

EvSum475

HYDERABAD SLUM IMPROVEMENT PROJECT: INDIA

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The Project

Hyderabad Slum Improvement Project started in 1984 and aimed to improve the living conditions and economic position of slum dwellers. It provided infrastructure (roads, drainage and sewerage), utilities (water and electricity) and social services (pre-school education and health) to 210 slums. It ended in 1989 and £7.3m of capital aid and £100,000 of TC was spent.

The Evaluation

The evaluation was carried out in the UK and India by an ODA Economic Adviser and administrator and Consultants in Sociology and Engineering. The main aim was to assess cost-effectiveness, identify benefits, assess the impact on target groups, and examine sustainability.

Overall Conclusion

The project was *successful*. It had a substantial positive impact on slum dwellers by improving their quality of life and stimulating self help initiatives and economic activity. There were weaknesses in appraisal and implementation and there is concern over sustainability

The Main Findings

- The per capita cost was Rs434 (£17) in 1988 prices and it was cost-effective compared to similar projects in India.
- Project benefits were quantified in terms of increased land values and rental incomes to assess economic viability. Overall the ERR was 14% compared to 19% expected at appraisal.
- There have been major environmental improvements from the removal of insanitary conditions, and the provision of basic services such as water and electricity. Community activity has been stimulated by the provision of community halls and the slums have been physically integrated into the city.
- The health programme delivered services to most of the slum community but the impact of other social programmes such as loan schemes and training was constrained by limited coverage.
- Women were spending less time collecting water and had greater access to health

and educational services for themselves and for their children. Their economic activity had increased.

- Around 60% of slum households sampled were from the Economically Weaker Sections and 40% were below the official poverty line. Project benefits were generally distributed evenly but in some cases more benefits accrued to better off households.
- The Municipality was responsible for the maintenance of the slums but had inadequate resources to meet its commitments. No effort was made to involve slum communities in maintenance work.
- The project had unclear objectives and the appraisal was based on unreliable baseline information and inaccurate engineering estimates. It overlooked important social and institutional aspects and there was no consideration of alternative technical solutions.
- Total aid expenditure increased considerably because no allowance had been made for inflation and the scope of the project had to be altered which delayed completion.
- The infrastructure programme dominated the project. Higher priority was given to its completion because progress could be measured against defined targets. The social programmes had few defined targets, were given lower priority and resources, and failed to fulfil their potential.

Lessons

- Appraisal should be multi-disciplinary. It should consider the details of social welfare programmes and the potential for community involvement in the design of physical improvements and in their operation and maintenance. Efficient monitoring requires management information systems in the recipient institution and use of field managers funded under TC. (This approach has been adopted on new slum projects in India).
- Baseline data is required at appraisal to ensure that projects are well defined and accurately costed.
- Consideration of alternative approaches and engineering designs is needed particularly for drainage and sewerage because of potential for cost savings and easier maintenance.
- Impact on the poor can be enhanced by selecting slums with low average household incomes for improvement and by setting targets for including poorer groups in social programmes.
- Measuring progress in implementation should emphasise both physical improvements and social activities. Realistic timetables and targets for social programmes are required.
- Sustainability may be undermined where maintenance cannot be financed by the Municipality. Community participation and taxation of slum households is

desirable and practical.