and the Visayas, Mindanao, and Congressional avenues, unintegrated road networks between communities;
- Traffic congestion, particularly at major intersections and along major roads; and
- Recurrent flooding because of an inefficient and often clogged drainage system.

Socioeconomic

- High population growth rate and the severe strains it puts on physical and social infrastructure;
- Uneven distribution of the population, and the resulting imbalance in the provision of public services and facilities;

Table 9: Actual Land Use in Quezon City, 1995

Use	Area (ha)	Percentage of Total
Residential	6,349.79	39.41
Commercial	580.04	3.13
Industrial	769.05	4.77
Institutional	928.06	5.79
Open Space and Reservoir	2,700.39	16.76
Utility	225.57	1.40
Cemetery	70.89	0.44
Military	204.62	1.27
Vacant	4,283.71	27.03
Total	**16,112.12**	**100.00**

- Housing deficiency, which is becoming more pronounced with the continued growth of informal settlements and deterioration in housing conditions;
- Great disparity in family incomes between the upper (P108,000 monthly), middle (P29,000), and lowest (P7,600) income groups;[19]
- Slow growth of employment relative to the increase in the labor force; and
- High unemployment rate of 15% (although below that of the NCR), particularly among the unskilled, poorly educated, and low-income groups.

Finance and Institutional

- Weak coordination and a lack of cooperation between government and nongovernment agencies, leading to program overlap and the concentration of services in some areas to the detriment of other areas; and
- Limited availability of funds for the capital investment projects of the city government.

Development Potential and Opportunities

The city nonetheless has opportunities that, if properly exploited, could contribute to the achievement of its vision. These opportunities fall into three categories: physical potential, socioeconomic opportunities, and governance.

Physical Potential

- Availability of undeveloped land (32% of the city, or about 5,300 has), most of it with soil conditions and terrain suitable for urban development;
- Major transport projects to be completed or being planned, including C-5, C-6, Quezon Avenue/EDSA Interchange, Roosevelt Avenue/EDSA Interchange, MRT Line 2 (Aurora), MRT Line 3 (EDSA), and MRT Line 4 (Quezon Avenue);
- Major parks and areas of public open space, including the Novaliches Reservoir, La Mesa Dam reservation, Quezon Memorial Circle, University of the Philippines Arboretum, and Ninoy Aquino Parks and Wildlife area; and
- Expansion programs of the utility agencies such as Maynilad Water Services Inc., Manila Water Company, PLDT, Bayantel, and Meralco.

Socioeconomic Opportunities

- A pool of skilled, educated people living in the city;
- Presence in the city of Metro Manila's more prominent public and private academic (universities and colleges) and vocational/technical institutions and schools;
- Presence of a major institutional area, which is the site of many government offices and medical institutions;
- Major programs in place for the provision of basic urban services, including health care, education, social welfare, skills training, livelihood, entrepreneurship, and utilities; and
- Presence of major business and commercial areas that serve the region as well as the entire country.

Governance

- Professional and responsible city management;
- Strong political will, with participatory governance; and
- Support for city development from the community, civil society, and private sector, all of which are willing to work in partnership with the local administration.

The Vision Equation: QC = Quality City

The vision is anchored on the dream of the city's founder, President Manuel L. Quezon, that

> the city, politically, shall be the seat of the national government; aesthetically, the showplace of the nation, where thousands of people will come and visit as epitome of culture and spirit of the country; socially, a dignified concentration of human life, aspirations and endeavors and achievements; and economically, a productive, self-contained community.

The vision for Quezon City is that of a quality city. Quezon City will be a clean and model community that is resident-friendly and the premier business capital of the country.

[19] $1 = P51.61, from Asia Recovery Information Center (ARIC) Indicators. Available at *www.aric.adb.org*.

S-W-O-T Analysis

Strength	Weakness
■ Good participatory planning ■ Proactive leadership of the Mayor and the Council ■ Responsive service from the city government ■ Good telecommunications facilities ■ Cash-rich government ■ Willingness of city officials to learn	■ Inadequate data system ■ Failure to adopt the Amended Zoning Ordinance ■ Inadequate links between institutions ■ Inadequate facilities and amenities ■ Slow adaptability to new technology and systems development
Opportunity	**Threat**
■ Redevelopment of Payatas dumpsite ■ Availability of industrial sites and an IT center ■ Large areas of public open space ■ Presence of top-quality educational institutions, major radio and television stations, and excellent hospitals ■ Presence of commercial centers and malls and the Timog and Morato entertainment centers ■ Presence of urban forests and historical sites ■ Presence of national agencies, including Constitutional bodies ■ Development potential of military camps ■ Potentially large revenue base in view of the large population and land area ■ High percentage of top 500 corporations in the city ■ Planned city, with easy access to major roads and vacant land suitable for development ■ Active NGO sector	■ High population growth rate and unabated migration, leading to rising unemployment and poverty ■ Large numbers of informal settlers, transients, street children, and out-of-school youth; squatting on Payatas dumpsite ■ Lack of a relocation site for informal settlers ■ High incidence of crime and low visibility of police ■ Environmental pollution, traffic congestion, and the overall garbage problem ■ Eyesores in the urban skyline: cables and wires ■ Ineffective enforcement of planning, zoning, and building controls and regulations ■ Many disputed land titles, but large areas of land owned by the national Government ■ Sluggish business and presence of unfinished high-rise buildings ■ Undisciplined drivers and pedestrians, bus terminals and tricycles on major roads, unroadworthy vehicles, and many sidewalk vendors

A quality city is

- *dynamic*, with efficient road transport and communications;
- *healthy*, through adequate health and medical services and healthy living conditions;
- *safe and secure*, peaceful and orderly, and with affordable housing;
- *productive*, with commerce and industry, livelihood and employment opportunities, and a thriving tourism;
- *nurturing and caring*, through its education and cultural heritage, and social welfare and protection;
- *environment-friendly*, with good solid waste management, parks and open spaces, and protection of rivers; and
- *well-governed*, through an effective development administration and comprehensive *barangay* development.

To accomplish this vision, the Quezon City government aims to become a model of effective governance and responsible leadership, and to build a quality community in partnership with the citizenry. It is the city government's mission to provide quality service, which will make Quezon City an ideal community where people live, work, and do business in a hospitable, progressive, and peaceful environment.

The priority areas of action of the city government are fiscal management, revenue generation, infrastructure development, urban renewal, improvement of environment quality, collaboration between government and the private sector, peace and order, pro-poor policy initiatives, housing, education, health, livelihood and employment opportunities, and legislative-executive fusion.

Sector Strategies and Plans

Five major sectors have been identified and plans prepared for each. These sectors are physical development, environmental management, social development, economic development, and improved governance.

Physical Development

- *Land use and zoning:* continuing land use documentation and enforcement monitoring and citywide urban renewal; also the further development, in partnership with the private sector, of Metro Centro (Cubao), Balintawak Urban Development Zone, Payatas Urban Development Zone, and Eastwood City Cyber Park.
- *Roads and transport infrastructure improvements:* road network framework plan and road maintenance, pedestrianization, and traffic management programs.
- *Development of drainage and flood control system:* implementation of the city drainage network and flood control development framework and plan.
- *Improvement of utilities:* expansion programs of Maynilad Water Sevices Inc., Metro Manila Commission, and Meralco, and implementation of the community-based Water and Electricity Provision Program.

Environmental Management

- *Solid waste management:* implementation of the *barangay*-based ecological waste management program, Payatas dumpsite rehabilitation, and waste disposal facility development.
- *River protection and conservation:* waterway improvements, garden city concept for parks and open space development, and green lung network and greenbelt development program.

Social Development

- *Health provision:* development and improvement of health care facilities, development of public cemeteries, and comprehensive health care.
- *Education:* development of educational facilities and implementation of an integrated education program.
- *Improved housing:* community upgrading, land tenure stabilization, development of relocation sites, and construction of medium-rise buildings. The creation of the Housing and Urban Renewal Authority will facilitate urban renewal.
- *Improved public safety:* crime prevention, better law enforcement, fire protection and prevention, risk and hazard management, development of protective facilities, and improved street lighting.
- *Promotion of social welfare:* community outreach, welfare and relief, vocational development, residential care and rehabilitation, and development and improvement of social welfare facilities for disadvantaged and vulnerable groups and individuals such as children, women, the youth, the elderly, and the disabled.
- *Sports and recreation:* integrated sports development.

Economic Development

- *Trade and industry promotion:* investment promotion, public market development, cooperatives development, and consumer protection.
- *Urban development:* major projects include the redevelopment and beautification of Banawe St., Tomas Morato Avenue, and other areas; encouragement of mixed-used development in the North Triangle business district, East Triangle, Quezon Institute property, and Jacinto Steel; renewal of the old business sites of Cubao (Metro Centro) and Balintawak; and promotion of information technology businesses already established in the Eastwood City Cyberpark.
- *Promotion of tourism and culture:* improvement of historical sites, development of the Quezon City Museum, and tourism promotion.

Improved Governance and Institutional Development

- *Improved development administration:* wider use of modern tools and technology, organizational development, capability building, and stakeholder consultation; introduction of local productivity and performance measurement systems; better institutional facilities and improvement of Quezon City Hall complex.
- *Improved local governance:* improvement of *barangay* facilities and comprehensive *barangay* development.
- *Improved public finances:* more efficient revenue generation and prudent fiscal management.

Plan Implementation

Implementing Structure and Mechanism

- *Executive-legislative coordination:* forging a close relationship between the executive and legislative branches of the city government.
- *Development-oriented legislation:* introducing development-oriented legislation in the city council and promoting such legislation; encour-

aging an active City Development Council.

- *Multi- and intersectoral collaboration and cooperation:* fostering productive collaboration within and between the various stakeholder sectors in implementing the plan.
- *Intra- and intergovernment coordination and cooperation:* encouraging government agencies and entities to work together.

Plan Financing

- *Fiscal management:* prudent spending, fiscal restraint in spending, and introduction of a streamlined procurement and bidding system.
- *Revenue generation:* more efficient tax collection, widening of the tax base, introduction of tax incentives, and implementation of an intensive information campaign to improve revenues.
- *National Government participation:* involvement of agencies of the national Government and mobilization of other revenue sources.

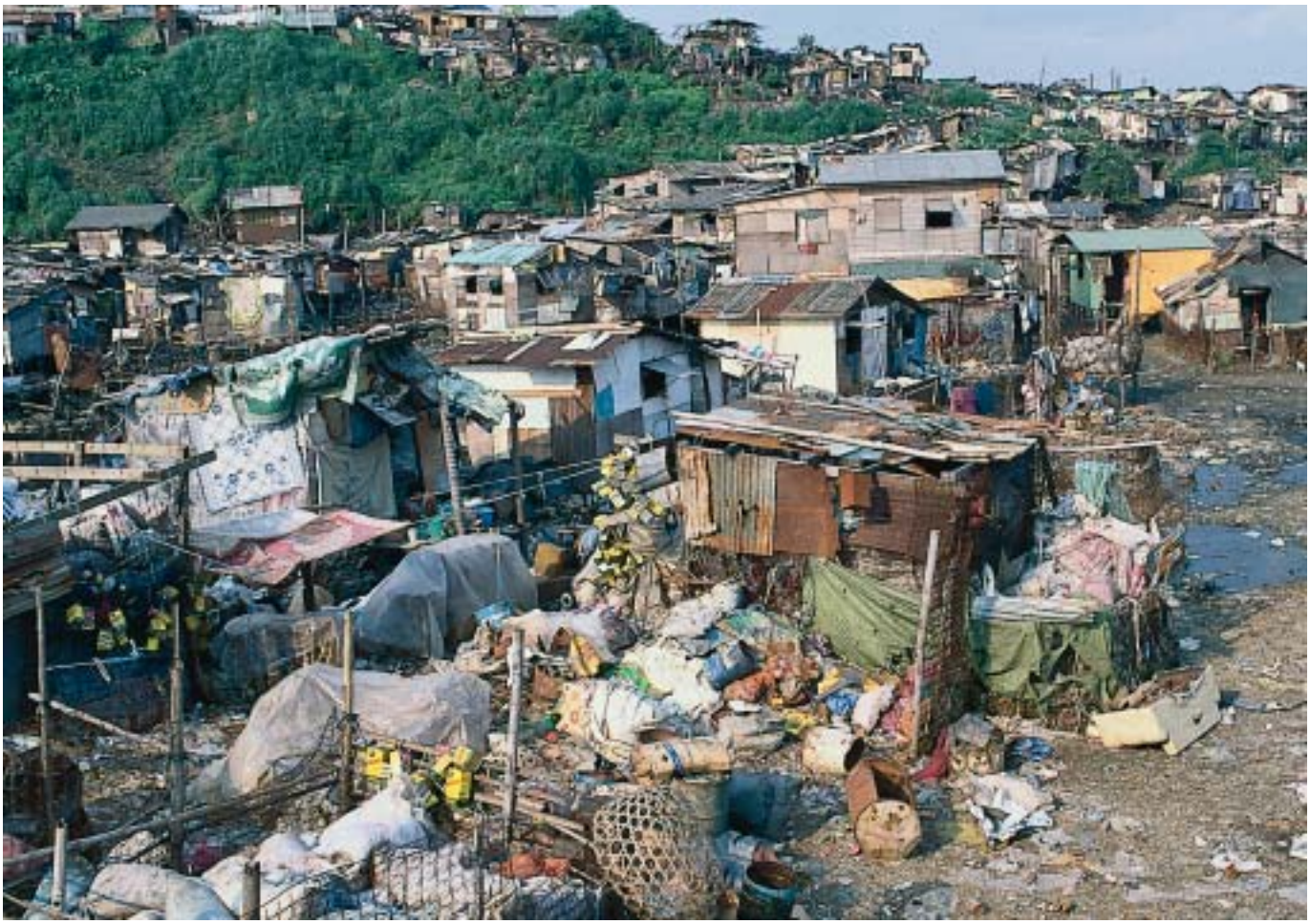
Performance Monitoring and Evaluation

- *Monitoring of progress:* establishment of a progress monitoring system.
- *Evaluation of progress:* continuous evaluation with the participation of the city and *barangay* governments.

Poverty Alleviation Through Urban Renewal

Instead of preparing a CWS, Quezon City updated the socioeconomic profile of its urban poor, using data from a 2002 survey of 197 depressed areas. (The results of this survey are summarized in the attached CD-ROM). The city's policies and strategies for addressing the housing requirements of the urban poor are contained in its shelter development framework plan, prepared in 2001, which formed the basis for the establishment of the Housing and Urban Renewal Authority (HURA) for the city.

[20] Statistics from the Urban Poor Affairs Office of Quezon City.



The Problem

A large section of the population of Quezon City, including informal settlers occupying government and private lands, is in need of better shelter. In 2002 the city had about 155,000 informal settler families[20] and 54,000 families living in doubled-up households. The land tenure program implemented over the past 12 years gives legal ownership of land to only 4,549 informal settler families. According to the shelter development framework plan, about 102,000 informal settlers live in areas that can be improved and for which legal tenure can be provided, and the other 53,000 informal settler families must be relocated.[21] The National Statistics Coordination Board has set a poverty threshold of P8,858 in monthly take-home pay, placing many of the city's workers, who also need housing like the informal settlers, at or near the poverty line. About 25,000 new housing units are needed annually for new households, doubled-up households, and the homeless.

The informal settler households present a varied profile. A partial survey in one community, where the disclosed monthly incomes range from P1,000 to P37,480, shows that squatting cannot always be attributed to lack of income. Likewise, informal settlers are not always necessarily transients; many respondents have been living in their shanties for at least 20 years. Many have set up small businesses, while others rent out rooms for a living.

The city has a multidimensional shelter problem, whose full extent cannot be precisely measured because of inadequate data. A regularly updated database on the city's poor, including informal settlers, is a key component of its shelter development strategy. Once the size of the urban poor population and their conditions and needs have been accurately determined, programs that are responsive to their requirements could be designed.

But no shelter development plan will work if squatting is allowed to continue undeterred. Quezon City has been derisively called squatter-friendly. It has become too easy for transients to squat on idle land and remain there for years. For too long, squatters have been coddled because their numbers give them considerable political clout. The current administration has made it a policy to discourage the further entry of squatters into the city.

Quezon City has traditionally tried to solve its shelter problem through its Community Mortgage Program (CMP). But the processing of projects has been slowed by the existence of squatter syndicates and bureaucratic red tape, and program effectiveness has been largely negated by rapid population growth. The city needs a more dynamic strategy that can quickly address the housing needs of a much larger group of beneficiaries. Prices and construction costs that were too high or repayment rates that were too low rendered unsustainable the socialized housing programs of the past. These programs involved large subsidies that the city government could not afford. Moreover, housing strategies were generally ad hoc, and the responsibility for housing delivery and squatter prevention was tossed from one administrator to another.

A Sustainable Urban Renewal and Shelter Program

To provide a mechanism for the participation of people's organizations and nongovernmental organizations in drafting policy recommendations on shelter, the City Council passed an ordinance creating the Quezon City Local Housing Board in January 2002. Chaired by the Mayor, the board has 15 members, including seven representatives of POs and NGOs. Among other powers, the board recommends local shelter plans and assists in the formulation of amendments to the city's land use plan. Furthermore, to depoliticize the implementation of its shelter and urban renewal program, Quezon City has set up its own HURA and is developing it into a modern, efficient, and people-centered organization that will solve the housing problems and facilitate urban renewal in the city.

HURA was created as a city government corporation under a recently signed ordinance (2003). This has given the city government a special-purpose vehicle with the management flexibility to raise and leverage funds for sustainable urban renewal and low-cost housing. With the private sector and civil society, HURA will facilitate the implementation of a shelter and urban renewal program that is sustainable and professionally managed, recognizes market realities, and is demand-led. HURA will facilitate or promote (i) urban renewal and redevelopment through the upgrading or redevelopment of slums and other blighted urban communities, the construction of resettlement sites, and the development of vacant and underutilized land owned by the city government; and (ii) the development of affordable housing that satisfies the demand of mar-

[21] Those who live in danger zones—near creeks, on embankments, or beside garbage dumps—and must urgently be relocated, and those on roads and other right-of-way.

ginal and low-income families. The intended beneficiaries of HURA's housing program are slum dwellers or informal settlers, and other low-income families.

HURA is a public corporation wholly owned by the Quezon City government. Its authorized capital is P1 billion, P400 million of which has been initially subscribed by the Quezon City government. The Mayor chairs the HURA board of directors, whose members comprise two representatives appointed by the Mayor, two from the Sangguniang Panglunsod, and one each from the Local Housing Board and the City Development Council. A general manager appointed at the Mayor's recommendation has been designated as the chief executive officer.

Shelter Development Framework

Quezon City's development framework for shelter responds to the goal of providing residents with access to affordable housing. The specific objectives of the framework are the following:

- To improve living conditions in depressed areas by providing secure land tenure and basic services;
- To undertake programs to help poor communities increase their income and become better able to pay for housing;
- To facilitate the development of new low-cost housing sites for low-income groups;
- To facilitate the development of resettlement sites for families relocated from danger zones, from land needed for infrastructure projects, and from other areas; and
- To acquire lands for socialized housing.

A 10-point strategy is being pursued to achieve the goal of the framework. This covers

- Encouraging and sustaining community-initiated self-help projects;
- Entering into partnerships with the private sector and civil society;
- Supporting private sector initiatives to address the housing needs of the middle- and higher-income groups, while focusing government efforts and priorities on the low-income groups;
- Upgrading slum and squatter communities;
- Initiating the development of near-city housing and resettlement projects;
- Implementing schemes that allow the use and management of idle lands for housing;
- Increasing the efficiency of basic services;
- Establishing and strengthening HURA to implement the shelter program;
- Implementing livelihood and employment programs supporting socialized housing; and
- Implementing an accelerated squatter prevention and resettlement program, which includes community-based monitoring of new construction and entry of informal settlers.

Implementation

To assist the government of Quezon City in refining and implementing its shelter and urban renewal program, a proposal for technical assistance has been submitted to the Cities Alliance (CA) for funding. The proposed assistance would finance consulting services for the preparation of a corporate plan for HURA. More specifically, the consultants would

- Define the target market and the business approach of HURA;
- Determine how HURA will pursue its mandate by defining the scope of its operations;
- Prepare the necessary corporate, financial, and business plans; and
- Design and document general policies, procedures, and operating guidelines for HURA.

Comments

Selection of the City

Quezon City was selected as one of the participating cities after the Mayor wrote to ADB expressing interest in the RETA. Being Metro Manila's largest city in population and land area and having considerable development potential aided in the selection, besides the fact that the city has many informal settlers and urban poor communities that lack basic services and amenities.

Understanding and Accepting the CA Concept

The CA concept was explained to the Mayor and the city staff at the start of the RETA and several working meetings were held with the Technical Assistance Group (TAG), the City Planning and Development Office (CPDO), and the Urban Poor Affairs Office (UPAO). The CPDO staff understood the CA concept and indicated that they had undertaken a comprehensive participation and consultation process while preparing the CDP. The plan was validated through multisectoral stakeholder consultations over 3 years.

The TAG was made responsible for coordinating with the other departments and with the

RETA team in the preparation of the CDS and the CWS Program. The CWS Program was not as well developed as the CDS during the RETA, and although a shelter development plan was prepared by the CPDO in 2001, it has undergone little updating since then. Instead, the TAG concentrated on preparing the HURA proposal for submission to the CA and analyzing the data from the survey of 197 depressed communities in 2002. In the process, it hardly coordinated with the UPAO, the office that generated the data and worked closely with the urban poor communities.

City Development Strategy

Clarity of Objectives

The CDS objectives were understood by those who directly participated in the exercise, particularly the local government staff and legislative council members. No intensive meetings with the communities specific to the CDS were held, since a similar series of meetings had just been completed for the CDP.

Learning the Process

The responsibility for preparing the CDS was assigned to the CPDO, but it was suggested at the start of the RETA that stakeholder consultation might not be necessary because of the large NGO representation on the City Development Council. The council was considered the most appropriate multisectoral body for public consultations.

The CDS was based on the CDP and included a description of the consultation process carried out in the course of its preparation. The CDS presented (i) the conditions in the city, (ii) the socioeconomic and physical development challenges it faced, (iii) its development potential and opportunities, (iv) the city's vision and mission statements and priority areas of concern; and (v) plans for the various sectors.

Ownership

CPDO staff prepared the CDS with some assistance from the RETA consultants. Although understood by the planning staff, the preparation process does not seem to have been institutionalized and is likely to involve other city departments and stakeholders in the future. On the other hand, the process of consultation was clearly institutionalized in the city, as the preparation of the CDP showed.

City Without Slums Program

While it assumed the responsibility for facilitating the preparation of the CWS Program, the TAG gave priority to preparing the HURA proposal to be submitted to the CA. The CWS Program could have been, but was not, based on the shelter development framework plan prepared for the city in 2001.

Forward Taguig

Process

The Mayor, with the assistance of the Municipal Administrator, led the preparation of the CDS. The Mayor emphasized the need to focus on strategic issues such as poverty reduction rather than on localized infrastructure improvements.

The Mayor set up a CDS working team and suggested that the Local Development Council be involved in the CDS process. The RETA team assisted the CDS working team in organizing workshops and consultations with stakeholders. Aside from the training and briefing workshops, the working team organized five consultation meetings with stakeholders, several community meetings, and a strategic planning workshop for the municipality during the RETA. These workshops led to the identification of key problem areas, S-W-O-T analysis, vision and mission formulation, and the drafting of development strategies on the following three key themes adopted by the local government: (i) improving the delivery of basic services, (ii) promoting economic development, and (ii) increasing stakeholder participation in development.

The Mayor and the working team agreed that, to complete the CDS process, intervention strategies should be proposed and a performance monitoring system should be developed to indicate the outcomes of the process.

The initial CDS report is based on the foregoing approach. A modified copy of the Mayor's presentation on the CDS for Taguig at the 27 May workshop is in the attached CD ROM under *Case Studies.*

Figure 11: Map of Taguig

More than half of the informal settlements in Taguig occupy public lands

State of the City

Taguig, with a land area of 4,538 has, comprises 18 barangays and a 1,626-ha military reservation. It is bounded on the north by Pateros and Pasig City; on the east by Taytay, Rizal; on the south by Laguna Lake and Muntinlupa City; and on the west by the cities of Parañaque, Makati, and Pasay. It has a 7.5-kilometer shoreline along Laguna Lake. Two major rivers, Taguig River and Napindan Channel, feed into Laguna Lake and are connected to the Pasig River.

In 1995, Taguig had a population of 381,350 persons and an average density of 8,403 persons per km^2. By 2000, after growing by 4.45% yearly over the previous 5 years—the highest rate in Metro Manila—the population had increased to 467,375 (National Statistics Office). The growth in population, which was attributed largely to in-migration, made Taguig the sixth most populous among the 17 local government units in the National Capital Region.

Key Problem Areas

The key problem areas relate to seven major themes: population, housing, water and sanitation, flooding, education, health, transport, and solid waste. The key problems are as follows:

Sector	Key Problem Areas
Population	High in-migration rate contributing to rapid population growth. Taguig has the highest population growth rate in the National Capital Region.
Housing	There were about 25,000 households in informal settlements in 2000. More than half of these occupied public lands and the rest lived on private land. Services in the informal settlements are far from adequate.
Water and sanitation	In 1995, about 43% of households were connected to the piped distribution system of Manila Water Company Incorporated, 36% relied on piped water from deep wells, and 18% bought water from vendors. The municipality has no reticulated sewerage system. Pit latrines and septic tanks are common.
Flooding	About 70% of the area of Taguig has an elevation of only 12.5 meters and is virtually flooded for much of the year. Pasig River, the only outlet of Laguna Lake, overflows into the municipality during the rainy season and high tide. The constant flooding of Taguig is a serious constraint on its development.
Solid waste	Taguig generates 1,180 cubic meters of solid waste per day, on the average. Disposal is a problem because of the threatened closure of landfills serving the municipality. Residents are not properly trained in the disposal and recycling of waste.
Education	There is a shortage of elementary, secondary, and tertiary school classrooms, laboratory facilities, libraries, and related facilities. In 1999, there were 92 learning institutions, mostly in Barangay Signal Village, Upper Bicutan, Bagumbayan, and Ususan.
Health	Malnutrition in 1999 was higher than in 1998, and was especially high in barangays Bambang, Napindan, and Western Bicutan. Third-degree malnutrition was highest in Signal Village and in Upper and Western Bicutan during the same period.
Transport	Traffic congestion occurs daily. Only one (substandard) major road connects the old town to the *barangays* and adjoining areas.

S-W-O-T Analysis

The analysis was undertaken with stakeholder participation during a series of workshops.

Strength	Weakness
■ Dynamic local leadership ■ Availability of developable areas ■ Proximity to business districts ■ Connection to major road arteries (C-5, SLEX, EDSA) ■ Presence of Fort Bonifacio (Global City)	■ Flooding ■ Inefficient revenue collection ■ Problems with peace and order ■ Infrastructure service deficiencies ■ High in-migration rate ■ Undisciplined residents ■ Limited transport route to Old Taguig and inadequate transport facilities
Opportunity	**Threat**
■ Potential first-class city ■ Opening of C-6 road along the lakeshore dike ■ Tourism and recreation potential along the lakeshore ■ Presence of IT zone in Fort Bonifacio ■ Large tracts of land for development ■ Area of study by international organizations ■ International funding assistance for housing projects	■ High in-migration rate ■ Unemployment ■ Criminality and drug addiction ■ Environmental problems, with the opening of C-6 corridor

Vision

Taguig aspires to be a premier city, recognized for the quality environment, people-oriented services, and economic opportunities that it offers to its residents.

Mission

The pursuit of the vision of a premier city will have three main themes: urban service delivery, economic development, and participatory development.

Efficient and People-Oriented Services

Vision

Taguig envisions a satisfied population.

Mission

To become stronger, the municipality will capitalize on its strengths and understand and minimize its weaknesses.

Interventions

- Build local government capacity through
  - Leadership by example;
  - Staff training; and
  - Transparent, accountable, and responsive local government.
- Improve social services, particularly
  - Health;
  - Education;
  - Environment and sanitation; and
  - Peace and order.
- Improve infrastructure and utilities.
- Improve housing.

Economic Development

Vision

The vision of the municipality is to be a model of a highly progressive and innovative community in the southeastern part of Metro Manila.

Mission

Its mission is to increase employment, provide training, and make elementary and secondary education compulsory.

Interventions

- Implement the municipal ordinance encouraging employers and investors in Taguig to hire at least 70% of their employees from the municipality;
- Coordinate with the agencies concerned in job placement and in the conduct of training, vocational, and short-term technical courses;
- Strengthen opportunities for tourism and rec-

reation along the Laguna Bay lakeshore by regulating development in the area and educating the residents; and
- Capitalize on the presence of the Global City and the FTI, Veterans Center, and RSBS Industrial Estate to create employment.

Participatory Development

Vision
The vision of the municipality is to improve governance through a high degree of community participation.

Mission
The mission is to promote leadership by example, and to encourage and sustain participation in development.

Interventions
- Inform the residents about the local government's policy on community participation; and
- Implement a monitoring and feedback mechanism to sustain participation.

Monitoring, Evaluation, and Feedback Mechanism

The municipal government, in consultation with stakeholders, is developing a monitoring system that, to start with, will include indicators of performance in providing basic services.

Cities Without Slums Program

Population
The population density is 10,300 persons per km^2, slightly lower than the 15,617 persons per km^2 for the entire Metro Manila. About 55,000, or 11% of the population, live in depressed areas. This translates into 16,500 families, at an average household size in these areas of 3.4 persons.[22]

Informal Settlements
About 18,200 families live in informal settlements, mostly (9,869 families) on government land. Having huge tracts of land available for urban development is an advantage, but it has also proven to be a problem, since it has made Taguig attractive to migrants and informal settlers.

Problems and Issues
The foremost problem related to informal settlements is squatting in danger zones, especially along riverbanks, railroad tracks, and road rights-of-way of government projects. Private lands have not been spared. Professional squatters and squatting syndicates continuously victimize informal settlers and those who allow themselves to be victimized in the interest of having a place to stay.

There is generally a lack of affordable housing, not only in Taguig but also in other local government units in Metro Manila. Taguig does not have the resources, technical or financial, to respond to its growing shelter needs. The price of land has risen tremendously, and the government agencies that still own land in Taguig have not been very keen on making their land available for socialized housing.

Because of its available open land, Taguig has been considered for a variety of land uses that other local governments in Metro Manila deem undesirable. A penitentiary, a wastewater treatment plant, and a resettlement area for the informal settlers of other cities in Metro Manila are among these land uses. To other cities, Taguig, though still within the boundaries of Metro Manila, is on the periphery and not in the heart of the metropolis.

Development Strategies
Taguig has devised strategies and implemented action programs, no matter how seemingly minuscule, and even without a shelter plan, in an attempt to address the requirements of the urban poor. As a first step, it organized the Urban Poor Affairs Office, the Local Housing Board, and the Local Utilities Board. Taguig has made it a policy to house its informal settlers within the municipality, and has initiated and funded community mortgage projects. Its housing strategies include (i) facilitating the construction of affordable housing for the poor in partnership with the private sector, NGOs, and people's organizations; (ii) upgrading slums, resettling slum residents, and providing more secure land tenure and infrastructure and other basic services; (iii) preventing squatting; (iv) coordinating its housing and resettlement programs with those of the national Government; (v) reviving the economy through skills training, livelihood promotion, and small and medium enterprise development; (vi) building the capacity of LGU staff, NGOs, and people's

[22] ADB Technical Assistance No. 3760: Metro Manila and Urban Services Project.

Huge tracts of land make Taguig attractive to informal settlers

organizations; and (vii) forging partnerships with NGOs, POs, and the private sector including developers.

Proposed Plans, Programs, and Projects

The municipality has also proposed several projects for the urban poor, which it intends to implement with other government shelter agencies, the private sector, and NGOs. RA 7279[2 3] requires the preparation of a shelter plan as an important first step in determining the magnitude of the problem and identifying the necessary strategies for dealing with it. These projects include (i) developing affordable housing, including socialized housing, core housing, and medium-rise buildings; (ii) developing serviced resettlement sites and new housing areas; (iii) upgrading informal settlements; (iv) relocating households from danger zones; (v) constructing temporary housing; (vi) relocating households from illegal structures and demolishing the structures under RA 7279; (vii) making an inventory of vacant land for socialized housing; (viii) reviving the economy by promoting small and medium enterprise and livelihood development; and (ix) training and building the capacity of LGU, NGO, and PO staff.

Taguig has several large tracts of land owned by the government. The largest of these are the National Shrine Area (120 ha) and the Bonifacio Housing and Information Technology Zone (110 ha), followed by the Road Dike Project, which is expected to generate 49 ha. The other government properties are (i) the Department of Transportation and Communications Compound (23 ha), (ii) Camp Bagong Diwa (19 ha), (iii) Population Commission Area (11 ha), (iv) Consular Area (10.7 ha), (v) Department of Public Works lot in Lower Bicutan (10 ha), (vi) Bases Conversion Development Authority (13 ha), and (vii) Philippine National Railway site.

According to the Metro Manila Urban Services Project, Taguig will need to upgrade 5,200 housing units and build 24,000 new units to accommodate new as well as resettled households.

Priority Projects

Taguig has implemented two housing projects with Habitat for Humanity: (i) the Calzada Project, which involved the construction of 18 housing units; and (ii) the Paglingon row housing, under the Paglingon Neighborhood Association. Another project assisted by Habitat for Humanity is under

[23] Urban Development and Housing Act of 1992.

construction in Pinagsama Village and involves the construction of 96 housing units in eight three-story medium-rise buildings. Taguig is also implementing six community mortgage projects.

Development Partners

All of these projects, particularly those with private sector assistance, are being jointly implemented with the Taguig Multisectoral Group, which is composed of Habitat–National Capital Region, Philippine Business for Social Progress, Fort Bonifacio Development Corporation, Foundation for the Development of Urban Poor, and Ayala Group of Companies.

Other government organizations involved in the projects are the Housing and Urban Development Coordinating Council, National Housing Authority, National Home Mortgage Finance Corporation, and Technical Education Skills and Development Authority.

Comments

Selection of the City

Taguig's participation in the MMUSP made it a suitable candidate for the RETA. The RETA team visited the municipality, was briefed by the MMUSP consultants, and immediately secured the commitment of the Mayor and senior executives. A counterpart team was established and work began immediately.

Understanding and Accepting the CA Concept

The Mayor drove the exercise. He supported the process of participation but declared that, in the absence of a consensus, someone would have to make the final decision. "At a certain point all the talking has to stop and someone has to decide and take action," he said. The Mayor expected the municipality to achieve the needed focus and to prove that change through the CDS process was possible. He also believed in people empowerment—a key element in sustaining the CDS process and CWS Program.

Counterpart Team

The RETA team assisted the core team in developing the CDS Program. Most of the core team members were contractual employees who had other responsibilities in the municipality and could not be involved full time. Those tasked to prepare the CWS for Taguig were weighed down by meetings and other daily responsibilities. Nevertheless, there was interest and support for the exercise. Senior officials of the municipal government supported the core team and met them as needed.

City Development Strategy

Clarity of Objectives

The objectives were clear to all those who directly participated in the exercise, particularly the local government staff and legislative council members. However, intensive meetings with the communities could not be undertaken for lack of time and resources.

Learning the Process

The CDS process was clarified in meetings and workshops with the core team. Three of the four questions central to the CDS process—where are we now? where would we like to be? what issues do we need to address? how do we get there?—were answered and the answers were part of the Mayor's presentation at the Final Workshop on 27 May. The Mayor proposed a framework of action developed during the CDS process, which included three unifying themes for stakeholder action. These themes were delivery of people-oriented services, participatory governance, and provision of economic opportunities.

The Taguig CDS outlined short-term and medium-term programs but did not identify the work to be done to

- Prioritize programs and projects to be implemented;
- Mobilize stakeholder support for program implementation;
- Agree on an investment plan; and
- Establish information dissemination, monitoring, and performance management procedures.

Guidelines prepared during the RETA propose performance management as a tool for measuring the success of CDS outputs and process. One part reads,

It should be emphasized that where city resources are limited it may be realistic to compile performance indicators relating only to the priority concerns of the city. This allows the city to evaluate the usefulness of the initial data collected and refine the process as it expands coverage of the CDS.

Whatever their limitations, the cities must have local government processes with a self-sustaining culture of continuous improvement built in.

Ownership

The stakeholders, led by the municipal government, supported the CDS. It was the product of a series

of consultations and meetings between June 2002 and January 2003 with representatives from national government agencies, private utility companies, and the communities. The fact that the local chief executive accepted and understood the concept of the CDS made a difference.

City Without Slums Program

Municipal Ordinance No. 12, approved in May 2002, created a Municipal Development and Housing Office (MDHO) to prepare, implement, and coordinate shelter programs for Taguig in accordance with Republic Act 7279. The main focus of MDHO is housing for the poorest 30% of the population. There have been several community mortgage projects in Taguig, and two housing schemes initiated by Habitat for Humanity. But their impact is small. Only 42 out of about 20,000 families in Taguig that need housing have benefited from the two Habitat-assisted projects.

MDHO, being new, lacks the staff resources and the capacity to implement a housing program for the municipality. Taguig has referred to MMUSP a review of the conditions affecting shelter in the municipality; the policy environment for land, housing, and related infrastructure; and the proposed pilot project in the Bonifacio Housing and Information Technology zone.

The Mayor has also consulted with various groups and looked into possible options for widening the reach of local shelter programs. A key initiative is a proposal to use idle national Government land in Taguig (reportedly more than 1,000 ha) for low-income housing for qualified squatters and slum dwellers. The land would be acquired by the local government, which would then enter into joint venture agreements with the private sector to develop the sites for mixed commercial and residential use. In the first phase of the project, high-density housing would be built and rented out to the urban poor. Profitable commercial development would be part of subsequent phases. Although this proposal diverges from the CWS Program concept of slum upgrading, it is considered a valid approach to the problems of the increasing demand for low-cost shelter in a rapidly urbanizing city. Further details of this proposal are being prepared.

One lesson that can be drawn from the implementation of poverty reduction strategies is the need to involve and empower the community. Several cases in Taguig show that slum upgrading or urban service improvement projects cannot be sustained without community participation. Residents of Damayan (200 families) and Dream Village (500 families) have formed neighborhood groups to improve water supply service delivery. Their small profit from water vending goes to community improvements or to land title documentation and processing.

Summary and Conclusions

Lessons Learned

What Have We Learned So Far?

The CDS and CWS Program are just starting to be implemented; whether they are making a difference, it is too soon to tell. Nevertheless, these are useful initiatives that, particularly in developed countries, have produced better outcomes than more traditional approaches to city planning and management.

The CDS initiative matches the philosophy of today's development agenda. Its focus should be on economic and social development, and on improved governance as a means of spurring regional growth and reducing poverty. The CDS should guide the development of a city and contain action plans that are agency-specific and time-bound. Investment plans and a financing strategy are essential components. The CWS Program should be integrated with the CDS and set within the context of the city's poverty reduction programs. The development of both the CDS and the CWS Program should be participatory.

What is clear is that participatory approaches and consensus take time to build, especially where these are not part of the stakeholder culture or tradition. The RETA experience indicates that it is likely to take a year or two to move from formulation to implementation.

CDS and the City

CDS Improves Understanding of Current Problems and Future Development

The CDS product is neither a master plan nor a blueprint. Instead it focuses on change and adopts a flexible strategy for responding to economic realities and competition. The CDS helps build stakeholder capacity to manage city development, and enables the private sector to position itself within national, regional, and global markets. The CDS process can change the way a city is managed by focusing on a new economic structure.

The CDS process can also change attitudes about the nature of development and the causes of and solutions to economic problems. This was evident in Calicut, where the city's vision pertained to its role as a regional center. Economic development to support the growth of the city and the reduction of poverty must be encouraged. These emerged as key strategic issues and objectives in all the RETA-assisted cities. The CDS enabled an initial focus on a limited number of priority issues within a city. But the focus must then change, from specific to broader issues. In this way, there will be a greater acceptance of development processes and the underlying causes of problems.

Economic Foundations of a CDS Are Essential

Most city stakeholders participating in the RETA agreed that a CDS should address the issues of economic development and poverty reduction. However, many of the RETA-assisted cities had neither analyzed the economic base nor made appropriate projections of economic activity. Development prospects were merely based on what was thought to be likely and not on hard data. In many instances this was because the necessary data were not available and could not be prepared during the RETA.

An important feature of the CDS is for a city to create the internal institutional capacity and seek

political support to innovate and respond to current economic realities. More specifically, the CDS should focus on promoting the city as an attractive destination for national, regional, and global investment. To achieve this it may be necessary to carry out surveys and additional research and analysis. Such activities need to be identified and could be included as part of a follow-on TA or prepared for possible CA funding assistance.

The CDS Highlights Something New or Unique about a City

A successful CDS calls attention to unique features of a city and builds on these for the future. Taguig, for example, is unique in that it has the Global City development area—a major urban development project led by the private sector—within its boundaries. Ultimately the future of Taguig will depend on the success of Global City in attracting locators and employment for its residents. Da Nang and Quezon City also have unique features that must be exploited. Da Nang is a key city in the central region of Viet Nam and is a major port and tourist destination. Quezon City has extensive areas of undeveloped land in densely developed Metro Manila and has major institutions of higher education. All of these unique features with high investment potential should be highlighted in the CDS.

Global, Regional, and Long-Term Thinking Is Required

Cities do not function in isolation. Their economies are closely involved with those of neighboring cities and surrounding areas. All of the participating cities have regional influence extending beyond their boundaries. Some also have global significance.

A CDS is a strategic planning document that must take into account the national, regional, and global environment. A conducive national policy framework is important. For example, it appears that the need to conform to central Government planning controls, policies, and approved master plans constrained the CDS for Da Nang. Although their economies are interlinked, the three cities in Metro Manila took limited account of the presence of neighboring authorities and adopted a more inward-looking master plan approach in preparing their CDSs. Clearly, national-regional-city links are important, and the CDS should forge better relationships between the cities and the national Government in economic development policies.

Strategic planning for a city involves thinking long term, over at least the next 10, or preferably 15 or more, years. Such thinking was constrained within the participating cities, which often focused on short-term political agenda. There is clearly a need for continuity to ensure that the vision and mission for a city do not change with a change in leadership. Mayors often view city development in terms of the need to ensure reelection, and newly elected mayors often ignore or reject inherited strategies and policies.

Funds Are Needed to Maintain Momentum

Many of the participating cities clearly thought that without specific funding support it would be difficult to maintain the momentum of a CDS. Talk but no action often leads to stakeholders becoming disillusioned. No city in the RETA prepared detailed financial plans or financial strategies to support implementation. Many participants felt that the ability to implement a CDS is linked to securing program and project funding. But, in many cases, improved municipal management is a priority, and for this little additional money is needed when the improvements themselves can generate more than enough revenues to cover the costs. However, investment funds are required when a CDS is designed to address broader issues of economic and social development.

The CDS/CWS Program should be tied up with the efforts of funding institutions so that it does not become a purely academic exercise.

More Than One Way to Prepare a CDS/CWS Program

Standard Methods Exist, but Cities Have Their Own Approach

Experience gained in the course of the RETA shows that there is no single "right" way to prepare a CDS. Although there are standard methods and supporting guidelines were provided, each of the five participating cities prepared its CDS in its own way. Taguig, Calicut, and Da Nang came closest to adopting the process suggested by the consultants, while Quezon City and Caloocan adopted approaches based on their city development plans. Other cities in the Philippines use the CDS

process suggested by the World Bank, but even here, actual implementation has varied between cities. A successful CDS is one that is owned by the stakeholders, and, as no two cities are the same, different approaches are to be expected.

The RETA has also shown that the CDS product varies. It is often related to the differing needs within a city or to its stage of development, size, and economic structure. The CDS initiative evolves through stages, and perhaps the RETA approach of attempting comprehensive coverage at the outset, partly because of limited time, was not the most effective way forward. Focusing on a more limited range of issues, as in Da Nang, Calicut, and Taguig, proved to be a more productive approach.

The RETA therefore indicates that in cities without experience or prior knowledge of the process, it may be best to start with a single sector issue and then expand coverage later. However, this must be undertaken without forgetting that a full-fledged CDS focuses on the city as an engine of growth, and needs to address the full complexity of all sectors of development.

CWS Approach Must Be Flexible

Broad guidelines for the preparation of a CWS Program are set out in this report. However, beyond the underlying principles of linkage to the CDS and stakeholder participation, the approach must be flexible and consistent with the realities at any given time. The following must be considered when preparing a CWS Program: (i) availability of human and financial resources, (ii) relative status of the CDS, (iii) availability and reliability of data, (iv) nature and extent of urban poverty and slum formation, and (v) other competing urban development priorities. Full account also has to be taken of the validity of alternative approaches to the creation of a slum-free city, which in some instances may not support conventional slum upgrading solutions based on landownership.

Appropriate Analytical Tools Must Be Used

In general, the analysis part of the CDS was inadequate. Very little data on the socioeconomic and physical aspects of the city and the likely changes were collected and analyzed. Except for overall population projections, no estimates of future economic activity or demand for services and utilities were made. S-W-O-T analyses were based on incomplete data on current conditions within the city and likely external (national or regional) influences on growth. In some cities this led to a number of problems in identifying and focusing on real concerns and then prioritizing problems and action areas. Clearly, there is a need for more rigor in decision making, and for much better technical information. The appropriate analytical tools must be used and the focus must be on the results. Rapid economic appraisal methods are required. Using appropriate analytical tools is important and often leads to new insights into the key drivers of change and possible ways in which the city stakeholders can intervene.

Participation Is the Key

City Must Accept Need for CDS Before Embarking on Process

At the outset, the city mayor or senior executive must genuinely appreciate and accept the need for a CDS. The mayors of both Taguig and Calicut showed especially keen interest, and it appears that they and their staff learned much from their involvement in the CDS process.

A CDS should never be imposed. The approach is more likely to succeed if the city is already focused on improving governance and is prepared to raise the resources needed, including funds, to carry out the major interventions outlined in the strategies that support the vision.

Stakeholder Participation Is the Key to Ownership

Stakeholder participation is a defining feature of a CDS. The process should empower all participants and lead to new ways of thinking about development. A CDS requires the active participation of everyone in a city, including the business sector, civil society, residents, government, and most importantly the urban poor.

For the most part, the CDSs for Da Nang, Calicut, and Taguig were prepared following the guidelines suggested by the RETA team, although the actual degree of participation varied considerably. In Da Nang, the highly centralized political structure of Viet Nam proved too inflexible for the development of a fully participatory CDS. As a result, local officials were unwilling to take major decisions without central Government approval, and there was limited consultation with stakeholders outside government. Initial meetings were held to

discuss the CDS/CWS Program, and although all were in agreement, there were no follow-on meetings with stakeholders. The city felt that it needed additional assistance to undertake these consultations. No additional resources were available under the RETA for this, but arrangements were made for a training program for the Da Nang core team and stakeholders, to be provided jointly by ADB and the UN Urban Management Programme/UN-Habitat. The training program was, however, delayed.

In Calicut, stakeholders met to identify and discuss the main problems and potential of the city. A vision/mission statement was drafted during consultations with stakeholders. Some 50 consultations were held with various groups. A draft CDS and CWS document was produced and discussed with the stakeholders.

In Taguig, a number of participatory meetings were held. These led to a better understanding of the critical problems of the city, the formulation of a collective vision, the identification of the key sectors or "pillars of development," and the drafting of sector development strategies.

In Quezon City, so as not to "reinvent the wheel," the CDS was based on the existing development plan. In a process similar to that for a CDS, intensive discussions were held to mobilize the support of citizens for the city's vision and programs. Of all the participating cities, only Quezon City held consultations that reached the *barangay* or neighborhood level. The multisectoral City Development Council, which included representatives from the urban poor, NGOs, and the private sector, was also reactivated.

Securing stakeholder ownership, particularly for an agenda embodied in a CDS, is critical. Ownership is achieved through participation, but it has to be more than just consultation. All must buy into the stages of a CDS process and the sense of ownership must continue. One way of achieving commitment is to assign specific responsibilities in the process to different stakeholders. Managing the participation and ownership process is complex but must be undertaken. This is why procedures guaranteeing participation and decision making must be established from the outset to ensure transparency. Clearly, firm stakeholder commitment and ownership are required when a CDS is designed to address broader issues of economic and social development.

Participation Takes Time

Although it was originally scheduled for about 9 months, the RETA was implemented over an 11-month period, from July 2002 to June 2003. This gives some indication of the time needed to secure acceptance and understanding of the unfamiliar CDS/CWS concept in participating cities, and manage meaningful participation.

Participation requires time and resources to (i) identify the stakeholders and their representatives, (ii) establish the avenues for communication and participation, (iii) analyze the results of the exercise, and (iv) ensure continued stakeholder participation up to approval and implementation. In Wellington, New Zealand, in a society with long-established processes of participation, the consultation process lasted for 18 months. Much more time would be needed for participation in developing countries where (i) governments tend to safeguard their domination and control of the public sector (India); (ii) systems of governance and economic control are highly centralized (Viet Nam); and (iii) genuine consultation and participation is often accorded mere lip service (Philippines).

The RETA timetable allowed only a few months for participation and had insufficient resources to nurture the process within each city. In the design of future TA projects in which participation is an essential requirement, more consideration needs to be given to the time needed for consultants to assist in a genuine participation process. It is no coincidence that a high percentage of CA funding is for CDS/CWS Program preparation.

There is a need to develop an effective methodology for participation in all countries that balances the need for rapid appraisal and quick results with more extensive forms of participation. Perhaps a period of participation spread over one year would be ideal, first to set up the system, then to carry out the exercise, and finally to assess the findings and reconfirm them with the key stakeholders. Anything less would be too short and is more likely to be dominated by the city government. Longer periods, although producing more exhaustive findings, may not provide any more significant results and insights than the shorter process, and would set back implementation.

CDS Requires a Champion

Finding and supporting a CDS champion, in most cases the mayor, senior executive, or senior advisor, is an important first step. However, the problem the

champion has to face is how to generate support for the process within the city, and then, within a limited time frame, how to (i) institutionalize this support to ensure stakeholder commitment and participation; (ii) identify and agree on stakeholder representation; (iii) coordinate the CDS agenda; (iv) manage stakeholder inputs; and (v) generate the data, information, and level of analysis to enable stakeholders to make strategic judgments.

In many cases, lead responsibility for driving the CDS process was assigned to the local city planning department. This has some advantages in that planning staff see the city as the unit of analysis in planning. However, many city planners often focus more on physical development such as land use, and may neglect the economic basis of city development and the need to plan within the city's resource limitations. It would therefore have been more appropriate if responsibility for CDS preparation fell under the direct authority of the mayor or senior executive, with support from the relevant planning, infrastructure, economic development, resource generation, and urban poor affairs departments in local government, as well as local consultants where required.

Vision Should Be Realistic and Attainable

Many CDS vision statements were too general and not supported by more specific mission statements. A vision reflects the collective views of the major stakeholders of a city, but must be based on reality and on what is achievable. Its supporting mission statement should be SMART—**S**pecific, **M**easurable, **A**ttainable, **R**elevant, and **T**ime-bound. Being realistic about objectives is important, and long-term goals and strategies should be supported by specific short-term objectives, which become the foundation for long-term outcomes. Early successes often greatly facilitate stakeholder "buy-in."

Poverty Reduction Is the Priority

Poverty Should Be Specifically Defined

Poverty is a multidimensional issue and there is no unique way of measuring it. Its causes should be made clear, so the most appropriate policies for reducing poverty can be determined. Besides considerations of income, employment, and wages, ADB's definition of poverty includes the lack of access to secure tenure, basic education, health care, water, and sanitation, as well as exclusion from relevant decision-making processes.

CWS Approach Must Be Multisectoral

The CA suggests improved access to legal tenure and sanitation as key performance indicators for the CWS Program. But the CWS Program must also take account of other facets of poverty. It must incorporate socioeconomic initiatives to stimulate economic regeneration and social development, and increase the self-reliance and empowerment of poor urban communities. The concept of improved governance and increased participation by the poor in development is not just part of an agenda for social equity. It also has practical value in that it reduces the burden on governments' limited resources and supports the long-term sustainability of program development.

CWS Program Must Consider Political Realities

The political climate in which the CWS Program is being prepared and implemented must be considered from the outset. There needs to be a realistic assessment as to whether there is genuine political support for the CWS Program approach involving maximum stakeholder participation, empowerment of the urban poor, secure tenure, and on-site upgrading.

Such support may not exist in all instances. In Viet Nam, the central Government, which dictates national development policy, regards slum settlements as "temporary housing" for resettlement, and gives limited policy support for multisectoral urban upgrading through a participatory process. The lack of central Government support is one of the primary causes of Da Nang's failure to complete even a draft CWS Program under the RETA.

Elsewhere, as in some cities in the Philippines, whether senior executives adopt the CWS Program may depend more on the cycle of local government elections rather than on any real commitment to the approach.

Strengthening the Stakeholders

Learning by Doing: Building Capacity Is a Key CDS Outcome

Before the RETA, none of the participating cities had undertaken a CDS exercise, although all had had experience in preparing city development or town plans. As a result, city staff had to be carefully guided, and the most effective way of learning was through "hands on" training. Neither the intermittent nature of the RETA nor its limited allocation of time in the field in direct contact with counterparts (especially in Calicut and Da Nang) lent itself to this approach.

A significant benefit of the RETA has been to improve the city's capacity to manage the CDS process. In Taguig, Calicut, and Da Nang assistance was provided in training staff in the process, and Taguig and Calicut now have some capacity to continue. This will enable the cities to make more informed decisions and to create the internal institutional and political capacity to innovate and respond to emerging economic realities. The focus should be on the civic leadership and diagnostic role of local governments, which would enable the private sector and civil society to take the lead in economic growth and development.

Understaffed City Governments Could Not Devote Enough Time to Process

All participating city governments had neither the staff nor the expertise to effectively carry out and complete the CDS and CWS Program process. Most counterpart government staff were expected to combine CDS/CWS Program involvement with their normal assignments, which were often given priority. Many senior local government staff assigned to CDS/CWS Program preparation were also those whose skills were most in demand, and were therefore involved only on an irregular, part-time basis.

For successful CDS/CWS Program preparation, a senior full-time staff member must be assigned to manage the process, and given the support of key professionals when needed. Constant secretarial support will also be required, particularly to organize and document meetings with stakeholders. One way to strengthen the process would be for city governments to hire local consultants to help manage the process.

Donor Support Can Be Important

The evidence from the RETA indicates that donor support is important in helping city managers take the CDS process forward. External agencies, such as ADB, can play a major role in helping city stakeholders prepare and implement a CDS. But such assistance is needed over a long period and should be flexible. For ADB, a key issue is the uncertainty of a lending program following support for a CDS. Nevertheless, if the development institution supports the CDS, should a lending program be one of the outcomes?

Key requirements for ADB under a CDS are that prior consultation with the key stakeholders has taken place and priority investment sectors have been identified. Both of these are preparatory to the formulation and implementation of urban development projects.

A CDS implies a different approach for ADB than past lending approaches. A CDS focuses more on programs than on specific projects, but is able to set the context within which specific urban development projects are conceived. Since a CDS involves participation and ownership, it can lead to unexpected outcomes. Nevertheless, an urban development project set within a CDS framework is likely to improve the effectiveness of ADB lending.

CDS Should be Proactive and Incentive-Based

Private Sector Should Be Involved

The involvement of the private sector was seen to be essential by most local government stakeholders. This reflected an increasing need to mobilize

private sector resources to support city development. However, it appears that some city administrations are not clear about how to proceed beyond involving the private sector in the provision of infrastructure and utilities or attempting to respond to their supply-side needs. Far more focused and practical thinking is required.

As local governments seek closer collaboration with central Government agencies, so should they also initiate and sustain capacity building programs to develop greater self-reliance in poor urban communities, and forge partnerships with the private sector to maximize the resources available for poverty reduction.

Future Slum Formation Should Be Anticipated

As the name suggests, the CWS Program targets the elimination of slums in urban areas mainly through a process of upgrading. However, despite the focus of the CWS program on existing slum and squatter settlements, the issue of future slum formation should not be overlooked.

Given rapid urban population growth, it is likely that the demand for low-cost shelter in participating cities will increase substantially. If this demand is not met, existing slums will expand and new ones will form. The CWS Program must therefore include the provision of affordable new housing together with support services and facilities to prevent future slum formation. New low-income housing sites must be identified and developed to satisfy demand, and to accommodate displacement brought about as a result of upgrading. The importance of anticipating future growth highlights the need for close linkage with the CDS, especially its spatial planning and land use components.

Networking to Form Alliances

Sharing experience is important. Since the CDS/CWS Program is owned by the cities, it should be their representatives that disseminate information, experience, and lessons learned. The proposed regional workshop would have created such an opportunity, but because of the SARS outbreak, attendance was restricted to cities in Metro Manila.

Discussions are needed to learn from the experiences of other cities engaged in the process. Learning can take place only if others were to show what works and what does not. Besides workshops, knowledge can be shared by city twinning, staff secondment between CDS cities, private and public sector missions, and use of the Internet.

In networking between cities, the RETA's achievement to date has not been that significant. There was no connection to the Internet in the city government offices in Da Nang, Taguig, and Caloocan for most of the RETA period. Resources posted on the web would have helped the cities develop their CDS options. For example, the web site www.cdsea.org contains a wealth of information, from other CDS experiences to resource papers, that would have helped in the formulation of local housing programs.

The RETA team collaborated with the CA in New Delhi to provide the Calicut core group with an opportunity to participate in a stakeholders consultation meeting in Hyderabad. Calicut officials found this useful and saw information sharing as a resource that they could tap into because of their involvement in the CA.

Monitoring Is a Must

Monitoring and evaluation of the CDS and CWS Program is an essential component and should become an integral part of the process. Because of the early stage in CDS/CWS Program development in the cities, little thought was given to the dissemination of monitoring and evaluation procedures by the participating stakeholders. It is important to document the progress of the CDS/CWS Program and to amend the CDS implementation plans, programs, and projects as required. Approaches would cover, among others, the incorporation of regular reports on the CDS/CWS Program into an annual report on the city, stakeholder and community meeting updates, and the use of evaluation frameworks and methodologies and monitoring benchmarks.

The RETA in Retrospect

Selection Criteria Were Needed for Participating Cities

The participating cities should have been selected before the start of the RETA. As it was, time that could have been better spent by the RETA team on technical support had to be spent identifying the participating cities and redefining the scope of the RETA in the five cities.

Beyond consideration of balanced geographic spread, cities could have been selected according to criteria such as the following:

- Existence of a potential development partner for the city to support CDS/CWS program implementation;
- Unambiguous support of central, state, and local governments (as appropriate) for the underlying CA approach, especially for aspects related to stakeholder participation;
- Potential role for the city in national or regional economic development, as a realistic basis for preparation of a CDS;
- Recognition of poverty reduction as an urban development priority; and
- Existence of in-house technical capacity to prepare the CDS/CWS Program.

Participating Cities Should Have Been Briefed at the Start

The RETA would have benefited from an initial briefing of selected cities by ADB, before its start. This briefing would have provided the first opportunity to (i) present the CA approach and the scope and objectives of the RETA, (ii) clearly define CDS/CWS program ownership and the relative roles of the cities, ADB, and the RETA team, (iii) dispel any confusion within the cities regarding other ADB initiatives, and (iv) describe the likely benefits that could accrue from involvement in the CA.

Such pre-RETA preparations would have (i) allowed more time for technical advice and assistance, (ii) smoothed the way for collaboration between the RETA team and the city, (iii) added credibility through firsthand ADB involvement, and (iv) allowed early identification of key stakeholder groups.

Greater ADB Involvement Would Have Been Invaluable

ADB's regional representatives in India and Viet Nam played an important role in discussions with national government agencies leading to the selection of participating cities. Regional representatives also met the RETA team on several occasions during the initial stages of the RETA to provide background data on the participating countries, cities, and relevant development sectors, and to help set up meetings with key government agencies. But beyond this, the representatives had little further direct involvement in the RETA.

Given the intermittent nature of the consultants' inputs, with only limited opportunity for field visits to India and Viet Nam, further support would have been invaluable, particularly in (i) monitoring progress and providing feedback on CDS/CWS Program preparation; (ii) following through on key city concerns, such as Da Nang's concern about having its participation confirmed by the central Government; and (iii) informing the RETA team of other relevant donor involvement, including ADB's.

Enough Time Should Have Been Allowed for Stakeholder Participation

Since an effective CDS/CWS process, including internal stakeholder deliberations, takes time to organize, apply, and monitor, more time, or at least an initial preparatory phase, should have been set aside for setting up participatory mechanisms.

The Way Forward

Wrap-Up Meetings with Metro Manila Mayors

Wrap-up meetings were held between the RETA team and the two Metro Manila mayors in mid-June 2003.[24] The mayors indicated that the RETA, and particularly the concluding workshop, had been a valuable learning experience and had helped clarify their approaches to development strategy formulation and to the search for an appropriate solution to the growing number of slum and squatter settlements. Involvement in the RETA had also exposed weaknesses in the capabilities of their CPDO and UPAO technical staff, prompting the local governments to put in place certain reorganization and strengthening measures.

The two mayors aired new proposals for dealing with the issue of slums and squatter settlements. Although they differed in detail, both proposals centered on the acquisition and development of the large tracts of vacant or underused national government land into areas where households from slum settlements could resettle and other poor households could avail themselves of affordable housing. Regrettably, these proposals were not documented and came too late in the RETA to be included in this report, although details are now being worked out. However, two important conclusions can be considered in taking the next steps and formulating a possible follow-on RETA:

[24] Mayor Sigfrido Tinga, Taguig, 10 June 2003; and Mayor Rey Malonzo, Caloocan, 12 June 2003.

- That the RETA has stimulated momentum in local governments that will continue beyond its completion; and
- That the resolution of slum-related issues in Metro Manila relies on the involvement and cooperation of the national Government in making its vacant lands available for development.

CDS/CWS Program a "Work in Progress"

The RETA provided advisory services designed to engender local ownership through participatory CDS/CWS Program preparation. Beyond the initial presentation introducing the CA and the scope and purpose of the RETA, the preparation and explanation of CDS/CWS Program guidelines, and limited first-hand technical support backed by long-distance communications, the RETA was essentially reactive and could only respond to production at the local level when it was made available. The final CDS and CWS Program documents from the participating cities are still undergoing production, following the conclusion of the RETA. Measures to ensure the continuation of this process are an important consideration in any follow-up initiative on the part of ADB or any other development agency.

Scaling Up the CWS Program

To move toward the CWS program targets set out in the CA, there will be a need to scale up the impact of poverty reduction interventions from the local (project) level to a citywide level, in all participating cities. The CDS and the CWS program provide the framework for this. However, because of the intermittent, advisory nature of the RETA, neither full completion of the CDS/CWS Programs nor full understanding and acceptance by stakeholders was possible in all instances. To bring the initial CWS program interventions to scale, there will be a need to (i) complete CDS/CWS Program documentation, a process that in some instances will require additional research and investigations; and (ii) through information dissemination and training, attain the depth of understanding and acceptance of the CA approach needed to broaden meaningful stakeholder participation, strengthen institutional capacity, and establish the necessary political will and leadership to drive the process forward. The scope of any follow-up RETA will have to include consideration of these requirements, and seek the necessary CA funding support as appropriate.

Need for Continued Assistance

It took time and effort for the local governments to understand the need for a CDS and a CWS Program and to engage in genuine participation. As the RETA progressed, however, the benefits of adopting such approaches became clearer to all cities. Momentum has increased, and the cities have expressed a desire for further assistance to continue the process. Benefits are likely to be realized if further assistance is provided.

CA Membership and Follow-on Technical Assistance

The RETA marked ADB's initial involvement with the CA. It involved depositing $250,000 in the Cities Alliance Core Trust Fund representing the minimal annual contribution necessary to ensure partner status for ADB for 1 year. ADB will have to make similar contributions to continue with its membership.

Experience under the RETA has shown that it would be beneficial for ADB to remain a member of the CA. Membership would enable ADB to

- further its leadership and credibility in the urban sector;
- follow through on the momentum gained during this RETA;
- realize the benefits of sharing and networking of ideas and knowledge;
- promote participation in projects, which is the cornerstone of the CDS and CWS Program;
- support its policy of interregional cooperation; and
- learn from the know-how generated within participating cities.

Since the first year of membership has not yet passed, it is too soon to assess the benefits of membership. Hence, continued membership for a 2-year period would provide enough time and experience to assess the longer-term benefits of remaining a member.

ADB's Urban Sector Strategy, published in July 1999, is now in need of review and revision in

the light of rapid urban growth. Furthermore, CWS Programs have shown that there is a need to assess the alternative forms of secure tenure and environmental sanitation as key priorities. Local economic development has been shown to contribute significantly to urban poverty reduction, but such strategy formulation needs assistance and guidance.

To assist ADB with its continuing participation in the Cities Alliance, a follow-up RETA is proposed. The assistance will build on the work undertaken and the lessons learned from this RETA. The overall aim of the proposed RETA would be to maintain ADB's engagement with the CA and mainstream the CDS and CWS approaches into ADB's urban sector strategy and operational activities. More specifically, the objectives of the proposed RETA would be as follows: (i) to broaden coverage of CDS and CWS preparation and implementation among developing member countries; and (ii) to assist in the eradication of slums and the reduction of urban poverty by focusing attention on economic development, secure land tenure, and appropriate environmental sanitation.

The proposed RETA would cover the cost of ADB's contribution to the CA for 2 years and support (i) the incorporation of alternative forms of secure tenure in slum eradication and urban poverty reduction; (ii) the incorporation of alternative forms of environmental sanitation in slum eradication and urban poverty reduction; (iii) the formulation of local economic development strategies toward urban poverty reduction; and (iv) the scaling up and institutionalization of CDS and CWS activities.

Increasing Donor Collaboration

Under the RETA, the consultants had the opportunity to collaborate with other donor agencies active in the urban sector. In India, the direct involvement of the WB-CA adviser in expanding CA funding requirements and in organizing the involvement of Calicut Corporation representatives in external workshops was invaluable in reinforcing counterpart staff understanding of and commitment to CDS/CWS Program preparation. In Viet Nam, contact with WB staff involved in the ongoing CA Project[25] was important in gaining insights into the policy debate, while informal arrangements made with a senior GTZ local consultant involved in the National Poverty Alleviation Strategy[26] assisted in CDS/CWS Program preparation activities in Da Nang. Arrangements are also in place to involve the UN UMP staff in providing further training for Da Nang staff in various aspects of stakeholder consultation.

In developing any intended next phase of ADB involvement in the RETA participating countries and cities, and in advancing parallel ADB urban development initiatives, it is recommended that every attempt be made to build on and expand the collaboration with other donor agencies accomplished during the RETA. This is consistent with the CA commitment to information sharing, and to ADB's current exploratory moves to seek common or complementary areas for cooperation with other donor agencies.

Collaboration with the Central Government

Although the CDS and CWS Program are city-based initiatives focused on participation and consensus building at the local level, they should be formulated and implemented within the framework of national (and where appropriate state) development policies and programs, especially those dealing with economic and social development, and with a pro-poor orientation.

Elsewhere, successful implementation of the CWS Program will rely on local governments establishing a close working relationship with the central government to address urban poor issues. For example, in densely urbanized environments, access to and development of some parcels of vacant and underused national government land in Calicut, Quezon City, and Taguig could prove critical for the provision of low-cost housing and services for poor urban households as an integral part of the CWS Program.

[25] A National Strategy to Enhance the Access of the Urban Poor to Basic Infrastructure and Housing, Viet Nam.

[26] GTZ-MOLISA Institutional Capacity Building for the National Poverty Alleviation Strategy, Viet Nam.

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Appendixes

APPENDIX 1 GUIDELINES FOR PREPARING A CITY DEVELOPMENT STRATEGY

Introduction and Summary

Purpose of Guidelines

These guidelines were prepared under a regional technical assistance (RETA) to help city stakeholders in formulating a City Development Strategy (CDS). They were field-tested during RETA implementation as a series of working notes guiding the process in Calicut (or Kozhikode) in India, Da Nang in Viet Nam, and Caloocan City, Quezon City, and Taguig in the Philippines. Five notes were produced[1] and each one was amended after the local workshops and other dissemination exercises to take into account the experience gained. The notes were combined in one volume to form these guidelines.

The guidelines start with a brief introduction to the CDS concept and process, a summary of the four stages in CDS preparation, and an outline of the contents of a typical CDS. The CDS stages—preparation, analysis, strategy formulation, and implementation assessment—are then discussed step by step in separate chapters. The guidelines provide city stakeholders with a checklist of what each stage should cover and are meant to be merely indicative instead of prescriptive, given the many ways of preparing a CDS.

The CDS Initiative

Increasingly, national economic growth is being determined by what happens in urban areas. Globalization is strengthening competition between cities as private investment seeks to maximize returns in highly competitive markets. Decentralization has given added power and resources to cities and their populations, but many urban areas are not well managed and their economies remain uncompetitive. Two scenarios are emerging worldwide: that of cities where poverty, social exclusion, and decline are increasing amid pockets of splendor and wealth; and that of more inclusive cities where growth is equitable and sustainable, and pockets of poverty are few and decreasing.

Rapid transformation in the developing world as the population moves from the rural areas to urban centers calls for an appropriate government response to the challenge of urban growth. National and local governments must be better equipped to manage the transition from central control to decentralized and market-based provision of services. For cities, the result will be demand-driven urban development, with infrastructure and service providers and local governments being directly accountable to their consumers and answerable to their constituents. This increased accountability means that people living and working in urban areas must devise strategic development initiatives to meet their perceived needs. The CDS initiative is an example of this effort.

What is a City Development Strategy?

A City Development Strategy (CDS) is an action plan for equitable growth in a city, developed and sustained through public participation to improve the quality of life for all citizens. The goals are a collective city vision and action plan to improve governance and management, increasing investments to expand employment and services, and systematic and sustained programs to reduce poverty. A city is expected to drive the process and local ownership is essential. In other words, a CDS is a corporate plan for the city.

A CDS is focused on the process of change, highlights economic dynamics and opportunities, and adopts a flexible strategy to respond to economic realities in a competitive environment. It helps build stakeholder capacity to manage a city more efficiently and to encourage and attract investments from within the country and abroad. It does this by encouraging stakeholders to participate and empowering them. Thinking about the future within a CDS framework often changes the way a city is managed and planned.

A CDS is focused on a city as the unit of analysis, much as a corporate plan is focused on a company. A CDS helps a city make the most of its strengths and opportunities, determine where it is headed and where it wants to be, improve its competitive position, and thus contribute more to national development. A CDS is the "big picture" that sets the overall direction for the growth of a city, taking into account the views of stakeholders.

A CDS is defined by the process of formulating and implementing its outputs (products). Past efforts to produce similar integrated approaches have often failed because of poor coordination between implementing agencies, which has led to conflict and wasted resources. Past approaches to planning, such as city master plans, were, moreover, technical and often unresponsive to the citizens' views and aspirations. The dynamic CDS process is very different from the more static master planning of the past, in recognition of the fact that cities are now better able to respond to opportunities for growth. Decentralization is enabling cities to take more decisions, and increased demand for representation is opening the planning and political process to greater participation and accountability. A CDS is able to respond to these changing circumstances.

However, a CDS is not a substitute for integrated master plans, land use plans, investment plans, or institutional development plans, all of which complement a city development strategy. The CDS process is a strategic visioning exercise that helps the city identify its goals and directions, make policy decisions, and allocate resources. With agreement on a larger vision, often to secure a competitive position, cities can plan for land use, transport, and other sectoral needs with a clearer view of priorities and the timing of investments.

[1] (i) What Is a City Development Strategy; (ii) Preparing a City Development Strategy: Preparatory Stage; (iii) Preparing a City Development Strategy: Analysis Stage; (iv) Preparing a City Development Strategy: Strategy Formulation; and (v) Preparing a City Development Strategy: Assessing implementation through Monitoring and Evaluation. All these notes were prepared between July and September 2002.

City Development Strategy Process

Cities need to become the focus of good government and the venue for social inclusion and poverty reduction. CDS outputs must create an environment where this happens.

Key Objectives

The CDS process

- Builds trust and relations between stakeholder groups, to help achieve social inclusion;
- Builds and improves the capabilities of stakeholder groups, to promote good governance, behavioral change in institutions, and prudent management of the economy and civil society;
- Encourages people to think differently about how their city should develop;
- Achieves a coordinated strategic approach to addressing the complexities of development; and
- Precipitates a change in stakeholder attitudes and behavior away from dependency.

Stages

The CDS process has five stages:

- Preparation – identifying the drivers and key partners, management system, objectives, and work program;
- Analysis – collecting baseline information, analyzing strengths and weaknesses, and building consensus around a common understanding of the city's problems and priorities;
- Strategy formulation – defining a vision, formulating and evaluating options, identifying stakeholder roles, and developing action plans within an affordable financing framework;
- Implementation – implementing demonstration projects, mobilizing resources, carrying out agreed investment plans, obtaining the support of donors, and monitoring and evaluating progress against the vision and mission statements; and
- Consultation – a continuous participatory process throughout the above four stages involving stakeholder group meetings and consultations to arrive at a formal political commitment, agreed vision, and strategic framework.

A diagram of the process is shown in Figure 1.

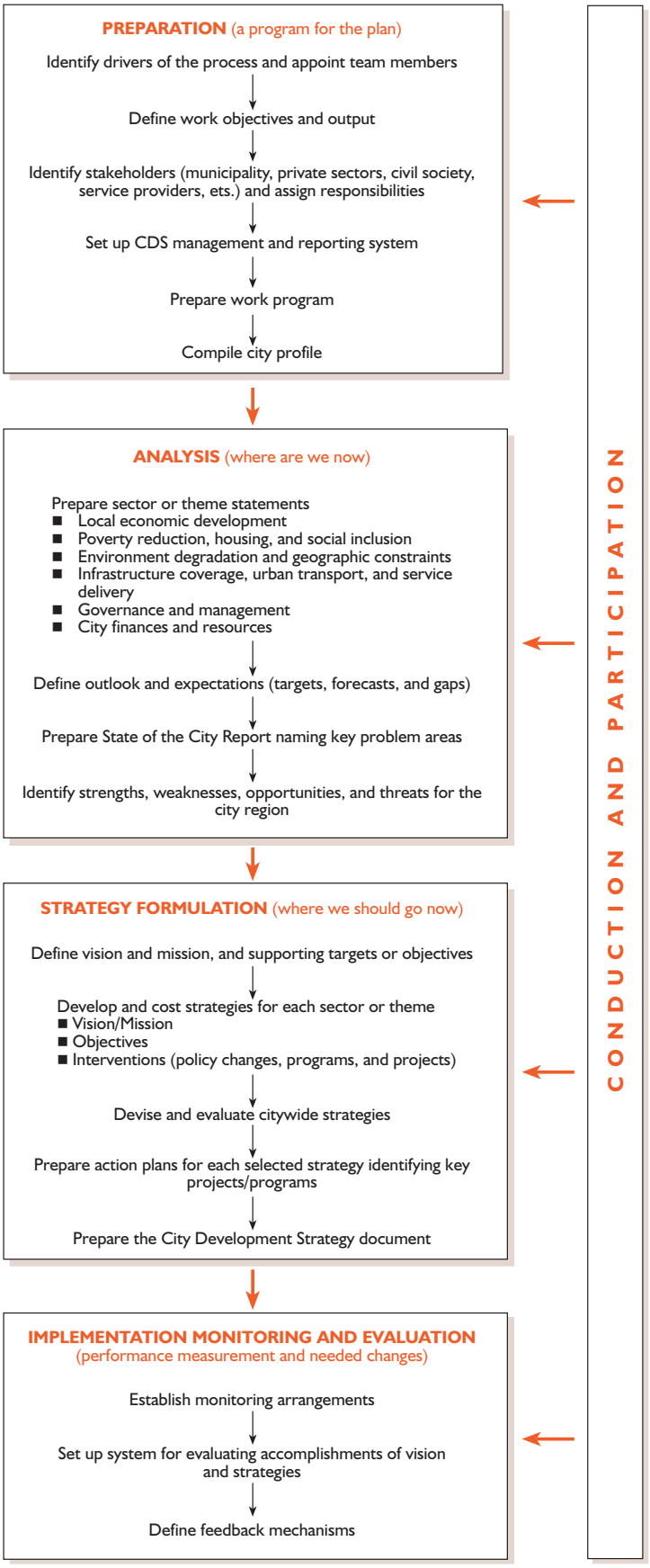


Figure 1: The CDS Process

Key Outputs

The key outputs of the CDS process are:

- A collective vision and strategy for a city, which would be the foundation for its economic growth and for strategic thinking in its development, institutional, and financial planning;
- Defined priorities and action plans, to promote economic change and assist stakeholders in setting development priorities and resolving issues related to intersectoral priorities and investment programming;
- Development strategies that promote economic growth and reduce poverty; and
- Policies that lead to an improved investment climate.

In summary, a CDS should have clear aims and outputs, an agreed logical framework, a performance management and evaluation system, effective processes, and appropriate products and implementing mechanisms. A city should not lose sight of the key outcomes. The ultimate goal is for the city to attain the internal institutional and political capacity to innovate and respond to rapidly changing economic and social realities. It must be emphasized that the preparation of CDS is not the end by itself but, the CDS implementation.

City Development Strategy Document

Ideally, the CDS should be a summary document comprising an executive summary (2–3 pages) and main text (20–30 pages). It should contain the following:

- State of the City Report, including a summary city profile, economic base analysis, and sector statements;
- Summary of key problem areas;
- Findings of the analysis of strengths, weaknesses, opportunities, and threats;
- Vision and mission statements, including measurable targets or objectives;
- Outline development strategies, including cost estimates;
- Action plans for each strategy, including interventions and priority projects and programs; and
- Monitoring and evaluation and feedback mechanisms.

Figure 2 shows how the CDS process is related to development planning.

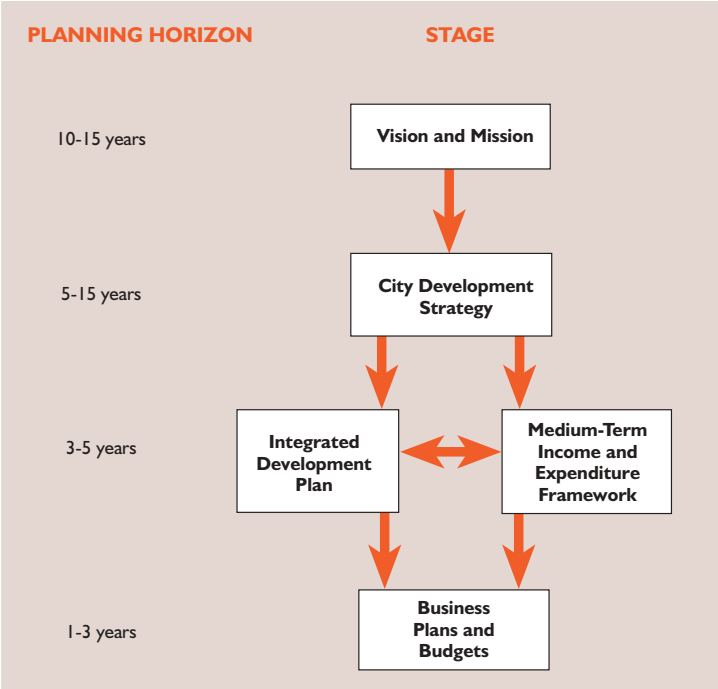


Figure 2: CDS Process and Development Planning

Preparation (A Program for the Plan)

Identify Drivers of the CDS Process and Appoint Team Members

The city or municipality would lead this process through civic leadership. Consultants could be hired to give advice.

The mayor (or the head of the city or municipal council where there is no mayor) and another senior city official[2] must drive the process, with the support of a project manager (PM), who will be responsible for the day-to-day work involved in preparing the CDS. The PM should be able to work across departments and have the ear of the political head of the city, and would set up a small team. Over the longer term, a separate strategic planning office may have to be established. Its head would report directly to the mayor or the head of the local government.

Define Work Objectives and Output

Once appointed, the PM would define the objectives and expected output of the CDS process.

Key Objectives

The CDS process

- Encourages stakeholders to participate in developing a CDS;
- Builds civic capacity and stakeholder (government, private sector, civil society, and the community) capabilities;
- Changes the way stakeholders think about development;
- Addresses the complexities of development; and
- Builds a collective vision for the city.

Key Output

A key output is a CDS, which should be a summary document comprising an executive summary (2–3 pages) and main text (20–30 pages). It would contain the following:

- State of the City Report, including a summary city profile, economic base analysis, and sector statements;
- Summary of key problem areas;
- Analysis of strengths, weaknesses, opportunities, and threats;
- Vision and mission statements, including measurable targets;
- Outline development strategies, including cost estimates;
- Action plans for each strategy, including interventions and priority projects and programs; and
- Monitoring and evaluation, and feedback mechanisms.

[2] This could be the City Manager/Administrator or the City Planning and Development Officer (or his/her equivalent).

Since the CDS is a long-term strategy (10–15 years), it should not change significantly from year to year. It would become the recognized document that outlines the city vision and its approach to future development. It would be used by the city to promote itself to potential investors.

Identify Stakeholders and Assign Responsibilities

Stakeholders are all those with an interest in the future of the city, from individuals and the informal sector to large organized formal businesses. Table 1 shows the range of stakeholders within a city.

A community starts the process of strategic planning by identifying the people, public institutions, businesses and industries, civic organizations, professional organizations, training and educational institutions, and others with a vested interest in the development and growth of the city. Representation from all of the groups given in Table 1 would be desirable, but practical realities may confine the groups consulted directly to only a few. Where the participants are limited, those selected must be widely represented.

The city must identify the participating stakeholders. For this exercise, the following should at least be represented:

- Major businesses and investors,
- Service providers,
- City council,
- Resident taxpayers,
- Appropriate NGOs, and
- Urban poor groups.

Set Up CDS Management and Reporting System

The city must first form a city steering group to engage the participation of as broad a cross-section of stakeholders as possible. This could be the executive committee of the city development council.[3] The group would have the following functions:

- Approve the work program and schedule, including the program of participation and consultation;
- Endorse the State of the City Report;
- Drive the analysis of strengths, weaknesses, opportunities, and threats (S-W-O-T);
- Endorse the vision and mission statements; and
- Endorse the completed CDS.

A CDS technical team (CDS team) is then formed, normally through an administrative order issued by the mayor or head of the city government. The team, comprising officers and consultants of the city or municipality and headed by the PM, would have the following functions:

- Serve as the secretariat of the steering committee;
- Provide technical expertise for the CDS process;
- Cooperate closely with the wider group of stakeholders selected for the CDS process;
- Organize participatory workshops and meetings; and
- Draft the CDS document.

Table 1: Stakeholders within a City

		Individual Informal Groups → Organized Groups			
Social	Community	General Public	Community-based and people's organizations	Nongovernment organizations	
	Taxpayers	Propertyowners	Small business	Big business	
	Faith-based orgnizations	Local	Citywide	National	International
	Special-interest groups	Neighborhood	National		International
Public	Workers	Informal groups		Trade unions	
	Public Institutions	City-based	National	International	
	Politicians	Local	City Councilors	Regional elected officials	National MPs
	Service providers	Informal	Municipal	Public companies	Private companies
	Education/ Training Institutions	Specialized local outlets		National Universities	
	Academe	Local	National	International	
Private	Professional groups	National associations			
	Civic organizations	Local	National	International	Associations
	Business entities	Informal businesses	Small and medium	Big business	
	Investors	Citizens	Banks	National companies	

Box 1: Participation in the City of Wellington, New Zealand

Strategic links to governance were first identified. These covered the community, central government, retailers, investors, and interest groups. The city government led and facilitated the process of active participation, which culminated in the formulation of a long-term vision for the city. First, the Mayor launched an 18-month-long community-led planning exercise—the strategic visioning process for the CDS. The community was asked to nominate the members of the City Steering Group to engage the participation of stakeholders such as the Chamber of Commerce and NGOs. The Council provided data on key trends to facilitate informed discussion. Specialist working groups were formed and peer review teams created to challenge vested interests. More than 2,000 residents and 100 organizations took part in 70 workshops and forums. An iterative process was adopted resulting in the document "Our City—Our Future," which covered the city's vision, goals, targets, performance indicators, and initiatives.

[3] Under the Local Government Code of the Philippines, the executive committee of the city development council is headed by the mayor and has the following members: the chairperson of the committee on appropriations of the council, the president of the city league of barangays, and representative/s of nongovernment organizations in the local development council.

Table 2: Format for the CDS Work Program

Task No.	Description and Subtask	Major Output	Responsible Agency and Persons Responsible	Start Date	Completion Date

Prepare Work Program

The CDS team sets the work program and its details. The work program would cover the steps involved in preparing the following

- City profile;
- Sector statements;[4]
- Outlook and expectations (targets, forecasts, and gaps);[5]
- State of the City Report;
- S-W-O-T analysis;
- Vision and mission statements and supporting targets;
- Alternative strategies and their cost;
- Preferred strategies;[6]
- Action plans for each strategy, identifying key interventions, projects, and programs;[7] and
- CDS document.

Major outputs should be noted and all proposed participatory workshops identified.

The work program may follow the format given in Table 2.

Analysis (Where We Are Now)

This chapter covers the second stage of the CDS process. It outlines the basic tasks that must be accomplished and the broad coverage of each one. Normally, the staff of the city government, through the CDS team, would take the lead in the preparation of the city profile and the State of the City Report. Sector or theme statements and the outlook and expectations for the city would be prepared with the assistance of other stakeholders such as chambers of commerce, NGOs, and educational institutions. Strengths, weaknesses, opportunities, and threats (S-W-O-T) would be analyzed jointly by the city government and the identified stakeholders.

Compile City Profile

Basic data about the city would be gathered to determine key indicators for the city. Data relating to, say, a 10-year period[8] should be gathered to allow planners to identify trends and changes. Much of these data would be found in the city's comprehensive land use plan or similar plans and supporting documents, recent studies, official census reports, and other documents. Where possible, existing data, or proxies if no data are available, should be used. Only in exceptional cases should specific surveys be undertaken. An indicative format for data collection is given in Annex 1.1.

The profile should be descriptive and examine past trends. As a general rule, the profile would cover the following data:

- Geographic characteristics: locational advantages and physical characteristics of the city area including: (i) socioeconomic, trade, and historical links, growth prospects, general land use, and location; (ii) topographic, geologic, soil, hydrologic, and climatic factors affecting development; and (iii) political and cadastral boundaries.
- Environment: extent and location of the environmental concerns of the city including: (i) air, soil, and water quality; (ii) toxic, hazardous, and solid waste; (iii) protection and conservation measures for urban forest or open space; (iv) biodiversity and protected areas; (v) coastal and marine resources, where applicable; and (vi) noise levels and pollution.
- Infrastructure and services: present, as well as prospective, condition and coverage of facilities including: (i) transport infrastructure (roads, bridges, railways, air and sea ports); (ii) transportation systems (motor vehicle ownership and use, public transport facilities, and traffic management); (iii) power and electricity generation and distribution; (iv) communications (postal services and facilities, telecommunications including Internet access, broadcast and print media and other information providers); (v) water supply, sewerage and sanitation, and drainage; (vi) solid waste management (collection, recycling, and disposal); and (vii) public buildings, markets, and slaughterhouse facilities.
- Demographic profile: aggregate data on the resident and daytime population supporting the urbanization and socioeconomic development of the city including: (i) population data (growth rates, sex and age distribution, households, languages, labor force, etc.); (ii) urbanization (densities, occupancy of urban land); (iii) household income, savings, and expenditures and poverty; and (iv) location of pockets of poverty, based on such indicators as deficiency of services, poor quality of housing, existence of informal settlements.
- Social sector: data on social development programs and facilities, and the coverage and quality of service, including: (i) statistical data on housing and households, education, literacy, manpower development, health and nutrition, and public safety; and (ii) data on physical facilities and conditions relating to housing (informal settlements, blighted areas, etc.), education, health care, civic, and other social services.
- Economic activity: economic structure and regional market characteristics including: (i) city product[9] and investments; (ii) economic activity, growth, and interrelationships, by economic sector; and (iii) employment and unemployment.
- Development administration and financing: administrative setup of the city, its governance, and the state of its finances

[4] Given the poverty alleviation focus of the Cities Alliance, emphasis would be given to the preparation of economic development and shelter sector statements, forecasts, strategies, and other plans to support the preparation of Cities Without Slums (CWS) components.

[5] See note 4 above.

[6] See note 4 above.

[7] See note 4 above.

[8] Actual period to be determined by the city.

[9] The city product (output of goods and services) could be estimated if the data are not available, by using national data on output per employee and relating these to the structure of employment in the city. Appendix 2 of the *Cities Data Book: Urban Indicators for Managing Cities* (Asian Development Bank, 2001) details two approaches.

including: (i) government agencies, city administration and capacity building, citizen participation, and community mobilization; and (ii) revenues and expenditures, balance sheets, credit rating, etc.

Components other than these could be used if the city considers them more indicative of its features. What is important is that the profile should cover the key components of the development of the city. In practice, all data assembled should lay the foundation for the preparation of the CDS, particularly the identification of the crucial sectors or themes that determine the competitive position of the city.

The output is most useful when the profile is concise and uses visual aids and tables, where appropriate. The sources of the data and the years covered should be given. The profile should be designed for the use of the existing or future stakeholders of the city. These are likely to include, among others, concerned residents, investors, national development agencies, financing institutions, and management and planning agencies.

Prepare Sector (or Theme) Statements

On the basis of the above statistical data and qualitative findings, sector (theme) statements should be prepared to provide a comprehensive picture of the city's operating environment.

The sectors are key aspects of the city's development that stakeholders are believed to consider important. They may well reflect the themes chosen by the city to improve its competitive position, such as employment promotion, poverty reduction, or service improvement. The sector (or theme) statements should focus on issues, opportunities, and constraints. The sectors (or themes) chosen would depend on the pressing needs of the particular city but must be deemed critical to the development of the city. In general, the themes would cut across the identified categories in the city profile.

For some cities, a decision may be made to shorten the CDS process by focusing on one or two strategic sectors or themes, rather than a long list of issues or problem areas. This modified CDS could focus on, say, local economic development and Cities Without Slums (CWS) themes, such as slum eradication, as priorities.

Identify the Sectors (Themes)

The CDS team would lead the process of identifying the key sectors (or themes) for a particular city. But the key stakeholders themselves must carry out the process and choose sectors or themes that reflect their main areas of concern. For example, the following sectors (themes) might be selected:

- Local economic development (LED), which represents the process by which the public, business, and nongovernment sectors work in partnership to create better conditions for economic growth and employment generation;
- Poverty, housing shortages, and social inclusion, which would be the basis for developing the CWS program;
- Environmental degradation and geographic constraints;
- Infrastructure coverage, urban transport, and service delivery;
- Governance and management improvements to increase participation, transparency, and accountability; or
- Finances and resource generation measures to enable the city to raise more funds.

A city could also come up with its own sectors (themes), aside from these. The choice is that of the stakeholders.

The table on page 92 summarizes the objectives and coverage of the suggested sectors or themes.

Prepare the Sector Statement

Each statement should show the present state of the sector, drawing on key trends evident over, say, the past 10 years, and the relationship between the sector and the processes driving change. The statements should lay the groundwork and be a point of reference for the strategies to be formulated in the third stage of the CDS process. More specifically, each statement should cover the following:

- A brief description of the sector (from the city profile);
- An analysis of the patterns of change and trends, including the spatial dimension.
- A summary of the implications of forecasts and projections based on minimal changes in policy;
- Key problem areas and issues; and
- Areas where intervention may be necessary.

The statements should be succinct and should focus on changes, issues, opportunities, and constraints.

Define Outlook and Expectations (Targets, Forecasts, and Gaps)

Using the trend projections and forecasts in the sector (theme) statements for the city overall, the CDS team should draw a picture of what would happen if there were to be no major policy changes—in other words, how the city would develop and be in a competitive position given its present state, current plans, and programs now being implemented. Forecasts would be qualitative and, where possible, quantitative for key components of the sectors or themes. Such forecasts would indicate the gap or deviation between current conditions and the goal expressed in the vision statement.

Before forecasts can be made, the planning horizon must be determined. This horizon represents the number of years between now and the future date at which the city vision should be realized. As a general rule, this would be 10–20 years.

Prepare the State of the City Report

From the city profile, sector statements, and forecasts made, a summary State of the City Report identifying the key problem areas would be prepared. The report will contain the following:

- A summary profile of the city;
- Sector (or theme) statements (issues, opportunities, and constraints);
- Overall outlook and expectations for the city; and
- Key problem areas that affect the competitiveness of the city, based on the sector (or theme) work and the outlook and expectations analysis conducted earlier.

Identify Strengths, Weaknesses, Opportunities, and Threats for the City Region

On the basis of the findings contained in the State of the City Report, stakeholders (municipality, private sector, NGOs, service providers, etc.) would analyze the city's strengths, weaknesses, opportunities, and threats (S-W-O-T). Strengths and weaknesses relate to factors internal to the city and indicate the effectiveness and speed with which it can adapt to changes in its external

Table 3: Summary of Sector Objectives

Sector/Theme	Objective of Analysis	Coverage
Local economic development	To assess a city's economic growth prospects linked to output, employment, and regional and national development, and determine how its economic base can be improved	*City income and employment analysis:* economic base[a] and cluster analysis; change, output, and markets; job growth and decline (in which geographic areas and sectors?); rate of startup, survival, and failure of small businesses (do any sectors stand out?); barriers that impede growth among local businesses (can they be tackled locally?); availability of land and premises (do local firms have the opportunity to expand within the area?); barriers to the development of key sites *Unemployment and skills:* local unemployment rates (what proportion are the long-term unemployed?); concentration (social or spatial groupings); economic inactivity (how high are the rates?); barriers to employability in particular areas or among particular communities; skills and experience of local labor force in and out of work (how well do these meet current and projected demand?) Isolated and economically marginalized or resource-poor communities
Poverty, housing, and social inclusion	To assess the extent and causes of poverty and housing shortages, and determine the need for social services need	*Demography: population and natural increase and migration, socioeconomic profile including household income distribution and changes (what are the implications?)* Poverty: profile (causes, extent, and distribution of poverty and changes over time), together with poverty maps[b] Housing demand and supply: new households, housing backlog, upgrading and resettlement, and implications *Social services:* education, health, and social development needs and deficiencies in provision
Environmental degradation and geographic constraints	To assess the state of the urban environment and its management	*Environment:* water resources and pollution, air quality, environmental hazards (natural and man-made), solid and hazardous wastes, and noise pollution *Constraints:* environmental barriers to development
Infrastructure coverage, urban transport, and service delivery	To determine infrastructure and service deficiencies and prospects	*Infrastructure:* water demand and supply, sewerage and sanitation needs, flood control and drainage problems, solid waste management (collection, recycling, disposal) deficiencies, energy demand, and supply *Communications:* telecommunications and media Urban transport: road space demand, traffic management, public transport issues, and air and sea-port conditions *Social infrastructure:* shortages of school buildings, health facilities, etc.
Governance and management	To determine issues related to city governance	*Governance and management:* quality and standards of public service, including transparency and accountability of the city government and other public bodies Participation: involvement of community/stakeholders and extent of consultation undertaken by the city *Civil society:* key nongovernment, people's, and other organizations linked to poverty reduction and other civic issues
City finances and resources	To assess the financial sustainability of the city, its ability to raise resources, and the magnitude of capital investments made in the city	*City financial analysis:* sources of funds and importance of local revenues and transfers; analysis of expenditures including capital investments, recurrent expenditures, and debt service; and trends and changing structures *Investments in the city:* general trends in public and private investment in infrastructure, services, and business

[a] Outputs that are sold outside the city, generate income, and sustain all nonexport activities and services.
[b]Poverty maps will be based on identified slum and squatter areas within city boundaries and their main physical, socioeconomic, and environmental conditions (e.g. land area, ownership, use, and cost; population; household size, income, savings, and expenditure; and infrastructure and services including water supply, sanitation and drainage, garbage collection, school and health care facilities). The intention here would be to ascertain that the conditions in these slum areas and informal settlements justify their classification as "poor" in relation to statistics collected by the city and that they can reasonably be considered as the focus of poverty reduction efforts under the CWS program.

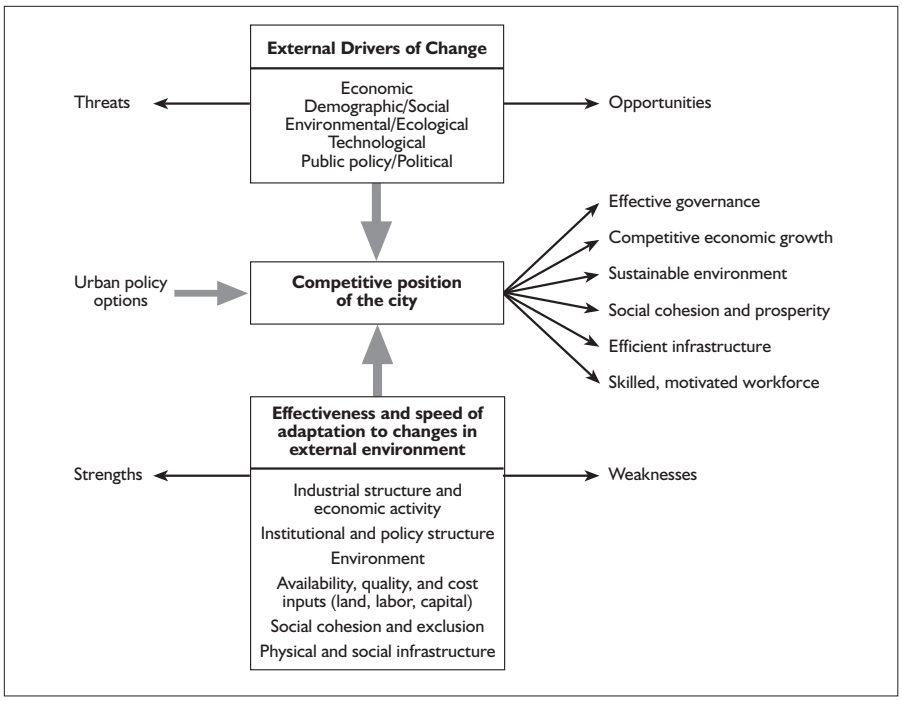


Figure 3: Framework for S-W-O-T Analysis

environment. Strengths generally relate to local assets, weaknesses to obstacles to growth. Threats and opportunities pertain to external drivers of change. Figure 3 outlines the framework for the analysis.

Strengths and Weaknesses

The strengths and weaknesses, or aspects of the city that are especially good or bad, are identified. Their degree of importance is rated high (must be addressed in the strategy), medium (should be addressed), or low (no strategic significance). Each major identified sector (or theme) should be assessed and, where appropriate, its strengths and weaknesses identified. Not all sectors, however, will have identifiable strengths or weaknesses.

From the S-W-O-T analysis of each sector, a number of common strengths and weaknesses are likely to emerge. Others are likely to be similar and can be combined into one. The resulting strengths and weaknesses would then be examined and a final set arrived at for the city as a whole. As a general rule, the strengths and weaknesses selected would each number no more than 10, in many cases considerably fewer. Each strength or weakness would then be evaluated and listed according to its overall importance (high, medium, or low). Table 4 gives the format for identifying and ranking strengths and weaknesses.

Some examples of strengths and weaknesses are given in Table 5 below.

Opportunities and Threats

Opportunities and threats, representing general trends and events that may affect the future of the city, are identified next. Opportunities are external conditions that favor growth or beneficial change. Threats are unfavorable external trends.

The following drivers of change are the major areas to be considered: (i) economic; (ii) demographic and social, (iii) environmental and ecological, (iv) technological, and (v) public policy and political.

The final list of opportunities and threats should be small, if possible no more than two or three for each driver. Each one is then evaluated and ranked according to the probability of occurrence and the impact its occurrence would have on the development and future competitiveness of the city. It would be sufficient to classify each opportunity or threat as having high, medium, or low probability or impact. The format in Table 6 should be followed.

Some examples of opportunities and threats are given in Table 7.

Overall S-W-O-T Analysis

To summarize, the S-W-O-T analysis is carried out as follows:

- For each critical sector (theme or area), strengths and weaknesses are identified;
- For each identified "driver of change," opportunities and threats are listed; and
- Strengths, weaknesses, opportunities, and threats are then defined for the city as a whole.

In general, the strengths, weaknesses, opportunities, and threats defined for the city as a whole will be those that have a "high" or

Table 4: Format for Identifying and Ranking Strengths and Weaknesses

Strength and Weaknesses Task No.		Importance (High, Medium, or Low)
1		
2		
n		
Weaknesses		
1		
2		
n		

Table 5: Examples of Strengths and Weaknesses

Strengths	Weaknesses
■ Strong political leadership	■ Traffic congestion
■ National center for tertiary education	■ Poor inefficient public transport
■ Reliable water supply system	■ Ineffective solid waste management
■ Considerable areas of vacant public land	■ Inefficient system of city revenue collection
■ Extensive greenery and public open spaces	■ Poorly skilled labor force

Table 6: Format for Identifying and Ranking Opportunities and Threats

Opportunities and Threats Strengths		Probability of Occurence (High, Medium, or Low)	Impact on the City (High, Medium, or Low)
1			
2			
n			
Weaknesses			
1			
2			
n			

Table 7. Examples of Opportunities and Threats

Opportunities	Threats
■ Newly liberalized manufacturing tariff structure ■ More children participating in tertiary education ■ Competitive labor market	■ Change in government investment policy ■ National economic downturn ■ Increasing migration of rural poor to the city without employment ■ Increasing incidence of HIV/AIDS

"medium" rather than "low" rating and will be a combination of sector and citywide strengths, weaknesses, opportunities, and threats. The strengths, weaknesses, opportunities, and threats should be stated as comprehensively as possible, focusing on key aspects that characterize the entire city. As a general rule, the strengths, weaknesses, opportunities, and threats would each be no more than 10.

The strengths, weaknesses, opportunities, and threats should be summarized and presented in a matrix as shown in Figure 8.

Strategy Formulation (Where We Should Go and How)

Define Vision and Mission, and Supporting Targets or Objectives

The second stage of the CDS process ends with the analysis of strengths, weaknesses, opportunities, and threats (S-W-O-T). The third stage starts with a visioning exercise, which builds on the outputs of the second stage to develop a vision for the city that reflects what the stakeholders collectively want for the future of their city.

Vision

The vision statement will form the basis for the more specific mission statement for the city. All the objectives, strategies, programs, and projects of the city should be aligned with its vision.

The vision statement is formulated as a response to the question, "Where do we want our city to be in 10–20 years' time?" It should represent what the community wants for the city and where they want it to go. It sets the context for the development needs of the city. If necessary, the vision can be specified according to the core themes or sectors, such as local economic development, poverty reduction, or governance. The city may also set stages or milestones in the achievement of the vision, say, every 5 or 10 years.

In summary, the vision represents the common aspirations of the stakeholders, including the residents, the city government, business, and all interest groups—what they want the city to look like at a determined future time. Together, the city stakeholders choose one future scenario for the city and define it. The vision statement should be specific and time-bound. From it, a summary or catch phrase that captures the collective view of the future can be defined. Examples of vision statements and the resulting catch phrases are given in Box 2.

Table 8: Format for S-W-O-T Analysis

Strengths		**Weaknesses**	
1		1	
2		2	
n		n	
Strengths		**Weaknesses**	
1		1	
2		2	
n		n	

Mission and Supporting Targets or Objectives

To ensure a common understanding of how the vision will be realized, it should be refined into a mission statement with specific targets. The mission is a statement of purpose that specifies a time frame within which the vision is to be realized. The time frame naturally corresponds to the outlook and expectations (targets, forecasts, and gaps) projected earlier.

The main components or themes of the vision are identified and the targets or objectives to be achieved are quantified in the mission statement. Objectives translate the vision into measurable or time-bound outcomes and must be relevant to the vision formulated.

For example, a city whose key themes were determined to be reducing poverty, improving slums, restructuring the economic base, and becoming a tourist destination could have the following mission statement and supporting objectives:

By the year 2020, the city is to substantially reduce poverty, eliminate slums, restructure its economic base, and become a prime tourist destination. By 2020, the city aims to:

- Reduce urban poverty from 50% of the population to 25%;
- Provide security of tenure to all households in squatter settlements, and provide basic services to all households in informal settlements and blighted areas;
- Increase the proportion of employment in the high-tech cluster to 10% of the total; and

Box 2: Vision Statements and Catch Phrases

Seven pilot cities in the Philippines took part in a CDS exercise funded by the World Bank. The gist of the vision statements of two of these pilot cities is given below.

Vision	Catch Phrase
The *City of San Fernando* is envisioned as: (i) a radiant, dynamic city in the north, which can become a model for innovative developments, a leader in the march toward economic progress in the north, and a responsive center for health, education, finance, and governance in Region 1; and (ii) a home to God-loving, peaceful, self-reliant, healthy, productive, and empowered citizens and leaders, who take pride in their cultural heritage and live in productive harmony with nature.	A springboard for regional progress
Dapitan City is envisioned as transforming itself into the Dr. Jose Rizal heritage center and eco-tourism paradise of southern Philippines.	A heritage center and eco-tourism paradise

- Become one of the top 10 tourist destinations in the country by increasing the number of tourists visiting the city by 75% each year for the first 10 years and maintaining this number thereafter.

The vision and mission together represent the final goal of city development.

Process

To ensure the validation of the vision and mission through a public information campaign, the visioning exercise will be undertaken by the CDS team, the steering committee, and a broad cross-section of stakeholders. Normally, the exercise will entail the following:

- Visioning workshops with city councilors and other officials;
- Focus group discussions with representatives of change drivers including nongovernment organizations, community-based organizations, residents, special interest groups, businesses, national government agencies, and the academe;
- Community liaison meetings;
- Multisectoral consultative meetings;
- A review of existing plans, studies, and reports; and
- Surveys (among residents and businesses) and related research projects if needed and if time permits.

While extensive consultations promote ownership of the CDS, this task may be shortened for a city that has previously shown wide-ranging stakeholder participation. In such a case, a participatory workshop could be held to formulate the vision and mission.

- In all cases, the CDS team would document the process and the resulting vision and mission statements, and the mayor and the steering committee would have to approve the documented output.

Develop and Cost Alternative Strategies

Scope

This task involves developing strategic options for achieving the vision. The planning horizon and the time frame for achieving the vision should match.

Strategies are overall programs of action aimed at a specific outcome. They set measurable targets (objectives) and outline interventions, and a time frame for completion. A workable strategy has the following ingredients:

- Focus, so efforts and resources can be concentrated where they are most needed;
- Impact on stakeholders and the lives of the people; and
- Force, moving all components in the same direction.

Overall and indicative cost estimates are then made for each strategic intervention. Using standard cost norms, the estimated expenditures required to implement each strategy are determined to arrive at the indicative cost of meeting the targets for each theme or strategy. Possible sources of funding for each strategy, including the likelihood of raising funds from each source, are identified in general terms.

Box 3 gives examples of strategic vision statements.

Box 3: Examples of Strategic Vision Statements

Informal settlements: Upgrading all squatter and blighted areas, legalizing tenure in all informal settlements by the year 2015, and implementing squatter intercept programs to prevent further squatting within the city from 2005 onward.

E-governance: Introducing a system of e-governance within the city administration by 2010 whereby all tax, service, and fee payments could be made over the Internet within 2 years from its introduction.

Employment: Facilitating a change in the economic base of the city from predominantly low-wage manufacturing to high-tech industries by 2010.

Process

Strategic directions are arrived at in general through stakeholder group discussions led by the CDS team and are based on the need to respond to the problems identified in the State of the City Report.

The steering committee creates working teams that include stakeholders with direct knowledge of the subject areas (themes).

For each strategic direction, the working team will define:

- Vision: what we want to achieve and by when;
- Objectives: the vision translated into specific, measurable, achievable, relevant, and time-bound outcomes; and
- Interventions (projects, programs, or policies) and an action plan for implementation.

The output of this step would be summarized in the format given in Table 9.

Indicative costs and analyses of potential sources of funding for each strategic intervention would then be prepared by the CDS team, with the assistance of other departments of the city government, national government agencies, or other bodies as required.

Devise and Evaluate Citywide Strategies

Devise Strategies

Strategies summarizing the common features of the foregoing strategic directions or themes

Table 9: Format for Presenting Strategies Compiled

Theme/Strategic Direction	Vision	Objectives	Interventions
1			
2			
3			
4			
n			

Table 10: Strategy Derivaton Matrix

Theme	Vision	Objectives	Interventions	Strategy
1			1 2 N	Strategy 1
2			1 2 N	
3			1 2 N	Strategy 2
4			1 2 N	Strategy 3
5			1 2 N	

are prepared for citywide implementation. Different themes could have the same or similar interventions. For example, a poverty alleviation strategy and a shelter strategy would both involve implementing a Cities Without Slums program, which would generate income opportunities and provide basic services.

The next step is to set up a matrix as shown in Table 10 and to group or link similar interventions into common strategies.

Outline strategies can thus be drafted in general terms and subjected to preliminary evaluation.

The factors to be addressed by and incorporated in the alternative strategies are listed. These factors are central to improving the competitive position of the city and other aspects that are considered important. The aim is to formulate a set of strategies that meet all of the following criteria:

- Support the city's vision and mission;
- Use the city's main strengths, particularly those ranked "high";
- Correct its major weaknesses;
- Exploit opportunities, especially those ranked "high-high";
- Eliminate or significantly reduce major external threats, particularly those ranked "high-high"; and
- Will not expose the city to risks that would lower its performance below the minimum target.

Evaluate and Select Preferred Strategies

Each strategy is then ranked in the order in which they meet these criteria. The criteria pertaining to strengths, weaknesses, opportunities, and threats are applied first and then the criterion of compliance with the vision and mission.

The evaluation against strengths, weaknesses, opportunities, and threats should follow the format shown in Table 11. A "Y" for "yes" or an "N" for "no" in the appropriate column indicates whether the strategy meets the given criterion.

The contribution of each strategy to the city's vision and mission is further evaluated. A "+" indicates a significant positive contribution; a "-" a detrimental effect; and a "*" minimal impact. Table 12 shows the suggested format.

On the basis of the evaluation, decisions are made as to whether to accept or reject each of the strategies. Strategies with a large

Table 11: Format for Evaluating Strategies, Step 1

Strategy and Brief Description	Strength Used	Weakness Corrected	Threat Averted	Opportunity Exploited
1				
2				
3				
4				
n				

Strategy and Brief Description	Strength Not Used	Weakness Not Corrected	Threat Not Averted	Opportunity Not Exploited
1				
2				
3				
4				
n				

Table 12: Format for Evaluating Strategies, Step 2

Strategy No. and Description		Contribution to Vision/Mission					
		1	2	3	4	5	n
		+	+	*	*	+	*
1							
n		+	–	*	–	+	+

Table 13: Format for Justifying Strategies and Interventions

Strategy and Interventions	Justification(s)
Strategy One:	
Intervention/Program/Policy 1	
Project 1	
Project n	
Intervention/Program/Policy 2	
Intervention/Program/Policy n	
Project 1	
Project n	
Strategy Two:	
Strategy n:	
Intervention/Program/Policy 1	
Project n	

Table 14: Format for Setting Deadlines for Implementing Strategies

Strategy and Interventions	Responsible Agency	Target Dates	
		Start	Completion
Strategy One:			
Intervention/Program/Policy 1			
Project 1			
Project n			
Intervention/Program/Policy 2			
Intervention/Program/Policy n			
Project 1			
Project n			
Strategy Two:			
Strategy n:			
Intervention/Program/Policy 1			
Project n			

number of "N"s (for "no") in the S-W-O-T evaluation and "-"s (for negative contribution) in the evaluation against the vision and mission should be recast or rejected.

Process

The key stakeholders would evaluate the strategies in a workshop. The strategies or the approved strategies would then be documented by the CDS team and endorsed by the mayor and the steering committee.

Prepare Action Plans and Key Interventions for Each Strategy

Tasks

The major interventions, programs, or actions needed to implement each strategy over the long term and attain the defined mission and vision are identified.

Table 13 shows the suggested format for presenting the justification for each strategy.

Timelines clearly showing target start and completion dates (down to the specific 3-month period[10]) are defined for the required policy and investment (program and project) actions, and the responsible agencies are identified. The format could follow that given in Table 14.

Next, indicative estimates are prepared for the costs or investments needed to implement each strategy and its constituent programs and projects. These estimates can be summarized in the format suggested in Table 15.

Process

The stakeholders who are best equipped to work on each strategy will be identified. Implementation tasks will be allocated and deadlines set. A lead person from the CDS team will be made responsible for describing each strategy. The lead person will help form a strategy working team comprising officials and other stakeholders. The resulting strategies, programs, and actions will be submitted to the mayor and steering committee for approval.

Prepare the CDS Document

Content

The CDS should be a summary document comprising an executive summary (2–3 pages) and main text (20–30 pages). It should contain the following:

- State of the City Report, including a summary city profile, economic base analysis, and sector statements;
- Summary of key problem areas;
- Findings of the analysis of strengths, weaknesses, opportunities, and threats;
- Vision and mission statements, including measurable targets;
- Outline development strategies, including cost estimates;
- Action plans for each strategy, including priority projects and programs; and
- Monitoring and evaluation and feedback mechanisms.

[10] For example, second quarter of year 2005 would be expressed as "II 2005".

Table 15: Format for Presenting Cost Estimates for Strategy Implementation

Strategy and Interventions	Expenditure				
	Total	Year			
		1	2	3	n
Strategy One:					
Intervention/Program/Policy 1					
Project 1					
Project n					
Intervention/Program/Policy 2					
Intervention/Program/Policy n					
Project 1					
Project n					
Strategy Two:					
Strategy n:					
Intervention/Program/Policy 1					
Project n					

Process

The CDS would be written by members of the CDS team and submitted to the mayor and the steering committee for approval.

Implementation Assessment (Performance Measurement and Needed Changes)

Introduction

A successful City Development Strategy (CDS) involves, among others, the implementation of priority projects that support the selected strategies, stakeholder participation and resource mobilization, and agreed investment plans. For this purpose information dissemination and monitoring and evaluation procedures must be established.

It is important to chart the progress of a CDS as product and process, and to amend the implementation plans, programs, and projects as required. This section discusses the monitoring and feedback mechanisms, focusing on performance management, needed to do this.

A CDS produces some significant outputs overall, the first of which is a common vision and mission for a city, built through participation and embodying a consensus. This vision will reflect, among others, a clear strategy for local economic development and urban poverty reduction. However, the consensus and strategies must be translated into a clearly defined action plan, with implementation responsibilities assigned.

After the first CDS exercise, the document should be revised only when major changes in the environment have made the vision and mission unattainable. The vision by definition is long term and should normally not change from year to year. Strategies, however, may need to be amended more frequently, should they fail to achieve their objectives and contribute to the attainment of the vision. This is why implementation must be constantly monitored.

Performance measures should be designed for evaluating the progress of activities toward the defined vision. With the help of such measures, the effectiveness of capacity enhancements, stakeholder participation, and other institutional arrangements in meeting the CDS objectives can also be evaluated.

The CDS document should outline the monitoring and evaluation process. An appropriate monitoring and evaluation method should be designed by the local government staff as its primary responsibility, under the guidance of the steering committee. A draft version should preferably be discussed with stakeholders to ensure their support and commitment to the process. If resources permit, the steering committee may invite an outside party, such as a university or a consultant or a specialist, to carry out the evaluation in part or in its entirety. Alternatively, the monitoring system may be installed in a committee or a department such as a monitoring and evaluation office with links to the various departments of the city government and external agencies.

Establish Monitoring Arrangements

An implementation committee, to be formed right after the approval of the CDS, may replace the steering committee set up for its preparation. The implementation committee, whose members could be different from those of the steering committee, would assume the responsibility for monitoring. A scaled-down version of the technical working group set up for the CDS preparation could be retained to act as the secretariat of the monitoring committee, if monitoring is to be done in-house and not contracted out.

Monitoring should be done every 6 months or yearly and the findings summarized in a report. The monitoring process and reporting arrangements are shown in Figure 4.

Set Up System for Evaluating Attainment of Vision, Mission, and Strategies

Next, the CDS team needs to design a system for monitoring and evaluating the extent to which the CDS vision and mission and strategies are being achieved.

Three levels of monitoring are needed:

- Citywide monitoring of progress toward the attainment of the vision, mission, and targets or objectives;
- Monitoring of progress toward the successful implementation of individual strategies and the associated vision, objectives, and interventions; and
- Monitoring of the CDS process.

Each level of monitoring is described in the following paragraphs.

Monitoring Objectives

Whether the vision, mission, and objectives of the city or those associated with individual strategies are being monitored, the same approach applies.

The approach is straightforward and requires the design of performance indicators based on agreed criteria for each objective specified in the mission statement. The indicators are normally expressed as a percentage, where: (i) the numerator is the measured value for the reporting period; and (ii) the denominator is the value of the target defined in the mission statement.

However, since the CDS process is a long-term one, the denominator may change as targets are redefined. In many cases, the denominator will be increasing. For instance, more houses, schools, and health centers will

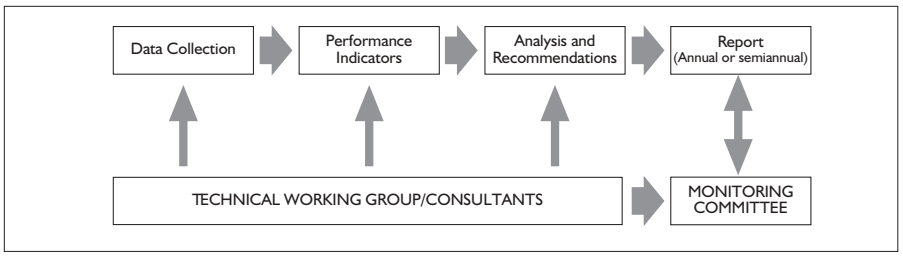


Figure 4: Monitoring and Reporting Arrangements

be needed as the population of a city increases over time.

Monitoring must therefore relate to the accomplishment of the targets or objectives at intermediate stages in the process, either (i) at intermittent stages during the CDS period, say, every 5 years; or (ii) at the end of each year in the 3–5 year political administration.

Because the CDS process is participatory the collective vision of the key stakeholders is a key output and the objectives and targets that measure the accomplishment of the vision should be reflective of what the people want. For example, a city with a vision focused on reducing poverty, improving the slums, restructuring the economic base, and becoming a tourist destination could have the following mission statement:

By the year 2020, the city is to substantially reduce poverty, eliminate slums, restructure its economic base, and become a prime tourist destination.

The supporting objectives could thus be: By 2020, the city aims to:

- Provide security of tenure to all households in squatter settlements, and basic services to those in informal settlements and blighted areas;
- Reduce urban poverty from 50% of the population to 25%;
- Increase the proportion of employment in the high-tech cluster to 10% of the total; and
- Become one of the top 10 tourist destinations in the country by increasing the number of tourists visiting the city by 75% each year for the first 10 years and maintaining this number thereafter.

Strategies would be developed for each of the key theme areas, which in the above example would be (i) slum upgrading, (ii) poverty reduction, (iii) economic base restructuring, and (iv) tourism promotion.

The improvement of slum areas is a key theme for which the corresponding vision could be:

By the year 2020, all slums will be improved, infrastructure upgraded to affordable service levels, tenure legalized, and living conditions upgraded.

The slum upgrading objectives could be: By 2020, for its slum areas, the city aims to provide

- Security of tenure to all households living in squatter settlements as of 31 December 2002; and
- Basic services to residents of informal settlements and blighted areas as of 31 December 2002.

Together with each objective, there should be an indication of how its achievement will be measured. From this, performance indicators can be established. Objectives, the manner in which they are to be measured, and the measurement indicators to be used are set out in a table, as shown in Box 4.

Monitoring Strategies

The basic approach is to (i) set up an evaluation framework, using a simple performance monitoring system for the vision and objectives or a logical framework approach particularly for interventions, or both; (ii) design performance measures or indicators; and (iii) establish monitoring benchmarks from the city profile. The process has two phases:

- Design: definition of measurable outputs and objectives based on the priority concerns of the city; establishment of baseline values for measurable indicators and target values; inclusion of data in the strategy document, which could contain a logical framework.
- Management: consolidation by the technical working group of information about implementation performance and its dissemination to the concerned stakeholders,[11] allowing them to assess how well a strategy is meeting expectations and to determine needed corrective actions, while referring the wider implications for the design of strategy or the accomplishment of the mission to the steering committee and other stakeholders.

The process enables stakeholders to

- Understand the measurable impact of each strategy;
- Appreciate how the strategy thus contributes to the vision and mission for the city; and
- Be aware of the fact that the outputs and impact of each strategy can be gauged with the help of measurable indicators.

Logical Framework

A logical framework summarizes in a matrix the following components of a strategy:

- Goal: long-term objectives, normally only one or two, to be achieved through the strategy over time
- Purpose: immediate objective for which the strategy was designed, which should be achieved by the end of its implementation period
- Outputs: physical and other tangible deliverables expected from the implementation of the strategy, such as a stronger and more competitive local economy (different strategies would lead to different outputs)
- Activities: key tasks needed to produce each output
- Inputs: usually capital investments, training and implementation assistance, civil works and equipment necessary for the implementation of the strategy
- Assumptions and risks: factors in the external environment—economic, demographic and social, environmental and ecological, technological, and public policy and political—that are outside the control of the city but could influence the successful implementation of the strategy (assumptions pertain to important conditions affecting the implementation of the strategy, while risks pertain to the probability or likelihood that key assumptions may not materialize[12])
- Performance indicators/targets:

[11] Include those identified and involved in CDS preparation, as well as others identified later.

[12] As a general rule, conditions worded in positive terms are considered as assumptions; those worded in negative terms are risks. Assumptions and risks are relevant during implementation and should be monitored in the same manner as performance indicators and targets.

Box 4: Monitoring Objectives

Objective	Measurement	Indicator
Provide security of tenure to all households in squatter settlements at the start of the plan	Number of households in squatter settlements with secure tenure	Number of households in squatter areas with secure tenure at the end of the reporting period, divided by number of households in squatter settlements at the start of the plan period
Provide basic services to all households within informal settlements and blighted areas at the beginning of the plan period	Number of households in informal settlements with: ■ Individual plot connections for water; ■ Individual electricity connections; ■ Access to standpipe water supply; ■ Sanitary cores on plot; ■ Connection to public sewer system; ■ Access to communal sanitation facilities; ■ Regular solid waste collection service; and ■ Access to primary health care	For each criterion, number of households in informal settlements that satisfy each measurement component at the end of the reporting period, divided by number of households in informal settlements at the start of the plan period
	Number of households in blighted areas with: ■ Individual plot connections for water; ■ Individual electricity connections; ■ Access to standpipe water supply; ■ Sanitary cores on plot; ■ Connection to public sewer system; ■ Access to communal sanitation facilities; ■ Regular solid waste collection service; and ■ *Access to primary health care*	For each criterion, number of households in blighted areas that satisfy each measurement component at the end of the reporting period, divided by number of households in informal settlements at the start of the plan period

SMART (**S**pecific, **M**easurable, **A**chievable, **R**elevant, and **T**ime-bound) indicators selected to establish the accomplishment of the defined inputs, outputs, purposes, and goals and to monitor changes in the risks and assumptions during implementation

- Monitoring mechanisms: early warning system using performance indicators to measure the level of achievement of inputs, outputs, purposes, and goals, and alert implementers to potential problems

In summary, the logical framework specifies, among others,

- The goal, purpose, outputs, inputs, and activities associated with a strategy;
- Selected indicators for monitoring the inputs, outputs, purposes, and goals; and
- Baseline and target values for the selected indicators.

Table 16 summarizes the format and components of a logical framework.

The accomplishment of the inputs, outputs, purpose, and goal of a strategy can be monitored with the use of the format shown in Table 17. One such table should be prepared for each strategy.

The assumptions and risks outlined in the logframe should also be monitored. The format given in Table 18 can be used for this purpose. The technical working group would be responsible for such monitoring, which is generally done yearly. It may not be possible to design precise indicators for monitoring broadly defined assumptions and risks. In such cases monitoring would be based on subjective assessments of the assumptions and risks, and a note to this effect would be included in the table.

Monitoring the CDS Process

The monitoring should cover the following:

- Extent of accomplishment of participatory processes in CDS development and planning;
- Stakeholder coverage and adequacy of representation of each group;
- Success in building capacities and capabilities throughout the community; and
- Extent of participation rather than consultation, as well as the effectiveness with which responsibilities in the process were assumed.

Define Feedback Mechanisms

These mechanisms provide useful information about the strategies and the CDS process to guide future revisions. Broadly these mechanisms involve the following:

- Determining the aspects of performance to be measured in relation to the vision and mission for the city and the city's priority concerns;[13]
- Collecting baseline data;
- Calculating performance indicators;
- Benchmarking performance to provide a standard or reference by which the city

[13] Where city resources are limited, performance indicators may have to relate only to the priority concerns of the city. This will allow the city to evaluate the usefulness of the initial data collected and refine the process as it expands the coverage of the CDS.

Table 16: Format for a Logical Framework

Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions and Risks
	(For the goal, purpose, and outputs, specify quantity, quality, time, and location of each one)	(Sources of data and information for the performance indicators)	(Conditions that are beyond the direct control of the city but important for the successful implementation of the strategy)
Goal Long-term objectives of the strategy			
Purpose Immediate objectives of the strategy			
Outputs Results that the strategy must achieve to realize its purpose			
Activities Key tasks to be carried out to obtain the defined outputs			
Inputs What is needed to realize the defined outputs			

Table 17: Format for Monitoring Inputs, Outputs, Purposes, and Goals

STRATEGY NAME / IDENTIFICATION				
Principal Objective	**Targets and Aims**	**Performance Indicators**	**Frequency of Reporting**	**Responsible Agency**
(According to the logframe, policy matrix, and other relevant plans, programs, and project documents)	(According to the logframe, policy matrix, and other relevant plans, programs, and project documents)	(Measures of performance against agreed criteria, where the denominator represents the targets to be achieved through the strategy in accordance with the logframe, policy matrix, and other relevant plans, programs and project documents)	(Quarterly or annual)	(Including the main contact person)
Goal				
Purpose				
Outputs				
Activities				

Table 17: Format for Monitoring Inputs, Outputs, Purposes, and Goals

STRATEGY NAME / IDENTIFICATION				
Principal Objective	**Targets and Aims**	**Performance Indicators**	**Frequency of Reporting**	**Responsible Agency**
(According to the logframe, policy matrix, and other relevant plans, programs, and project documents)	(According to the logframe, policy matrix, and other relevant plans, programs, and project documents)	(Measures of performance against agreed criteria, where the denominator represents the targets to be achieved through the strategy in accordance with the logframe, policy matrix, and other relevant plans, programs and project documents)	(Quarterly or annual)	(Including the main contact person)
Goal				
Purpose				
Output				
Activities and Inputs				

can measure or judge its performance against that of other cities and its own performance in the past;

- Assessing performance indicators and identifying the reasons for any divergence from targets;
- Identifying and outlining corrective measures to align the strategies with their goals and, if possible, with the vision and mission for the city; and
- Recommending revisions in strategy, where the deviations cannot be corrected to achieve the original goal.

Figure 5 summarizes the feedback process.

Table 18: Format for Monitoring Assumptions and Risks

STRATEGY NAME / IDENTIFICATION		
Design Summary	**Assumptions and Risks**	**Monitoring Indicators**
Goal		
Purpose		
Output		
Activities and Inputs		

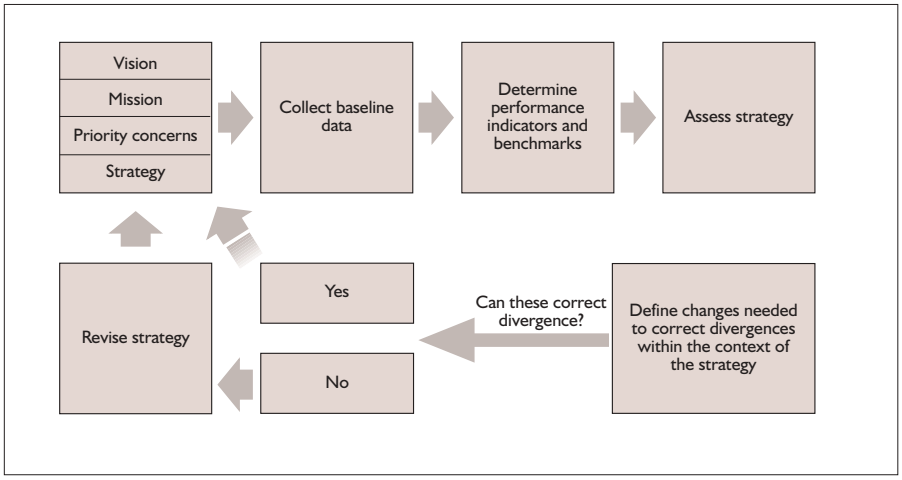


Figure 5: Feedback Process

ANNEX 1.1

CITY PROFILE

CITY:

	NUMBER							ANNUAL GROWTH RATE						
YEAR	1985	1990	1995	2000	2002	UNIT	DATA SOURCE	1985 to 1990	1990 to 1995	1995 to 2000	2000 to 2002	1985 to 2002	1990 to 2002	1995 to 2002
DEMOGRAPHIC														
Population:														
Daytime (working hours) population	100	110	120	140	154	Number		1.92%	1.76%	3.13%	4.88%	2.57%	2.84%	3.63%
Resident population (Total):						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Male						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Female						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Resident households						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Families						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Age Structure:														
Male:														
0-6 (Pre-school)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
7-11 (Primary)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
11-16 (Secondary)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
16-59 (Working age)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Female:														
0-6 (Pre-school)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
7-11 (Primary)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
11-16 (Secondary)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
16-59 (Working age)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total:														
0-6 (Pre-school)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
7-11 (Primary)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
11-16 (Secondary)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
16-59 (Working age)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Household types:														
Single person						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Female-headed households						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Others						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Labor force:														
Skilled						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Semi-skilled						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Unskilled						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total:						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Male						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Female						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
HEALTH and EDUCATION														
Basic data:														
Number of hospital beds						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of medical doctors/health workers						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Child deaths						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Life expectancy at birth						Age		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adult literacy rate						%		n/a	n/a	n/a	n/a	n/a	n/a	n/a
School enrolment:														
Primary						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Secondary						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Educational attainment:														
Persons with high school diploma						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Persons with tertiary qualifications						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Classrooms:														
Primary						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Secondary						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a

Annex 1.1 Guidelines for Preparing a City Development Strategy: City Profile

ANNEX 1.1

CITY PROFILE CITY:	NUMBER							ANNUAL GROWTH RATE						
YEAR	1985	1990	1995	2000	2002	UNIT	DATA SOURCE	1985 to 1990	1990 to 1995	1995 to 2000	2000 to 2002	1985 to 2002	1990 to 2002	1995 to 2002
ECONOMY														
Employment:														
Primary (ISIC 1 to 14)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Manufacturing/ production (ISIC 15 to 49)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Consumer services (ISIC 50 to 64)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Product services (ISIC 75 to 98)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other (ISIC 99 and not classified)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total informal sector employment						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Business establishments:														
Primary						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Manufacturing/production						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wholesale and retail trade						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Community, social and personal services						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Financing, insurance, real estate and business services						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Others						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Unemployment:														
Total unemployed persons						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Unemployed males						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Unemployed females						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Household income/ poverty														
Average monthly income						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Median monthly income (50^{th} percentile)						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Monthly income at 20^{th} percentile						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Households below poverty line						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Households below absolute poverty line						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a

ANNEX 1.1

URBAN LAND								
Land use:								
Residential – formal	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential – informal	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Business (commercial/ industrial)	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Institutional (services)	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transport	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public open space	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Idle land	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other uses	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total developed land	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Land unsuitable for development	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Land ownership:								
Public	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Private	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	Ha(s)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

ANNEX 1.1

CITY PROFILE

CITY: _____

	NUMBER							ANNUAL GROWTH RATE						
YEAR	1985	1990	1995	2000	2002	UNIT	DATA SOURCE	1985 to 1990	1990 to 1995	1995 to 2000	2000 to 2002	1985 to 2002	1990 to 2002	1995 to 2002
HOUSING														
Informal settlements:														
Number of settlements						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Land occupied						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Population						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Households						Ha(s)		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dwelling type (number of units):														
High income housing						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medium/low cost housing						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Informal						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Number								n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tenure of housing units														
Privately owned						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Private rental						Number			n/a	n/a	n/a	n/a	n/a	n/a
Public rental						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Squatter						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
MUNICIPAL SERVICES														
Household connections:														
Water						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Electricity						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sewer						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Telephone						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
With regular solid waste service						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Road (Lane length) kilometerage):														
Primary						Kms		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Secondary						Kms		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tertiary and others						Kms		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total						Kms		n/a	n/a	n/a	n/a	n/a	n/a	n/a
TRANSPORT														
Average vehicle speed during peak hours						kpH		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Peak hour traffic volume (average)						pcus		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Passengers on public transport/day						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of:														
Private vehicles (cars, motorcycles, etc.)						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public transport vehicles						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Vehicular accidents per year						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Vehicular fatal accidents per year						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a

ANNEX 1.1

CITY PROFILE CITY:														
	NUMBER							ANNUAL GROWTH RATE						
YEAR	1985	1990	1995	2000	2002	UNIT	DATA SOURCE	1985 to 1990	1990 to 1995	1995 to 2000	2000 to 2002	1985 to 2002	1990 to 2002	1995 to 2002
ENVIRONMENT														
Household sewerage disposal (number of households):														
Sewer system						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Septic tank						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Others						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Solid waste:														
Generated						Tons		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Collected						Tons		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Disposed to sanitary landfill						Tons		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Incinerated						Tons		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pollution:														
Air (suspended particulate matter)						$mcgs/m^3$		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water (biochemical oxygen demand)						mlgs/l		n/a	n/a	n/a	n/a	n/a	n/a	n/a
LOCAL GOVERNMENT FINANCE														
Sources of revenue:														
Property taxes						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Business and related taxes						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
User charges						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other own source						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Intergovernmental transfers						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Borrowing						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other income						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Expenditure:														
Capital						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Recurrent						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
On salaries and wages						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
On road maintenance						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Employees:														
Permanent						Numbers		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contractual						Numbers		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total						Numbers		n/a	n/a	n/a	n/a	n/a	n/a	n/a

ANNEX 1.1

CITY PROFILE

CITY:

	NUMBER							ANNUAL GROWTH RATE						
YEAR	1985	1990	1995	2000	2002	UNIT	DATA SOURCE	1985 to 1990	1990 to 1995	1995 to 2000	2000 to 2002	1985 to 2002	1990 to 2002	1995 to 2002
GOVERNANCE														
Political:														
Voter participation						%		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of councillors						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Reported crimes:														
Murders/violence						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Drug-related						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Theft						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Permits or license s (days to secure):														
Planning permits						Days		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Business permits/licenses						Days		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Building permits						Days		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public complaints or grievances:														
Local complaints office						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average number of complaints per month						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
No. of complaints dealt with:														
Poor quality of city services						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Poor quality of utility services						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Inefficient city officials						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Others						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Decentralized governance:														
Local services operating						Number		n/a	n/a	n/a	n/a	n/a	n/a	n/a
								n/a	n/a	n/a	n/a	n/a	n/a	n/a
Access to information:														
Year in which annual report was produced						Tick								
Budget for public information activities						Currency		n/a	n/a	n/a	n/a	n/a	n/a	n/a

	Lower Level of Gov't	Private Sector	Civic Society	General Public		Data Source
Regular meetings held with						
Development/land use plan:					Year	
Year prepared						
Public consultation period						
Public dissemination period						
Provision of municipal services	City Gov't	City Corp'n	Private Corp'n	Nat' l Gov't		
Water					Year when function was assumed	
Sewerage						
Refuse collection						
Electricity						
Telephone						
Public or mass transport						
Fire and ambulance						
Road maintenance						
Education						
Health care						
Public housing						
Recreation/sport facilities						
Police						
Drainage/flood control						
Livelihood assistance						
Others						

CONTACT INFORMATION

City		Country	
First Name		Last Name	
Position		Email	
Address		Telephone/Fax	

Annex 1.1 Guidelines for Preparing a City Development Strategy: City Profile

APPENDIX 2. GUIDELINES FOR PREPARING A CITIES WITHOUT SLUMS PROGRAM

Introduction

Purpose

These guidelines were prepared under an Asian Development Bank (ADB) regional technical assistance (RETA) project[1] to assist the five participating cities in drawing up a City Without Slums (CWS) Program. The CWS Program and a City Development Strategy (CDS) were the two main outputs of the RETA Project.

General Wide Application

These guidelines were used in workshops and discussions with technical and stakeholder groups in five cities and were gradually refined during the RETA to respond to the experience and requirements of all concerned. The guidelines are intended to serve as a general reference for CWS Program preparation in cities with widely differing geopolitical environments, cultural backgrounds, physical settings, institutional experience, technical capabilities, socioeconomic conditions, and development prospects and priorities.

Participating Cities

Caloocan, Quezon City, and Taguig in Metro Manila, Philippines, have populations ranging from 0.5 million to more than 2.0 million. They enjoy a high degree of autonomy but little interdependence, even though they are part of the same metropolitan area. These cities experience rapid urbanization and population growth, and have massive problems of poverty and slum formation. They have all been exposed to the poverty reduction and slum upgrading programs of international aid agencies.

Da Nang, located in the central region of Viet Nam, is a major port and tourist destination. It has a rapidly growing population, which is around 0.75 million, but reportedly only minor problems of poverty and slum formation. City planning and development is dominated by a strong central Government with seemingly little practical support at present for slum upgrading. Da Nang has limited exposure to ADB and conventional slum upgrading approaches of aid agencies.

Calicut in Kerala State in southern India is an economically depressed city. Its population of less than 0.5 million has not grown much in recent years, but the slum population is nevertheless significant. Addressing the needs of the poor is a priority in national and state government policies and programs, but its pursuit is complicated by resource limitations. Calicut Corporation has limited exposure to ADB and conventional slum upgrading approaches.

Considerations in Preparing the Guidelines

The emphasis in preparing these guidelines was on defining a rational and logical process leading to a comprehensive CWS Program that addresses all facets of poverty. An underlying theme throughout the process was the need (i) to maintain links with the parallel CDS process, and (ii) to engage meaningful stakeholder participation in all stages. This requirement addresses a main symptom of poverty: the exclusion of the poor from decisions that directly affect their lives.

Need for Flexibility

These CWS Program guidelines should be used only as a broad reference framework to guide the process and not as a technical straitjacket. The guidelines draw on previous professional experience in the urban sector, and take into account the different situations in the five cities. It is hoped that they will have resonance not only in these cities but also in other cities that will join the Cities Alliance (CA) and prepare their CWS programs in the future. These guidelines therefore need to be used flexibly, in a manner consistent with such realities as (i) the dimensions of poverty and slum-related problems, (ii) the availability of resources, (iii) the availability and reliability of data, (iv) the relative status of CDS preparations, (v) the existence and impact of pro-poor initiatives, and (vi) the priority given to other, competing development initiatives.

Full account will also have to be taken of the validity of alternative approaches to slum eradication, which in some instances may not support conventional slum upgrading solutions based on landownership.[2]

Maintaining Momentum

A clear need for close links with the CDS is shown in these guidelines. However, because of the urgent need to address endemic poverty and slum formation, poverty reduction efforts must proceed at the same time that pro-poor initiatives are being developed on the basis of the CWS Program or the CDS process. CWS Program interventions must be implemented in tandem with other pro-poor initiatives, building on their experience and at the same time having an impact on them—an iterative process that maintains the momentum in this critical sector.

Keeping It Simple

For many years, much debate has surrounded the issue of poverty, its definition and extent. Complex formulas and approaches have been proposed for dealing with it. Many of these deliberations are no doubt of academic or political value to those who hover on the

[1] ADB TA 6026-REG: Promoting Urban Poverty Reduction Through Participation in the Cities Alliance.

[2] In a growing number of local government units (LGUs) in densely populated metropolitan areas such as Metro Manila there appears to be an increasing conviction that, given the high cost and limited availability of land, the only realistic solution to problems of urban poor shelter is *not* in situ upgrading but the construction of medium-rise apartments—medium-rise buildings (MRBs). The relatively high cost of MRB construction poses potential problems of affordability for poor households, at least in terms of outright purchase; at the same time this form of multistory development has yet to be reconciled with important (Philippine) Government shelter initiatives such as the Community Mortgage Program. Nevertheless, a number of LGUs see this high-density MRB option as the only feasible long-term solution to their rapidly increasing slum and squatter settlement problems.

fringes of poverty, but they are often of little practical use and are ultimately ignored by those who are immersed in poverty or must deal with it.

An important consideration in preparing these guidelines, therefore, was to keep them as simple and easily understood as possible. The intent was to ensure their practical use especially to stakeholders, many of whom lack experience and familiarity with the CWS approach. Comprehending guidelines prepared in a foreign language would, moreover, be a daunting prospect.

CWS Program–CDS Links

To succeed, the CWS slum upgrading program must be part of a comprehensive urban development strategy, addressing all aspects of development that affect poverty. In that sense, the CWS Program is a localized application of the CDS in poor urban communities—those now living in slum and squatter settlements, and those who will form slum settlements in the future. For this reason close links need to be maintained between the CDS and the CWS Program. These guidelines should therefore be read in conjunction with those for CDS preparation. The CDS Guidelines diagrammatically illustrates these links at various stages of preparation of the CDS and the CWS Program. See Figure 3. The CDS and CWS Interrelation, page 23.

Scope of the CWS Program

A major consideration in the selection of participating CA cities was the need to deal with pressing issues of urbanization and poverty. Poverty reduction is an overriding objective of the CDS and the CWS Program. See Box 1.

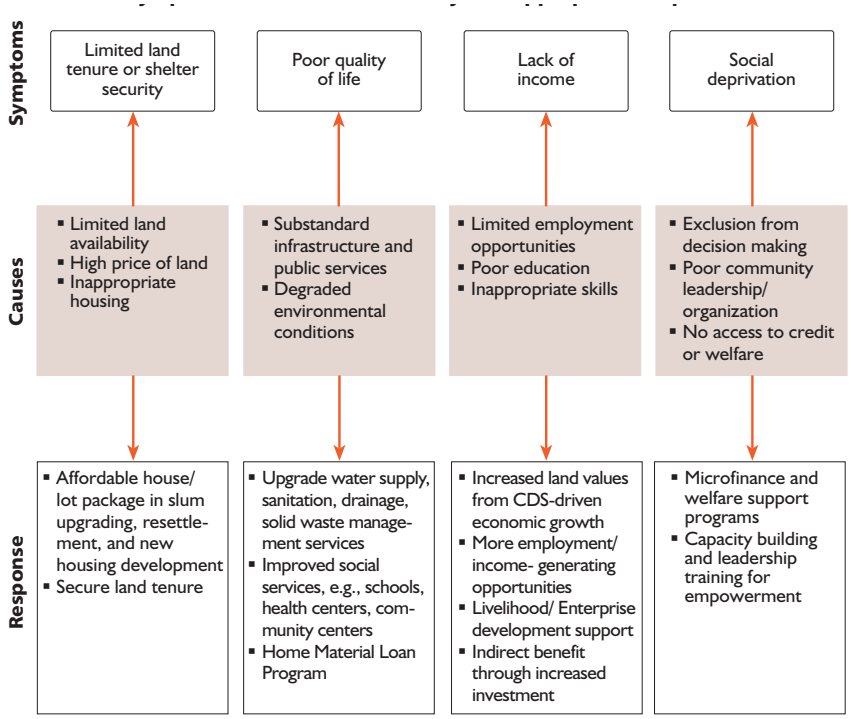
Secure tenure and improved sanitation are the main indicators of CWS Program accomplishment, for the CA. The CWS Program will therefore address legal and environmental issues, to ensure the provision of secure serviced housing for poor urban households, as well as acceptable minimum standards of other basic infrastructure and social services. To this end, the program will, in some instances, need to link local infrastructure and service provision to wider strategic networks, by drawing on the outputs of the key sector studies prepared as part of the CDS.

In addition to physical and environmental improvements, the CWS Program will have to (i) stimulate economic regeneration in slum settlements to create employment and income; (ii) promote social development and improve governance and empowerment in poor urban communities; (iii) help create more skilled and productive communities through better public education, health, and welfare services; and (iv) support enterprise development and livelihood training.

Although focused on the upgrading of slum and squatter areas, the CWS Program will also take into account the need to provide affordable serviced land and housing for poor households (i) that are resettled from slums and squatter settlements in hazardous areas and government reservations, (ii) that are displaced as a result of the upgrading process, or (iii) that could form new slum areas if their shelter needs are not met.

The CWS Program must also create the policy framework and conditions that will be conducive to greater private investment and stakeholder participation in the slum upgrading process to sustain the program over the longer term.

Box 1: Symptoms and Causes of Poverty



Potential Components of the CWS Program

Two types of CWS initiatives were considered in preparing these guidelines:

- Subproject interventions focused on specific poor communities that now live in slum or squatter settlements or that could form new slums. The interventions would directly address the main causes of poverty and issues related to economic and social development and governance.
- Policy and program interventions to help in establishing a policy and institutional framework in participating cities that would support and sustain the CWS initiative over the longer term and bring initial projects to scale to meet performance targets.

Guidelines

The steps set out in these guidelines broadly mirror those in the CDS.

There are six main stages in the CWS Program preparation process:

- Stage 1: Preparation;
- Stage 2: Data Collection and Analysis;
- Stage 3: Formulation of CWS Program Goals, Objectives, and Targets;
- Stage 4: Preparation of CWS Strategic Framework;
- Stage 5: Implementation of CWS Program; and
- Stage 6: Program Monitoring and Evaluation.

All these stages will involve a high degree of participation by and consultation with stakeholders. A CWS Program Steering Committee or a similar group will endorse the program preparation at key points in the process.

In Stage 1 (Preparation) and Stage 6 (Program Monitoring and Evaluation), CWS Program activities are virtually identical with CDS activities. The focus of the guidelines is therefore on Stages 2–5.[3]

STAGE 1: PREPARATION

Institutional Arrangements

The city, under the direction of the mayor, will lead the preparation of the CWS Program just as it does in CDS preparation. In cities participating in the RETA the consultants acted as advisers. Institutional arrangements to support CWS Program preparation will operate at three levels:

- *Technical Task Force:* to lead CWS Program preparation;
- *Housing Board (or equivalent body):* to provide policy support and overall guidance; and
- *Subproject Stakeholder Groups:* to make inputs into the preparation and implementation of specific site/community subprojects.

CWS Program Leader and Support Team

As in CDS preparation, the mayor or senior executive of the city[4] should drive the process as the CWS Program Director (PD). The PD will appoint a full-time CWS Program Manager (PM), who will manage the CWS work program from day to day. This position will be separate and distinct from that of the CDS PM. The CWS PM should be a senior official who will report directly to the PD, but who will be authorized to coordinate directly with other department heads in local government in meeting agreed CWS Program schedules. The PM will be supported by a dedicated team with suitable experience and qualifications from appropriate local government departments dealing with urban poor or poverty reduction initiatives.

Technical Task Force (TTF)

The city will form a Technical Task Force (TTF) to prepare the CWS Program. The TTF will be made up of senior local government unit (LGU) staff from relevant departments with experience in the urban poor shelter sector (such as the planning office, urban poor affairs office, and city engineer's office or their equivalent.) The TTF will be led by the PM, who will assume responsibility as full-time team leader for the preparation and day-to-day management of the work program.

The TTF will be responsible for all technical aspects of CWS Program preparation. It will also be responsible for (i) coordinating within the LGU to ensure overall CWS Program (especially Action Plan and pilot subproject) consistency with available resources and competing development priorities; (ii) interacting and coordinating with subproject stakeholder groups to ensure appropriate levels of participation and consultation; (iii) organizing participatory workshops and seminars; (iv) preparing CWS Program documentation and presenting it to the City Council, Housing Board, and appropriate government agencies for approval; and (v) preparing the necessary project/subproject documentation to be submitted in support of applications for funding, including applications to the CA.

Box 2: CWS Program: Potential Stakeholders at LGU Level

- Government (national, provincial, and local) departments involved in pro-poor shelter programs and projects;
- People's organizations (POs): broad LGU-level representation in CWS Program preparation, as well as participation of specific POs in community subproject design and implementation;
- NGOs involved in the pro-poor shelter sector and related sectors;
- Private sector business interests, especially developers of socialized housing and others in the construction industry;
- Private or public infrastructure and service providers;
- Government and private landowners;
- Civic society;
- Academe;
- Media representatives: important in planning and implementing public awareness initiatives; and
- Special interest groups.

Housing Board

If not already established, a Housing Board (HB) (or an equivalent body) will be formed by the LGUs to provide overall policy guidance and direction to CWS Program preparations. The mayor may chair the HB, which should also include senior representatives of key LGU departments and selected national housing agencies, as well as broad stakeholder representation extending to representatives of people's organizations (POs) and nongovernment organizations (NGOs) involved in pro-poor shelter initiatives, and the private business sector (usually developers of low-cost housing).

The TTF will act as the HB Technical Secretariat and will make the necessary technical presentations for review and endorsement, in the process drawing on relevant stakeholder interest groups.

The HB will approve and endorse CWS Program outputs at key junctures of the preparation process, including (i) the agreed work program and the monitoring and reporting system; (ii) the shelter needs and resource assessment (see Stage 2); (iii) agreed objectives and targets (see Stage 3); (iv) policy and program initiatives forming part of the strategic framework (see Stage 4); (v) the implementation plan including prioritized community and site subprojects (see Stage 5); and (vi) applications for funding support including those submitted to the CA.

Subproject Stakeholder Groups

A wide range of potential stakeholders will be involved in CWS Program preparation and implementation (i) at the LGU level through the HB; and (ii) in the design and implementation of identified site and community subprojects.

Box 2 lists the potential stakeholders at the LGU level.

[3] In the Philippines two official sets of shelter planning guidelines prepared by the Housing and Land Use Regulatory Board and Housing and Urban Development Coordinating Council in the early 1990s considered shelter for the urban poor. In addition, the Guidelines for the Formulation of a Local Shelter Plan for the Urban Poor were prepared in November 2002 as part of Asian Development Bank TA-3760-PHI (Metro Manila Urban Services for the Poor Project).

[4] In Da Nang, the Vice Chairman of the People's Committee directed the preparation of both the CDS and the CWS Program.

Box 3: CWS Program: Required Outputs

- Analysis of city/municipal and informal settlements data (Stage 2);
- Urban poor shelter needs assessment and resource analysis (Stage 2);
- CWS Program goal, objectives, and targets (Stage 3);
- Strategic Framework, comprising policy and program initiatives to support the CWS Program (Stage 4);
- Long-Term and Phase 1 (CWS) Implementation Plan (Stage 5);
- CWS Program Action Plan and priority/pilot subproject(s) (Stage 5); and
- Application for CA funding (where applicable).

As the CWS Program moves from broader long-term program formulation into the more detailed site/community subproject design, stakeholder interest and involvement will narrow down to involve groups with more intimate concerns and interest, such as specific POs, NGOs, landowners, private sector interest groups concerned, and even representatives of national or local government agencies with relevant pro-poor programs.

Box 4: Validating the CWS Program Approach

The comparative analysis of survey data at the LGU and informal settlement levels can be used to validate the focus of the poverty reduction efforts of the CWS Program on informal settlements. This comparative analysis should be based on agreed poverty indicators, possibly determined nationally to allow broader (nationwide or even across CA cities) comparison of conditions in urban areas, such as the percentage of households in informal settlements who are

- *Below the city average* in (i) income poverty threshold, (ii) unemployment or underemployment rates, (iii) access to safe drinking water and acceptable sanitation, (iv) primary/secondary school enrollment, and (v) educational attainment and adult literacy.
- *Above the city average* in (i) household size and occupancy, and (ii) infant mortality and malnutrition.

The TTF will ensure that all relevant stakeholders are fully involved in all aspects of subproject surveys, feasibility studies, detailed design, and implementation. This may best be achieved by forming representative subproject stakeholder groups for each subproject site or community, which can act as a counterpart to the TTF in all preparatory and implementation activities.

Outputs, Work Program, and Management System

The TTF will decide on the required CWS Program outputs (see Box 3). These will form the basis for (i) preparing the work program and assigning tasks; and (ii) setting up a management and reporting system, to extend beyond present LGU institutional arrangements to involve external stakeholder groups.

Stage 2: Data Collection and Analysis

Review of CDS City Profile

The city profile, to be prepared with the CDS, will cover the demographic, geographical, physical, social, and economic characteristics of the city (see Appendix 1, Annex 1.1). It will document present conditions and chart future development trends. Because limited time is allowed for compiling the profile, available data will be used as much as possible.

This profile will be reviewed in Stage 2 of CWS Program preparation to verify whether most of the city's poor are living in slum and squatter areas, and whether poverty can best be reduced through the intended focus of the CWS Program on these areas (see Box 4). The review will also yield information on vacant, potentially developable land in the city areas reserved for strategic infrastructure and ongoing and committed development proposals, as well as other characteristics that will help in prioritizing projects at a later stage, such as the location of potential danger zones.

Data Requirements at the City Level

Given the limited time allowed for this exercise and the restricted capacity of the local government, these indicators should be simple and directly related to the conditions that define the many facets of poverty. The data to be collected will therefore include the following:

Physical and Environmental Conditions[5]

- Location and identity of all informal (slum and squatter) settlements;
- Location of all vacant and potentially developable land;
- Current and proposed land use;
- Landownership and value;
- Dangerous, hazardous, and otherwise undevelopable land (including flood-prone areas and steep slopes);
- Existing and proposed infrastructure and services (especially the coverage and capacity of water supply, sanitation, drainage, roads, schools, health centers); and
- Ongoing and committed development proposals.

Demographic and Socioeconomic Conditions

- Existing and projected population and growth rates (for the defined CWS Program period);
- Average household size;
- Household income profile, including the LGU poverty threshold;
- Economic activities and unemployment/underemployment rates;
- Primary and secondary school enrolment and attendance;
- Adult literacy; and
- Infant mortality and malnutrition rates.

Other Data Requirements

The review of data should also consider the following:

[5] Physical and environmental data will largely be in the form of maps showing the location of all informal settlements (slums and squatter areas), as well as all vacant or otherwise developable land on which new serviced sites and affordable housing for the urban poor could be developed. Where possible, the maps will be based on available geographic information system (GIS) materials. But as most LGUs outside the large metropolitan areas are not likely to have these GIS materials, the maps will have to be based on available aerial photography, land use and development plans, cadastral surveys, and other data forming part of the CDS or other valid planning and development documents.

- Ongoing and proposed pro-poor policies and programs of government (at all levels), nongovernment entities, and private and aid agencies;
- Vision, goal, objectives, key issues, and development priorities set out for the LGU in the CDS and other valid planning documents; and
- All NGOs, civic organizations, charity and religious organizations actively involved in pro-poor and shelter-related activities at the LGU level.

Information on these aspects will allow the CWS Program to be integrated with and take full account of parallel urban management and poverty reduction initiatives.

Profile of City Poverty and Squatter Settlements

The profile will be based on all slums and squatter areas identified and mapped in the city/municipal data review (see section on Data Requirements at the City Level) but will also include all vacant, potentially developable land.

As far as possible, especially given the limited time allowed for preparing the CWS Program, the analysis should be based on available sources, such as socioeconomic data supporting the CDS and other valid planning documents. Detailed survey and analysis will be required only to prepare feasibility studies for identified pilot sites/communities (see section on Prepare Profile of City Poverty and Squatter Settlements).

Physical and socioeconomic data will be prepared for each identified informal settlement (and, where appropriate, vacant developable land). The data will comprise the following:

- Physical conditions: land area, ownership, and value; number, use, and condition of structures; existing and proposed infrastructure and services (especially water supply, drainage, sanitation, roads and footpaths, and garbage collection, as well as access to education and health facilities); main physical features (especially those that could inhibit site development (such as slopes, rivers, and waterways and flood-prone areas).
- Population and household characteristics: present and projected population and growth rates (within the defined plan/program period); number and average size of households; household income profile (especially in relation to defined poverty threshold); employment/unemployment rates; educational attainment; economic activity and occupation.
- Social services: type and location of education, health, welfare, and recreational facilities serving the community; school enrollment and attendance levels; typical reported health problems.
- Profile of urban poor communities: details of people's organizations (POs) and membership; supporting NGOs; private business interests; priority issues and concerns of each community.

Assessment of Shelter Needs of Urban Poor

Introduction

The assessment will give an overall picture of present and future shelter needs of the urban poor against which local governments can measure their resources and plot their response. The assessment will be based on data collected and analyzed at the city level and in relation to existing informal settlements.

Scope of Assessment

Local governments would normally undertake a comprehensive assessment of housing demand as part of a comprehensive City Development Plan. Typically this assessment would deal with the full range of housing demand and include special considerations such as the replacement of obsolete housing stock. For the CWS Program, however, the assessment will focus exclusively on the shelter needs of the urban poor at present and in the future. More specifically, it will look into (i) the present shelter backlog, represented by the number of poor urban households now living in slum and squatter settlements; and (ii) future shelter needs of low-income households, which, as a result of population growth, new household formation, and immigration, could increase the size of the slum/squatter settlements or form new ones if these needs are not met.

Definition of "Shelter"

To ensure that the poverty reduction objectives of the CWS Program are addressed, the assessment of shelter needs will be based on the widest possible interpretation to include the need for (i) secure and affordable land and housing; (ii) appropriate standards of housing, considering such factors as size, occupancy, condition, and materials; (iii) minimum basic standards of municipal infrastructure and services, with emphasis on water supply, drainage, sanitation, and garbage collection; (iv) essential social services and facilities, including schools, health care, and welfare facilities; (v) improved employment and income-generating opportunities; and (vi) better governance and representation.

Shelter Delivery Approach

Before shelter needs are assessed, a fundamental decision has to be made regarding the overall approach to shelter delivery for the urban poor.

For the purposes of these guidelines, it is assumed that the CWS Program will be based on a two-pronged shelter delivery approach comprising (i) wherever possible, the in situ upgrading of existing informal settlements, with minimum displacement; and (ii) development of affordable new serviced plots and housing units to accommodate households resettled from existing settlements and the new poor households that would be formed in urban areas in the future as a result of population growth. This approach is consistent with the scope and objectives of the CWS Program, as well as with the requirements of most participating LGUs at present. However, as has been noted, certain LGUs in more densely populated metropolitan areas are increasingly looking at urban poor shelter options based on the development of high- or medium-density/medium-rise buildings (MRBs).

Quantitative Assumptions of Shelter Needs

To allow broad estimates of the shelter needs of the urban poor several assumptions will be drawn from the analysis of data at the city and informal settlement level. These will include the following:

- Average displacement in informal settlements due to upgrading
  Purpose: to indicate the demand for new serviced sites and affordable housing created by the dismantling of housing units and the relocation of households in the course of upgrading.
  Source: acceptable maximum residential densities (housing units or households

per hectare) or occupancy ratios (households per housing unit), or both, applied to surveyed conditions in a sample range of typical informal settlements.
Example: assumptions made while assessing urban poor shelter needs for Caloocan City, Metro Manila, indicated an average housing unit displacement due to upgrading of 20.0%.

- Desirable housing occupancy
  Purpose: to indicate the demand for new serviced sites created by overcrowding and the resettlement of households from informal settlements.
  Source: relevant local planning and development regulations.
  Example: according to the recent Metro Manila Urban Services for the Poor Project (MMUSP), Metro Manila informal settlements have an occupancy ratio of about 1.28 households per housing unit. MMUSP adopted an occupancy ratio of 1.05 for its shelter needs assessment.
- Percentage of poor households in future population
  Purpose: to calculate the demand for low-cost shelter resulting from future population growth.
  Source: percentage of LGU population now living in informal settlements, and projected growth in city/municipal population based on the CDS. An assumption must be made as to whether this percentage is likely to increase or decrease in the future. A key factor in determining this will be the percentage of future population growth that is due to in-migration.
  Example: around 35% of the Metro Manila population are now estimated to live in slum and squatter settlements, although not all of these are necessarily income-poor.

In addition to the above, LGUs will have to agree on acceptable planning and engineering standards to govern the provision of shelter in the future. These will include minimum standards for gross residential densities; house and plot sizes; water supply and sanitation; and social facilities such as schools and health centers. These standards should all be provided in local planning and development regulations or in appropriate building bylaws.

Present Shelter Needs of the Urban Poor

Present needs will be defined in terms of housing units and households in informal settlements. The link between housing units and households will be defined by the acceptable occupancy ratio be determined for each LGU (see section on Quantitative Shelter Needs Assumptions).

Present shelter needs in informal settlements will be further defined in terms of (i) upgradable or nonupgradable housing units; and (ii) retained or displaced households, as follows:

Type 1: Upgradable housing units/ Retained households

(a) Housing units on either government or private land that can be upgraded in situ.

(b) Resident households that can remain because of acceptable occupancy ratios.

Type 2: Upgradable housing units/ Displaced households

(a) Housing units on either government or private land that can be upgraded in situ.

(b) *Resident households that will be displaced and resettled in new serviced sites because of overcrowding (occupancy ratios above acceptable standards).*

Type 3: Nonupgradable housing units/ Displaced households

(a) Housing units that cannot be retained because they are in (i) danger zones or otherwise hazardous areas such as rivers, waterways, flood-prone land, steep slopes, electricity transmission areas, and road reservations; (ii) lands officially reserved in approved national, provincial, or local development or land use plans (or in committed development projects) as (a) public domain; (b) public infrastructure, services, and facilities sites; or (iii) sites for uses other than socialized housing.

(b) Resident households that will be displaced and resettled in new serviced sites for the same reasons.

Type 4: Nonupgradable housing units/ Displaced households

(a) Housing units that cannot be retained because they will be displaced in the upgrading process, to (i) create road, footpath, and infrastructure/services rights-of-way; (ii) reduce residential densities to meet development controls and building regulations, especially in respect of minimum plot sizes, fire regulations, and environmental considerations; and (iii) replace dilapidated housing units.

(b) Resident households that will be displaced and resettled in new serviced sites for the same reasons.

Future Housing Needs

To meet future housing needs arising from population growth and immigration the city must provide new serviced sites and affordable housing units that can accommodate poor urban households at desirable densities and occupancy ratios, with acceptable levels of municipal infrastructure and social services provision. Otherwise, slum/squatter settlements could increase in size or new slum areas could be formed.

Future housing need is calculated on the basis of the need to accommodate those households forming part of all future natural population growth and in-migration, which if not otherwise intercepted and provided for, will expand existing slum and squatter settlements or form new informal settlements—in other words, that part of the population that potentially forms the urban poor of the future.

Table 8. Housing Needs of Informal Settlements in Caloocan City (page 41) gives an example of an assessment of the urban poor shelter needs of a city. It was prepared for Caloocan City, Metro Manila, during the RETA.

Shelter Components of CWS Program

From the preceding assessment of urban poor shelter needs, it is clear there are two main streams of shelter provision for the urban poor.

Upgrading of Informal Settlements

Wherever possible, existing informal settlements will be upgraded, on the basis of secure land tenure. Basic infrastructure and services will be provided in line with acceptable minimum standards, and (depending on cost recovery arrangements) with the house owners' ability and willingness to pay. Improvements in housing units (vertical structures) will have to be made by the owners themselves, under private arrangements with local

[6] Refer to the ADB or WB Handbook on Involuntary Resettlement. Also available at http://www.adb.org/Documents/Handbooks/Resettlement.

contractors or through self-help, and possibly with the support of home materials loans provided as part of the CWS Program.

New Serviced Sites and Affordable Housing

New serviced housing sites for the urban poor will be provided on vacant land to accommodate the following:

- Households resettled from informal settlements in hazardous areas and government reservations (Nonupgradable housing units/Displaced households, Type 3);
- Households displaced by the upgrading of informal settlements (Nonupgradable housing units/Displaced households, Type 4);
- Households displaced by overcrowding (Upgradable housing units/Displaced households); and
- New poor households formed as a result of further population growth, which could form new slum and squatter areas or expand existing informal settlements if their shelter needs are not met.

New plots will be provided with basic infrastructure and services in line with agreed minimum standards. The type of housing to be provided—whether core housing, starter units, or sanitary cores—will depend on agreed cost recovery arrangements and affordability to potential beneficiaries. The provisions of resettlement action plans (RAPs)[6] designed to compensate households resettled under the CWS Program Housing will make the housing more affordable.

Resource Analysis

To prepare a phased program of shelter delivery, the likely rate at which urban poor shelter needs can be met—the number of upgraded and new serviced plots, as well as affordable housing units and supporting services and facilities, that can be delivered each year throughout the CWS Program period—must be estimated. The required resources must be measured against the available resources to give a broad indication of capacity to meet the shelter needs.

Resources Needed

Land, infrastructure, building materials, labor, and finance will be needed to meet projected urban poor shelter needs.

Land

Estimates of the additional land required to meet urban poor shelter needs over the plan period will be based on the need for new serviced sites and housing. Assumptions will have to be made as to the average plot size and the proportion of net to gross residential area in new sites, taking into account land needed for roads, footpaths, open space, and community facilities, as well as potentially undevelopable areas, such as creeks and rivers.

Municipal Infrastructure and Services

Water supply, electricity, sanitation, and solid waste management systems must be provided. Calculations of the capacity of public utilities required to support this provision will be based on agreed standards, taking into account those households and housing units to be retained in existing sites, which are already provided with some level of infrastructure and services. For example,

- Water supply: assume one metered connection per housing unit, an acceptable housing occupancy ratio, and an average water consumption per household per day.
- Electricity: assume one metered connection per housing unit, an acceptable housing occupancy ratio, and an average electricity consumption per household per day.
- Sanitation: in most cases it will be safe to assume that a high proportion of domestic sanitation in low-cost housing areas will use septic tanks. Assume one standard domestic septic tank per housing unit, an acceptable housing occupancy ratio, an average household size, and then, on that basis determine the requirements for desludging.
- Solid waste management: from experience, estimate the garbage generated weekly by each household, and thus the requirement for a sanitary landfill disposal site.

Building Materials and Labor

The analysis of building materials requirements will be limited to materials required for (i) civil works contracts, such as for the construction of roads, footpaths, drainage, and water supply works; and (ii) basic house construction materials, such as cement, GI sheets, bricks and blocks, and plumbing and electrical materials. Under the CWS Program only appropriate and affordable forms of housing (such as core housing or starter units) will be built in new serviced sites. All other aspects of housing provision will be the responsibility of individual owners.

Estimates of building materials and labor can be arrived at through consultation with local suppliers, developers, and contractors, as well as with LGU departments concerned (such as the City Engineer's Office [CEO]). This approach will be facilitated by the involvement of a wide range of private business interests, including those from the construction industry, as stakeholders in CWS Program preparation. In estimating future labor requirements, it will be important to remember that, to minimize cost and increase the sense of ownership, the fullest possible use must be made of residents' self-help.

Finance

Only broad estimates of the financial implications of meeting urban poor shelter requirements over the defined CWS Program period are needed. Detailed cost estimates will not be needed at the initial preparation stage because (i) 15-year cost projections are inherently unreliable; (ii) the assessed needs themselves are based in part on untested assumptions; (iii) there is a lack of specific detail regarding individual site development requirements and beneficiary affordability; and (iv) details of cost recovery mechanisms and funding arrangements still have to be determined. All that the LGUs need is a preliminary indication of the likely financial implications of meeting the shelter needs of their poor constituents, around which they can begin to plan a response.

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[7] Some shelter plan documents, such as those in the Philippines, indicate the need to undertake an affordability analysis of poor urban communities at the needs assessment stage. The affordability analysis involves an estimate of the financial resources of the urban poor to be used for housing, taking into account (i) current and future household income and expenditure, (ii) household income available for housing, (iii) alternative housing options available, and (iv) available housing finance and pro-poor support programs. This affordability analysis will help identify the feasible housing options available to the urban poor, given their affordability constraints. However, given that (i) CWS Program preparations at this stage are concerned only with shelter needs at the LGU level, (ii) the LGUs are likely to have limited available data and technical capacity, and (iii) the shelter program must be prepared within a short time, it is recommended that this affordability analysis be undertaken only later at the detailed feasibility study stage for identified priority subprojects (sites and communities).

More detailed cost estimates must, however, be prepared to draw up a budget for the CWS Program Phase 1 and Action Plan, and to complete the financial and economic analyses for the feasibility studies of identified subproject sites and communities.[7]

The financing estimates can be based on assumed minimum standards as follows:

Land acquisition

- Unit: the land area required for all upgrading and new sites, based on assumed gross or net residential densities, and taking into account land already acquired by the LGU or by potential beneficiaries under government housing programs (such as the Community Mortgage Program in the Philippines).
- Basis for cost estimate: site location, area, and market value.
- Source: LGU real property assessor, private sector realtors, and landowners.

In situ upgrading

- Unit: the total gross area of sites to be upgraded or the total number of plots or housing units to be upgraded.
- Basis for cost estimate: past experience and the average upgrading cost per hectare, per plot, or per housing unit.
- Source: key LGU departments such as the City Planning Development Office (CPDO), Urban Poor Affairs Office (UPAO), and CEO, as well as NGOs, POs, and socialized housing developers or contractors in the private sector.

Development of new serviced sites

- Unit: the total area of new site development or the total number of proposed new plots or HUs.
- Basis for cost estimate: past socialized housing development experience in sites with similar conditions and the average cost per hectare or per plot.
- Source: LGU departments such as the CPDO, UPAO, and CEO, as well as NGOs, POs, and socialized housing developers or contractors in the private sector.

New housing

- Unit: total number of new housing units required and assumptions regarding standards and proportions of different house types (core house, starter unit, sanitary core, etc.).
- Basis for cost estimate: past socialized housing experience and cost per type of housing unit or per square meter.
- Source: key LGU departments such as the CPDO, UPAO, and CEO, as well as NGOs, POs, and socialized housing developers or contractors in the private sector.

Municipal infrastructure and services

- Unit: any offsite or mains infrastructure or service provision.
- Basis for cost estimate: approximate coverage of service or length of mains infrastructure provision.
- Source: CEO and appropriate public or private sector utility agencies; also the CDS and other valid LGU planning documents including the Public Investments Program (PIP) or Capital Investment Program (CIP) and annual budgets. (In calculating the cost of meeting urban poor shelter needs, it should be noted that mains infrastructure and services will also have other uses.)

Social facilities and services

- Unit: the requirement will be based on the application of broad planning standards for schools, health centers, open spaces, and other community facilities, to the total number of households.
- Basis for cost estimates: standard costs per site, building, or unit (such as the required number of schools or classrooms), together with cost of equipment, supplies, and staffing.
- Source: appropriate central or local government departments, such as those for health, education, and social welfare; also the CDS and other valid LGU planning documents including the PIP and annual budgets. (In calculating the cost of meeting urban poor shelter needs, it should be noted that these social facilities and services will also have other uses.)

Resettlement

- Unit: the number of housing units in existing settlements to be dismantled and the number of households to be voluntarily relocated.
- Basis for cost estimates: standard compensation packages included in the RAP, plus other related costs, such as for surveys, social preparation, and transportation.
- Source: Appropriate government, ADB, World Bank (WB), or other accepted guidelines for resettlement.

There will also be a need to take into account the financial implications of other CWS Program support programs, such as (i) livelihood and enterprise development; (ii) home materials loans; (iii) training and capacity building of key LGU staff, NGOs and POs; and (iv) information dissemination.

Available Resources

To arrive at some indication of the rate at which projected shelter needs can be met over the plan period, available resources must be measured and compared with the required resources. Available resources will include the following:

Land

In assessing the suitability of land for development for shelter for the urban poor, consideration must be given to a number of factors such as (i) topographical constraints that will increase development costs, (ii) location in relation to employment opportunities and commercial/community facilities, and (iii) the ease of providing infrastructure and services.

Subject to these considerations, various land typologies such as the following potentially offer CWS Program development opportunity:

- Government landholdings that can be used for upgrading or new serviced site development;
- Other land identified but not yet acquired for government socialized housing, slum upgrading, or sites and services development;
- Land already turned over to urban poor communities but still requiring upgraded infrastructure and services under government socialized housing finance programs (such as the CMP in the Philippines);
- Idle private lands; and
- Foreclosed properties.

Infrastructure and services

- Spare capacity for municipal infrastructure and services, taking into account ongoing and committed development projects.

Box 5: CDS Vision Statement and CWS Program Goal for Calicut City

Development vision: By 2020 (the end of the CDS planning period) "to become the central place for the regional development of Malabar, the northern part of Kerala State."

CWS Program goal: **"A slum- free Calicut by the year 2020."**

Institutional capacity/capability

- Local government staffing capability, taking into account other competing roles and responsibilities, and the need for training and capacity building; and
- Nongovernment resources, including manpower and finance from the private sector, NGOs, community equity, and self-help initiatives.

Financial resources

- LGU financial resources, based on revenue and expenditure projections, budgetary allocations for socialized housing, additional national Government grants, possible donor financing, and bond flotation; and
- Resources generated from other ongoing and committed poverty reduction and shelter programs of the government and the private sector.

In most developing countries, available resources will invariably fall well short of those required to meet projected shelter demands. In preparing the long-term program, therefore, there will be a need to take into account the time needed to bolster resources through various policy and program initiatives, other parallel urban poor initiatives, or approved planning and development documents such as the CDS.

Both government and nongovernment capacity and capability are dependent on a range of variable factors such as (i) the evolving political environment in each LGU, (ii) the commitment of successive teams of senior executives and senior staff, (iii) the effectiveness of organizational arrangements designed to support the CDS and the CWS Program, (iv) the role of the private sector in CDS/CWS Program implementation, (v) the level of community response and self-help involvement, (vi) competing development priorities, and (vii) the impact of training and capacity building programs. It is therefore difficult to assess institutional performance as a determining factor in CWS Program formulation. The only rational approach seems to be based on the assumption that the programmed level of CWS Program delivery represents a reasonable and incremental increase over current levels of accomplishment.

Box 6: CWS Program Objectives for Calicut City

- To ensure security of land and structure tenure for all slum dwellers by 2020.
- To upgrade basic infrastructures and services in all slum sites that are suitable for upgrading by 2020, with emphasis on water supply, sanitation, and drainage.
- To improve the capability of slum dwellers to improve and maintain their dwelling units on a self-help basis through skills training and better access to credit.
- To generate more employment and income in slum settlements through skills training and livelihood development programs, and support for growth-oriented enterprises.
- To improve slum dwellers' access to better education, health care, and welfare services.

Source: Calicut City: Draft Final CDS/CWS Program Report.

Stage 3: Formulation of CWS Program Goal, Objectives, and Targets

CWS Program Goal

The overall CWS Program goal will comprise a broad definition of accomplishment that will support the attainment of a longer-term multisectoral development vision. It is this vision that forms the basis of the CDS.

Box 5 shows this link between the CDS vision statement and the CWS Program goal prepared by City Corporation (LGU) and key stakeholders for Calicut City in Kerala, India.

CWS Program Objectives

CWS Program objectives will directly support the attainment of the goal—and thus, in turn, the overall development vision stated in the CDS.

The main factors that affect the poor urban households and define their condition are the following: (i) lack of secure tenure; (ii) poor quality of life due to inadequate infrastructure and service provision and degraded environmental conditions; (iii) high levels of unemployment or underemployment, and therefore limited household income; (iv) limited access to education, health, and welfare services; (v) limited access to credit and financial services; and (vi) exclusion from key decision-making processes.

By definition, the CWS Program directly addresses some of the main causes of poverty, especially those causes linked to insecurity of tenure and a poor quality of life. CWS Program objectives therefore support the eradication or the significant reduction of poverty, and are linked to the need to provide poor urban households with

- Security of tenure;
- Minimum acceptable standards of municipal infrastructure and social services;
- Improved employment and income-earning opportunities;
- Improved education, skills training, and health care;
- Better access to credit and other financial services for house-plot purchase, home improvement, enterprise development, and livelihood activities; and
- Improved levels of community organization, capacity, and empowerment.

It will be up to individual LGUs to interpret these (or other) objectives in compliance with prevailing conditions. Depending on the availability of data and the level of analysis, these objectives can be defined either in a broadly generic form (as above) or in more detail with specific reference to real needs.

The fact that the CWS Program will be prepared with the direct participation of all concerned stakeholders, including representatives of poor urban communities, is in itself responsive to the issue of empowerment of the urban poor.

Box 7: Suggested Performance Targets for Calicut City

Objective 1
To ensure security of land and structure tenure for all slum dwellers by 2020.
Performance Targets
- Number of households in slum settlements who have received official title for their house plot.
- Number of upgraded and new serviced plots for which title has been awarded.

Objective 2
To upgrade basic infrastructure and services in all slum sites suitable for upgrading by 2020, with emphasis on water supply, sanitation, and drainage.
Performance Targets
- Number of households in slum settlements with service connections to water mains, sewer system, and septic tanks.
- Length of access road, footpath, and drainage system in slum settlements, compared with present provision.
- Incidence and extent of flooding in slum settlements.
- Incidence of waterborne diseases in slum settlements.

Objective 3
To improve the capability of slum dwellers to improve and maintain their dwelling units on a self-help basis through skills training and better access to credit.
Performance Targets
- Number of slum dwellers attending construction skills training classes.
- Number of households in slum settlements taking out microfinance loans for home improvements.
- Number of housing units in slum settlements or resettlement and new low-cost housing sites that were totally or partially built, extended, or repaired through self-help.

Objective 4
To generate more employment and income in slum settlements through skills training and livelihood development programs, and support for growth-oriented enterprises.
Performance Targets
- Number of new jobs created and additional persons employed in slum settlements.
- Number of persons from slum settlements attending skills training courses and livelihood/enterprise development programs.
- Household income and expenditure in slum settlements, compared with present income and expenditure.
- Number of microfinance loans taken out by households in slum settlements for livelihood and growth-oriented development purposes.

Objective 5
To improve slum dwellers' access to better education, health care, and welfare services.
Performance Targets
- Number of additional school buildings and classrooms, health care centers, and beds serving households in existing slum settlements.
- School attendance and educational attainment of children from households in slum settlements.
- Number of slum dwellers registered with, attending, and receiving treatment at health centers.
- Reported incidence of malnutrition, illness, and disease among slum dwellers.

Note: All performance targets can be expressed in absolute terms or measured against present conditions or against desirable levels of accomplishment.

CWS Performance Targets

Performance targets are quantified program objectives against which relative accomplishment can be measured. The accurate determination of shelter needs will make it possible to define specific objectives and thus, in turn, performance targets. These targets are important monitoring tools. To facilitate monitoring, evaluation, and program review, targets can be established for each year, or at least each phase of the program.

Although the CA identifies security of tenure and improved sanitation as the principal indicators of the CWS Program accomplishment, performance targets will have to be established for each Program objective. It will be the responsibility of each LGU to define its performance targets in more detail as part of a CWS Program performance monitoring system. These indicators must be readily quantifiable. Performance targets can be expressed as an absolute number, as a percentage (increase/improvement) over existing conditions, or as a percentage of ultimate accomplishment.

Box 7 lists suggested performance targets based on the CWS Program objectives for Calicut City set out in Box 5.

Stage 4: Preparation of CWS Strategic Framework

Introduction

By matching the urban poor shelter needs against resource requirements and availability, in the context of agreed CWS Program objectives and targets, a CWS Program of shelter delivery over the defined program period can be formulated.

CWS Program initiatives derived from the needs assessment will be concerned mainly with the legal, physical, and environmental condition of the urban poor, that is, with security of tenure and the provision of acceptable minimum standards of municipal infrastructure and services, all of which are important performance indicators for the CWS Program. However, in addition, it will be necessary to

- *address all other aspects of poverty* including the full range of socioeconomic

[8] ADB-TA 3760-PHI, Metro Manila Services for the Poor Project (MMUSP), Final Report, Volume 2, Appendix P, 2003.

Box 8: Typical Policy and Program Initiatives under the CWS Program

- *Preparation of comprehensive slum upgrading policy* will involve a review and, where necessary, the updating of pro-poor and slum upgrading policies and programs.
- *Expansion of ongoing poverty eradication programs* will involve determining the relevance and impact of existing government, NGO, and private sector pro-poor programs and projects on the CWS Program, and integrating these into the CWS Program as far as possible.
- *Organizational and capacity strengthening of key institutions* involved in poverty reduction and related sectors, including (i) relevant departments of national, state, and especially local government agencies, (ii) CDS/CWS Program steering groups and technical support committees, (iii) NGOs, (iv) people's organizations (POs), and (v) microfinance and local banking institutions. Project interventions will include more targeted capacity building initiatives related to specific site/community conditions, especially among NGOs and POs.
- *Improved education, health care, and welfare services* will involve relevant government and private sector agencies in the provision of facilities, human and financial resources, and development programs in support of the CWS Program, including, for example, preschool institutions and primary schools, primary health care facilities, recreational facilities, and rehabilitation centers. Again, there will be a more targeted application of these programs to the specific needs of identified communities.
- *General public and community awareness campaigns* will include those related to (i) fight against crime, alcohol, drug abuse, and HIV-related problems; (ii) support for better health and environmental management practices such as advice on food and nutrition, sanitation, waste disposal, and recycling; and (iii) wider appreciation of the objectives and scope of the CWS initiative.
- *Information sharing and dissemination* on various aspects of the CDS and CWS Program through the development of a stakeholders' IT and community-based information network and links to other CA cities and programs.
- *Strategic planning and programming* to provide an evolving context for long-term CWS Program development. This will be undertaken through the maintenance of close links and integration with ongoing CDS activities, such as studies and master plans in local economic development, transportation, sewerage, drainage/flood control, and other key sectors.
- *Preparation of a CWS Program Operations Manual* will be a valuable tool in scaling up the Program within the city, and then to the regional and national levels.

Box 9: Proposed Metro Manila Slum Eradication Strategy (2003–2017)

- Holistic or integrated approach to shelter;
- Greater participation of the private sector;
- Two-pronged approach to housing needs of the urban poor (upgrading and resettlement/new site development);
- Effective integration of socialized housing zones with the rest of urban development, local development plans, comprehensive land use plans, and zoning ordinances;
- Workable estates management systems; and
- Good collection system to ensure cost recovery.

Source: MMUSP, Final Report, Volume 2, Appendix P, November 2002.

concerns such as the need for more jobs, better education and health care, access to credit, and greater representation for the urban poor; and

- *facilitate successful shelter delivery* through policy and program initiatives in such critical areas as land acquisition, and improved institutional and organizational arrangements to encourage private sector support and community self-help involvement.

All of these will require specific policy and program initiatives that will form part of a parallel CWS strategic framework in support of CWS Program objectives.

Range of Strategic Interventions

The scope and content of the strategic framework needed to support the CWS Program will vary between LGUs, depending, among others, on the policy and institutional environment and the nature of shelter problems of the urban poor. An indication of the wide range of supporting strategic interventions is given in Box 8. For comparison, Box 9 lists the major elements of the 15-year (2003–2017) Strategy for Slum Eradication in Metro Manila prepared under the MMUSP.[8]

Whatever the ultimate form and content of the strategic framework for the LGU, each component of the strategy should be described in full and should at least indicate the following:

- Objective and scope in terms of CWS Program preparation and implementation, to include desired impact/outcome;
- Agency responsibility, including the allocation of technical and financial resources;
- Business plan, to include scheduled start date, immediate action (next steps), and time allowed for completion;
- Link to other national, provincial, or local government development initiatives; and
- Additional resource requirements and likely sources.

Strategic Considerations in Determining Priority

The wide-ranging nature of the strategic framework indicates that it should be prepared in close coordination with the CDS and other comprehensive development planning initiatives in each LGU. Many of the proposed initiatives may already be incorporated in these documents. Some policies and programs will require considerable time to prepare and put into effect with the necessary

[9] The CWS Program period and target year for the attainment of zero slums (2020) will need to be adjusted to meet specific circumstances. In Caloocan, Metro Manila, for example, a target year of 2017 was adopted as the basis for CWS Program estimates to conform to the MMUSP time frame.

official approvals; some may require to be addressed at the provincial or national levels. These factors and the fact that these policy and program interventions will be necessary to facilitate shelter delivery in line with CWS Program schedules indicate that the strategic framework will be an important consideration in determining Program priorities (especially the Phase 1 and Action Plans) on the basis of what can immediately be done.

Stage 5: Implementation of the CWS Program

Introduction

The preparation of the CWS Program Implementation Plan will consider a number of factors derived from previous preparatory stages, as follows:

- Total urban poor shelter needs, as determined through the needs assessment and the comparative analysis of required and available resources (Stage 2);
- Overall CWS Program objectives and performance targets (Stage 3);
- Realistic assessment of the impact of strategic policy and program initiatives (Stage 4); and
- CDS, other valid planning and development documents, and competing development initiatives identified in these and in the PIP and annual budgets.

It is recommended that the CWS Program Implementation Plan be expressed in terms of three main planning horizons—long term, first phase, and immediate implementation. Because there is a close correlation between the CDS and the CWS Program, and a need to respond to the overarching CA accomplishment target set out in the Millennium Declaration, it is recommended that both the CDS and the CWS Program be targeted toward 2020. Allowing for lead time for operationalization, this suggests a CWS program period of about 15 years.[9]

Long-Term Implementation Plan

LTIP Form and Content

For the purposes of these guidelines, it is assumed that the Long-Term Implementation Plan (LTIP) will be designed to meet all existing and projected urban poor shelter needs within the defined (CWS) Program period. To promote the close integration of urban planning initiatives, the LTIP horizon should correspond to that of the CDS—about 15 years.

The LTIP will be formulated without any direct reference to identified informal settlements or new sites. It will simply set out a phased schedule of accomplishment for the plan period in terms of the number of upgraded, resettlement, and new serviced plots (housing units) to be delivered, and the equivalent number of poor households accommodated, on the assumption that the shelter needs of the urban poor will be zero by the end of the program period. On the basis of this phased program of delivery and the assumptions made in the resource assessment (see Stage 2), the LTIP will also give a broad indication of costs. However, while the cost estimates will be made as accurate as possible, these will for the most part be based on available data and on the unit costs used for the resource assessment in Stage 2, with an appropriate escalation factor.

LTIP Purpose

The LTIP takes the needs assessment (Stage 2) a step further in that it gives LGUs a phased program of shelter delivery that is consistent with available resources and present development constraints, but also with the LGUs' perceived ability throughout the CWS Program period to incrementally augment these resources and overcome these constraints. It gives LGUs an indication of the rate at which land has to be acquired, infrastructure and services have to be provided, technical capability has to be improved, and financial resources have to be made available. It also provides a reliable framework for immediate and short-term action.

Shelter Components of the CWS Program

The LTIP will be defined by the rate at which upgraded or serviced plots (housing units) can be delivered and poor households can be accommodated. It will be expressed in terms of three main streams of shelter delivery:

Box 10: Typical Subproject Initiatives under the CWS Program

- *Improved security of land tenure and structure tenure:* this will involve (i) landownership mapping and valuation of land in identified slum/squatter settlements, and vacant, potentially developable land; (ii) preparation of topographical, physical, and cadastral surveys; (iii) exploration of alternative land acquisition approaches and tenure arrangements; (iv) acquisition of land in accordance with funding constraints and technical, economic, and social project evaluation; and (v) issuance of titles or secure leasehold agreements to eligible beneficiaries.
- *Upgrading or provision of basic infrastructure and services in informal settlements and in resettlement and new low-cost housing sites:* the infrastructure and services will include roads, footpaths, drainage and flood control structures, water and electricity supply networks, sewerage and sanitation systems, solid waste management systems, streetlighting, schools, health centers, community and rehabilitation centers, and public open space and recreation facilities.
- *Provision of affordable housing units in resettlement and new low-cost housing sites.*
- *Maximized opportunities for self-help improvement in site development and housing* through training programs, access to microfinance support, and links to other established government pro-poor programs.
- *Financial and microfinance support* for house/plot purchase, and growth-oriented enterprise and livelihood development.
- *Community training and capacity building:* including programs to (i) empower and promote greater self-reliance in poor urban communities; (ii) improve community organization and management and livelihood activities; and (iii) promote more effective participation in CWS Program preparation, implementation, monitoring, and evaluation.
- *Institutional strengthening and capacity building of specific stakeholder groups* including appropriate LGU departments, NGOs, and microfinance institutions.
- *Education and awareness-raising campaigns* (i) within the private sector to encourage investment in the CWS Program; (ii) of specific communities in matters related to the prevention of HIV, crime, and drug abuse; and (iii) to encourage community savings and loan programs.

- *Upgrading:* the in situ upgrading of plots (housing units) in existing informal settlements.
- *Resettlement:* the development of new serviced sites and affordable housing units to accommodate households displaced (i) from informal settlements in danger areas and strategic government reservations; and (ii) from existing settlements as a result of upgrading or overcrowding in excess of acceptable occupancy ratios.
- *New site development:* serviced plots and affordable housing units to accommodate that proportion of future population growth during the CWS Program period that could lead to the formation of new slums and squatter areas or the expansion of existing ones.

Main CWS Subproject Interventions

Within the three main streams of shelter delivery, the CWS Program will make a range of interrelated interventions at the subproject (site or community) level to address the social and economic (as well as the legal, physical, and environmental) conditions that define poverty in these areas.

Box 10 sets out the types of interventions that typically may need to be explored in the CWS Program at the subproject level. The implementation of many of these will depend on supporting policy and program initiatives included in the CWS strategic framework.

LTIP Formulation

Practical considerations mean that although it is desirable to implement the CWS Program on the basis of prioritized need, this may not always be possible. The LTIP needs to be formulated by balancing development priorities with practical considerations of resource availability.

Initial CWS Program interventions are more likely to be bound by existing resource constraints and focus more on practicability rather than absolute need. However, as the LGU resource base expands over time as a result of accumulated experience and the impact of policy and program interventions, the scope and momentum of CWS Program shelter delivery can expand exponentially, to increasingly take account of priority interventions.

Box 11: Land Acquisition

A high proportion of urban poor shelter needs will be for new serviced plots and affordable housing to accommodate resettlement or to forestall future demand. The acquisition of suitable and affordable vacant land for development is therefore a high priority. The identification of potentially appropriate land should be followed immediately by negotiations with landowners, as the acquisition of land in the Philippines (even within and between government agencies) is generally a complex and protracted process, which needs to be anticipated in LGU programming and budgeting as early as possible. The need to ensure that new serviced shelter development is in accordance with proposed development trends and land use patterns, and is supported by mains infrastructure and services provision of adequate capacity, further reinforces the importance of maintaining close links with the CDS in preparing and implementing the CWS Program. In instances where there are high urban densities and limited land availability to meet demand within city boundaries, there may be a need to seek suitable sites in adjacent areas. Again, the CDS will give a broad indication of proposed development trends and land uses that may extend beyond city boundaries and give some indication of external land availability and use. If the need for land acquisition beyond city boundaries does appear likely, there will be great advantage in seeking out the appropriate site and making the necessary moves toward collaboration with adjacent local governments, private landowners, and other parties concerned, at the earliest possible opportunity.

Priority Shelter Need

If need were the sole basis, it would in most instances be reasonable to adopt the following urban poor shelter priorities:

- *Priority 1: Resettlement of households from danger zones.* Immediate life-threatening danger is clearly the first priority. However, before these areas can be cleared new serviced resettlement sites and affordable housing units must exist to accommodate displaced households, and a Resettlement Action Plan (RAP) must be prepared to provide for compensation and support for displacement.
- *Priority 2: Upgrading of informal settlements with extremely poor environmental conditions.* Public health is also a primary concern. In addition to the provision of minimum standards of infrastructure and services, there will be a requirement in these subprojects for serviced resettlement sites and affordable housing units to accommodate households displaced as a result of upgrading or overcrowding. Again, displaced households will receive compensation and support on the basis of a RAP.
- *Priority 3: Resettlement of informal settlements in government reservations needed for strategic infrastructure development.* The removal of settlements that obstruct broader LGU development must be a high priority. Again, the requirement here will be for new serviced resettlement sites and affordable housing units to accommodate displaced households, and for the preparation of a supporting RAP.
- *Priority 4: Development of new serviced sites and affordable housing units to forestall the expansion of slums or the creation of new ones.* While addressing problems in existing informal settlements, it will be important to prevent further expansion of slums and squatter areas or the formation of new informal settlements.

Key Resources

In formulating the LTIP, resource limitations must be taken into account. Land, for example, is a critical resource, as all forms of priority shelter entail some element of vacant land acquisition either for resettlement or for new serviced plots (housing units) (see Box 11). Key resources that are likely to grow throughout the CWS Program, and that can be reflected in an incremental program of shelter delivery focused more on priority concerns, include the following:

- *Land.* There should be increasing access to vacant land as negotiations with landowners, legal proceedings, or other acquisition initiatives are concluded, and as supporting policy initiatives take effect.

Box 12: STIP Selection Criteria for the CWS Program

- *Land acquisition and development cost.* It will be important to ensure that all land in identified upgrading and new sites can be acquired and developed within the Phase 1 time frame, at a cost consistent with beneficiary affordability and PIP funding constraints.
- *Adequate resettlement site capacity.* The development of adequate resettlement site capacity should be included in Phase 1 to accommodate the anticipated level of displacement and resettlement. The LTIP and shelter needs assessment will give an indication of this.
- *Adequate mains infrastructure availability and capacity.* This should be sufficient to allow upgrading and/or development of all STIP subproject sites and communities to agreed standards within the specified Phase 1 time frame.
- *Demonstrably high levels of need.* This will be especially critical in respect of communities now living in danger zones and households living below the poverty line and at subsistence levels.
- *High levels of community support.* This will especially be critical in subprojects requiring some measure of dislocation and resettlement.
- *High impact and visibility.* This will be important in ensuring positive demonstration for ongoing CWS Program initiatives and as a means of increasing private sector involvement and community participation and cooperation, as well as general public support.
- *General consistency with the CDS, LTIP, agreed CWS Program performance targets,* and other valid planning and development documents, supporting PIP, and annual budget allocations.
- *Links to other government, NGO, and private sector pro-poor initiatives.* This will help maximize the use of limited available resources

Full LGU Council, Steering Group, and stakeholder endorsement and approval.

- *Finance.* Revenue should steadily increase as a result of improved LGU financial management systems. Increased revenue, in turn, should spark growing private sector confidence and investment.
- *Infrastructure and services.* The implementation of the CDS and related development planning initiatives should widen mains infrastucture and service coverage and capacity to support CWS Program upgrading and new site initiatives.
- *Technical capability.* Accumulated experience, coupled with the impact of targeted programs of training and capability builiding, should result in improved institutional performance at all levels (LGU, NGO and PO).
- *Community self-help participation.* The impact of community-based awareness raising and leadership and organization training programs, coupled with experience and consistent involvement as stakeholders in the CWS Program preparation and implementation process, should result in increased community cooperation and self-help participation.
- *Private sector involvement.* Public information campaigns, consistent stakeholder involvement, and proven performance should provide the basis for growing private sector involvement in the CWS Program.

Summary

The rate of shelter delivery over the long term is therefore likely to increase exponentially in line with the expanding LGU resource base and the growing impact of supporting policy and program interventions making up the strategic framework. On the assumption that the LTIP is to be carried out in three main phases of similar duration, this could produce the following pattern of delivery:

- Phase 1: 15–20% of total need (housing units or households),
- Phase 2: 25–35% of total need (housing units or households), and
- Phase 3: 40–55% of total need (housing units or households).

This theoretical example is only intended to illustrate a general principle that may be applied to LTIP formulation. Parameters and assumptions will have to be adjusted in line with the prevailing circumstances in each LGU.

Revised cost estimates will be prepared on the basis of the phased LTIP program of shelter delivery. These will be a refinement of the broad cost estimates incorporated in the needs assessment (Stage 2). The same cost assumptions, updated where possible, and escalation factors that reflect the LTIP phasing schedule will apply.

Short-Term Implementation Plan

Introduction

The preparation of the Short-Term Implementation Plan (STIP) will be based on the first phase of the LTIP. It will normally cover a period of around 5 years, adjusted to meet the specific circumstances in each LGU. The STIP will include priority shelter interventions identified by matching prioritized need against available resources as these are expanded throughout the first phase of the CWS Program.

The STIP will be prepared in significantly more detail than the LTIP. It will adopt the broad mix of shelter types included in the LTIP (upgrading, resettlement, and new sites), but will apply these directly to specific informal settlements and new sites identified in the mapping and survey data prepared in Stage 2. This will inevitably involve some adjustments to the LTIP phasing and estimates, which can be accommodated over time as part of a regular monitoring and review process.

STIP Selection Criteria

The LTIP Phase 1 framework will provide an initial definition of the overall STIP scope and content, and an indication of the relative proportions of shelter types (upgrading, resettlement, and new sites). The STIP will reinterpret this definition with direct reference to existing informal settlements and potential new developable land identified in Stage 2. This will be undertaken through the application of selection criteria. See Box 12. STIP Selection Criteria for the CWS Program. These criteria may not in all instances be compatible, and it will be up to the TTF and involved stakeholders to place value and weighting on each criterion, to define the STIP.

Data Requirements

As far as possible, the STIP should be prepared on the basis of complete baseline data for all identified sites and communities.

In many instances this may entail expanding or verifying data already collated and analyzed in Stage 2, by means of additional topographical, physical, and socioeconomic surveys. However, it is recognized that in many LGUs with limited resources this may not in all instances be feasible.

Clearly the need for comprehensive data coverage is most critical in identified pilot subprojects (see section on CWS Program Action Plan/Pilot Projects). Nevertheless, by drawing on all available resources, including those at the community level, LGUs should also attempt to prepare a comprehensive database for all identified Phase 1 subprojects. The database will be needed to provide an accurate determination of Phase 1 shelter needs in terms of (i) the main shelter types (upgrading, resettlement, and new sites); (ii) likely levels of beneficiary affordability, as an input into subproject design, and the need for socioeconomic support programs; (iii) the overall requirement for land acquisition, and infrastructure and services capacity and coverage to be incorporated in the medium-term Comprehensive Development Plan (CDP); and (iv) the total Phase 1 cost and funding requirement to be incorporated in the PIP, annual budgets, and applications for external funding support.

Box 13 lists the STIP data requirements.

Box 13: STIP Data Requirements for the CWS Program

- *Land:* area, ownership, and value, to determine the options and likely cost of acquisition, including links to other government pro-poor housing programs.
- *Existing and proposed land and structure use,* including that in adjacent properties.
- *Physical features:* especially rivers, creeks, flood-prone areas, steep slopes, vegetation, and other features that could affect subproject design and layout, as well as the upgradability or nonupgradability of structures.
- *Structures:* number, use, condition, and materials, to determine overall residential density and identify upgradable and nonupgradable structures.
- *Existing and proposed infrastructure and services:* especially roads and footpaths, water supply, drainage, sanitation, electricity, and garbage collection, to determine the need for on-site and offsite upgrading or additional infrastructure and services provision.
- *Ongoing and committed development proposals:* to assess the compatibility of CWS Program upgrading and new site proposals.
- *Population size and projected growth rates* throughout the CWS Program period, to estimate household growth and the demand for new affordable housing units in existing informal settlements.
- *Household characteristics* including household size and composition, to determine occupancy ratios and the need for possible housing units to accommodate households displaced as a result of overcrowding.
- *Household income, savings, and expenditure,* to determine the affordability levels of potential beneficiaries.
- *Employment, occupation, and levels of skill, educational attainment, and literacy,* to establish the need for supporting socioeconomic programs and facilities, and other pro-poor development initiatives to support job creation and income generation.
- *Governance:* details of PO organization, activities, membership, and support from LGU and NGOs, to judge the need for community empowerment and capacity building programs, and the likely role of the community in the design and implementation process.

CWS Program Action Plan and Pilot Projects

Introduction

The Action Plan is a program of immediate interventions intended to kick-start the CWS Program. The Action Plan may well comprise pilot subproject interventions drawn from the STIP (Phase 1). However, because of the need for urgent interventions to address critical issues of urban poverty, in some instances pilot subprojects could also be identified in advance of the formulation of long- and short-term CWS Program interventions.

To facilitate and sustain the CWS Program over the longer term and to build up the resources and capability needed to increase shelter delivery for the urban poor to the levels required in the STIP and LTIP, a high proportion of Action Plan activity will be focused on policy and program interventions included in the strategic framework.

Selection Criteria for Pilot Subprojects

Potential pilot subprojects will be identified on the basis of criteria similar to those for STIP selection. However, emphasis will be placed more on practicability to guarantee implementation in line with agreed Action Plan schedules, than on absolute need. These practical aspects are reflected in the essential considerations spelled out in the recommended pilot subproject selection criteria (see Box 14).

Data Collection and Analysis, and Cost Estimates

To support the preparation of detailed feasibility studies and designs for identified pilot subprojects, a comprehensive database will have to be prepared for each identified subproject. The range of data required will be similar to that for STIP subprojects. However, significant data gaps or questions regarding the validity of data should be addressed by additional field surveys in the target communities and sites. Preliminary designs will be prepared to respond to prevailing site conditions, and the priority conaffordability of the community as potential beneficiaries. Detailed cost estimates will be prepared on the basis of the preliminary designs, and these will, in turn, be subjected to detailed feasibility analysis to arrive at an optimum development solution.

STAGE 6: PROGRAM MONITORING AND EVALUATION

CWS Program monitoring and evaluation, although linked to specific CWS performance targets, will best be undertaken as an integral part of the overall monitoring evaluation and reporting system set out for the CDS (see Appendix 1).

Box 14: Selection Criteria for Pilot Subprojects under the CWS Program

Essential Considerations

Land Acquisition. No major outstanding issues of land acquisition should in any way obstruct site access or delay scheduled subproject design and implementation, and the resolution of land tenure issues. Selected sites should therefore be already owned by the local government unit (LGU) or by the community, or already part of a formal sales agreement involving the community or an existing joint-venture agreement involving the landowners.

Resettlement. Upgrading or development should not involve the relocation of any housing units or the resettlement of households that cannot be accommodated on site or in resettlement sites nearby. The development of a "greenfield" resettlement site as a pilot subproject is a feasible option. At the same time there should be no in situ upgrading of any community or site located in a dangerous or hazardous area, in a strategic government reservation, or in land officially designated for development other than residential.

Infrastructure/services availability. Upgrading or development should not be dependent on any form of major offsite mains infrastructure provision that could potentially obstruct scheduled subproject completion. Thus, the selected site should (i) already have all-weather pedestrian and vehicular access; (ii) already have access to water supply mains and drainage of adequate capacity; and (iii) not be subject to serious flooding and inundation requiring major flood control and drainage works such as seawall construction, reclamation, or riverbank protection.

Demonstrable need. Any community selected for upgrading or resettlement should have a dominant percentage of poor households living at or below the poverty threshold.

Community support. The selected pilot subproject community should already have a strong and genuinely representative people's organization, which supports the agreed upgrading and development approach in principle, and which ideally has an established working relationship with the LGU.