



Oxford Policy Management Asia



Research into Lessons Learnt from DFID India Urban Investments over 20 Years

Final Report

04 August 2013

Table of contents

Table of contents	iii
List of Tables	v
List of Figures	vi
Abbreviations	vii
Executive Summary	x
1 Introduction and Methodology	16
1.1 Background – the context of DFID’s engagement	16
1.2 Objectives of the Study	17
1.3 Report Outline	17
1.4 Methodology	18
1.5 Challenges in the Study	25
2 Project Overviews	28
2.1 Overview	28
2.2 Project Snapshots – Conceptual Models Used to Define the Theory of Change	30
3 Synthesis Analysis across Projects	37
3.1 State and National Context: Evolution of DFID Programmes and the inter-relationship with the Government of India and other stakeholders	37
3.2 Generational nature of DFIDs programmes	41
3.3 To what extent did DFID’s programmes integrate cross-cutting themes?	60
3.4 Have Issues of Sustainability been Adequately Addressed?	62
3.5 Has DFID’s programming met international aid effectiveness standards?	68
3.6 To what extent did DFID programmes influence government policies concurrent at the time of the programme?	71
4 Evaluation	74
4.1 Types of evaluations	75
4.2 Cost-Effectiveness Analysis	81
4.3 Conclusions	82
5 Lessons Learned and Recommendations	84
5.1 Lessons for urban development programmes that can be learned from DFID’s experience	84
5.2 Key learnings that have emerged for evaluations	88
5.3 Recommendations for areas of future research	90
Annex A A Narrative history of DFID’s involvement in India’s urban development	94
A.1 Before 1980 and ODA	94
A.2 After 1980: Changes in National policies & trends and DFID’s responses	95
Annex B Data Extraction Template	106
B.1 Basic Information	106
B.2 Sources of Information	106
B.3 Primary Data	107

B.4	Data Gaps Remaining	107
B.5	Project Details	108
B.6	Mid Term Review if conducted	112
B.7	Cross Cutting themes	117
B.8	Lessons Identified	119
Annex C	Evaluation Template	120
Annex D	Secondary Data – List of Documents	131
Annex E	Primary Data – List of Stakeholders Contacted and Site Visits Conducted	133
E.1	List of consultations held with some of the key people involved in implementation of DFID projects in Andhra Pradesh	133
E.2	List of consultations held with some of the key people involved in implementation of DFID projects in West Bengal	133
E.3	List of consultations held with some of the key people involved in implementation of MPUSP	134
E.4	List of consultations held with some of the key people involved in implementation of SPUR	134

List of Tables

Table 1: Contribution of DFID programmes in various government programmes	xii
Table 2: List of projects covered under the study	18
Table 3: Main sections contained in the extraction templates	24
Table 4: List of documents referred across various projects	24
Table 5: Highlights of features of the three generations	59
Table 6: Type of interventions	66
Table 7: Contribution of DFID programmes in various government programmes	73
Table 8: List of evaluations conducted across DFID programmes covered under the study (not including annual reviews)	74
Table 9: List of key events in the urban sector during the last 10 years	98
Table 10: Plan out lay and share of urban sector in various five-year plans	99
Table 11: Data Extraction Template	106
Table 12: List of consultation held across various states	133

List of Figures

Figure 1: Conceptual framework	23
Figure 2: Overview of India's national level urban sector priorities and landmark schemes	38
Figure 3: Classification of projects into three generations	42
Figure 4: Change in approach across projects	43
Figure 5: Mapping of interventions across various projects	46
Figure 6: Evolution of interventions from proximal to distal across three generations	48
Figure 7: Implementation mechanisms across three generations	51
Figure 8: Community participation across three generations	55
Figure 9: Interventions, delivery mechanism, and outcomes of the three generations	58
Figure 10: Mapping of sustainability of interventions across various projects	63
Figure 11: Mapping of adherence to aid effectiveness across various projects	70
Figure 12: Mapping of evaluation practices adopted across various projects	82

Abbreviations

ABPAS	Automated Building Plan Approval System
ADB	Asian Development Bank
AFC	Accounts and Finance Coordinators
AMU	Appraisal and Monitoring Unit
ANM	Auxiliary Nurse Midwife
APMDP	Andhra Pradesh Municipal Development Project
APUFIDC	AP Urban Finance and Infrastructure Development Corporation
APURMSP	Andhra Pradesh Urban Reforms and Municipal Services Project
APUSP	Andhra Pradesh Urban Services for the Poor
ASCI	Administrative Staff College of India
AUWSP	Accelerated Urban Water Supply Program
BHC	British High Commission
BMC	Bhopal Municipal Corporation
BMTPC	Building Material Technology Promotion Council
BPL	Below Poverty Line
BSUP	Basic Services for Urban Poor
BVS	Basti Vikas Samiti
CAA	Constitutional Amendment Act
CAGR	Compounded Annual Growth Rate
CAP	Country Action Plan
CBP	Capacity Building Programme
CDMA	Commissioner and Director of Municipal Administration
CDS	City Development Strategy
CEDMAP	Centre for Entrepreneurship Development Madhya Pradesh
CEIP	Calcutta Environment Improvement Programme
CGG	Centre for Good Governance
CIF	Community Incentive Fund
CLTS	Community Linked
CMC	Calcutta Municipal Corporation
CMU	Change Management Unit
CRDT	Centre for Regional Development Technology
CSC	Community Service Centre
CSIP	Calcutta Slum Improvement Project
DDP	Draft Development Plan
DEA	Department of External Affairs
DEAS	Double Entry Accounting Systems
DFID	Department for International Development
DMA	Directorate Municipal Administration
DWCUA	Development of Woman & Children in Urban Areas
ECS	Electronic Clearing Service
EIUS	Environment Improvement Urban Scheme
EMP	Environment Management Plan
ERP	Entrepreneurship Resource Planning
FIRE	Financial Institution Reforms & Expansion
FSS	Food Security Scheme
GDP	Gross Domestic Product
GHMC	Greater Hyderabad Municipal Corporation
GIS	Geographical Information System
GMC	Gwalior Municipal Corporation
GSS	Global Shelter Strategy

HMIS	Health Management Information System
HMWW	Hyderabad Metro
HRD	Human Resource Development
HSIP	Hyderabad Slum Improvement Programme
HUDCO	Housing & Urban Development Corporation
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communication Technology
IDSMT	Integrated Development of Small and Medium Towns
IEC	Information Education and Communication
IHSDP	Integrated Housing and Slum Development Programme
IMC	Indore Municipal Corporation
IMR	Infant Mortality Rate
INDIRAMMA	Integrated Novel Development of Rural Areas and Model Urban Areas
INR	Indian Rupees
IPE	Infrastructure Professional Enterprise
IPP	India Population Project
IRMA	Independent Review and Monitoring Agency
ITPI	Institute of Town Planners India
IWD	Irrigation and Waterways Department
JMC	Jabalpur Municipal Corporation
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KEIP	Kolkata Environmental Improvement Project
KMA	Kolkata Metropolitan Area
KMC	Kolkata Municipal Corporation
KMDA	Kolkata Metropolitan Development Authority
KUSP	Calcutta (now Kolkata) Urban Services for the Poor
LAN	Local Area Network
MAD	Municipal Affairs Department
MAPP	Municipal Action Plan for Poverty Reduction
MAPPR	Municipal Action Plan for Poverty Reduction
MAS	Municipal Administration System
MAST	Management, Advisory and Support Team
MAUD	Ministry of Municipal Administration and Urban Development
MCH	Municipal Corporation of Hyderabad
MCP	Mega City Project
MEPMA	Mission for Elimination of Poverty in Municipal Areas
MIS	Management Information System
MPHS	Multi-Purpose Household Survey
MPUIIP	Madhya Pradesh Urban Infrastructure Investment Programme
MPUSP	Madhya Pradesh Urban Services for Poor
MSU	Management Support Unit
MTR	Mid-Term Review
NBO	National Building Organisation
NFE	Non-formal Education Centre
NGO	Non-Governmental Organisation
NHP	National Housing Policy
NRY	Nehru Rozgar Yojana
NSDP	National Slum Development Programme
NSS	National Sample Survey
OBS	Opening Balance Sheet
ODA	Overseas Development Administration
OPM	Oxford Policy Management
PAC	Public Accounts Committee

PCM	Project Co-operation Memorandum
PHED	Public Health Engineering Department
PMIUPEP	Prime Minister's Integrated Urban Poverty Eradication Programme
PMLP	Prime Minister's Livelihood Programme
PMS	Performance Management System
PMU	Project Management Unit
PPP	Public-Private Partnership
PWD	Public Works Department
QSS	Quick Slum Survey
RAY	Rajiv Awas Yojana
RCH	Reproductive and Child Health Programme
RCUES	Regional Centre of Urban and Environment
RIAP	Reform Infrastructure Action Plan
RNB	Rajiv Nagara Bata
SAP	Software Associates Professionals
SIP	Slum Improvement Programme
SJSRY	Swarna Jayanti Shehri Rozgar Yojana
SPUR	Support Programmes for Urban Reforms
SSN	Social Safety Nets
SSR	Standard Schedule of Rates
SUDA	State Urban Development
TCG	Thrift & Credit Groups
TFI	Total Financial Inclusion
UADD	Urban Administration and Development Department
UAM	Unit Area Method
UBSP	Urban Basic Services for the Poor
UCD	Urban Community Development
UCDD	Urban Community Development Department
UIDSSMT	Urban Infrastructure Development Scheme for Small & Medium Towns
UIF	Urban Infrastructure Fund
ULB	Urban Local Body
UNICEF	United Nations International Children's Emergency Fund
UPA	Urban Poverty Alleviation
UPADHI	Urban Programme for Advancement of Household Income
UPG	Urban Poverty Group
URIF	Urban Reform Incentive fund
USAID	US Agency for International Development
USEP	Urban Self Employment Programme
UTAST	Urban Technical Assistance Support Team
UWSEIMP	Urban Water Supply and Environmental Improvement Project
UWSP	Urban Women Self-help Programme
VAMBAY	Valmiki Ambedkar Awas Yojana
VTMS	Vehicle Tracking
WAN	Wide Area Network
WBEL	West Bengal Electronics limited
WBMDf	West Bengal Municipal Development Fund
WBUPEM	West Bengal Urban Poverty Eradication Mission

Executive Summary

The UK government's Department for International Development (DFID) has undertaken urban development work in India since the early 1980s. This study has been commissioned to review this work with a view to draw lessons to guide on-going and new projects in India and other LMICs. The review is restricted to seven major projects undertaken in different parts of the country. In chronological order, these are the Hyderabad Slum Improvement Project (HSIP), Calcutta Slum Improvement Project (CSIP), Kolkata Environmental Improvement Project (KEIP), Kolkata Urban Services for the Poor (KUSP), Andhra Pradesh Urban Services for the Poor (APUSP), Madhya Pradesh Urban Services for the Poor (MPUSP), and Support Programmes for Urban Reforms (SPUR). This executive summary gives an overview of the methodology of the study, the six key findings, the main lessons that can be learned from DFID's experiences which could be generalised more widely and our recommendations for future research.

Methodology

The methodology for the review involved comparing and synthesising information across the seven projects to draw broader conclusions for the urban programme as a whole. While each project would have its own theory of change, an overall conceptual framework of urban development was used to identify the important components within each project to allow comparison and synthesis across projects. Using this framework as a guide, data (related to project design, implementation, and evaluation) from core documents related to each of the projects was systematically extracted into a data extraction template. In order to fill gaps, primary research in the form of interviews, largely with key personnel involved in the project, was undertaken. A project narrative and a diagram to provide a snapshot were developed for each project. An **inductive** methodology adapting **thematic synthesis** was employed to identify patterns or themes across the projects as well as the main trends and changes over time. Critical lessons were drawn from this analysis with the aim of informing future DFID urban development projects in the Indian and global context. Information extracted for the evaluations undertaken for individual projects, was analysed to assess how the evaluation methodology changed over time as well as to identify shortcomings in comparison to recommended best practices, to develop recommendations to guide future impact evaluations.

Key Findings

The analysis places DFID's urban programme in the context of urban development policies within India. These include the five-year plans as well as key reports and central government programmes on urban development. The key findings are as follows:

I. **DFID's projects can be subdivided into three generations – with considerable evolution between the generations**

The analysis suggests that, while DFID's broad aim throughout remained poverty reduction, urban projects undertaken since the 1980s in India can be broadly divided into **three generations** with HSIP and CSIP belonging to the first; APUSP, KUSP, and KEIP belonging to the second; and MPUSP and SPUR belonging to the third. The main features characterising the move across the three generations of projects were identified to be as follows:

a) **A change in focus from the slum to the city to the state** – HSIP and CSIP were focused on improvements at the level of individual slums. The second generation projects (APUSP, KUSP, and KEIP) were scaled-up versions of the slum improvement projects (SIPs) in their respective states, but involved a planned process of bringing about a wider impact and change through improving institutions and systems, e.g., bringing about city-wide changes through municipal reforms. The third generation projects (MPUSP and SPUR), in addition to supporting reforms of urban local bodies (ULBs), extended their scope to undertaking sector wide reforms at the state level (addressing state policies, regulations, and executive functions), thus buttressing the local reforms and contributing to sustainability. The focus can be seen as moving from the 'act' (slum improvement) to the 'actor' (ULBs) to the wider 'stage' (state environment). In effect, it can be stated that DfID programmes in the urban sector have grown in size, scale and most importantly – perspective, in response to National and sub-national priorities.

b) A shift in focus from proximal to distal interventions - Accompanying the abovementioned changes were changes in the nature of interventions. Slum-level interventions in the first generation largely involved proximal interventions (directly impacting the life of slum dwellers), e.g., slum infrastructure upgrading, provision of health facilities, etc. The emphasis in the later generations however was increasingly towards distal interventions, which played a role in facilitating the successful implementation of proximal interventions. These therefore included, for instance, reforms in the functioning and financial management of ULBs to help them better deliver urban services. Distal interventions related to land reforms were however not undertaken under these projects. Furthermore, the focus on health and education reduced over time. In general, DFID's approach has evolved from one limited to localized environmental improvement to one that combines a focus on supporting improved basic services, strengthening the capacity of municipal governments, improving the livelihoods of people living and working in urban areas, especially informal areas, enhancing local governance, and empowering communities to improve their well-being.

c) Changes in the mechanism of project implementation – These reflect wider changes in the working of DFID's country offices. While, in earlier projects, DFID experts were directly involved in implementation, this gradually shifted between the first to the third generation projects to more of a higher level supervisory and funding role with the appointment of external experts and consultants to undertake implementation, in concert with local government bodies. In addition, community involvement in delivery changed from a nominal role in the first generation projects to a strategy to promote ownership and livelihoods through community contracts in the second generation projects. Community involvement was also institutionalised by developing/strengthening existing self-help groups and community-based organisations (e.g., in APUSP and KPUSP). To complement centrally mandated reforms, community empowerment and involvement in implementation increased further in the third generation projects. In these, community-based organisations were empowered so as to be able to participate in urban governance.

II. Across these generations, DFID harmonised with and supported government initiatives at state and national levels

The analysis traces the concurrence of changes in the three generations of projects with those in broader urban policies and programmes by the Government of India. While definitive conclusions are difficult, the nature of the interventions undertaken, delivery mechanisms, and location of the projects do suggest an effort by DFID to fit in with the country and state priorities. The first generation projects primarily focused on supporting Urban Local Bodies to develop new and improved methods of delivering slum clearance and resettlement programmes (like the Urban Community Development scheme) and slum upgrading programmes such as the Environmental Improvement of Urban Slums and Urban Basic Services for the Poor initiatives. The increased focus on institutional capacity building and community involvement in the second generation projects was a response to the constitutional amendments from the 1990's to decentralise urban governance and give more power to Urban Local Bodies. The agenda of the third generation projects seems to be largely driven by the need to support states in addressing the priorities set by Jawaharlal Nehru National Urban Renewal Mission (JNNURM) with a further strengthening of sector reforms.

III. In turn, DFID's work seems to have influenced state and national initiatives

Although direct attribution is difficult, the chronology and nature of some aspects of government policies are suggestive of some DFID urban initiatives having influenced (especially during the 2000's) state initiatives. For example, the emphasis in DFID's projects on accrual based accounting reforms, e-governance, infrastructure action plans and draft development plans find resonance in similar components within the JNNURM. E- governance for instance has been made mandatory under JNNURM. Energy saving initiatives under APUSP appear to have played a key role in the development of an Energy Mission by the AP Government. The Reform Infrastructure Action Plans (RIAP) also initiated under APUSP has helped the Andhra Pradesh government in initiating reform implementation under JNNURM. Furthermore DFID initiated the concept of professional municipal cadres who are specifically trained and attuned to municipal needs which the government was receptive to as long as it was funded from the TAST budget. A decade later however the Gol is now taking this up separately through a capacity building for urban development project funded by the World Bank.

The below table seeks to catalogue some of the key policy advocacy achievements:

Table 1: Contribution of DFID programmes in various government programmes

Intervention under a DFID supported programme	Linked Intervention under a State supported programme	Other Influences supporting DFID contribution
Identifiable contribution		
Draft Development Plans (KUSP)	City Development Plans (JNNURM)	Other formative influences behind City Development Plans include the Cities Alliance & World Bank supported City Development Strategies
Comprehensive reform linked funding (APUSP)	Urban Reforms Incentive Fund (2003) Funding under JNNURM Set-up of Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)	Funding under JNNURM was mainstreamed from URIF and not APUSP directly
Indirect influence		
Migration to double entry, accrual based accounting system	Inclusion of reform as mandatory reform in JNNURM	This was largely precipitated by the reforms proposed under the USAID supported FIRE-D project
Energy saving initiatives (APUSP)	The AP state government has developed an Energy Mission on the lines of energy saving initiatives	
Reform Infrastructure Action Plan (APUSP)	RIAPs have assisted GoAP during reform implementation under JNNURM.	
Deployment of e-Governance solution	Inclusion of reform as mandatory reform in JNNURM	This was also influenced through a variety of other sources such as the National Mission Mode Project on e-Governance
Earmarking of budgets for urban poor	Inclusion of reform as mandatory reform in JNNURM	
Participatory planning for slums and adoption of 3x3 matrix for prioritisation of slums.	Rajiv Awas Yojana, succeeding JNNURM to include consent of slum dwellers in solution	
Implementation of accounting reform	The AP state government created a municipal cadre for chartered accountants and also appointed 228 accounts officers in 2013. This initiative was launched under APUSP in form of MAFAAs and other officers.	

IV. Whilst DFID's projects took into account cross-cutting issues of equity, climate change, and sustainability, they could have done so in a more systematic and effective way

In line with the millennium development goals and government priorities, the review also looked at the extent to which DFID project objectives addressed issues of **(a) gender, equity and violence against women, (b) climate change, (c) poverty and social exclusion, (d) urban livelihoods and other cross-cutting issues, and (e) sustainability**. It was found that almost all of the projects - across all generations - have had components that have attempted to leverage the fact that women in an urban poor community could be mobilised faster and made more effective deliverers of development initiatives. However, it was only in the third generation that baselines were proposed to obtain gender-disaggregated data and violence against

women was taken up actively as a theme. The climate change issues have not been specifically addressed as a part of any project, though SPUR and APUSP have undertaken some precursory work on reducing the carbon footprint.

Poverty reduction on the other hand has been the main goal of all DFID projects. This objective became more defined with every generation of projects moving from more general goals of poverty reduction to specific goals such as livelihood and community empowerment. While all the projects reiterated the existence of marginalised groups and social exclusion, none of the projects had a specific strategy to ensure social inclusion. Furthermore, integration of urban livelihoods has not been addressed in a consistent manner. This could enhance the poverty alleviation impact of DFID projects, as could a greater focus on legal status and entitlements, as many of the urban poor are migrants and lack legal registration and access to social, financial, and infrastructure services.

Reaching any conclusions on the **sustainability** of the initiatives was difficult given the limited evidence available. Whilst some of the impact evaluations did particularly assess sustainability, especially around institutional reform and internalisation of some key operational reforms, the absence of follow-up studies after the completion of programmes limited a longer term perspective. Ex-post reviews would be a valuable source of additional information.

V. DFID performs well against international aid effectiveness criteria, although the use of project implementation units pose risks in this regard

A traffic light methodology of analysis was developed to determine the aid effectiveness of the projects given the changing international approach to donor-driven projects and aid. The criteria set under Paris Declaration in 2005 were used to rate the projects. With regard to the second and third generation projects it was found that DFID scored well against the Paris Declaration targets in its urban programmes. One issue that would be worthy of further research by DFID is the use of Technical Assistance Support Teams (TASTs), as employed in the third generation projects, especially regarding their delivery cost effectiveness, sustainability, and ability to influence policy.

VI. The evaluations of projects to date do not meet the contemporary expectations for impact evaluations in terms of attribution of changes in outcomes to the project activities

The study included a review of evaluations (if any) conducted for each of the projects. The evaluations included process, outcome, and impact evaluations. The manner in which the term 'impact' has been used seems to have changed over time with earlier uses of the term referring to the effect of the interventions rather than a causal link between the interventions and the outcomes (i.e., attribution as currently understood). None of the evaluations were planned prospectively at the start of the project. Except the evaluation of MPUSP, the methodology used to undertake the evaluation (e.g. criteria for sample selection, determination of sample size and methods for quantitative and qualitative data collection and analysis) was poorly described. Baseline data had not been collected for any of the projects, making assessment of impact difficult. None of the evaluations included a cost-effectiveness analysis.

Overall, it is clear that Dfid's urban development portfolio can count on numerous achievements. While based on the existing project evaluations it is difficult to attribute specific impacts to the DFID programme, some overall key achievements of the urban programme as assessed by the review team are as follows:

- Promoting participatory approaches to slum improvement – Most studies cite DFID supported projects as cases for participatory slum improvement.
- Implementing municipal reforms – DFID helped make the first organized effort for locally implementing administrative and functional reforms in municipal administration, such as double entry accrual-based accounting and e-governance.
- Taking up professionalization of municipal cadres – although proposed earlier, DFID was the first to actually undertake this.

- Setting a precedence for reform linked aid (aid contingent to carrying out of reforms); subsequently in the JNNURM central financial assistance has been made contingent to States achieving certain specified reforms.
- Fostering internalization of learning - to ensure sustainability through the fostering of State owned mechanisms and institutions
- Taking up State-wide urban programmes - based on non-returnable financial assistance (piloted in class I cities, scalable to all of the State) for the first time

Lessons Learned from DFID's Experience

The conclusion of the document outlines the key learnings for DFID around their programmatic design and implementation approach, based on the analysis mentioned in the previous chapters, as well as the study team's recommendations for improving evidence and evaluations. Only generalizable learnings, which could be applicable to other LIC settings, have been focused on, given the purpose of the study.

I. Key learnings that have emerged for the planning of urban development programmes

- While a choice of states may be limited as DFID responds to 'demand-driven' requests for assistance from the government, working in those with clear commitments to reform, where work towards this has been initiated and which are responsive to external assistance is likely to result in smoother implementation.
- Initial needs assessment, appraisal, and project design involving the participating state and nodal agencies including the ULBs are extremely important in minimising hurdles during implementation as well as building of the base for sustainability.
- Conducting a detailed political economy analysis (PEA) during programme design stages, including a localised PEA at the municipal level, would be useful to predict and plan for hurdles during implementation. It would help DFID, the government, and DFID's contractors understand the role of and power relations between different stakeholders as well as the influence of formal and informal institutions on the incentives and motivations of stakeholders¹.
- DFID has progressively included distal interventions in its urban development portfolio while continuing to retain some proximal interventions. This was found to be quite important as interventions related to slum infrastructure were found to help establish rapport and gain the confidence of poor communities, given that this is often stated as the biggest need.

II. Key learnings that have emerged for successful implementation

- Success of interventions including sustainability is best aided by step wise building in the capacities of Municipal staff. This is required to enable the municipal level to internalise state level policy level reforms
- While community involvement, in varying degrees, has been a part of the strategy through all generations, it was found that involvement of civil society organisations like NGOs played a critical role in helping establish community structures and build capacities.
- Impact could be amplified through better coordination with other sectoral programmes of DFID in the same intervention areas (e.g., other DFID supported programmes covering health, nutrition, sanitation, and hygiene), as this could facilitate an integrated approach to urban well-being.

III. Key learnings that have emerged for evaluations

Based on the review of existing and current evaluations, the review team recommend the following for future evaluations:

¹ Whilst some degree of political, economic, and institutional analysis is undertaken currently by DFID, a formal integrated PEA along the lines of that outlined in Section 5.1.1 could be an improvement on current systems and processes.

- An evaluability assessment will help determine whether an expensive and resource intensive impact evaluation is required for a project, or whether alternative review and assessment modalities would be more appropriate.
- Prospective planning of evaluations – at the beginning of new projects – to ensure that a methodology that is able to attribute impact can be used for the evaluation. In this case, data can also be suggested for incorporation in the routine monitoring system, to reduce costs of purposive data collection.
- Explicit theories of change should be developed, both to improve project delivery planning and help the evaluation team investigate each causal link in the project logic. Without these, impact evaluation results can be difficult to interpret. Impact evaluations would need to explicitly plan for collection of qualitative data to explore assumptions between the links in the theory of change.
- Apart from including an analysis related to value for money (hitherto not undertaken explicitly in the projects), equity, and sustainability, urban programme evaluations need to particularly consider issues related to spill-over effects (e.g., better health outcomes for surrounding areas), which if neglected could underestimate programme benefits, as well as unintended effects (e.g., increase in the cost of living). Evaluations also need to plan for issues specific to such evaluations (e.g., high mobility of slum population, which can result in high attrition of survey data).

Recommendations for future research

The document concludes by outlining areas for future research that DFID might like to consider, either in terms of ‘public good’ research to fill national and international literature gaps or in terms of specific research that could help DFID improve its future programmes in India and elsewhere. Some of these recommendations are based on the views of the sector experts in the team. Those that relate exclusively to the ‘lessons learned’ include operational research to improve the effectiveness of urban development interventions, including:

- Understanding how community participation can be managed in a way that improves the effectiveness of interventions, especially in the context of increasing focus on distal interventions. A related area is community monitoring.
- Understanding how ‘informal privatisation’ helps fill infrastructure and service gaps in slums and other urban areas, and how best this can be supported and used to advantage within the programmes (e.g., small-scale entrepreneurs for solid waste management)
- Developing an optimal methodology for undertaking PEA in the urban sector, given that a number of hurdles/bottlenecks etc. can be overcome if a detailed analysis identifies prospective problems and helps preparation in advance
- Comparing different modes of technical assistance delivery (e.g., through a management unit within the government structure or externally in the form of a technical assistance team appointed for the duration of the project) to identify the most effective approach, taking into account issues of cost-effectiveness as well as sustainability, based on the experience in other sectors and other countries

1 Introduction and Methodology

This section begins with an overview of the Indian urban development context and clearly defines the objectives of this review. The methodology of the study is then explained, detailing the conceptual framework, data extraction procedure, and sources as well as the method of data synthesis and analysis used. Challenges to the study are further outlined based on their cause.

1.1 Background – the context of DFID’s engagement

1.1.1 Urban Growth

Over the study period, urban growth has been extensive in India, increasing from 161 million in 1980 to 388 million in 2011. The 2011 Census showed that 31.16% of the Indian population lived in urban areas, and for the first time, the absolute increase in population was higher in urban areas than in rural areas. This increase has not, however, been primarily driven by rural-urban migration. According to the Indian Institute for Human Settlements (IIHS)², ‘for the last 30 years, migration has contributed about a fifth of the population, natural population growth contributed about 60%, and the rest about equally split between new town formation because of reclassification and urban boundary expansion or sprawl’.

There are signs that this is beginning to change, with the increase from 2001 driven less by demographic dynamics, with dropping birth rates causing a decline in the natural population growth share in cities to 44%, accompanied by a concomitant increase in the relative importance of reclassification of Census towns and expansion of urban agglomerations (to 32% of urban growth). The share of net migration in urban growth has only increased from 21% to 24%. It is likely that urban population growth will accelerate in the next three decades, driven increasingly by rural-urban migration; international evidence suggests that rural-urban migration accelerates when the critical level of 25-30% has been reached³.

Urbanisation patterns in India are slightly bipolar – increasing urban population shares are driven both by an increasing number of classified towns and cities (hence the large increase in the number of towns/urban areas from 5161 in the 2001 census to 7935 in the 2011 census) and an increasing size of existing cities. India, like much of South Asia, is characterised by an increasing concentration of population in comparatively large-sized cities and a growing number of mega cities. There are three cities in India with a population greater than 10 million and 53 cities with a population greater than 1 million. The top 100 cities contribute around 43% of the GDP with 16% of the population and just 0.24% of the land share.

1.1.2 Urban Poverty

Whilst poverty rates are falling in both rural and urban areas in India, they are falling faster in rural areas and the absolute number of urban poor is increasing. This ‘urbanisation of poverty’ – a rising share of the poor living in urban areas – has been viewed in different ways by different observers. To some, it is a positive force in economic development as economic activity shifts out of agriculture to more remunerative activities, whilst to others, it has been viewed in a less positive light – a largely unwelcome forbearer of new poverty problems⁴. This is reflected in an increased rise in inequality, with the GINI coefficient for urban areas increasing from 0.330 in 1983 to 0.373 in 2004-05 (Planning Commission 2011).

Whilst poverty is traditionally associated with ‘slums’ in large cities, the majority of the poor in India are, in fact, concentrated in small and medium towns, with 15% of urban residents living in slums (Planning Commission 2011). The IIHS study outlines how 80% of the urban poor resides in cities with populations less than one million. Urban areas are also categorised by high rates of informal employment (70% of the total

² IIHS Urban India 2011: Evidence

³ Goldman Sachs Global Economic Paper No. 152, January 2007

⁴ Martin Ravallion, Shaohua Chen and Prem Sangraula. 2007. New Evidence on the Urbanization of Global Poverty. World Bank Policy Research Working Paper No. 4199

employment) and high infrastructure deficiencies. This is a common problem across South Asia where between 40% and 60% of the urban households are devoid of sanitary facilities⁵, often driven by a lack of legal tenure. Much of urban India's infrastructure is in relatively poor shape, especially in the non-metropolitan cities⁶. Health outcomes are particularly bad for the 100 million urban inhabitants living in slums or slum-like conditions, with the NFHS highlighting that 100,000 under 5s die every year in Indian slums. Poor access to healthcare and Government entitlements, poor nutrition and health-seeking behaviour, poor environmental conditions, and resultant high prevalence of infectious diseases contribute to the high maternal and child morbidity and mortality among the urban poor. For example, the NSSO 65th round shows that only 18.5% of the urban poor have access to piped water supply.

Urban poverty is therefore clearly a major challenge for the Government of India, especially as the current institutional and administrative architecture was not put in place to deal with such high urban population growth, especially in newly classified towns. The institutional challenges are complex; poverty targeting becomes much more complicated in urban areas. With fragile and sparse social networks, intense competition between formal and informal sources and institutional complexity delivery of necessary services become hard. 75% of slum residents in India do not receive any benefits from Government welfare programmes (NSSO 65th round). There are also issues of pollution, toxicity, road accidents and other environmental hazards and high prevalence of non-communicable diseases which are challenging to deal with (Haddad 2012⁷).

It is in this context that DFID has engaged with issues of urban poverty and supporting the Government of India, at various levels, to address these complex administrative and institutional challenges.

1.2 Objectives of the Study

It is in the context of such urbanisation with its attendant problems, that the UK government's Department for International Development (DFID) has undertaken urban development work in India since the early 1980s. This study has been commissioned to review this work over the last three decades with a view to draw lessons to guide on-going and new projects in India and other LMICs. The review has the following objectives:

- a) To generate insights into the factors influencing the implementation and effectiveness, including sustainability of urban programmes
- b) To generate insights into the influence of various DFID projects and approaches on national and state level government policies
- c) To compare the impact evaluations that have been undertaken against current understanding of best practices
- d) To identify gaps on which future research and evaluations should focus

The findings of the review will also be used to support DFID's communication and advocacy agenda around urban development in India.

1.3 Report Outline

The rest of Section 1 outlines the methodology used for the review. Section 2 gives a snapshot overview of each of the seven projects included in this study. In Section 3, a thematic synthesis across the seven DFID urban development projects is undertaken, beginning with a contextual analysis of the evolution of DFID's programmes within the state and national urban policy context. Based on this evolution of objectives, the programmes are classified into three generations and the shift in project focus, interventions, and strategies

⁵ State of the Asian Cities Report 2010/11

⁶ Urban Challenges in South and South-West Asia, Om Prakash Mathur (NIUA), UNESCAP 2011

⁷ <http://www.guardian.co.uk/global-development/poverty-matters/2012/oct/05/poverty-urbanising-different-thinking-development>

across them is explored. In Section 4, the focus is on the methods that have been used to evaluate the projects, with a view to provide guidelines for future impact evaluations. In Section 5, lessons learnt from this synthesis are presented, followed by the identification of areas for future research.

1.4 Methodology

The review of DFID's urban programme in India is restricted to seven major projects undertaken in different parts of the country (see Table 1 below). The methodology for the review involved comparing and synthesising information across the seven projects to draw broader conclusions for the urban programme as a whole. While each project would have its own theory of change, an overall conceptual framework of urban development was used to identify the important components within each project to allow comparison and synthesis across projects. Using this framework as a guide, data (related to project design, implementation, and evaluation) from core documents related to each of the projects was systematically extracted into a data extraction template (DET). In order to fill in gaps, primary research largely in the form of interviews with key personnel involved in the project was undertaken. A project narrative and a diagram to provide a snapshot were developed for each project. An **inductive thematic synthesis** was then undertaken to identify patterns or themes across the projects as well as the main trends and changes over time. The term inductive is used here to indicate that the themes were induced from the data, rather than a framework having been developed a priori. Thematic synthesis is basically an adaptation of thematic analysis one of the methods used to analyse qualitative data and identify themes in qualitative data (e.g. data from focus group discussions or interviews). The method used here draws conceptually on method described by Thomas and Harden (2008) in the context of synthesising qualitative information across systematic reviews⁸.

Information extracted for the evaluations undertaken for individual projects, was analysed to assess how the evaluation methodology had changed over time as well as to identify shortcomings in comparison to recommended best practices (e.g., by the world bank), to develop recommendations to guide future impact evaluations.

Details of the methodology are provided in the sub-sections below.

Table 2: List of projects covered under the study

Project	Dates	Coverage	Budget
Hyderabad Slum Improvement Project (HSIP) – Phases II and III are DFID supported	Phase I: 1980-1983 Phase II: 1983-1988 Phase III: 1989-1996	During phase II involved around 210 slums Further, in phase III 300 more slums were added A fourth phase was also planned, but was never taken up; instead this was carried forward to the subsequent Andhra Pradesh Urban Services for the Poor programme.	£5m financial assistance plus £1m technical assistance; eventual top-up of £6.3m
Calcutta Slum Improvement Project (CSIP)	Phase 1a: 1991-1994 Phase 1b: 1995-1998 (1999 for some elements) Phase 1c: 1998-2002	Phase 1a (slums existing prior to 1947) and 1b (slums formed or accounted for after 1947 and identified by the Corporation as potential beneficiaries of the UBSP scheme) involved 15 wards of the Kolkata Municipal Corporation. A total of 185 slums were covered during these two phases. Phase 1c covered 2 municipal councils - Titagarh and Barackpore, situated within Kolkata Metropolitan Area but outside Kolkata Municipal	Rs 4630 lakh (approx. £8.6 million at 1995 ER of 53.76 INR = £1)

⁸ *Methods for the thematic synthesis of qualitative research in systematic reviews (2008)*, James Thomas and Angela Harden, *BMC Medical Research Methodology* 2008, 8:45 doi:10.1186/1471-2288-8-45

Project	Dates	Coverage	Budget
		Corporation limits.	
Andhra Pradesh Urban Services Poor (APUSP)	2000-2008	32 Class-I towns initially as per Census 1991 ⁹ ; 10 Class-I towns added later based on Census 2001	£94.4m of which £66m FA and £28.3m TA
Kolkata Environmental Improvement Project – capacity building component ¹⁰	2001 -2009	KEIP was for capacity building of Kolkata Municipal Corporation' to increase its business capacities and creditworthiness	£28.3m from DfID
Kolkata Urban Services for the Poor (KUSP)	2003-2011	Originally covered forty municipal bodies ¹¹ within the Kolkata Metropolitan Area, excluding Kolkata Municipal Corporation, which was covered by the Kolkata Environmental Improvement Project. In 2009, an additional municipal body was covered on account of delimitation. Within these 41 municipal bodies, a total of 3406 slums were covered. The work was eventually extended to 126 municipal bodies outside of the Kolkata Metropolitan Area – however this included work(s) such as preparation of draft development plans, migration of accounts to double entry accrual based accounting systems and extension of e-Governance systems.	£102.1m of which £88.44m FA and £12.66m TA
Madhya Pradesh Urban Slum Project (MPUSP)	2006-2011	Initially, the towns (municipal corporations) of Bhopal, Indore, Gwalior and Jabalpur were covered. Eventually, ten more towns were covered (also municipal corporations)	£41m of which £34.5m FA and £6.5m TA)
Support Programme for Urban Reforms (SPUR)	2010–2016	Originally, 28 municipal bodies (class I) were covered. One more was added in 2012.	£60m of which £50m FA and £10m TA

⁹ Class-I towns refer to towns with population over 100,000. The reason for selection of Class-I towns as per project documents is that one-third of AP's population (18 million urban dwellers) live in Class-I towns. As per Census 2001, over 30% of the people below poverty line live in 42 Class-I towns.

¹⁰ The Asian Development Bank provided a loan of USD 220 million for this project, which involved providing basic services to 100 slums in Kolkata. DFID contributed funding towards building the capacity of the Kolkata Municipal Corporation (KMC) over six years as a part of KEIP. In this study, only this component of KEIP has been considered.

¹¹ For the purposes of this report, the term 'municipal body' includes both Municipal Corporations (usually representing the local self-Government for urban areas with populations higher than a particular number as specified in the Municipal law of the State) as well as a Municipal Council (representing a local self-Government for urban areas which have a population lesser than what is required for being qualified as a Municipal Corporation). A third category of local self-Government also exists – called Nagar Panchayat or Town Panchayat – and is usually applicable to newly urbanized areas or areas with very low (but predominantly urban) population. However, since DFID assistance in India has never been used in such areas, the definition of municipal body stays restricted to Municipal Corporations and Municipal Councils.

1.4.1 Conceptual Framework

Whilst each of the projects will have their own theory of change and strategies for delivering results, it is important to situate them within an overall conceptual model of urban development and understanding of the determinants of urban outcomes at macro, community, household and individual levels. This is the basis for comparing and contrasting findings from different projects and drawing meta-conclusions.

For this, we have adapted a conceptual model of urban development¹² that takes into account the following main components necessary to describe an urban development project:

- Goal/objective, purpose/outcome, and outputs of the project
- Context or contextual factors
- Interventions, namely proximal and distal/enabling interventions
- Implementation process
- Outputs
- Cross-cutting factors of sustainability and equity

Goal/impact, purpose/outcome, and outputs

The manner in which projects were designed has changed over time, from general frameworks to the development of more precise log frames. Documenting the information related to the goal/impact, purpose/outcomes, and output helps explicitly trace this evolution and provide an understanding of the change in focus of DFID programmes over time.

While the outputs may be considered to be directly connected to the interventions (e.g., number of taps provided and water quality), the outcomes are further along the causal chain and reflect the effect of a number of interventions comprising the urban project (e.g., diarrhoea incidence, which would be related to other interventions like drainage, general hygiene, health promotion interventions, livelihood interventions affecting education, etc.). Impact is even further down the casual chain and depends on a range of factors apart from the particular project (e.g., infant mortality). In most of the projects, the information collected and analysed relates more to the outcomes and outputs. Commenting on the effect of the urban programmes on impact indicators has not been possible as the evaluations undertaken have not isolated the effect of the programme (indeed this would be very difficult to do in an implementation setting that has not been designed from the start to allow for such isolation) from other influences.

Context

Context refers to conditions in which projects are introduced and are relevant to the effective operation of the project. Contexts are not just limited to geographical settings but also include social and interpersonal relationships, technology, economic conditions, and demographics. Their documentation is important in order to analyse and address the issues 'for whom' and 'in what circumstances' interventions work. The context or contextual factors can be categorised into three levels of factors that impact on final outcomes and can be targeted through multiple potential interventions:

International and National/State Context

This aims to build an overall storyline to understand how DFID's urban sector portfolio was meant to work in India, how it has fared over time, reasons underlying them and drawing out patterns – which programme components have gained more momentum and which ones have lost the focus and why. Key to this will be understanding the evolution of different 'generations' of projects in the same cities and states, how this has

¹² *Slum upgrading strategies involving physical environment and infrastructure interventions and their effects on health and socio-economic outcomes*, Turley R, Saith R, Bhan N, Rehfuess E, Carter B, Cochrane Database of Systematic Reviews 2012

been driven by lessons learned from previous generations, and the extent to which it has been shaped by external factors.

The overall storyline, also the broader context within which the urban development programme is situated, involves three main, overlapping, areas of investigation:

- Understanding how DFID's overall approach in India, particularly in the urban sector, has evolved, by tracing changes in the Country Action Plans (CAPs)
- Understanding how the Government of India (at national, state, and municipal levels) has approached urban development, how this has changed over time, and how DFID has responded to this (and helped shape it)
- Understanding how urban development needs have changed in India over this time (for example, through patterns of urbanisation), and seeing the integration of approach with DFID's urban portfolio and the Government of India's agenda

Local Context

The local contextual factors include the following components:

- a) Local government – the status of administrative, managerial, technical, and financial capacities of the local government/municipalities directly involved, political will of local representatives, etc.
- b) Physical environment – the status of services delivered by the municipalities (such as electricity, drainage, waste management, water supply), status of health, education, nutrition services, natural environment (topography, water supply, climate), etc.
- c) Demographics and inequalities – status of urbanisation, demographics, population densities, employment disaggregated by various population groups and inequalities in terms of distribution of wealth, employment and educational opportunities, and political influence
- d) Other concurrent interventions – by other donors or external agencies

Underlying the above contextual (international, national, state, and local) factors are the **political economy factors**, which govern the motivations and incentives of different stakeholders involved in the change process, the balance of power and the relationships between stakeholders, and different structural level conditions in the design, content, and implementation of policy choices¹³. The information on these factors has been collected by contacting various stakeholders involved in the programme.

Interventions

Documenting the interventions of each project is important to understand the focus of projects and changes (if any) over time. The interventions have been classified under two broad groups: proximal and distal.

Proximal Interventions

Proximal interventions to the urban living environment that can impact the final outcomes fall into three broad domains: interventions to the physical environment (e.g., investments in physical infrastructure), livelihood interventions (e.g., the formation of self-help groups and Rotating Savings and Credit Associations (ROSCAs)), and social service interventions (e.g., investment in primary health care).

¹³ *An integrated approach to policy analysis: Practical exercises for political economy* (2009), Mateo Garcia Cabello, Oxford Policy Management Working Paper 2009-02

Interventions to Physical Environment	Livelihood Interventions	Social Services Interventions
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Water and sanitation	<input type="checkbox"/> Micro-credit and micro-savings	<input type="checkbox"/> Availability, access and quality of services
<input type="checkbox"/> Energy	<input type="checkbox"/> Skills development and training	<input type="checkbox"/> Creation of demand for services
<input type="checkbox"/> Transportation	<input type="checkbox"/> Market development	<input type="checkbox"/> Social environment interventions
<input type="checkbox"/> Waste management	<input type="checkbox"/> Entrepreneurship development	
<input type="checkbox"/> Mitigation of environmental hazards		
<input type="checkbox"/> Improved housing		

Distal/Enabling Interventions

These proximal interventions are not implemented in a policy or contextual vacuum and are supplemented in many of DFID's projects by distal interventions that enable structures and systems to implement the proximal interventions. Distal strategies include efforts to improve policy and planning at the local and national level, improve laws and regulations, increase the resource envelope, or improve community engagement and management of urban reforms.

Policy and Planning at Local and National level	Laws and Regulations	Financial	Community Action and Management
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Improved Governance	<input type="checkbox"/> Secure tenure and land regularisation	<input type="checkbox"/> Public sector investment	<input type="checkbox"/> Civic engagement and participation
<input type="checkbox"/> Political Accountability and Commitment	<input type="checkbox"/> Management and regulation of utilities	<input type="checkbox"/> Private sector investment	<input type="checkbox"/> Gender dimension
<input type="checkbox"/> Reduced Corruption	<input type="checkbox"/> Use of PPPs		<input type="checkbox"/> Development of social capital
<input type="checkbox"/> Improved Fiscal Performance			
<input type="checkbox"/> Supporting Public Policy			
<input type="checkbox"/> Land use planning			
<input type="checkbox"/> Capacity Building and training			

Implementation Process

This outlines the inputs and processes of the urban development project, namely, financial resources (approved budget and contributions both of donor agency and the national/state government), fund flow mechanism, actors and institutions involved (including the creation of any parastatal agency for the implementation process and roles and responsibilities), delivery mechanism, facilitators and barriers identified during the implementation process, and systems developed for monitoring and evaluation.

Documenting this information across projects gives us an insight into the manner in which the actors involved and roles played have changed over time (e.g., changes in DFID's engagements with governments), as also management and delivery of projects and approaches for monitoring and evaluation.

Cross-cutting Factors

Cross-cutting across the whole project are issues of sustainability of reforms and interventions and their institutionalisation and issues of equity (pro-poor focus, focus on socially excluded groups) identified during project development. The term cross-cutting is used to indicate the extent to which these issues have been taken into consideration at different stages of the project, i.e., during the designing of the project (was an exit plan designed that the project would continue to be sustainable even after support is withdrawn or were

gendered needs taken into account in the design), during the implementation (were structures put in place to ensure that the interventions undertaken could be continued even after the project ended, were interventions implanted to reduce gender inequity), and during evaluation (did the evaluation specifically assess these issues).

Diagrammatic Representation

The conceptual framework (explained above) is diagrammatically represented below. The purpose here is to highlight the important aspects for which information needs to be extracted to allow a comparison across projects. The different boxes in the figure have thus not been placed in any particular sequence indicative of a theory of change. Rather, these are to be viewed as independent areas of information that will be extracted to give a comprehensive snapshot of each project.

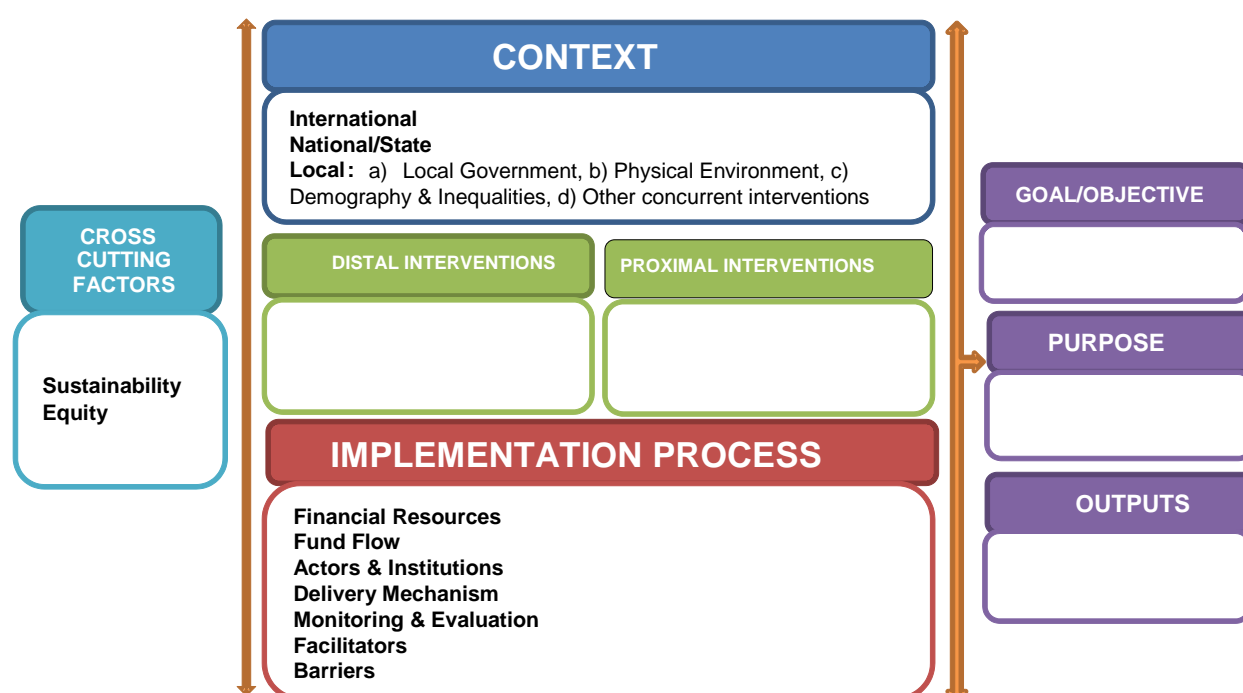


Figure 1: Conceptual framework

1.4.2 Data Extraction Procedure and Sources

A DET was prepared based on the conceptual framework and then populated for each project using information from the primary and secondary data sources mentioned below. The populated templates provided the basis for a comparative analysis and synthesis of information across projects. Similarly, an evaluation template (ET) to extract information was developed based on criteria for impact evaluations recommended by the World Bank¹⁴, DAC criteria¹⁵, and the Cochrane collaborations (Annexure D). The information extracted for the evaluation studies for the seven projects was used to identify gaps in the methodology followed. The following table summarises the main sections of the two templates.

¹⁴ *Impact Evaluation for Slum Upgrading Interventions*, Field and Kremer, World Bank 2006

¹⁵ *Principles of Evaluation of Development Assistance* (1991), Development Assistance Committee, Organisation for Economic Cooperation and Development (OECD)

Table 3: Main sections contained in the extraction templates

Section	Contents
Basic Information	A simple overview of the project
Sources of Information	Documents obtained, contacts identified, key informant interviews completed, and site visits undertaken
Data Remaining Gaps	List of identified data gaps and plans to fill these
Project Details	Aims and objectives of the project, background context, inter-generational nature of the project, levels of external engagement with communities and government at various levels, incorporation of cross-cutting themes
Log Frame	Log frame of the project if it exists
Resources	Financial resources, disbursement rates, relative allocation to priority areas, implementation roles and responsibilities
Programme Delivery	Implementation performance details, delivery mechanisms, fidelity of implementation, and barriers/facilitators identified
Mid-Term Review, if conducted	Identifying what the key learning from the MTR were (if applicable) and whether these were acted upon for the rest of the project
Results	Measured outputs, outcomes, and impacts
Equity	Information related to equity of various kinds (gender, socio-economic, etc.), considering the stages of project design, implementation as well as evaluation
Sustainability	Information on the sustainability of the physical infrastructure, the institutional legacy as well as impacts on people, considering the stages of project design, implementation as well as evaluation
Environmental Sustainability	Description of any measures taken towards environmental sustainability
Lessons Identified	Any lessons identified within the project documentation or by key stakeholders, which could be applied elsewhere or are relevant for this review
Impact Evaluation	A very detailed look at the quality and methodology of any impact evaluations or project assessment studies, including issues of contribution and attribution, to help inform the design of future impact evaluations in this area

The sources of information used to fill the data extraction templates (described above) were as follows:

Secondary data: Secondary data was obtained from a core set of five documents for each of the seven projects to the extent possible. The availability of documents for each project is mapped below. In addition, supporting documents if available and required were referred to for particular projects.

Table 4: List of documents referred across various projects

	HSIP	CSIP	APUSP	KUSP	KEIP	MPUSP	SPUR
Project Memorandum							
Log Frame							

Mid-term Evaluation							Yet to be carried out
Project Completion Report							Yet to be carried out
Impact Assessment/ Evaluation							Yet to be carried out
LEGEND: Available Not Available							

Primary data: The purpose of the primary data collection was to fill the information gaps identified during data extraction as well as to confirm/provide triangulation to the information collected from existing documents. Primary data collection was restricted to conducting interviews with few people prominently involved in project design and implementation, staff at the municipal bodies where the project was and other government officials who were involved and are traceable. The detailed list of interviews conducted is available in Annexure E)

1.4.3 Method of Data Synthesis and Analysis

As mentioned above, the conceptual framework provided a guide on the data to be extracted for each project in the data extraction sheet. Using secondary and primary sources, the data sheets were populated. A conceptual framework for each project was also developed (see Section 2). While the conceptual framework gave the highlights of each project at a glance, the data sheet contained in-depth information. Drawing on this information, a narrative for each project was prepared. An inductive thematic synthesis was then undertaken across the different project narratives. While this is conceptually similar to the methodology described by Thomas and Harden (2008) for the synthesis of qualitative information for systematic reviews, rigorous coding was not undertaken¹⁶. Rather based on the conceptual frameworks and the narratives for each project developed using the information from the DET's, broad themes and trends across time were identified by comparatively reading through and assessing the information for each project. This refers to the method of examining and identifying patterns or themes within data. A similar procedure was followed for the evaluations by using a data extraction template for each evaluation. The information was then synthesised across the evaluations. With regard to the evaluations conducted for the different projects, a similar narrative for each of the selected evaluations was developed using the information extracted in the impact evaluation template. Common shortcomings were highlighted and recommendations developed to guide future impact evaluations.

1.5 Challenges in the Study

The synthesis across the seven urban development projects undertaken here has certain limitations as listed below.

1.5.1 Challenges due to Data

These are discussed separately with regard to secondary and primary data sources.

Secondary data

¹⁶ *Methods for the thematic synthesis of qualitative research in systematic reviews (2008)*, James Thomas and Angela Harden, *BMC Medical Research Methodology* 2008, 8:45 doi:10.1186/1471-2288-8-45

Limitations are related to the following:

(a) Quantity of information: A large number of reports, records, etc., existed for each project (e.g., annual reviews, documents dealing with specific sub-components, or in-depth assessments of single sites). Since there was a risk of the larger picture being lost by getting caught in detail, we tried to focus on a common set of at least five documents for each project, such that these documents covered the project (rather than sub-components) and covered the life of the project from planning and inception to completion.

(b) Quality of information: Documentation for projects completed prior to 2005 was sketchy, as the current institutional mechanism to record, classify, and categorise information was not prevalent at the time of the older projects. Besides, some documents were unavailable and not traceable despite extensive archive search.

Primary data

The collection of primary data related to the demand side (i.e., visits to intervention sites, meetings with slum residents, etc.) as well as to the supply side (meeting officials at state government level, DFID, or municipal level), was considered. Given the scope of the study, however, the former was not attempted. Some projects were quite old and site visits would yield limited information, for some assets would have completed their natural life time, others may have been reconstructed, or management of others may have suffered due to factors beyond local control. Interviewing local beneficiaries would also be difficult given the high mobility in slums; besides, any such interviews would have been non-representative. The team thus focused on the supply side, interviewing people related to the implementation of the projects. While this did help fill some of the gaps, it had its limitations. Many officials had been transferred. Recall bias, poor institutional memory, and difficulties in getting nuanced information from short interactions were a problem. Speaking to individuals involved in recent projects was found to be more beneficial.

1.5.2 Challenges due to the timeline

Comparisons between archived documents across multiple generations of projects were difficult given the changes that have taken place over time with regard to terminology, approaches, and methods. For example, the contents of a Project Cooperation Memorandum for a project taken up after 2005 would be considerably different from a project taken up in 1995, and consequently, could not be compared in entirety. Likewise, the same tool used across multiple generations of projects, viz. logical framework has also undergone a significant change making direct comparisons difficult.

Project functionaries and TA/FA beneficiaries (staff) have changed, and the newer staffs are often not aware of the circumstances under which such interventions were taken up. Most TA recipients do not have a mechanism of institutionalizing data that does not have material (audit) implications. Besides staff who were associated with the project (but who are not associated now, but hold other positions within the government) felt that it would be inappropriate for them to comment upon processes that were taken up at the earlier time. In some cases, both physical as well as non-physical but tangible assets created through the interventions have ceased to exist or have been changed unrecognizably on account of work done after the technical assistance; therefore, it has been difficult to corroborate the accounts in the report from such remnants.

1.5.3 Challenges in Synthesis across Projects

Reducing bias

The team involved in the project included individuals with an extensive knowledge of DFID's urban programmes. The team therefore had a good overview and background knowledge that helped greatly in understanding patterns, identifying trends, and interpreting the information available. While very useful, a balance had to be struck between using this background knowledge and restricting conclusions to those based on references to documentary evidence.

To minimize bias, we developed a DET based on a conceptual framework that helped identify the important aspects of urban development programmes. Information related to these aspects was extracted into the DET for each project. The comparison across DET's and the use of DET's to develop project narratives and the subsequent inductive synthesis, helped minimize bias to the extent possible in such a retrospective study.

Methods for synthesizing information

Two methods were initially considered for synthesizing information across projects: meta-analysis for quantitative data and realist synthesis for synthesizing the information across projects with regard to their implementation.

a) Meta-analysis focuses on establishing the common impact of similar approaches or programmes, by pooling the numerical results from evaluations of a ‘family of programmes’ to provide a single point estimate (net effect) and then across the programmes to get a mean effect with a significant statistical power. The statistical significance of the mean effect is further used to make generalisations about the effectiveness of the programmes. Given the heterogeneity of the projects (with differences in interventions, outcomes, contexts, and subjects) and availability of quantitative and qualitative data, a meta-analysis was not possible. Besides, the focus of this review was more on understanding the process of implementation and the changes over time, rather than on trying to obtain an overall estimate of the impact of the urban programme. A meta-analysis was therefore not attempted.

b) Realist synthesis: Realist synthesis builds on the underlying theory of change and helps identify the facilitators and barriers to the implementation of a family of projects. On examination of the implicit theory of change/mechanism by which the interventions in the different projects included in the current review were to result in outcomes, it became apparent that this has undergone alterations over time. While the earlier projects acted through proximal interventions, the later projects worked by focusing on distal interventions, which were then expected to enable the implementation of the proximal interventions. We realised that with different theories of change, a ‘realist synthesis’ may not be the best way to draw comparisons and learn lessons across projects. A ‘realist synthesis’ works best when the theory of change underlying different projects remains the same. It then allows an assessment of the context specific facilitators and barriers with regard to the mechanism by which the intervention is expected to result in outcomes. We therefore decided to take the approach of an inductive thematic synthesis of the data extracted for each project.

2 Project Overviews

This chapter provides an overview of each of the seven projects included in the review. The overview includes a diagrammatic snapshot of the components (including objectives, interventions, outputs) of each project.

2.1 Overview

- I. **Hyderabad Slum Improvement Project (1980–1996)** – The Hyderabad Slum Improvement Project (HSIP) was the start of DFID's investment in urban development in India. The project was based on a master plan for the improvement of slums in the twin cities of Hyderabad and Secunderabad. The first phase of the project was funded by a Government of India (GoI) initiative, while ODA supported the second phase planned for 1982-85. The ODA project was estimated to cost £6 million, of which £5 million was local cost capital aid primarily for the provision of infrastructure and amenities and £1 million was for technical cooperation. The objectives of the project were couched in general terms and included the integration of slum dwellings into the urban community and development of local self-help initiatives. The project eventually received an additional £8.3 million of funding from DFID.
- II. **Calcutta (Kolkata) Slum Improvement Project (1991–2006)** – The Calcutta Slum Improvement project (CSIP) had four distinct components, namely, (a) physical infrastructure, (b) healthcare services, (c) community development, and (d) training and evaluation. These components together attempted to overcome the shortcomings noticed in the earlier slum development programmes. DFID approved a total of Rs. 4,630 lakhs for this project (approximately £8.6 million at contemporaneous exchange rates). The project was implemented in two phases: Phase 1a (slums already notified by the corporation a long time ago) and Phase 1b (newly notified slums). Both sets of slums exhibited different characteristics. Phase 1c was implemented only in two ULBs with an aim to test participatory approaches.
- III. **Andhra Pradesh Urban Services for the Poor (2000-2008)** – The Andhra Pradesh Urban Services for the Poor (APUSP) Project was initiated in 2000 by the Government of Andhra Pradesh (GoAP) with funding assistance from DFID with a total outlay of £94.4 million spread over eight years (January 2000-March 2008), of which £66 million was FA and £28.3 million was TA. APUSP originally covered 32 Class-I towns¹⁷; 10 Class-I towns were further included in the project in 2005.
- IV. **Kolkata Urban Services for the Poor (2003-2011)** – The Calcutta (now Kolkata) Urban Services for the Poor (KUSP) was conceived as an integrated response to the larger issues of urban poverty, incorporating the lessons learnt during the 1990s across the various slum improvement projects (SIPs). KUSP aimed to improve the quality of life of 2.4 million poor people in 41 ULBs in the Kolkata Metropolitan Area (KMA) with the overall goal of reducing urban poverty in West Bengal. 3,406 slums were covered. Technical assistance of up to £12.66 million was available to GoWB and ULBs and £89.44 million was given as financial assistance.
- V. **Kolkata Environmental Improvement Project (2001-2009)** – The Kolkata Environmental Improvement Project (KEIP) is a multi-agency endeavour to address issues of environmental degradation and improve the quality of life in Kolkata. DFID committed £28.3m million for a Capacity Building Programme (CBP)¹⁸ in Kolkata Municipal Corporation (KMC) over six years as a part of KEIP. The purpose was to enhance KMC's capacity for urban governance, making it citizen responsive, efficient, effective, transparent, accountable, equitable, and financially sustainable providing quality service to its citizens, especially to the poor. This complemented the \$250 million loan provided by ADB.
- VI. **Madhya Pradesh Urban Services for the Poor (2006-2011)** – The Madhya Pradesh Urban Services for the Poor (MPUSP) represents the first programme under the new phase of partnerships for DFID – the Country Action Plan, Phase III or CAP-III. The design of MPUSP was largely influenced by the state's commitments towards JNNURM, and the objective of the DFID programme is to help the participating

¹⁷ Class-I towns refer to towns with population over 100,000. The reason for selection of Class-I towns as per project documents is that one-third of AP's population (18 million urban dwellers) live in Class-I towns. As per Census 2001, over 30% of the people below poverty line live in Class-I towns.

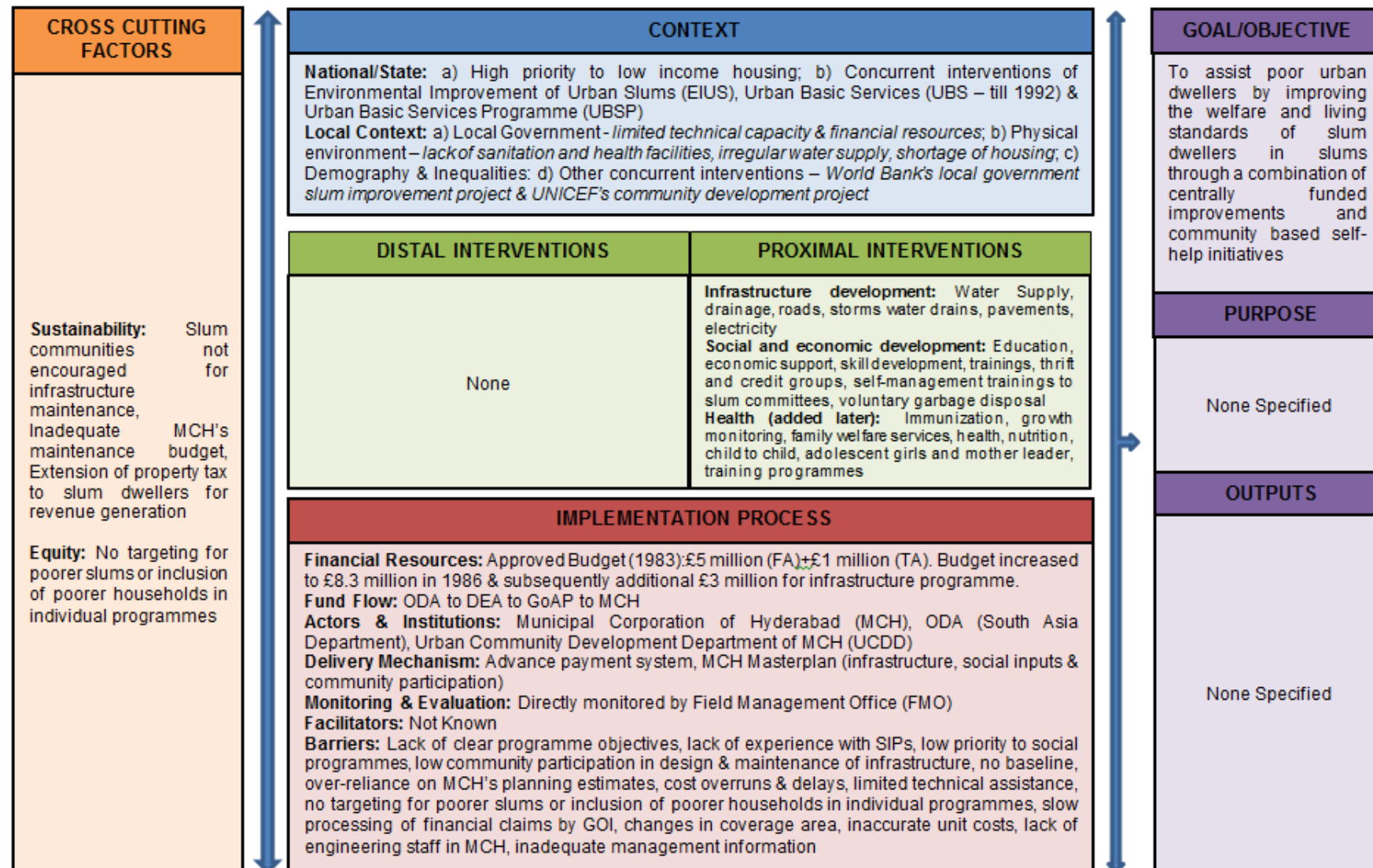
¹⁸ Under this study, only a Capacity Building Programme, which was funded by DFID, has been considered.

cities in achieving their functional obligations/stipulations under this to the Government of India. It was launched initially in the four cities of Bhopal, Indore, Jabalpur, and Gwalior, but 10 more towns were added later. A funding of £41 million was provided by DFID for this project, with £4.5 million for technical assistance and £36.5 million for financial assistance.

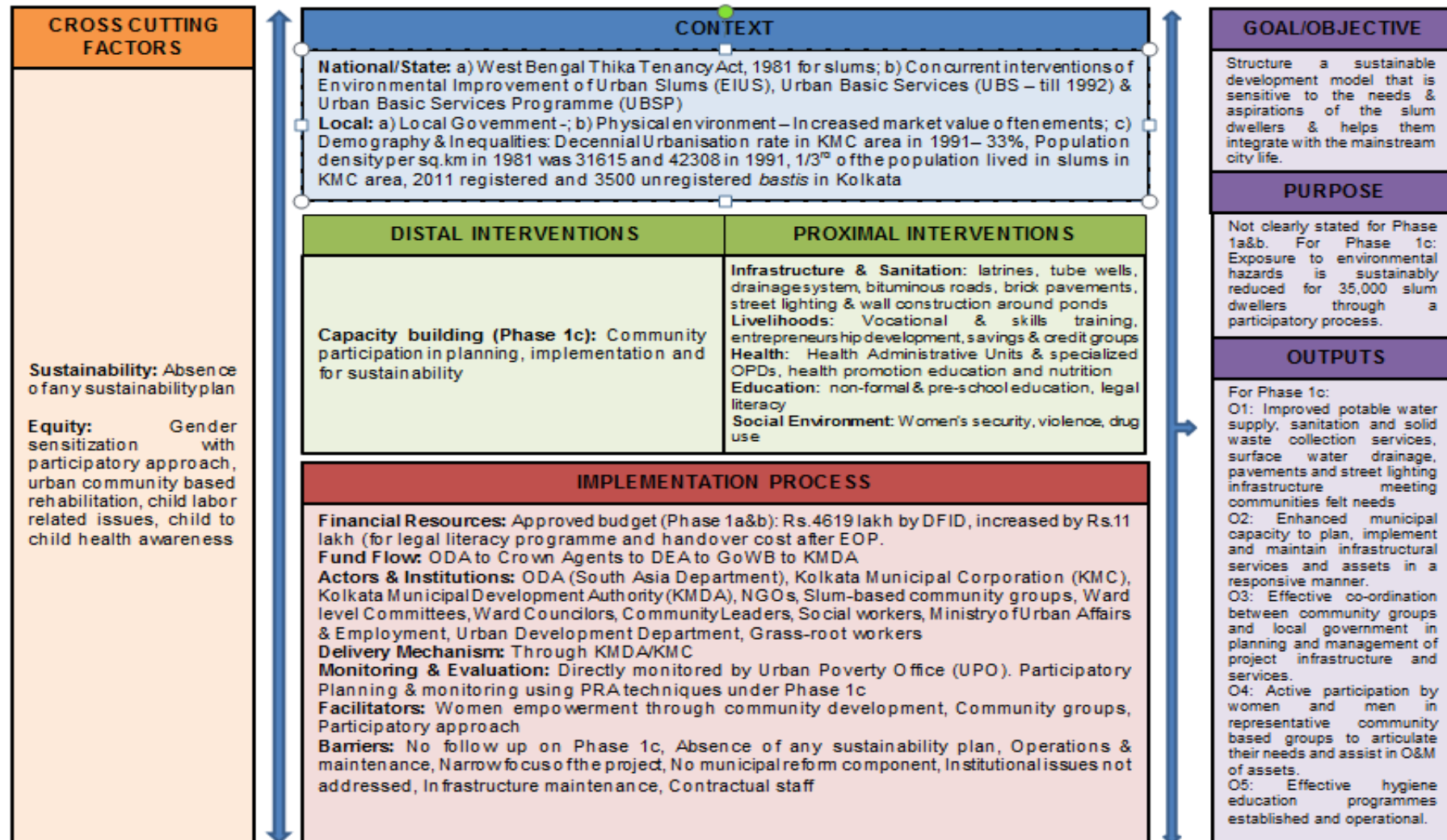
- VII. **Support Programme for Urban Reforms (2010-2016)** – The Support Programme for Urban Reforms (SPUR) is a six-year partnership programme between DFID and the Government of Bihar. The goal of SPUR is to significantly accelerate the process of economic growth and poverty reduction in Bihar by 2016 and significantly enhance the targeted ULBs' ability to provide urban services and attract private investment. The project covers 29 urban centres that are expected to become hubs for economic activities, benefiting the wider state. It will directly improve the quality of services received by 6.36 million urban citizens. The total budget is £60 million of which £50 million is Financial Assistance and £10 million is Technical Assistance.

2.2 Project Snapshots – Conceptual Models Used to Define the Theory of Change

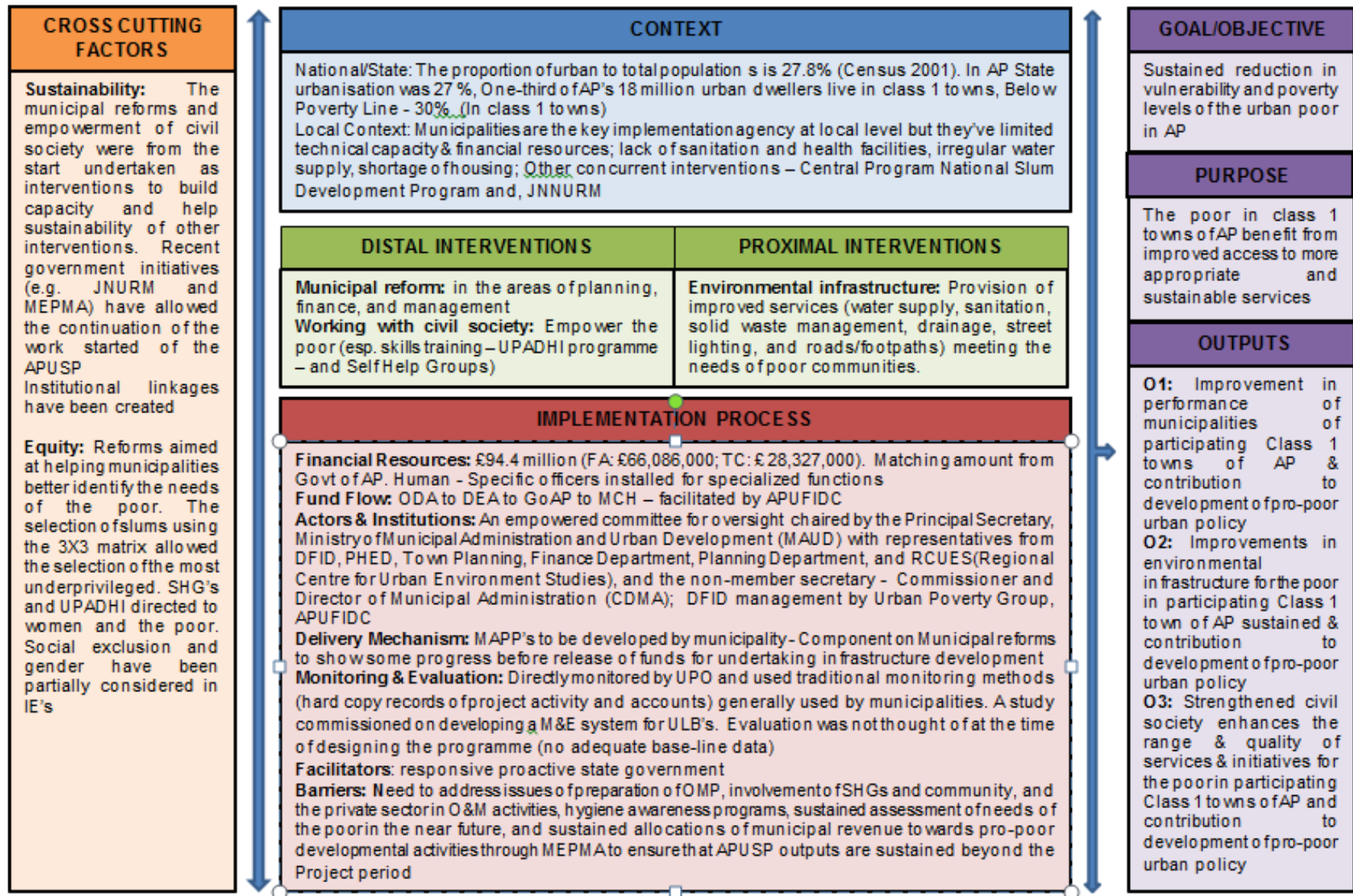
2.2.1 Hyderabad Slum Improvement Project (HSIP)



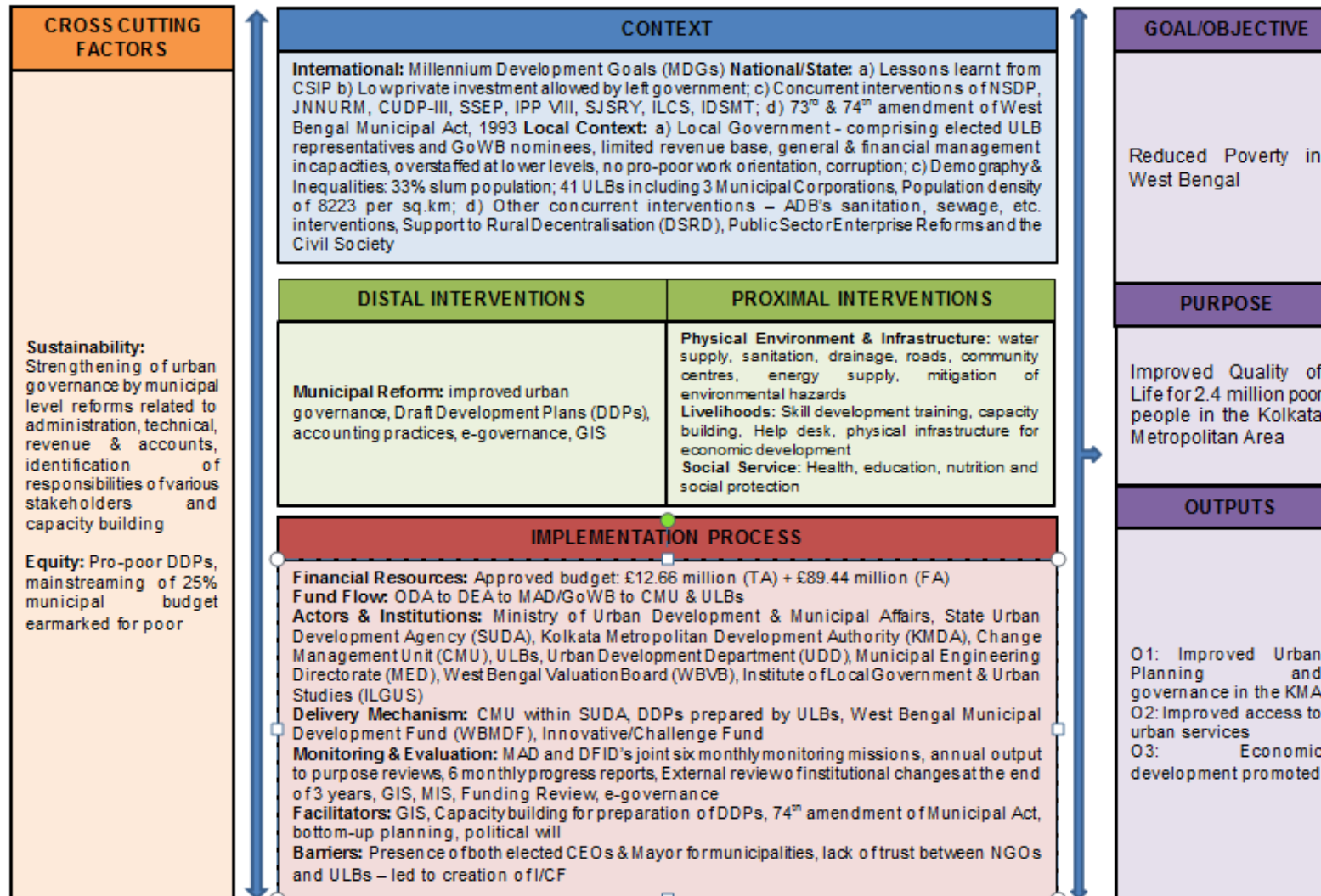
2.2.2 Calcutta Slum Improvement Project (CSIP)



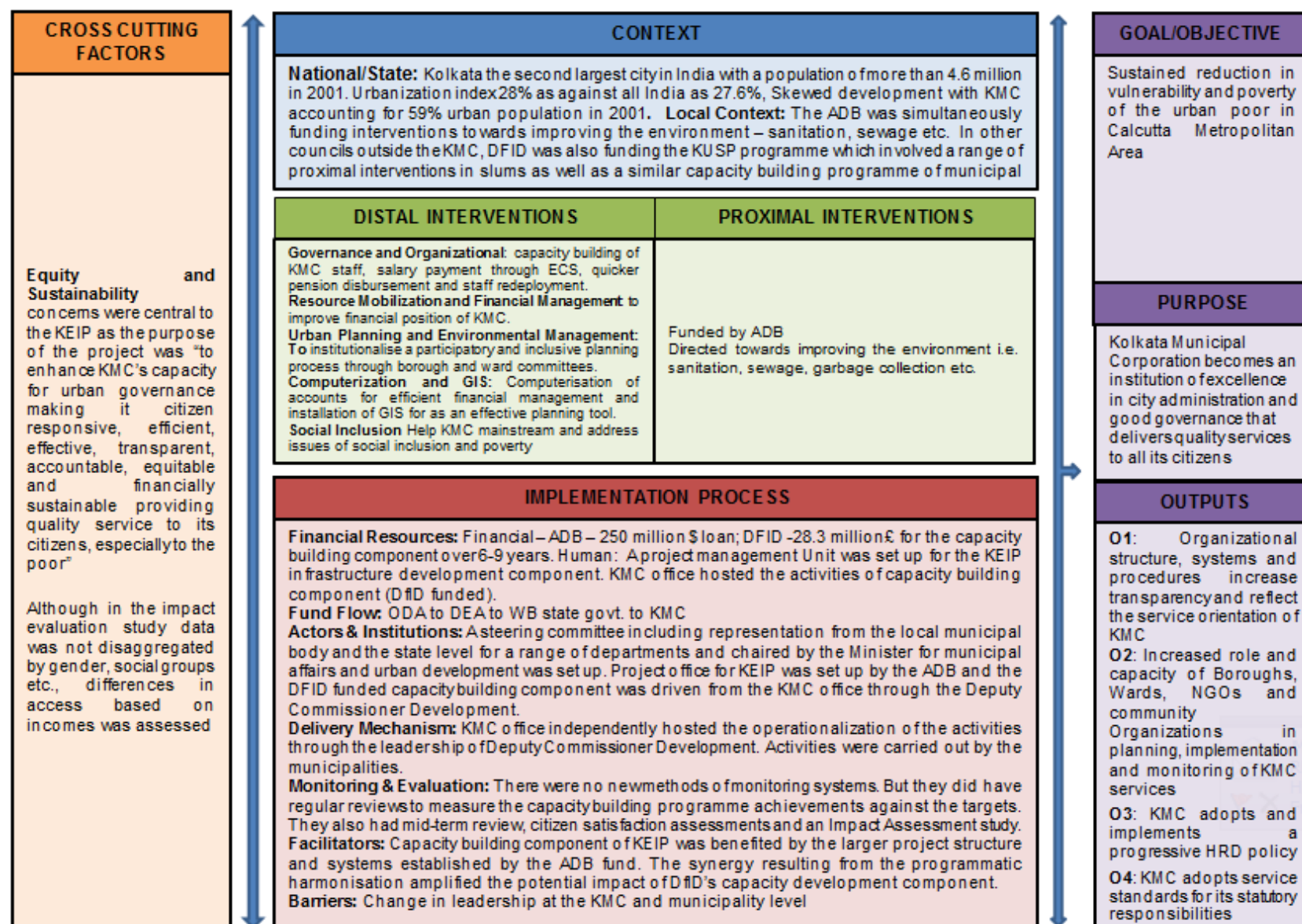
2.2.3 Andhra Pradesh Urban Service for Poor (APUSP)



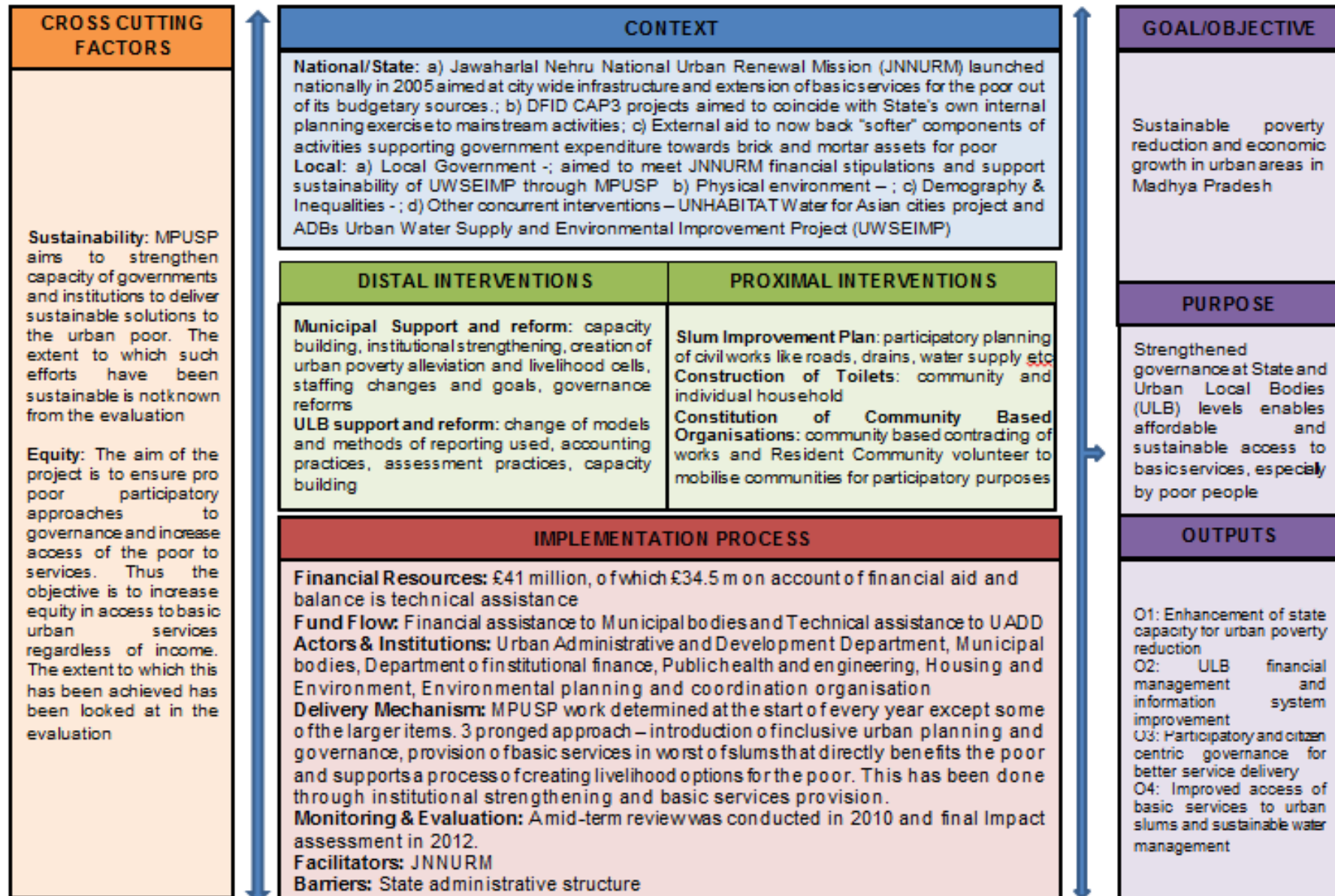
2.2.4 Kolkata Urban Services for Poor (KUSP)



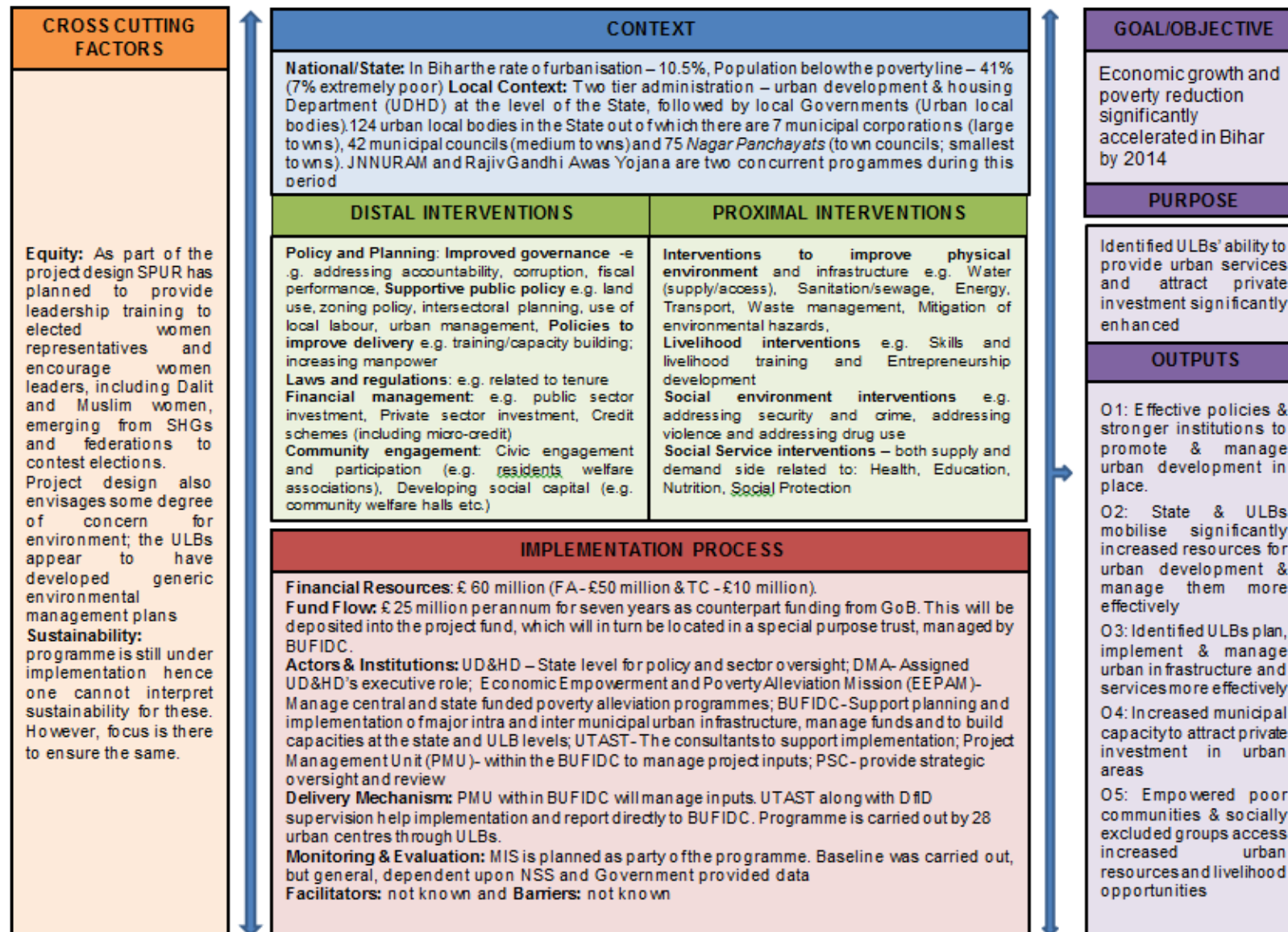
2.2.5 Kolkata Environment Improvement Project (KEIP)



2.2.6 Madhya Pradesh Urban Slum Project (MPUSP)



2.2.7 Support Programmes for Urban Reforms (SPUR)



3 Synthesis Analysis across Projects

This section of the report presents the findings of the inductive thematic synthesis across the seven projects; essentially looking at trends, ‘sequences’ of events, and broad conclusions as to the effectiveness and content of DFID’s urban programming. The analysis begins by placing the seven DFID programmes within the state and national context to trace how programme objectives and approaches have been governed by the policy context over time. Based on the evolution of objectives, the programmes are classified into three generations and the shift in project focus from ‘slum’ to ‘city’ to ‘state’, from proximal to distal interventions and the evolution in the implementation and delivery mechanisms including trends in community development, is explored. The analysis also includes a review of the integration of cross-cutting themes and an analysis of whether issues of sustainability have been adequately addressed and achieved in the various projects. DFID’s projects are then assessed in relation to international norms of aid effectiveness under the Paris Declaration.

3.1 State and National Context: Evolution of DFID Programmes and the inter-relationship with the Government of India and other stakeholders

3.1.1 Introduction

The following section provides a narrative of how DFID’s overall approach to urban development in India has evolved in the context of changing government policy at both state and national levels. The evolution of programme objectives and activities from a ‘city’ to ‘state’ approach is understood within this changing context and relationship. The effect of national and state policies as well as donor programmes on DFID’s programmes and vice versa is explored.

While DFID’s core focus has remained the alleviation of poverty, its programmes have been largely responsive to both National programmes and policies towards poverty reduction, as well as to the challenges for the poorer States in implementing such policies through Central sector schemes and programmes. In the initial years, DfID focused on improving the delivery of Central sector schemes through localised interventions, viz. adapting participatory approaches to slum improvement projects. In the later years, in response to the devolution of powers and responsibilities to local self-Governments, DfID programmes focused on augmenting municipal capacities towards alleviating urban poverty. In the last few years, DfID has increasingly been focusing on policy and other macro-level issues that have caused urban poverty to persist, apart from continuing with local level innovations and Municipal capacity development towards poverty alleviation. In effect, it can be stated that DfID programmes in the urban sector have grown in size, scale and most importantly – perspective, in response to National and sub-national priorities.

3.1.2 Background

As detailed subsequently in the report, the urban sector in India came into national focus only sometime during the Eighth Five-Year Plan. Prior to this, the provision of basic services was left largely to parastatals, i.e., state-wide agencies, which were engaged in comprehensive regulation, design, provision, and control of line services such as water and sewerage, and only some very large municipal corporations (existing prior to independence) had the capability to work directly for the urban poor.

This chapter outlines how DFID’s overall approach to urban development (i.e., at a programme level) has evolved in the context of changing urban development policy in India. While DFID (previously known as the Department for Overseas Development Assistance) has been in India since the 1960s, its assistance was largely in the broader macroeconomic sectors, viz., agriculture, industry, and healthcare. Its work in the urban sector largely appears to have commenced at the same time as the increase in national focus on urban development. This was also in line with its continued policy of combating aspects of poverty directly. DFID’s work has been concentrated in ‘low-income’ states. The following diagram situates DFID’s urban

development projects within India's five-year plans of the key national level reports, reforms and programmes related to urban development.

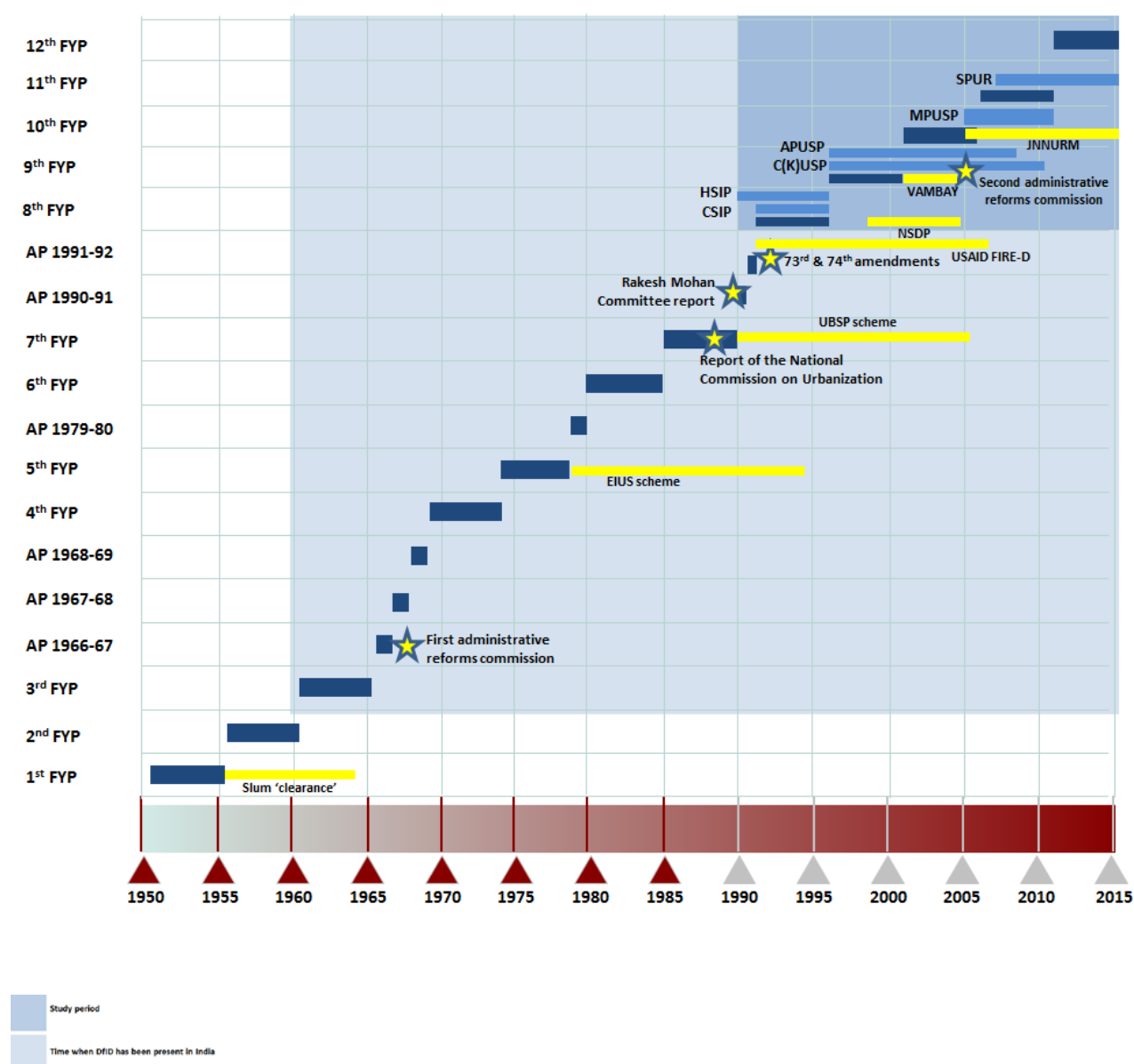


Figure 2: Overview of India's national level urban sector priorities and landmark schemes

3.1.3 Context: State Focus

Over the entire review period, DFID adopted a strategy of working with selected partner states in India. The decision to focus on selected states is believed to have stemmed from increasing conviction that success depended largely on 'honest and effective' governments committed to public accountability as well as the need to reduce inter-state disparities. The CSP (1999) defined the criteria for selection of states as those having a high concentration of poor people; committed to reducing poverty and willing to reallocate fiscal priorities; required to address social issues (gender and caste); committed to a process of decentralisation of

power and funds to local governments; showing a willingness to improve standards of governance; and of course, interested in partnership with the UK because of past links or a desire for external help and advice.

Thus, Andhra Pradesh (AP), West Bengal (WB), Odisha, and Madhya Pradesh (MP) were selected as focus states for all DFID projects, including urban ones. Bihar was added to the list in the second half of the last decade, when the state saw a shift in governance. While Odisha, MP, and Bihar qualified by virtue of the high levels of population living in poverty, AP qualified because of its good performance record and own initiatives to improve service delivery. Andhra Pradesh was not retained for the third generation projects as it was covered by other Donors.

An evaluation of DFID's programme (Heath, 2006) revealed that the strategy of focusing on the selected states was justified because of (a) positive externalities across projects within a state, (b) better project performance owing to the benign influence of a long-term relationship, and (c) the ability to achieve cross-sectoral impact in a way that might not be possible with the Central Government.

3.1.4 Context: Situating DFID's Programme within National Policy

DFID's approach towards its programmes in urban development has generally remained aligned with Gol's overall policy on urban poverty and slum improvement. This is reflected across the country action plans between 2004–2008 and 2008–2013 and the country operating strategy up to 2014. This is also reinforced by the empirical evidence drawn from various project narratives, records of the central sector schemes related to urban development active at the time, and five-year plans of Gol during the period.

Although DFID documents do not explicitly mention urban development strategies as having been influenced by national government policies, tracing the evolution of government programmes and comparison with DFID's projects indicate that the latter's objectives have been influenced by the former.

The close relationship between DFID and Central Government programmes reflects the specific history of evolving government approaches to urban development. In the 1980s, states were largely dependent upon prior policy and scheme specific stipulations of Gol. DFID's support to state governments at the time therefore directly supported these schemes.

Thus, in the 1980s, DFID's first projects in the urban sector focused on slum improvement. These projects coincided with the Eighth Five-Year Plan period, where for the first time since independence, the urban sector came into greater focus. This was largely on account of three events: (1) the report of the National Commission for Urbanisation, which placed before the Union of India a prognosis and roadmap of urbanisation that could be used to define urban policy, (2) the Rakesh Mohan Committee Report, which underscored the need for investment into infrastructure keeping in view the current and proposed state of urbanisation, and (3) the enactment of the 73rd and 74th amendments to the Constitution of India, which essentially devolved the powers of local development (including the provisioning of services) to local self-governments – Panchayati raj institutions (rural, covered under the 73rd amendment) and municipal bodies (urban, covered under the 74th amendment). Through HSIP, DFID supported the Andhra Pradesh government to better implement its ongoing slum improvement projects. Both HSIP and CSIP were essentially improved variants of what the government was doing already.

In effect, it appears that DFID used proven techniques to add value to the manner in which the government programmes were delivered, in order to make them more economical, efficient, and sustainable. For instance, the mechanism of development taken up in CSIP 1a and 1b was not very different from what was used by Gol in the EIUS model, or subsequently the UBSP models, and participatory models for local area development already enshrined in projects such as the Peoples' Plan in Kerala. Thus, in CSIP 1c, the two modes were 'married' to create a more effective form of delivery of what was otherwise a proven and established mechanism.

In the next decade, the first major reforms initiative, FIRE (1994), targeting financial institution reforms, was floated in the urban sector under a USAID supported programme. And just prior to this, Gol had taken a major step and made amendments to the Constitution to decentralise urban governance and give more

power to the ULBs (1992). The end of the decade and the Ninth FYP hence saw more urban sector reforms launched, primarily to improve the financial situation of ULBs. DFID revisited its own strategy (coinciding with CAP II) and began moving towards supporting reforms and capacity building of local bodies, in acknowledgement of their potential role in poverty alleviation. Hence, all subsequent programmes including APUSP, KUSP, and KEIP provided support to municipal reforms and capacity building as a central intervention.

MPUSP and SPUR however mainly focus on supporting states to make the most of centrally sponsored schemes such as JNNURM, the adoption of which was contingent towards being able to access funds from the Central Government. About 20% to 40% of the programme outlays under these programmes were allocated towards meeting the reforms stipulations under the Jawaharlal Nehru National Urban Renewal Mission.

3.1.5 Context: Other Donor Programmes

Many key informants state that several reforms or interventions have been appended or adapted from other international examples, and even other donors. Some of these are positively documented, for instance – MPUSP was originally meant to respond to the loan covenants imposed by the Asian Development Bank in Madhya Pradesh's urban water and sanitation programme.

It is also largely acknowledged that a large number of reforms taken up during APUSP, KUSP and KEIP were originally identified as 'best practices' during an older project funded by USAID, called Financial Institution Reforms & Expansion Project (FIRE), which identified the imperative of double entry accrual-based accounting in municipal bodies for the first time. However, at the time these good practices were promulgated, none of the state governments, nor the Central Government, had the wherewithal to pilot or assist the states to pilot or internalise these reforms on a sustained basis. These specific DFID supported programmes sought to take up these reforms as they seemed to indirectly benefit DFID's objective of pro-poor governance and local empowerment.

Design consultants for several DFID projects have also drawn upon interventions taken up elsewhere in the world. The MPUSP programme, for instance, was stated by respondents to contain elements from Indonesia's urban development programme, funded by the World Bank. Similarly, the 3 x 3 matrix, used to prioritise slums in terms of where infrastructure based interventions are needed first, is largely understood as having been developed from a model previously used by UNICEF during its work on urban basic services.

Another phenomenon that has been observed is the reducing presence of health, education, social welfare, and livelihoods components in DFID's programmes. This is largely attributed to two reasons. Firstly, the federated arm of the state receiving DFID's assistance is not mandated to carry out such efforts, and secondly, DFID has one or more programmes in these sectors, and therefore, interventions carried out within such programmes cannot be accounted for as a part of the urban sector programme. This does not imply though that DFID's focus on these sectors has reduced, it only implies that these components may have been accounted for separately. In one case, that of the Kolkata Environmental Improvement Project DFID was a contributor (i.e. provided support for one component only), to a larger programme supported by another donor. It is also interesting to note that in this case, the primary donor did not appear to maintain records of the DFID assistance or its effectiveness.

In terms of policy formulation, in one of DFID's current programmes active at the level of the National Government – Support to National Policies for Urban Poverty Reduction – many of the interventions have been 'scaled up' from a prior UNDP assisted project – National Strategy for Urban Poor. SNPUPR is also DFID's first intervention at the national level and not focused on a city- or state-wide strategy. This programme, for now, has the capability to influence national as well as other donor interventions.

Support to National Policies in Urban Poverty Reduction

This DfID supported project was the first to be taken up at the National Government level in India and entirely involves distal interventions. The initial purpose of this project was to support the emerging programmes of the Government of India on housing and slum improvement for urban poor as well as improved livelihoods through a new dedicated centrally sponsored programme. In addition, it has also mainstreamed a series of interventions that were originally developed during an erstwhile project supported by the UNDP, called the 'National Strategy for Urban Poor'. Some of the mainstreamed initiatives were:

- a. Second edition of India: Urban Poverty Report
- b. City poverty reduction strategies (partially mainstreamed into slum free city action plans)
- c. City Managers' and Mayors' Forum on Urban poverty (knowledge management effort to compile and collaborate municipal executives' and elected representatives; experience and perspective on urban poverty alleviation)
- d. National datacenter on urban poverty
- e. Researchers' colloquium on urban poverty
- f. Design support to the National Urban Livelihoods Mission (inputs appended from a component carried out by EDI Ahmedabad on micro-entrepreneurship development)

3.1.6 Context: Global Thinking on Urban Development

DfID's programmatic evolution also reflected changes in global thinking on urban development issues over the study period. This is outside the scope of this study but can be broadly summarised as¹⁹:

- Due to the failures of traditional house-building programmes, moving away from slum relocation and clearance, towards slum upgrading and improvement in the 1970's and 80's
- Increasing the focus on economic and social development of slums as well as slum upgrading and securing of land titles from the mid 1980's
- Increased community participation from "self-build" from the late 1980's to involving slum communities in the planning, design and decision-making processes for improving slum areas (e.g. driven by the Habitat Agenda²⁰ in 1996)
- Subsuming housing policies into broader social security policies (late 1990's onwards)

The analysis below suggests that DFID India was at the vanguard of this movement as both a driver and early adopter as many of these factors were reflected in the contemporaneous programming.

3.2 Generational nature of DFIDs programmes

As mentioned in the previous section, DFID's urban programme objectives appear to have evolved in the context of prevailing national and state urban development policies and priorities. In line with DFID's overall global objective to combat poverty in the developing world, the central purpose of all of these projects has remained the alleviation of urban poverty in some manner or the other. However, the means to achieve this objective have changed across projects, as have the physical expectations from each. This change has been especially influenced by the changing national and state priorities as explained in the previous section.

¹⁹ The challenge of slums: Global report on human settlements 2003, UN Human Settlements Programme, UN-HABITAT

²⁰ The Habitat Agenda is the main political document that came out of the Habitat II conference in Istanbul, Turkey 3 to 14 June 1996. Adopted by 171 countries, at what was called the City Summit it contains over 100 commitments and 600 recommendations on human settlements issues.

The differences in objectives, approach, nature of interventions, and implementation mechanisms suggest a broad classification of the seven projects into three generations. The following diagram summarises the classification of projects into three generations.



Figure 3: Classification of projects into three generations

It may be noted that while there is a relatively perceptible distinction between the timelines of the first and second generation projects, i.e., the second generation projects began largely after the first generation projects were over, the distinction between the second and third generation projects can only be done on the basis of their dates of start. In reality, third generation projects (after 2005) started when the implementation of second generation projects was in full swing. KUSP, for instance, continued till March 2010, while the Andhra Pradesh Urban Services for the Poor (APUSP) continued till March 2008. The third generation projects, viz. MPUSP and SPUR had either already commenced by then. In the case of MPUSP, implementation had already started in 2008, while in the case of SPUR, the design phase had already commenced in 2008-09, while implementation commenced in 2010.

Although the boundaries are blurred, especially between the second and third generation projects, the inductive thematic synthesis across the projects suggests that the main features characterising each generation and distinguishing it from others is as follows:

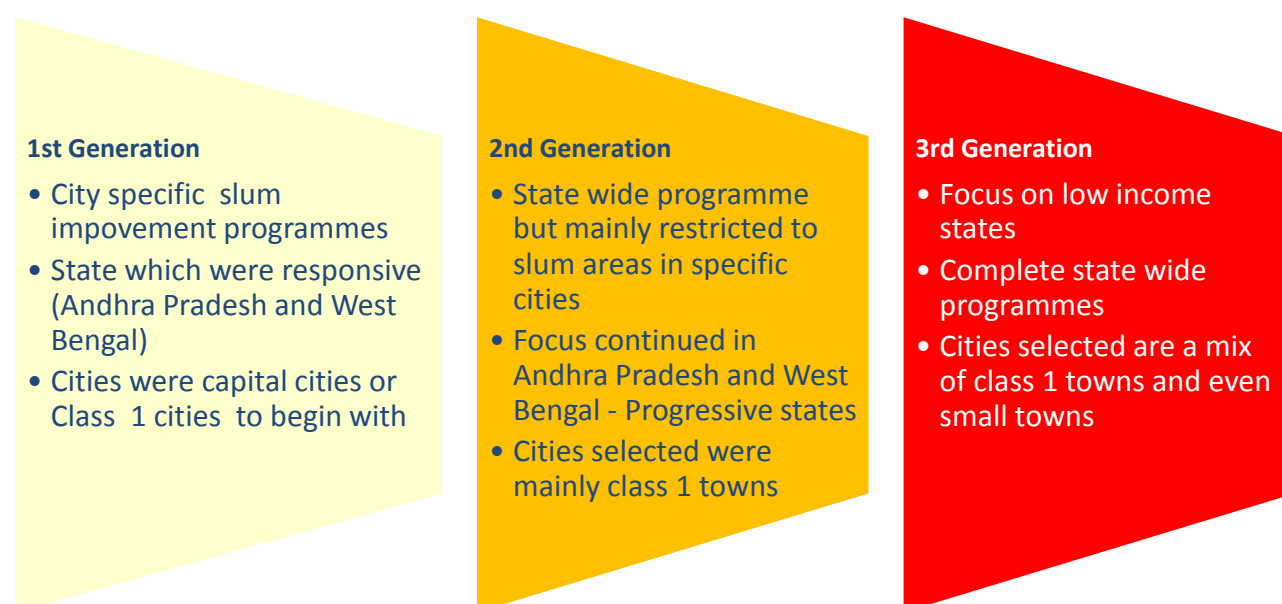


Figure 4: Change in approach across projects

Within this, DfID's programming has evolved in three main ways across the generations:

- From a slum, to a city, to a state-wide approach
- From proximal to distal interventions
- In the delivery mechanisms (both in terms of project implementation and the use of communities)

These three factors are addressed in detail below, before a generalised Theory of Change for the three generations is outlined.

3.2.1 Evolution from a 'slum' to 'city' to 'state-wide' approach

Urban interventions began with Slum Improvement Projects (SIPs) in the **first generation**. The SIPs were essentially model slum improvement projects, and supported the respective states in bringing about improvements in their existing GoI or state supported slum development programmes (EIUS, UBSP) through defined interventions and an agreed number of targets. For instance, both HSIP and CSIP were extensions of ongoing projects and primarily aimed at developing alternative slum development models with communities as the base. CSIP 1c on the other hand was especially designed to test community-based participatory models and covered two small municipalities (Barackpore and Titagarh).

The SIPs continued with the pre-existing developmental models that were largely prevalent in the form of Central and/or state sector schemes. Key amongst these were the Urban Community Development (UCD) scheme, which was essentially aimed at resettling slum communities on plots of land with formal tenure and basic services; the Urban Basic Services for the Poor (UBSP), which was largely aimed at providing or extending basic services such as water supply, sanitation, drainage, and roads within slums; and the Environmental Improvement of Urban Slums, which was still largely aimed at slum 'clearance', effectively removing encroachments from public land and resettling them elsewhere. Most of these schemes were essentially administered 'top-down', i.e., based on administrative feasibility and not necessarily as per the wishes of the people. Since these schemes had very fixed and rigid guidelines, in many places, the working particulars of the scheme did not suit local economic or functional needs.

The SIPs under the DFID programmes largely attempted to modify, at the cost of its financial assistance, the application of these programmes to specific areas to suit local requirements. In the case of CSIP, for instance, the strategy was to improve infrastructure within the slums where tenure was largely defined under the Thika Tenancy Act, 1980. While this was covered under the UBSP scheme as well, the third phase of the programme worked towards making the decision process participatory. Subsequently, while the SIPs in Andhra Pradesh (AP) and Madhya Pradesh (MP) went on to develop into state-wide interventions, in Odisha and Kerala, they remained one off project. In West Bengal on the other hand, although the SIP did not lead to a state-wide intervention, a series of projects targeting the KMA, which accounted for almost 60% of the urban population in West Bengal, over a period of time, ensured that the impact of strategies went beyond the KMA limits.

With the **second generation** projects in Andhra Pradesh (APUSP) and West Bengal (KUSP, KEIP), DFID stepped into a planned process of bringing about wider impact and change by improving institutions and systems. The focus moved from slums to the city. In a way, the second generation projects were scaled-up versions of SIPs in their respective states. They were implemented with a far greater involvement of the municipal bodies, and the phasing of projects had a different purpose – to gradually build capacities of the municipal bodies to plan and manage larger and more complicated projects with community participation. The second generation projects were also based on a significant reform agenda – which was derived out of an improved understanding of the need for reforms – illustrated by practices highlighted and substantiated using technical assistance from United States Agency for International Development (Financial Institutions Reforms and Extension project) and Cities Alliance. These projects, along with other emergent projects

taken up by Gol in other sectors, viz. improved emphasis and insistence on the adoption of e-Governance, laid the basis for reform-linked funding. As a result, and coupled with the learning of the first generation projects, the second generation projects focused on participatory improvement of slums, as well as reforms at the municipal level, which would enhance their capability towards slum improvement and also fiscal and managerial abilities.

Thus, APUSP was rolled out at the start of the new millennium, and KUSP and KEIP soon followed. Given the difference in approach, differences between SIPs and second generation projects are visible across all aspects, from specific objectives to approach, interventions, and size and unit of coverage, and most of all in the poverty focused planned involvement of the municipalities. While access and delivery of basic services for the poor continued to be a critical component of the second generation projects, DFID attempted to ensure that there were improvements in the planning and management of these services. It aimed to ensure that an inclusive approach was adopted and that capacity of ULBs to raise resources for the same was enhanced through developing poverty focused institutional structures with adequate manpower and other resources and poverty focused planning at the municipal level.

The above implied that in addition to focusing on proximal intervention(s) at the level of slums, interventions were also needed on a city-wide basis, and could also be scaled up to cover multiple cities within the State. Therefore, while KUSP was originally designed to cover 41 municipal bodies within the Kolkata Metropolitan Area (excluding Kolkata Municipal Corporation), some of the distal interventions were later extended to other municipal bodies in West Bengal (outside the KMA). In the case of APUSP, 42 municipal bodies were selected all of the State of Andhra Pradesh, also covering around 1,800 slums in the process. The ambit of State-wide reforms included building capacities through governance, organisational development, resource mobilisation, financial management, and better planning and environmental management and increase overall efficiencies through computerisation. These initiatives were also carried out in the area under the Kolkata Municipal Corporation as part of the capacity building component of the ADB supported Kolkata Environmental Improvement Project. Further, strategies for social inclusion were to be mainstreamed and the role of both communities and the civil society organisations was brought on to the centre stage. Two other significant events – one global and the other internal to India – that influenced the second generation projects were India's commitment towards meeting the Millennium Development Goals (MDGs) and the launch of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in 2005 – which remains the largest ever central sector scheme ever launched for inclusive urban development in India. .

Similar to the first generation projects, KUSP had linkages with other external agencies. The World Bank, through the Kolkata Urban Development Project in the 1980s, had provided funds for infrastructure and later, through the Indian Population Project (IPP8), had similarly provided support to improve access to urban health services. Subsequently, DFID agreed to facilitate improving governance, enhancing participation of communities, and building capacities of KMC through KUSP and co-funded KEIP primarily to improve the structure, systems, functions, and capacities of KMC.

The **third generation** projects, MPUSP in Madhya Pradesh and SPUR in Bihar, were rolled out in 2005 and 2010, respectively, when the sector reforms process under JNNURM had already begun. In effect, the third generation projects continued the trend originally begun during the second generation projects regarding the adoption and implementation of reforms in municipal administration and operations, apart from reforms in strategic planning for poverty reduction and sustained urban development. MPUSP and SPUR also were influenced by CAP III (2007-2012), which adopted a strategy of aligning with the state's own planning process and goals. Further, as the external aid policy had changed since APUSP and KUSP and now looked more towards capacity building and other technical support, the third generation projects also made a subtle shift to capacity building and institutional reforms from significant 'brick and mortar' orientation. However, infrastructure for basic service in slums continued to be a priority in both MPUSP and SPUR.

MPUSP aimed at improving the urban poor's access to basic services by strengthening governance at the state and ULB level. Initially, DFID support was to ensure the sustainability of infrastructure created under the ADB funded Urban Water Supply and Environmental Improvement Projects in four cities, through governance, regulatory and finance reforms, and preparation of Municipal Action Plans for Poverty

Reduction (MAPP) in the four Municipal Corporations covered under the ADB programme, as well as capacity building at the State and ULB level. Four of the 14 cities in the programme are also covered under JNNURM. Strengthening poor communities to influence and engage in urban governance and in accessing urban services was one of the key envisaged outputs of MPUSP.

SPUR on the other hand is even more oriented to the JNNURM reform process with envisaged outputs geared towards effective policies and institutions, enhanced capacities of 29 municipal bodies to mobilise and management resources, more effectively plan, implement and manage urban infrastructure and services and in the process increase enhance their capacities to attract investments. Empowerment of poor communities and socially marginalised groups to access increased urban resources and livelihoods was one of the other critical components. At the time SPUR was conceived, the state of Bihar was had just had a new administration, which was receptive to administrative, structural, and process changes and pro-actively sought donor participation. In this environment, a number of donors, including the World Bank, Asian Development Bank, and DFID, coordinated their efforts to make the most of their respective channels of assistance. The efforts were coordinated such that while the banks provided loans and technical assistance for large infrastructure, DFID supported the development of policy and capacity building, apart from a key focus on livelihoods as well as access to basic services and entitlements of the urban poor. SPUR is slated to cover 29 ULBs consisting of over 1,850 slums and constitution around 60% of the urban population of Bihar. However, unlike some other projects, SPUR does not appear to have been initiated on the basis of an expressed request by the state to support some specific initiative or programme. Instead, it was a response to multiple factors: Bihar having just emerged from several years of non-performance and poor governance, low rates of urbanisation, and high rate of poverty, the reform agenda of the Central Government against the poor capacity of Bihar to deliver, and a new government that had to demonstrate evidence of wanting to develop.

As discussed previously, second and third generation projects were concurrent for a long period, since KUSP continued all the way up to 2010 and APUSP continued all the way up to 2008, while third generation projects commenced as early as 2005. As a result, some of the approaches used in the third generation projects were also retroactively or retrospectively applied to second generation projects. In the case of West Bengal, distal interventions taken up under KUSP within the 41 municipal bodies under KMA were extended to municipal bodies outside of the KMA. . It may also be noted that the reforms stipulated under JNNURM also required being implemented at this time, so it is possible that a number of reforms were extended to non-DFID programme supported cities under the influence of both the DFID programmes (as a solution) and JNNURM stipulations (as a demand).

3.2.2 Evolution of interventions from ‘proximal’ to ‘distal’

The three generation classification of projects arose due to an evolution in programme design, which was reflected by a change in the mix of interventions, with a shift in focus from proximal to distal. The following table summarises how the nature and mix of interventions within the seven projects has evolved, using a traffic light approach based on the intervention categories set out in the conceptual framework, using the following legend.

Legend



































	Partially included		Not present and not included as part of project design
	Cannot be objectively determined		Present
	Not applicable		Present, but by way of other donor/other DFID initiative

Figure 5: Mapping of interventions across various projects

Type of Intervention	First Generation		Second Generation			Third Generation	
	HSIP	CSIP 1a & 1b	APUSP	KUSP	KEIP-CB	MPUSP	SPUR
Proximal Interventions							
<i>Proximal Interventions to physical environment and infrastructure</i>							
Water (supply/access)	●	●	●	●	○	●	●
Sanitation/sewage	●	●	●	●	○	●	●
Energy	●	●	●	●	○	●	●
Transport	●	●	●	○	○	○	○
Waste Management	●	●	●	○	○	●	●
Mitigation of Environmental Hazards	●	●	●	●	●	●	● ²¹
<i>Proximal livelihood interventions</i>							
Skills and livelihood training	●	●	●	●	○	●	●
Entrepreneurship development	●	○	○	○	○	○	●
Microcredit	●	●	●	●	○	●	●
<i>Proximal social environment interventions</i>							
Addressing security and crime	●	●	●	●	●	●	●
Addressing violence	●	●	●	●	○	●	●
<i>Proximal Social Service interventions</i>							

²¹ In the original design document of SPUR, rehabilitation of victims of the Kosi floods was listed as a component. This was later removed and moved to another donor. This grading essentially implies that, at some point, there was an active consideration of this aspect.

Type of Intervention	First Generation		Second Generation			Third Generation	
	HSIP	CSIP 1a & 1b	APUSP	KUSP	KEIP-CB	MPUSP	SPUR
Health							
Education							
Nutrition							
Social Protection							
Enabling environment/distal interventions							
Political Commitment							
Improved governance around accountability, corruption							
Improved governance around fiscal performance							
Supportive public policy							
Policies to improve delivery e.g. training/capacity building/ exposure visits (national and international)							
Laws and regulations (related to tenure)							
Laws and regulations (not related to tenure)							
Financial management							
Community and civic engagement and participation							

²² A series of programmes are active in both Bihar as well as Madhya Pradesh, supported both by DFID (in some cases) and by other donors working in the same area. In line with Paris Declaration principles and DEA's efforts in coordinating and harmonizing aid, overlapping components have been removed.

The above matrix suggests that the main evolution from **first to second generation** projects is a greater focus on livelihoods (within proximal interventions, as directly funded activities) and a substantial shift to a much broader focus on distal interventions. Whilst the **third generation** projects do not appear to reflect a substantive shift from the second generation, the difference is really the relative allocation of resources away from proximal to distal.

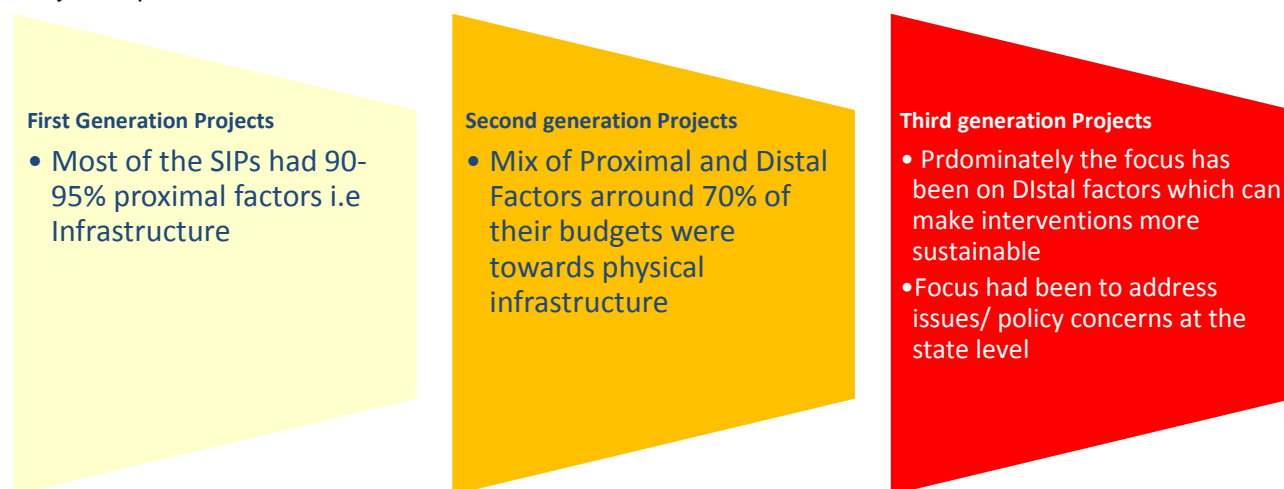


Figure 6: Evolution of interventions from proximal to distal across three generations

All these projects have largely epitomised slums as areas representative of where the urban poor live, and have largely focused initiatives – whether proximal or distal – to these areas. However, a close scrutiny of these interventions reveals that the interventions have progressively moved from treating slums (or slum-like conditions) as ‘symptoms’, to urban governance and urbanisation policy as a ‘causes’ or ‘accessories’ towards formation of ‘slum-like conditions’ to be created, across the three generations. In doing so, the nature of interventions have moved from ‘proximal’ to ‘distal’. There was also an evolved appreciation of the fact that it is not just the poor who need to be ‘made to adapt’ to cities, but also that cities should be made to adapt to the needs of the poor. This has been perhaps the main difference between the first and second generation of DFID programmes. DFID’s initial programmes focussed specifically on those who were excluded by the benefits of urbanisation – those living in slums, unable to access basic services, not being able to conduct livelihoods that could be mainstreamed into the city’s economy, and, as such, focused more on the symptoms of urban policy issues rather than the causes. In the second generation projects, the approach was changed in such a way such that instead of DFID actually and directly working for and on behalf of the municipal body²³ to improve living conditions of the urban poor, it would work towards making municipal bodies more capable of taking up such functions using their own technical capabilities (not financial – that was still supported by DFID). This approach continued well into the third generation projects, where further interventions were made on larger policy and regulatory issues that affect the urban poor, and the incidence or persistence of urban poverty.

Evolution in programme approaches in the context of changing relations with the state and national government is also reflected in this shift of interventions from proximal to distal with increased focus on municipal and state government focused activities versus direct slum related interventions. For instance, the Ninth FYP hence saw more urban sector reforms launched, primarily to improve the financial situation of ULBs. DFID revisited its own strategy (coinciding with Country Action Plan II) and began moving towards supporting reforms and capacity building of local bodies. Hence, all subsequent second generation programmes provided support to municipal reforms and capacity building as a central (distal)

²³ At this time, it may be noted that Municipal bodies were mandated to address the issue of slums and urban poverty as per the Constitution of India, and that a number of States had amended their laws accordingly.

intervention. In fact, with the introduction of the centrally sponsored scheme of JNNURM, the third generation projects mainly focus on supporting states in this regard given access to funds from the Central Government is contingent upon the adoption of the scheme.

This evolution in approach from slums to urban poor and from proximal to distal interventions thus reflects broader trends in urban development theory that started putting increased emphasis on the need for holistic approaches to urban development that integrated physical, social, economic, organisational, and environmental improvements²⁴. DFID's urban investments in India from the mid-1980s were at the forefront of this paradigm shift away from simple investment in the physical environment of existing urban areas. This approach has been refined over the years to one that combines a focus on supporting improved basic services, strengthening the capacity of municipal governments, improving the livelihoods of people living and working in urban areas, especially informal areas, enhancing local governance, and empowering communities to improve their wellbeing. It can also be stated in retrospective that second generation projects, in their later years, largely resembled third generation projects, but with a larger component of proximal interventions.

The chart below provides an indication of the distribution of funds between proximal and distal interventions across the three generations of programmes. The increased share of funds allocated to distal interventions is clearly visible.

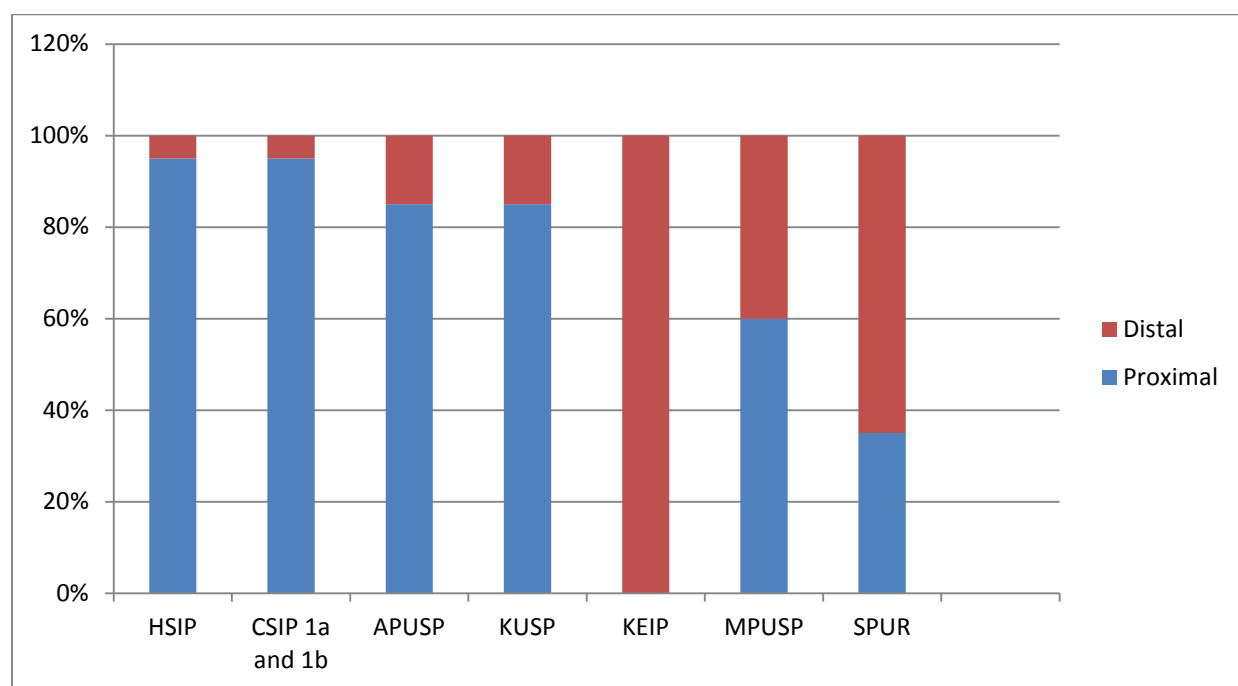


Chart 1 – Distribution of funds between proximal and distal interventions across projects

The changes in approach highlighted above are better understood by having a closer look at **some key interventions** to understand why some interventions remained while others were phased out.

Basic services and infrastructure have been part of projects from the first generation of SIPs and have continued to retain considerable space across subsequent generations of projects. Direct funding to

²⁴ *A Review of Physical and Socio-Economic Characteristics and Intervention Approaches of Informal Settlements*, Wekesa BW, Steyn GS and Otiena FAO, Habitat International 2011, 25:238-245

infrastructure has however been usually limited to slum settlements. In certain projects such as MPUSP and KEIP, the efforts of DfID projects were linked to interventions by other donors (particularly the Asian Development Bank) in supporting city wide infrastructure. In the case of the second and third generation projects, the focus has included, apart from proximal interventions inside slums (provision of basic services such as water, sanitation, roads, drainage, street lighting and other community based social infrastructure), interventions targeted towards strengthening planning for inclusive and sustainable urban development, and in more recent years, fostering private sector participation in city-wide infrastructure development. This focus on infrastructure and services as a key intervention for poverty reduction, appears to have been well placed, as the evaluation and review of successive projects indicate it to have been one of the most effective and accepted interventions. The communities have also perceived improved services to have significantly contributed to their well-being. The fact that most of the slum infrastructure needs were identified and planned with the participation of the community contributed to more effective implementation. In the course of the projects, DFID has also attempted to bring into practice the strategy of mainstreaming slum infrastructure and services into the city-wide network, through a process of planning, but has met with limited success.

Economic development and livelihoods in some form has been another regular intervention and was introduced to improve the livelihood and income conditions of the slum dwellers. However, although there have been many activities over the years, no comprehensive livelihood strategy has emerged. The activities range from facilitating the establishment of thrift and credit groups and self-help groups (SHGs) to actually building their skills and improving credit and market opportunities for women and marginalised economic and social groups. In the second generation project of KUSP, there was a visible attempt to support the ongoing SJSRY programme through skill development trainings, wage and micro-enterprise development as well as capacity building and system development of the Urban Poverty Alleviation cells set up in the ULBs. However, SPUR, a third generation project, for the first time has a set of indicators and milestones defined around the formation and functions of SHGs. Thus, although community involvement in the form of a participatory approach was experimented within CSIP 1c, it evolved in the form of SHGs in KUSP/APUSP and then in SPUR to a more structured and normative practice, with an emphasis on quantifying the results of SHG formation and involvement. SHGs under SPUR are also slated to be dovetailed with SJSRY and the proposed NULM so that they can access the benefits under SJSRY as well as sustain within a larger government programme even after the completion of SPUR.

Further, DFID has also been attempting to expand its vision of economic development beyond slums and livelihoods into the wider economic development of the city, but has met with limited success. It is only in SPUR, the last of the third generation projects, that it has been able to articulate local economic development (LED) into a concrete concept and strategy. More direct links with the poor and livelihood are to be established under LED by promoting inclusive pro-poor business through innovations in government regulations, land tenure and land use policies, and market and credit access and human resource development through technical skill and enterprise development programmes. The pro-poor interventions under LED are in turn supported by community processes and livelihood activities that are evolving within slum communities. DFID's contribution in livelihood hence appears to be largely centred around more effective implementation of the central government supported project, through capacity development and establishment of systems and structures.

Healthcare was a definite component under HSIP and CSIP and, to some extent, in the early second generation projects. While under HSIP, nutrition and mother and child care through awareness and capacity building were the key activities, under CSIP, Health Administrative Units were created in slums to deliver services and nutrition at the doorsteps of each slum dweller and organise awareness programmes on sanitation, hygiene, nutrition, and child care. Even KUSP, a second generation project, has provided support to community-based healthcare services by facilitating the preparation of the state urban health strategy, capacity building of municipal staff working on healthcare and sanitation issues and grassroots workers, establishment of preventive health management systems, and up-gradation of municipal hospitals in selected ULBs. However, thereafter, when the focus shifted to improvements in the capacities of the ULBs and creating an enabling environment, the health component dropped out of the

scope of the projects. Similarly, components on **education**, which included both non-formal education as well as adult and legal literacy programme for women, were initiated in the first generation projects, but completely disappeared thereafter.

On the other hand, **municipal reforms** and the related aspect of municipal capacity building were brought on board from the second generation and grew in importance with every successive project. Interventions were initiated with APUSP with basic reforms, assessment of staff requirements, and training for performance improvement. An innovative process of incentivising capacity building and performance was inbuilt into the project with ULBs able to access larger funds and support once they reached the agreed milestones (MAPP). Similarly, in KUSP, DFID sought to align the role, functions, and capacities of the ULBs with the provisions under the 74th Amendment, thereby giving more teeth to the local bodies and facilitating the process of decentralisation. Improved planning and financial management has been the focus under KUSP, and the seriousness of intent is reflected in the setting up of a Change Management Unit to provide oversight to the process of change. KEIP was largely focused towards improving the functioning of the Kolkata Municipal Corporation, and to this end, the interventions are all focused on improving its role and functions: Governance and Organisational Development, Resource Mobilisation and Financial Management, Urban Planning and Environmental Management, Computerisation and GIS. Even the social inclusion component was tailored to enhance KMC's capacities to address issues of social inclusion and marginalisation. In MPUSP, apart from one set of interventions that focused directly on bringing about improvements in slum infrastructure, the remaining components emphasised reforms and capacity building in the ULBs. The primary component of SPUR involves reforms, organisational development, and capacity building of ULBs and other urban agencies, in addition to direct initiatives in the area of livelihoods and economic development. Thus sustained structural and systemic changes together with sustained improvements in the capacities of ULBs to deliver has been the overt focus of the programmes.

3.2.3 Evolution of Delivery

There were also evolutions in the way in which DFID's projects were delivered, integrated with other DFID programmes and involved communities, over the three generations. These are explored in turn.

Implementation mechanisms

This section outlines evolution in the delivery and implementation mechanisms of DFID's three generation of projects and why these evolutions have occurred. This is summarised in the following diagram.

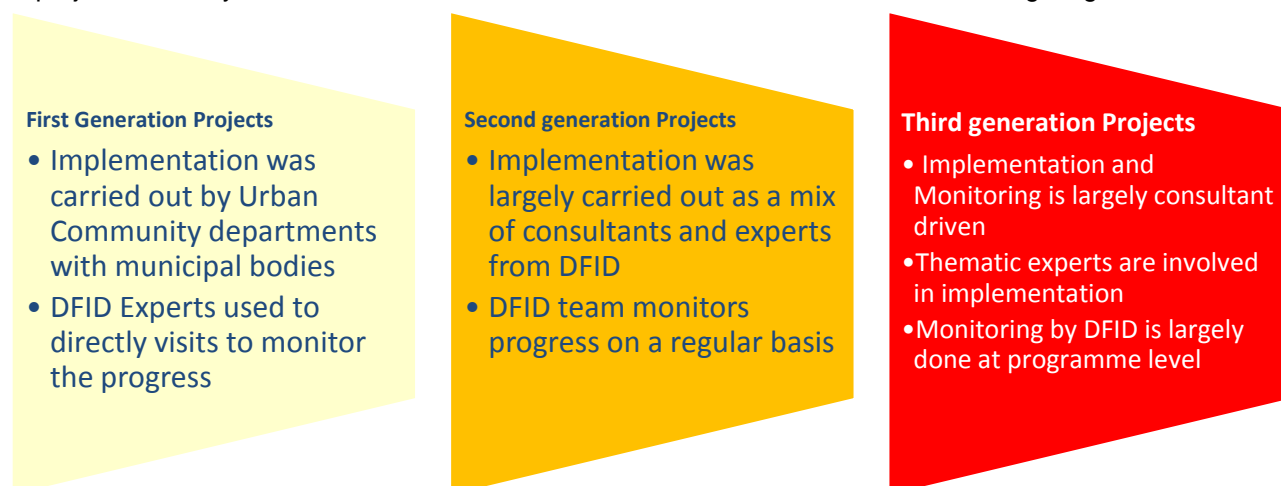


Figure 7: Implementation mechanisms across three generations

First generation projects were largely driven by dedicated offices of DFID, usually consisting of highly skilled professionals working for and on behalf of DFID coordinating efforts with the concerned arm of the local self-government. It may be noted that, at this time, DFID employed sector-specific teams – health, urban poverty etc. and also had dedicated ‘verticals’ such as the Urban Poverty Office which would address these projects on a pan-India level. While this method was effective in ensuring that the primary project objectives (field level) were met, this did not leave behind a sustained mechanism of replication or for that matter – internalising the delivery process within the local self-Governments which were assisted.

The second generation projects sought to internalise a series of new processes – not only related to slum improvement – but as also indicated in the project design – involving reforms in municipal administrative processes and involvement of civil society in livelihoods. Keeping in view the process of internalisation, the second generation projects essentially developed specific, ‘time limited’²⁵ structures from within the state, populated by (i) either professionals sourced from the open market but skilled in the areas where the project was expected to intervene or (ii) staff from within the state entities that exhibited skills to manage the project or foster change. Some of these, such as the Change Management Unit and MEPMA, have been sustained till date in order to help the state governments and local self-governments internalise the processes promulgated under the specific technical assistance. While this mechanism has generally been very effective in helping states take ownership of the reform processes – MEPMA has come a state nodal institution for all urban poverty related programmes allowing a consistent approach on targeting urban poverty reduction, for example - in some cases, there have been concerns regarding the long-term implications of these entities.

Second generation projects also seeded the idea for creation and strengthening of institutions dedicated to knowledge management and provision of professional services that could be used by municipal bodies – both fully owned by the government as well as joint ventures between the government and private sector entities. The concept of new state-wide entities carrying out functions that were too large for municipal bodies to work with on their own (e.g., leveraging institutional finance), was seeded at this stage. A key example of this was the establishment of the West Bengal Municipal Development Fund, which was set up through financial assistance under KUSP, and for which a private party was selected as a Fund Manager. This was taken up in parallel with a similar effort in Madhya Pradesh (MPUIF) and Bihar (Bihar Urban Infrastructure Development Corporation Limited, BUIDCL), during the third generation projects.

The second generation projects also initiated the practice of establishment of dedicated poverty alleviation institutional entities in a mission mode along the lines of Kudumbasree (State Poverty Eradication Mission) in Kerala .A remnant under APUSP, for instance is the Mission for Elimination of Poverty in Urban Areas (MEPMA), which was constituted to carry forward the pro-poor initiatives started under APUSP and subsequently other poverty alleviation programmes after the completion of APUSP. Originally conceptualised to scale up APUSP across the state, MEPMA has now become a registered society and a single source agency for all poverty alleviation programmes in the state. A similar exercise was proposed for West Bengal, namely the West Bengal Urban Poverty Eradication Mission (WBUPEM), but this was eventually not rolled out in the State. However, the Change Management Unit, constituted to oversee the implementation of KUSP interventions, has now been incorporated into a registered cooperative society and continues to work largely in the same manner as the MEPMA in Andhra Pradesh.

In the third generation project, SPUR has been attempting to set up a dedicated entity in a mission mode for planning and implementing all poverty focused programmes in the cities. Known as the Economic Empowerment and Poverty Alleviation Mission (EEPAM), with a structure that has a reach from the state level to the district and ULB, the institutional structure has not yet been implemented because of the

²⁵ Meant to exist only for the duration of the programme, i.e., in a ‘mission mode’, and disband after the lapse of the period or after the objectives are met (whichever is sooner)

reluctance of the state government to create a new entity. Instead, the state is considering the restructuring of the (erstwhile) Bihar Urban Development Agency (BUDA) along the lines of EEPAM.

It may also be noted that in line with practices followed by other donors across the world and also by DfID in other countries, the second generation projects also attempted to employ specialised consultancy agencies (referred to as technical assistance consultants) in all the three second generation projects, viz. KUSP, APUSP and KEIP capacity building components. However, except for KEIP capacity building component, the TA consultants were unable to operate the programmes, thereby leading to the State Governments to develop and deploy their own mechanisms – which have as on date become MEPMA and APUSP.

However, DFID, during the third generation projects, has continued to utilise the services of TASTs, which are usually a group of consultants sourced from a contractor and who support the primary state government department receiving the financial assistance, in carrying out the tasks determined jointly between the state and DFID as per a programme or work plan. Since 2005, DFID has regularly used TASTs order to design as well as implement both the third generation projects as well as beyond (viz., MPUIIP, SNPUPR, and the continuing PMU services for KUSP for RAY). These built upon the learnings gained from using TA agencies in second generation projects. There is, however some reluctance by most State Governments to set up new institutions akin to MEPMA and CMU in the case of third generation projects as most States Governments now face restrictions on creation of new entities whose terminal liabilities rest with the State, as part of directives of Government of India on financial austerity (2003 onwards).

However, State Governments have been open to setting up of special purpose vehicles meant to extend financial assistance (lending, credit enhancement and project development services) to municipal infrastructure projects – also partly because this has been laid down in successive Five Year Plans by the Planning Commission. These entities, akin to the first few entities of this nature started in States such as Andhra Pradesh, Karnataka and Tamil Nadu in the early 1990's – are also mandated to work in areas that foster private sector investment in municipal infrastructure. As a result, in both second as well as third generation projects, DfID supported projects have attempted to establish State owned entities (companies, Trusts or Societies) that are responsible for development and extension of financial assistance (lending, credit enhancement and project development services) apart from supported PPP arrangements in municipal infrastructure. Some examples of these are West Bengal Municipal Development Fund (created as part of KUSP) and the Bihar Urban Infrastructure Development Corporation Limited (SPUR).

Involvement of communities and institutions

The seven projects studied exhibit considerable variations in terms of ability to mobilise or foster community participation. During the first generation projects, community participation was 'tried out' as an offshoot of the normative 'top-down' approach that GoI and the local self-government had been using. The techniques used were largely based on participatory techniques proven in rural development (PRA/RRA) and were essentially used to conduct specific tasks within the development process. The underlying theory of change was that if the community was consulted at specific junctures of project implementation, it would essentially take greater ownership of the development. However, as experience showed, post development liabilities were often neglected on account of no formal interface between the 'providers' (the local self-government) and the 'beneficiaries' (slum dwellers) as regards the obligations of post development upkeep of slum improvement assets.

By the time, the projects moved on to the second generation, the focus on community involvement had moved from simple exercises to ownership of the process and the processes of slum redevelopment being carried out by slum dwellers through community contracting. As it is, livelihood promotion was also regarded as a key aspect of urban poverty alleviation (thematically central to the DFID programmes), and the process of involving the community in contracting was set out to encourage communities to take

increased ownership of the works and assets²⁶ – and this would further reinforce the need for maintenance and upkeep. A new set of reforms pertaining to the earmarking of municipal budgets for the urban poor was also introduced in the latter part of the second generation projects. It had originally been proposed to let communities avail of this fund in addition to collections from within the community, but local elected representatives prevented this form of post-construction maintenance from taking off, usually citing that this was their (the elected representative's) responsibility. As a result, the post construction maintenance that was originally supposed to have been a community owned and community-led initiative did not happen, and instead lapsed back into the normative cycle of being maintained by the municipal body, which has been erratic, sporadic and largely unstructured, leading to large scale dilapidation of services.

The second generation projects also attempted to institutionalise the concept of community participation with a fair amount of success. Both in APUSP and KUSP, this took the form of community-based organisations, either creating new ones or strengthening the existing ones. In APUSP, the process was further consolidated through a dedicated component (C3) that aimed at giving voice to the people by strengthening civil society organisations and building their capacities to undertake pro-poor planning, leading to the establishment of a co-ordinating mechanism of MAPP. Similarly, in the case of KUSP, the programme attempted to capitalise on the 74th Amendment giving more teeth to the ULBs and in the process established the practice of preparing Draft Development Plans (DDPs) for each of the municipal bodies covered under KUSP, in consultation with communities. In fact, the DDP became the key instrument for ensuring the participation of the poor and giving them voice. Although there was initial scepticism from the community, as the project progressed, there is believed to have been greater awareness and increased participation.

The third generation projects saw a reduced attempt to institutionalize the involvement of communities for two reasons. Firstly, at that time, the centrally sponsored scheme of JNNURM (sub-components of Basic Services to the Urban Poor and the Integrated Housing and Slum Development Programme) was active and the guidelines did not promote the use of participatory tools in the process of developing detailed project reports. Land tenure was a key aspect of this scheme, and the model used by DFID projects did not address this issue on account of limitations of external aid. Secondly, at this time, especially in MPUSP, the proximal interventions largely catered to slums that were not taken up under JNNURM, viz., slums where land tenure was already taken up under the Patta Act²⁷ - this included around 130 slums within MPUSP covering four cities. However, having said this, it must also be noted that in both MPUSP and SPUR, interventions in slums were planned and executed with the participation of communities. The nature of interventions towards community participation has thus been more in line with setting up of community-based structures and the introduction of a 'resident community volunteer' as the mobiliser for women's groups. The interventions were targeted in a manner that critical steps to bring these entities on board the normative development process (viz. opening of bank accounts) could be taken up. However, in recent years, with increased pressures for the GoI to implement the Community Participation Act/Rules as recommended under JNNURM, both MPUSP and SPUR have been able to push this agenda to the respective governments. The Community Participation Rules are expected to lead to the constitution of

²⁶ Note that no remuneration was payable to slum dwellers for carrying out the works.

²⁷ A key stipulation of JNNURM was that slums could be taken up 'as a whole', i.e., inclusive of tenements and site level services. In the case of Madhya Pradesh Urban Services for the Poor, tenure was provided in a number of slums using the provisions of the Patta Adhiniyam (1984), and these did not per se need the (re)construction of all tenements within such slums. In such slums, only basic services were needed, and in some slums, tenements for the poorest of the poor needed to be constructed. Since these did not meet the requirements of JNNURM's eligibility, these were taken up under other schemes (e.g., the Mukhyamantri Awas Yojana) including the assistance from MPUSP. The selection of these slums was based on the 3 x 3 criteria, which prioritized slums that exhibited the worst (most unviable) states of income as well as access poverty. At the time of preparing this report, works do not seem to have commenced under the SPUR programme in Bihar. As stated elsewhere in this report, a component was also identified for the rehabilitation of victims affected by the Kosi River floods in 2008, but this component was eventually moved to avail financial assistance by another donor.

Area Sabhas and Ward Committees with representation from CBOs to give voice to community members and institutionalise community participation.

The community involvement evolved from a top-down approach with limited engagement restricted to local issues in SIPs, to a more structured entity, e.g., SHGs in second generation projects, with involvement in decision making, and strengthening of such involvement in the third generation. This evolution is summarised in the following diagram.

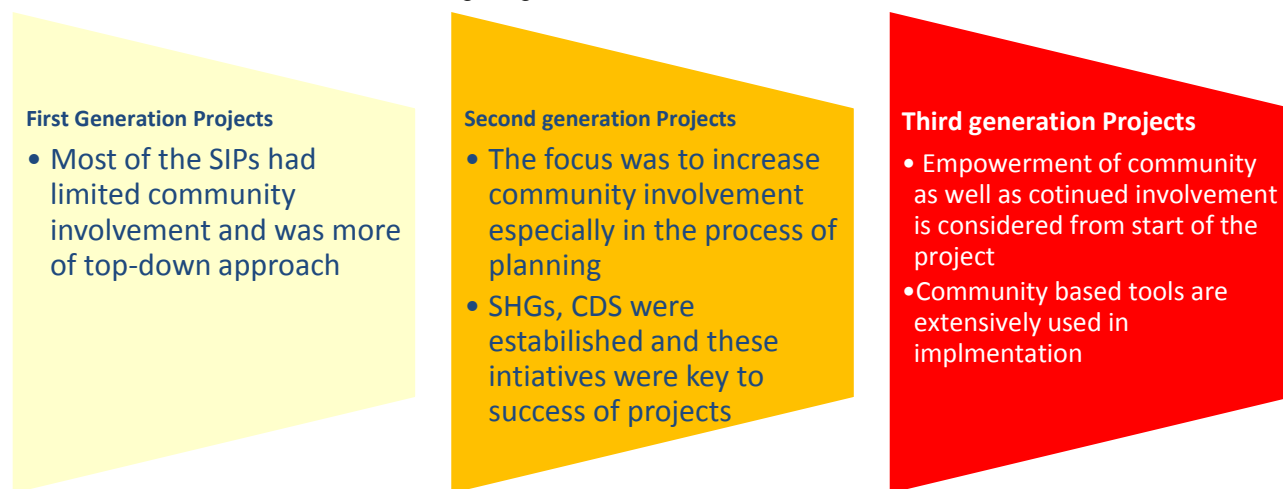


Figure 8: Community participation across three generations

Integration with other DFID programmes

In its focus states, DFID typically simultaneously implements multiple large technical assistance programmes with different areas of focus; for example, running alongside SPUR is the 'BTAST' (Bihar Technical Assistance Support Team) programme on health, nutrition and water, sanitation, and hygiene, supporting the Department of Health, Department of Social Welfare, and Department of Public Engineering. In the case of KUSP, a component that was continued was the urban health strategy, which sought to strengthen primary healthcare delivery in slums where proximal interventions were taken up. This was largely pursuant to the integration with the India Population Project VII and VIII that was concurrent with CSIP.

There is considerable scope for an integrated approach to urban wellbeing through synchronisation of these programmes and DFID's urban development programmes in the third generation projects. However, the review team could find no evidence of convergent programming or planning. There may have been 'back-end' coordination and joint planning within DFID during the design of the projects, but there seems to be limited programmatic linkages, considering the similarities in the implementation structure as well as the complementarities of the programme inputs.

Interviews with DFID personnel indicate that state level operating strategies are usually developed with an objective to meet the Country Operations Strategy objectives in a particular state, utilising parameters from all programmes active within the state during such period.

3.2.4 Theory of Change – for every Generation

Keeping in mind the shift in programme approach from 'slum' to 'city' to 'state', and hence, from proximal to distal interventions across the three generations, a generation specific theory of change emerges.

Projects from the first generation essentially worked on the principle that improvement in living conditions within slums (physical environment) would lead to improved outcomes in health and societal structures and possibly improved opportunities for livelihood. It is during the second generation projects that the focus shifted from the 'action' or 'act' (slum improvement) to the 'actor' – the municipal government. The provisions of the Constitution of India (74th Amendment) Act, 1992, were already in place, and in view of the stipulations from various studies (viz., the report of the Rakesh Mohan Committee and findings of the second Administrative Reforms Commission), largely underscored the capability of the Municipal bodies in economic development. This led to an improved awareness in National policy making that urban areas could potentially contribute the largest share of the National GDP if invested into properly, and that Municipal bodies were designated (not necessarily 'obligated') to address the issue of urban poverty.

The second generation projects worked on the principle that improving capacities within municipal bodies for several normative functions would cause their abilities to address the needs of the urban poor much better. As a result, initiatives pertaining to slum improvement were supplemented with (1) components pertaining to municipal reforms, specifically in accounting, budgeting, internal procedures, and service delivery, and (2) components pertaining to improving livelihood opportunities for slum dwellers through municipal and/or state patronage. A key addition was the strategic planning at the level of municipal bodies – in KUSP through comprehensive development through the Draft Development Plans and in APUSP through the Municipal Action Plan for Poverty – and much of the implementation of reforms as well as proximal interventions was based on these documents.

This stage also saw a form of 'scale-up'. As opposed to individual cities taken up in the first generation projects, the second generation projects took up multiple (but selected) cities in identified partner states. In the case of KUSP though, cities which were part of a single urban agglomeration were taken up. Third generation projects essentially went for further up-scaling of the multi-city approach, which essentially meant that reforms taken up successfully in one municipal body could, in theory, be extended to the remainder of the state. This mechanism would further imply that increasingly, as opposed to the 'actor' (the municipal body), the focus would now be on the 'stage' (environment – reinforced by state policy, regulations, and other executive functions to such effect). By now, both proximal interventions were largely used to illustrate that such change 'can' be brought about by the implementation of reforms (as the principal agent of change) as opposed to the proximal interventions being the principal agent of change. It may be noted that in all the three generations of projects, the focus of DFID's interventions in any state remained Class-I towns (Census definition)²⁸.

The third generation projects (MPUSP and SPUR) attempted to address issues of sustainability that affected the reforms of the second generation projects. A key observation arose is the matter of sustainability of these reforms. It was found in APUSP, KUSP, and KEIP that the learning ingrained from the initiatives was internalised only to one generation of municipal staff, and not carried forward to the others. Much of the learning could not be transferred beyond the immediate recipient of DFID's assistance, and this was largely on account of the bulk of the focus being on the municipal body and not the state government itself. Since legislation, policy, and standard operating procedures are governed from the state level, many of the good initiatives failed to take root²⁹. During these projects, the state level

²⁸ Urban agglomerations and towns are grouped on the basis their population in Census. Urban agglomerations or towns that have at least 1,00,000 persons as population are categorised as Class-I urban agglomerations or towns. Source: Census of India, 2011 (see http://censusindia.gov.in/2011-prov-results/paper2/data_files/India2/1.%20Data%20Highlight.pdf).

²⁹ A typical case in point is that of accounting level reforms in West Bengal. Despite local fund audit being an inextricable component of accounting reforms, the state has steadfastly insisted on being audited by the office of the Comptroller and Auditor General of India, which does not audit accrual-based accounts. As a result, from an audit compliance perspective, the state is forced to maintain cash-based, single entry accounts for audit purposes. Other examples include the non-clearance of recruitment rules for Municipal Finance & Accounts Officers, partial compliance to pro-poor budgeting rules, etc.

issues were meant to be handled by entities 'external' to the host department, viz., Change Management Unit (KUSP) and the project management unit that eventually became MEPMA (APUSP). However, these entities did not per se enjoy the same statutory powers as the department that was responsible for the municipal reform. Therefore, while these entities had the power to 'influence' policy, these could not specifically 'direct' the municipal bodies to implement reforms.

The third generation projects (MPUSP and SPUR) attempted to solve this problem by diverting focus to the state government level and setting up TASTSs, which would directly support the host department responsible for the municipal reform. However, now, a different problem arose. This arrangement diverted the focus of implementation largely to the state level, neglecting the actual implementation at the level of the municipal bodies. Municipal bodies would thus often have little idea about how to proceed with a reform, or conditions were not conducive to promote these reforms. In response, the financial assistance component offered by DFID also sought to place 'city support units' covering one or more cities to assist cities in implementation, but results have largely been mixed.

As discussed previously, second and third generation projects were concurrent for a long period, since KUSP continued all the way up to 2010 and APUSP continued all the way up to 2008, while third generation projects commenced as early as 2005. As a result, some of the approaches used in the third generation projects were also retroactively or retrospectively applied to second generation projects. Initiatives taken up under KUSP were transplanted to other ULBs of the state of West Bengal. It may also be noted that the reforms stipulated under JNNURM also required to be implemented at this time, so it is possible that a number of reforms were extended to non-DFID programme supported cities under the influence of both the DFID programmes (as a solution) and JNNURM stipulations (as a demand).

Although a complete theory of change for the three generations of projects is not being developed here, the differences across the generations can be broadly captured with regard to the nature of interventions, the delivery mechanisms, and the focus of outcomes, as follows.

FIRST GENERATION

Interventions - Location and Nature

- Specific slums within specific cities identified for slum improvement programmes (SIP)
- Nature of interventions largely similar/ analogous to concurrent Central/ State sector schemes related to slum improvement.
- About 90 - 95% budgets earmarked for proximal interventions plus DFID supported innovations including improvement of living conditions and mobilisation of communities.

Delivery Mechanism

- Implementation carried out by community development departments within municipal bodies or designated arms of the State engaged in implementation of analogous Central/ State sector schemes
- DFID / ODA experts involved in design, implementation support, quality/ process assurance, monitoring progress and evaluation.
- Limited community involvement - more of a top-down approach

Outcomes - Sectors and Level

- Basic services upgraded at the level of slums leading to improved living conditions for residents
- Community based structures established to take ownership of interventions, though not necessarily long term maintenance
- Precedence set of community involvement .

SECOND GENERATION

Interventions - location and nature

- State wide programme but mainly restricted to specific Cities/Class I towns; proximal interventions limited to slum areas within these; distal interventions directed to ULB's at city/town level to increase capacity to implement proximal interventions
- Strategic planning a core component around which all interventions were designed
- Bulk of budget allocation towards participatory proximal interventions within slums; remaining allocations towards distal interventions - i.e. reforms/ municipal capacity building. New component on local economic development, promotion of livelihoods and involvement of civil society organisations

Delivery Mechanism

- State owned & operated mechanism (PMU/ MSU) commissioned to support implementation; assurance and management oversight with DFID
- Augmented involvement of civil society organisations for entire components (UPADHI, Challenge Fund etc.)
- Community involvement more organised and community based organisations involved in major decision making with regard to slum improvement.

Outcomes -sectors and level

- Increased municipal capacity and responsiveness to reforms; better preparedness for future reform linked funding schemes such as JNNURM.
- Exposure to structured strategic approach towards urban poverty alleviation
- Willingness at State level to invest into mechanisms and institutions to sustain changes in working, administration and policies (CMU, MEPMA etc.)
- Improved understanding of the larger issues on Municipal financial sustainability

THIRD GENERATION

Interventions - Location and Nature

- Predominantly distal interventions towards making projects sustainable; and addressing policy concerns across the sector at state level.
- Largely focused on reforms related to the Central sector scheme of JNNURM
- Series of new reforms and emerging areas such as private sector participation; augmented focus on systemic reforms such as e-Governance, municipal process re-engineering

Delivery Mechanism

- Single vendor commissioned by DFID for setting up a Technical Assistance Task Team (TAST) for implementation support and process assurance; DfID's involvement limited to management oversight
- Two levels of TAST teams - one at State level; one at city/ cluster level
- Government continues to implement and provide financial inputs
- Community based organisations empowered to participate in urban governance.

Outcomes - sectors and level

- A number of reforms implemented at a State wide level, particularly related to regulations, rules and safeguards.
- Successfully leveraged central sector schemes
- Increased state government responsiveness to a newer set of reforms - e.g. private sector participation, climate change resilience, energy conservation, violence against women

Figure 9: Interventions, delivery mechanism, and outcomes of the three generations

The highlights or the predominant features of each generation of projects are given in the table below:

Table 5: Highlights of features of the three generations

Generation	Characteristics
First (HSIP, CSIP)	<ul style="list-style-type: none"> Implemented during the 1980's and through the 1990's Largely based on pre-existing Central sector schemes, and innovating the delivery of such schemes through processes such as participatory approaches Largely proximal interventions – concentrated on environmental improvement, spatially limited to slum areas within specific cities only Municipal capacities not of much significance, desired results largely limited to quality of life inside slums; DFID personnel/ experts were directly involved with implementation alongside Municipal functionaries.
Second (KUSP, KEIP, APUSP)	<ul style="list-style-type: none"> Implemented in the late 1990's/ early 2000's and up to 2011 Scaled up from erstwhile slum improvement schemes, covered a 'State-wide' approach – covering class I cities; developed ground-up by the State to capitalise upon successes of first generation projects. Mix of proximal and distal interventions - new component of reforms included in addition to participatory environmental improvement within slums; reforms largely in line with recommendations of the second ARC, compliant with the 74th Constitutional Amendment and based on best practices illustrated by other donors (viz. USAID), which were internalised into National policies and prerogatives in municipal development (double entry accounting systems, e-Governance etc.) Development and augmentation of municipal capacities on priority basis in line with 74th Constitutional Amendment, Planning of strategies and activities for poverty reduction included as a major focus (DDPs and MAPPs), focus on professionalization of municipal cadres, ensuring financial self sufficiency of Municipal bodies, and ability to leverage markets State-owned mechanisms for implementation of projects – creation of support institutions (MEPMA, CMU), DFID largely in a supervisory/ assurance role.
Third (MPUSP, SPUR)	<ul style="list-style-type: none"> Conceptualised from 2003 onwards when second generation projects were still on-going, actual implementation began in 2006 (MP) and 2010 (Bihar); Similar in structure to second generation projects, but largely designed to help States capitalise upon opportunities posed by the Central Sector scheme of JNNURM Largely focused on governance reforms, and capacity development of Municipalities in view of the same; reduced focus on proximal interventions – work in slums similar to first and second generation projects, with augmented involvement of community based structure(s), but reduced share in budgetary allocation. New governance reforms such as Municipal process re-engineering, reforms in deployment of technology and property tax for improved accountability. Strategic planning for Municipal bodies also largely subsumed into Central sector scheme stipulation of preparing City Development Plans, pro-poor focus of strategic planning reduced to annual action plans. Several new areas such as energy efficiency, clean development mechanism introduced; increased focus on private sector participation in basic services. New institutions created with the purpose of shared responsibilities such as project development and leveraging market funds (also taken up in second generation projects still running at the time) Model of delivery changed from State owned entities to professional consulting services working as Technical Assistance Support Teams or Units (TAST/ TASU)

3.3 To what extent did DFID's programmes integrate cross-cutting themes?

In line with its commitments to the Millennium Declaration and various development objectives intimated from time to time by the government, the following themes have been assessed across the seven projects:

3.3.1 Gender, equity, and violence against women

Although even the earliest projects where participatory tools were used (viz. CSIP-1c) exhibited a heightened sense of awareness that women in an urban poor community could be mobilised faster and made more effective deliverers of development, it was not until the third generation of projects (2005) that baselines were proposed to contain gender disaggregated data.

Almost all of the projects, across all generations, included proximal interventions related to slum improvement, viz., the installation of streetlights within slums, provision of community toilets were responses to concerns of safety of women in environments known to be hostile or prone to domestic violence. Likewise, components pertaining to alcohol de-addiction and household sanitation (KUSP) were also stated to be instrumental. The second generation projects of APUSP and KUSP have had components pertaining to livelihoods and challenge funds that have fostered women's self-help groups in developing sustainable livelihoods. Violence against women being an area to address (actively or passively, through interventions) was taken up for the first time in the third generation project of SPUR in Bihar, and more recently, through MPUIIP (the follow-on project of MPUSP), with a focus on making cities safe for women and evaluating pilot interventions to build up a rigorous evidence base.

It may be said that although the awareness of the gender dimension in development has been there in most of DFID's projects, the follow-up action to these have been governed by other considerations in programme design.

3.3.2 Climate Change and Environmental Sustainability

There is increasing global recognition of the importance of integrating concerns of climate change into urban programming. Cities are both important sources of greenhouse gas emissions (although exact contributions are contested in the literature) and hence could be an important driver of reducing overall emissions, as well as areas which need to be assisted to adapt to the effects of climate change³⁰.

Gol has only started focusing on the confluence between urban development and climate change in recent years. The National Action Plan for Climate Change was taken up only in 2008, and only three subjects feature with respect to urban development (under what is being called the National Mission for Sustainable Habitat) – one to do with urban transport, the second to do with ecological management of solid waste, and the third has something to do with green buildings – all of which have remained out of purview of DFID projects for now. There is however increasing evidence that DFID's interventions are integrating concerns on climate change. The upcoming MPUIIP has taken all three of these components into account. Precursory work on reducing carbon footprint (and consequently GHG emission reduction) appears to have been given some thought in APUSP (which has now become the AP Energy Mission) and SPUR. It also is expected that the second two-year implementation cycle of SPUR in Bihar is likely to take this up.

Whilst climate change is a relatively new programmatic concern, issues of environmental sustainability have been relevant for all generations of projects. Most of the interventions linked to slums have

³⁰David Satterthwaite. 2010. "The Contribution of Cities to Global Warming and their Potential Contribution to Solution" in Environment and Urbanisation Asia. Vol. 1 No. 1. New Delhi.

contributed to environmental improvement though improved accessibility to clean drinking water, safe and hygienic disposal of waste, etc. Some of the municipal bodies were encouraged during KUSP to prepare State of Environment reports, which are also reflective of the municipal body's obligations towards the improvement of local environment (Entry 8 of the twelfth schedule – urban forestry, protection of the environment and promotion of ecological aspects).

However, none of the Project Cooperation Memoranda raised any specific issue related to environmental sustainability apart from safeguards. There was no component in any of the first generation projects that specifically caters to the environmental sustainability objectives, and consequently, no baselines or benchmarks have been drawn. It may be argued that the basic premise of slum improvement is congruent with the objectives of environmental sustainability by preventing contamination of water sources through provision of proper sanitation. The second and third generation projects have continued with the above premise, adding to it the issue of lowering energy consumption. In APUSP, for instance, the premise of lowering energy consumption was explored in some of the street lighting projects as well as water pumps. This has now been subsumed into the state level initiative in the form of the 'energy mission'.

3.3.3 Poverty and Social Exclusion, Urban Livelihood, and Legal Status

The three generation of projects, spanning across three decades, reflects DFID's intense and sustained engagement with the issues of poverty. By the end of the 1990s, it attempted to address the root cause of poverty rather than just the symptoms, in line with its overall understanding and aid policy. In the first generation projects, broader goals like improvements in welfare and living standards (HSIP) and integrated and sustainable development (CISP) were central. The second generation projects were more focused with APUSP aiming at reduction in 'vulnerability' and 'poverty', while KUSP was set to target poverty through 'improvements in the quality of life' of the urban poor. Interestingly, although DFID had since the beginning postulated that economic growth would lead to poverty reduction, it was not until the third generation projects were designed that economic growth was clearly articulated as a goal. However, while MPUSP did aim for 'sustainable poverty reduction and economic growth', in reality, its interventions were largely focused around pro-poor governance for sustainable access to services.

SPUR, on the other hand appears to be more ambitious and proposes to significantly accelerate economic growth and poverty reduction during the project period by enhancing the abilities of ULBs to provide services and attract private investment. And to this end, a local economic development (LED) component (output 4), with focus on building an investment climate, especially for medium and small enterprises, a relatively new area of intervention for DFID in India, has been included in SPUR. Besides, unlike the earlier projects, SPUR has a dedicated output that aims at empowering the poor and socially excluded communities to access 'increased urban resources and livelihood opportunities' (output 5), primarily through organisation of SHGs. While admittedly LED, together with municipal reforms, provides a fair chance for the ULBs to showcase their economic potentials, its links with poverty reduction is yet not clearly established in the programme.

Likewise, while all the projects as well as DFID's CAPs reiterate the understanding of marginalised groups and social exclusion, none of the projects has a specific strategy to ensure social inclusion.

Despite speaking of urban poverty, integration of **urban livelihoods** within larger urban development programmes has not been addressed in a systematic manner. There have been some attempts to integrate urban livelihood initiatives with national programmes and schemes such as SJSRY. SPUR, for instance, mentions a holistic Local Economic Development Plan. At the slum level, there needs to be more synergy between the activities of planning and livelihoods. This will help in identifying the needs of each household, together with their assets and liabilities, which should help in livelihood planning this will take into consideration the diversity within urban areas. The urban economy is mostly informal, leaving the poor more vulnerable. Urban development programmes could also attempt to strengthen occupational groups of the poor. New research should aim at a better understanding of urban livelihoods in the context of countries like India.











































Since the urban poor are mostly migrants from nearby states and rural areas of the same state, they often lack legal registration and may be disenfranchised and excluded from political decision making. In addition, they often suffer from police harassment and bureaucracy. Lack of legal status may also limit the access of informal residents to basic social services (health and education), or financial services (e.g., bank loans). In addition, prevalence of illegal connections to infrastructure (such as electricity or water) means that many informal residents are vulnerable to the sudden withdrawal of key services, and may also be fined or punished in some way for illegal use of these services. Thus, any programme of urban development should provide an enabling environment for the urban poor to function. It would be useful if future projects included interventions on inclusion of migrants and dwellers with informal status into the formal system. Specific measures must be developed to address their vulnerability with regard to access to basic services due to their informal status.

3.4 Have Issues of Sustainability been Adequately Addressed?

3.4.1 Evaluating Sustainability

One of the key aspects of the terms of reference for this retrospective review was to assess the sustainability of DFID's programmes as well as the credibility of the evidence base relied on to make this assessment. The review has found very little credible evidence to make a systematic and objective assessment of sustainability. Whilst some of the impact evaluations detailed in Chapter 4 did particularly assess sustainability, especially around institutional reform and internalisation of some key operational reforms, the absence of follow-up studies after the completion of programmes limits a longer term perspective. Thus, only broad inferences with regard to sustainability can be made.

Furthermore, there are distinctive methodological challenges in assessing sustainability. For example, new infrastructure tends to have an optimal life span; continued existence after this date may be more a symptom of a lack of continued investment and the inability of municipal governments to replace degraded infrastructure, rather than any judgement on the sustainability of DFID's investments. For this assignment, we have developed a framework defining the sub-components of 'sustainability' and tried to rate the various projects against these sub-components, bearing in mind the limited evidence and caveats above. This is presented below using the following legend:

	First Generation		Second Generation			Third Generation	
	CSIP 1a&b	HSIP	APUSP	KUSP	KEIP	MPUSP	SPUR
Physical Infrastructure							
Continued existence							
Continued access and utilisation							
Cleaning, maintenance and repair							
Environmental Sustainability and Climate Change							
Institutions created/ strengthened at the time of the TA as well as policies supported							
Policy Reform at Municipal, State or National Level							
The ability of Government institutions at various levels to plan and make policies and design programmes							
















































	First Generation		Second Generation			Third Generation	
	CSIP 1a&b	HSIP	APUSP	KUSP	KEIP	MPUSP	SPUR
The ability of Government institutions at various levels to implement policies and programmes							
The ability of Government institutions at various levels to monitor and evaluate policies and programmes							
The ability of Government institutions at various levels to finance policies and programmes							
Ability to Overcome Moderating Factors							
Social Exclusion							
Elite Capture ³¹							
Local Acceptance and Buy In ³²							

Figure 10: Mapping of sustainability of interventions across various projects

Legend

	Partially present		Not present and not included as part of project design
	Cannot be objectively determined/Insufficient information		Present
	Not Applicable		

The broad scoring for the above is based on some of the following considerations, including those based on the analysis earlier in this chapter.

In terms of the **continued existence of assets**, it is important to note that assets created for slums are not typically expected to have a life of over 15 years, and several slums have thereafter been taken up under KEIP (ADB supported components) or JNNURM, which has replaced the infrastructure totally. The sustainability of limited proximal interventions in MPUSP and SPUR cannot be adequately assessed given its ongoing implementation. For the most part, continued access and utilization would go hand in hand with continued existence. Continued cleaning, maintenance, and repair may have been precipitated by other programmes or normal business of the corporation, and not necessarily under the same project.

³¹ No specific evaluation carried out. Process does not apply to KEIP.

³² APUSP and KUSP would indicate that some of the reforms promulgated have been accepted and bought by the state. The same cannot be said for MPUSP and SPUR as the reform prerogative was conditional to central funding and cannot be exclusively credited to these programmes.

In terms of physical infrastructure, first generation projects lacked focus on increasing the revenue base or improving on revenue generation for municipalities or local governments including property tax reforms, which often left no budget for maintenance of infrastructure created during the project, let alone build new ones. Second generation onwards, lot of efforts were channelled towards municipal reforms around financial management and accounting systems to help generate budget for creation of new infrastructure and maintenance of old infrastructure.

In effect, sustainability of assets has always remained a 'less-addressed' area, usually because projects were not conceived or designed with a 'life-cycle' basis of costs. Thus, while augmentation of municipal revenues was taken up as reform areas, the capability to tie such revenue receipts into revenue expenditure (for maintenance of the assets) through a dynamic budgeting model remains low. This is also on account of the fact that the reforms pertaining to augmentation of revenues perform slower than the requirement of funds for revenue expenditure, and municipal expenditure tends to address current issues first and long standing issues later. In effect, if an asset is created in year 1, and another asset is created in year 4, and if in year 6, both assets need repairs, municipal bodies tend to make revenue expenditure on the second asset and not the first.

With regard to **policy reforms at state and municipal levels**, first generation projects did not per se include any component of reforms. Second and third generation projects have attempted to introduce reforms, but across the state, these have met with mixed degrees of success. As stated elsewhere in this report, many of the reforms were first promulgated by the USAID supported FIRE-D project, based on prerogatives identified by the Rakesh Mohan Committee, and thereafter internalized into schemes such as URIF-I, URIF-II, and thereafter JNNURM. The enactment of the Constitution of India (73rd Amendment) and the 74th Amendment also necessitated implementation of several reforms. Since almost all of their reforms are in partial state of implementation (either not having been internalized fully or only some municipal bodies partaking into these), both these states of progress have been marked yellow.

In terms of the **ability of different government tiers to independently develop new policies and programmes**, except for the state of Andhra Pradesh, which has taken up the issue of reforms under other (subsequently) externally aided projects such as Andhra Pradesh Municipal Development Programme as a part of programme design, other states have not developed new programmes and are largely dependent on Central sector schemes. This leads to the evaluation that this parameter has been only partially achieved under the DFID assistance, or that the state government is exploring other value additions towards the implementation of this reform.

To address the **implementation ability of different government tiers**, some capacity building initiatives were taken up from second generation projects onwards and have included the creation of specific entities that were designed to address reforms and pro-poor governance, viz., the Change Management Unit. These appear to have had opposing effects; on one hand, they have added the capabilities of design, implementation, and monitoring within the government, while, at the same time, being unable to internalize the processes into the normative players such as Municipal Governments. This is partially attributable to the fact that formative laws, regulations, and rules that govern these normative players have not been amended to an extent that their functional prerogatives would change. However, it may also be argued that this was not really an expected outcome; the purpose may have been to sensitize the government to such processes and safeguards, and let development policy internalize them in their own time.

With respect to **the ability of government tiers to monitor and evaluate**, institutions such as the Centre for Good Governance (created under the Andhra Pradesh Administrative Reforms Project, funded by DFID, but utilized extensively under APUSP) have been capacitated to carry out a series of non-normative evaluations of programmes and develop a series of monitoring systems. However, statutory monitoring requirements have not been upgraded to suggest that monitoring processes may be augmented on an all-round basis. Much of delivery is still measured in terms of budgeted expenditure

versus actual expenditure. This may indicate that DFID programmes (particularly with respect to administrative reform) could not achieve changing the paradigm shift of measuring progress and results from beyond the perspective of fiscal delivery, or accountability being moved from financial parameters only to qualitative or quantitative factors.

In terms of the ability of government tiers to achieve **financial sustainability**, partial impact has been seen in terms of processes that have reorganised available fiscal resources for better delivery, viz., earmarking of budgets for urban poor. For instance, most of the states have now created a municipal fund for the urban poor. However, limited success has been achieved in cases where additional fiscal resources have been used. For example, the share of the urban poor within additional funds generated out of PSP/PPP arrangements is still limited. Revenue augmentation measures such as streamlining of property tax etc. have also met with partial success – while absolute revenues have increased, the coverage and collection ratios are still to reach standard benchmarks stipulated by the National Government – viz. reform compliance benchmarks under JNNURM.

It may be noted that a number of factors contingent upon reforms are politically sensitive, viz., augmentation of municipal revenue from property taxes or licensing fees, and this may in retrospect be a 'contextual factor' that the programme may not have been able to address.

With regard to **institutional sustainability**, often it was found (until the second generation of projects) that the learning ingrained from the initiatives internalised only to one generation of municipal staff, and was not carried forward to the others. First generation projects lacked an integrated work plan, i.e., harmony between different stakeholders involved in designing, implementation, and operationalizing of the projects, apart from lacking focus on developing a sustainability plan. Until the second generation projects, much of the learning could not be transferred beyond the immediate recipient of DFID's assistance, and this was largely on account of the bulk of the focus being on the municipal body and not the state government itself. Since legislation, policy, and standard operating procedures are governed from the state level, many of the good initiatives failed to take root³³. The third generation of projects attempted to solve this problem by diverting focus to the state government level. However, now, a different problem arose. The process of helping municipal governments internalise the processes has been considerably difficult, and barring a few reforms, many of them were reported to be in a state of partial internalisation.

This is partially governed by the fact that none of the projects attempted to change fundamental service codes within municipal bodies, that make certain competencies mandatory for staff to work in a certain position. Organisation development exercises have been carried out with at least two projects (MPUSP and SPUR), but according changes in ensuring competencies (amendments to statutory service codes & rules) have not been effected in most States. In the case of MPUSP, a municipal training centre had been proposed, but it never fructified.

While planning and designing policies and programmes, first generation projects tried to include community groups, but this step failed to take off, probably due to the fact that there was no long-term means to internalise the mechanism within the 'normal course of operations' of the municipal body³⁴. With the second generation projects, community involvement at all levels of planning, designing, and implementation of programmes, increased the stake of community in its overall impact including

³³ A typical case in point is that of accounting level reforms in West Bengal. Despite local fund audit being an inextricable component of accounting reforms, the state has steadfastly insisted on being audited by the office of the Comptroller and Auditor General of India, which does not audit accrual-based accounts. As a result, from an audit compliance perspective, the state is forced to maintain cash-based, single entry accounts for audit purposes. Other examples include the non-clearance of recruitment rules for Municipal Finance & Accounts Officers, partial compliance to pro-poor budgeting rules, etc.

³⁴ This cannot be stated conclusively – since there is no evidence base. However, given the fact that community participation was not officially internalized within Municipal operations at that time, this is a reasonable estimate.

maintenance and repair of physical infrastructure. This includes proposal of Draft Development Plans (DDPs), MAPPs, and City Development Plans (CDPs). Community involvement was also built in to increase trust and local buy-in of the programme. However, their involvement was considerably reduced in third generation projects and largely limited to planning and prioritising at the slum level through community-based organisations.

3.4.2 What type of interventions were more sustainable and why?

A key question that warrants consideration is why some interventions appear to have lasted even after the completion of the programme, while others have had issues with take up and sustenance. To understand this, reforms may be classified into three broad categories.

Table 6: Type of interventions

Compliance based	Performance or output based	Process or input based
<u>What it implies:</u> That the implementer of the reform requires fulfilling a statutory or quasi-statutory compliance to one or more conditions in order to be able to access certain benefits, and that the party imposing such a requirement has the legal power to do so	<u>What it implies:</u> That the implementer of the reform is required to meet a particular standard of performance using whatsoever means it may deem necessary. The stipulation may or may not be statutorily imposed, usually supplemented with a compliance based reform in case it is mandatory	<u>What it implies:</u> That the implementer of the reform is required to adopt a particular process or set of such processes to conduct its businesses, usually not on a statutory basis, but on a 'best practice' basis
Reforms: <ul style="list-style-type: none"> - Accounting reforms - Compliance to 74th Amendment - Rent control/administration 	Reforms: <ul style="list-style-type: none"> - Adoption of service level benchmarks - Levy and collection of property tax and arrears - Reduction of A&OE in municipal bodies 	Reforms: <ul style="list-style-type: none"> - Staffing patterns - Use of e-governance - Taking up of discretionary functions of the 12th schedule
Obligation on the State: High – as this can be legally enforced	Obligation on the State: Medium to high – as this can be legally enforced though law and/or covenants in specific cases, but state may be empowered to legislate to the contrary	Obligation on the State: Low – as this can only be recommended and the state can legislate to the contrary
Effort by the State: Not relevant – this is a compliance requirement, which cannot usually be negotiated with	Effort by the State: Low to medium – State may state inability to comply/implement citing contextual factors	Effort by the State: Can vary from low to high – depends on state's readiness and its assessment of benefits
Ease of convincing states to take up reform: High	<u>Ease of convincing states to take up reform:</u> Low to medium – unless a strong business and political case is made in favour	<u>Ease of convincing states to take up reform:</u> Low, unless a strong business and political case is made in favour; dependent on political leadership as to how it views the impact of reforms (change in power structure and equations)

Traditionally, it has been seen that compliance-based reforms have been the easiest to implement, while reforms taken up to improve performance or processes have exhibited mixed results. For instance, adoption of double entry, accrual-based accounting systems have largely taken off in most municipal bodies covered, but appointment of specialised staff for municipal functions (viz., accounts and finance officers) has usually hit administrative roadblocks³⁵. However, some notable successes have been realised; including when GoWB committed to include the three staff positions included under KUSP as part of municipal payroll and the cadre reforms in MP which would be one of the first of its kind in India, especially among traditionally lagging states.

Processes such as adoption of e-governance systems typically hits roadblocks such as technology selection³⁶ and choice of topology because solutions offered under the DFID assistance are questioned by successive administrations on business case issues (viz., adoption of ERP as opposed to stand-alone modules, usage of SWAN, etc.). In certain cases, exigencies of one administration may cause a particular solution to be chosen, while the successive administration may disregard such exigencies. Part of the issue as stated by respondents interviewed is caused by the fact that an adequate justification in terms of expenditure by the state and whether such investment generates value for money, is not given. In the case of KUSP, for instance, the Government of West Bengal insisted on getting the audit of municipal accounts done by the office of the C&AG of India as opposed to local fund auditors. Since C&AG still largely follows a cash-based, single entry accounting system as a basis for audit, the imperative to maintain accounts in the accrual-based, double entry system is reduced.

Political considerations also play an important role in sustainability of interventions. In at least two projects, KUSP as well as MPUSP, DFID assistance proposed to create a community level fund where residents would pay to create a corpus that could be used locally for day-to-day maintenance work. Elected representatives of such areas sought to take up such works under their own discretionary funds, thus making the need for the local corpus redundant and thereby reducing community ownership that was created during the project. During the reviews and informant interviews, several informants (across several States) stated that in the case of augmentation of municipal staffing, elected representatives perceive professional staff as being a challenge to their discretionary powers – particularly related to approval of proposals and/or budgets³⁷. In the state of West Bengal, elected representative also wield executive powers – including issuance of birth and death certificates and according of building permission, which are lost in the event of appointing of municipal cadres. In some cases, unions of lower ranked staff, who are entitled to promotions to senior levels, perceive the creation of such posts as a threat since these are usually designated to have higher qualifications than what they have.

3.4.3 Exit Strategies

Another key question that may be considered in relation to sustainability is whether DFID had an exit strategy and handover policy with respect to its projects, and gave adequate thought to replicability and sustainability. As previous chapters have shown, much of DFID's work has been in assisting state governments in 'doing things better', through incremental reforms and disseminating best practice, rather than introducing new project based activities. This approach is strong in terms of reducing dependency and duplicative implementation mechanisms that can undermine sustainability.

³⁵ While states appear to have agreed in principle to create new cadres, several levels of administrative issues appear to be holding up the actual recruitment.

³⁶ In the case of MPUSP, the SAP powered ERP solution deployed for the Municipal Corporation for Bhopal is currently being proposed to be employed all over the state, but there is lack of consensus on whether the same technology should be retained or a new technology selected. In the interim period, a number of municipal bodies are going ahead with their own solutions.

³⁷ Based on key informant interviews with State Government officials

Furthermore, as illustrated in the course of this study, at least three states appear to have ‘generational’ programmes: West Bengal (through CSIP, KUSP, and now, an emerging technical assistance for KUSP), Andhra Pradesh (first under some of the SIPs in Hyderabad, Vijayawada, and Visakhapatnam and subsequently, through KUSP), and Madhya Pradesh (first through MPUSP and now, through MPUIIP). Of these, Madhya Pradesh and West Bengal have ongoing or emergent programmes, while Andhra Pradesh is no longer a priority on account of the fact that (i) DfID now focuses largely on low income States and AP is no longer one, and (ii) a number of other donors are now building on the reforms originally started under APUSP. First generation projects, i.e., SIPs, can be kept out of the purview of this assessment as these were specific projects with a visible, discernible, and tangible end as opposed to a programme, which works on specific outcomes.

In the case of Andhra Pradesh, the state has itself been declassified from being a low-income state to a middle-income state, and therefore, DFID’s assistance to it has been discontinued. However, a quick assessment of the initiatives taken up under APUSP would indicate that some of the efforts taken up, particularly towards urban poverty alleviation and improvement of local economic opportunities for urban poor, have been taken up by MEPMA. Thus, a number of reforms originally proposed under APUSP seem to be continuing as part of the strengthening exercise under the Andhra Pradesh Municipal Development Programme (World Bank) and its short-lived predecessor (Andhra Pradesh Urban Reforms & Municipal Support Programme, also by the World Bank). Prima facie, it would appear that the state government has specifically sought additional external aid to broaden and/or strengthen the reforms that were originally promulgated or supported under the programme, and that MEPMA – the entity created to sustain the poverty alleviation programmes of Andhra Pradesh is not involved with this. However, with the exception of MEPMA, it cannot be conclusively stated if DFID has had a formal exit and handover strategy for the urban programme it ran within the state.

In the case of West Bengal and Madhya Pradesh, current evidence illustrates that neither state has shed the tag of a low-income state, which is why DFID appears to be continuing its assistance. Both states have a follow-up programme to the prior urban programmes, which would indicate that the option of continuing support to the state was probably always kept as an option. DfID’s exit strategy for these States has largely comprised of certain result areas, viz. internalisation of positions created in municipal bodies and the establishment of institutions for discharging certain functions commenced under the technical assistance programmes. However, field evidence would indicate that in many States, these initiatives have not sustained – ostensibly due to lack of interest by the State to continue. The one initiative however, that has sustained in both West Bengal as well as Andhra Pradesh is the establishment and eventual State-ownership of agencies which have now taken up subsequent poverty alleviation programmes.

In the case of SPUR in Bihar, the project has currently reached its mid-term (year three of the six-year programme), and therefore, it may be too early to project if there is an exit strategy for DFID from the state. The design of the document does however specify a terminal phase of two years where certain outcomes are expected to be achieved insofar as the capabilities of local governments are strengthened to a desired/expected level, but does not delineate any specific exit strategy or withdrawal of financial assistance for sustenance.

3.5 Has DFID’s programming met international aid effectiveness standards?

The following section presents an assessment of DFID’s urban projects in India in terms of adherence to international norms on aid effectiveness, including the indicators contained in the Paris Declaration and Accra Agenda for Action. A **traffic lights analysis** methodology has been followed to conduct the assessment in an objective manner based on the information available. The traffic lights matrix as presented below has been used to classify interventions across specific categories of action. For example, whether joint country analytic work was carried out during a project; a traffic light is assigned to it based on the extent to which it was considered and included.

The Paris Declaration on Aid Effectiveness was agreed to in 2005 to provide practical guidelines to improve the quality of aid provided and its impact on development. The aim is to ensure that donors and recipients hold each other accountable for their commitments. The principles of ownership, alignment, harmonisation, results, and mutual accountability are considered fundamental to make aid more effective. It is our aim through this assessment to determine to what extent DFID has supported and harmonised government laid out strategies and targets for urban development in their programmes and the resulting impact that has been achieved. The extent to which ownership and mutual accountability has been built into the programme is crucial in examining the results achieved, especially in relation to goals set for the project.







It must be noted that since the Paris Declaration only came into effect in 2005, it is not possible to assess adherence against the Paris Declaration norms for the first and second generation projects. However, to whatever extent possible, based on available information, our assessment has tried to objectively identify whether any of the Paris norms were considered in projects before the declaration came into effect. The aim here is then to analyse whether there has been a shift in project approach after 2005 and the extent of this shift and further determine whether change in the level of impact can be attributed to this. From the matrix below, it can be seen that for the second and third generation projects, all principles that were applicable in the context, were adhered to.

Summary Matrix of Adherence to Principles of Aid Effectiveness

Indicators	Ownership	Alignment				Harmonisation			Results oriented frameworks	Mutual Accountability	Capacity Development
	Partners Set the Agenda	Aligning with Partners' Agenda	Using Partners' Systems			Establishing Common Arrangements with Other Donors	Simplifying Procedures	Sharing Information			
	Operational Development Strategy In Place	DFID's CAPs and programming align with NDPs etc.	Use of country's PFM systems	Use of country's procurement systems	Strengthen capacity by avoiding parallel PIU	Use of common arrangements or procedures with other Donors	Joint missions to the field	Joint country analytic work			
First Generation											
HSIP											
CSIP 1a & 1b											
Second Generation											
APUSP											
KUSP											
KEIP											
Third Generation											
MPUSP											
SPUR											

Figure 11: Mapping of adherence to aid effectiveness across various projects

Legend

	Partially included		Not present and not included as part of project design
	Cannot be objectively determined		Present
	Not Applicable		Present, but by way of other donor/other DFID initiative

In general, it is clear that DFID scores very highly against the Paris Declaration targets in its urban programmes in the second and third generation projects. Majority of funds are given as financial assistance grants and are put through government systems. A good emphasis is made on capacity building of government staff and institutions. As the following chapter outlines, the programmatic focus largely supports the government's national plans and priorities.

One issue that would be worthy of further consideration by DFID in the future, and in other contexts, is the use of TASTs, as in the third generation of projects. These TASTs provide technical advice and support to the government to maximise the effectiveness of the financial assistance provided by DFID, for example, through piloting innovations and providing dedicated staff in a way that does not leave behind residual liabilities with the TA recipient. The risk with this approach, however, is that if they become de facto Project Implementation Units, driving DFID's project components rather than a holistic government approach to development, then this would contravene the principles of the Paris Declaration. As the third generation projects are still ongoing, the review team was not in a position to assess whether this risk materialised. Thus, the undertaking of a detailed review of the TAST approach is one of the recommendations emanating from this study, with a special focus on their delivery cost effectiveness, sustainability and ability to influence policy. Furthermore, objectively assessing harmonisation is beyond the scope of the review as the programmes of other donors have not been examined.

3.6 To what extent did DFID programmes influence government policies concurrent at the time of the programme?

The ability of DFID's programmes to support the Central Government to develop, design, and formulate programmes is fundamentally limited by the fact that many urban interventions are covered under subjects on which only the provincial government can legislate or act. These include, for instance, participatory approaches to planning of infrastructure inside slums and creation and fostering of community-based organisations.

Furthermore, on account of the division of responsibilities and subjects created in the business allocation rules of the state, many important facets of urban development programming, including water and sanitation, health, and social security, are out of the purview of ministries and departments responsible for key government programmes such as JNNURM which is administered by the Ministry of Housing at the Centre, and the State Department(s) of Urban Development in the States.

Despite this, the relationship between DFID and GoI appears to have been 'commutative', i.e., flowing both ways. While the physical interventions under the first generation DFID projects have been modelled on the state sanctioned responses, the actual field level responses within projects within 2002–2007 seem to have influenced a number of state initiatives.

One issue that has perhaps limited DFID's contribution to recent GoI programming is that DFID's programmes have explicitly avoided interventions related to land tenure, as this is highly political. However, it has meant that some of the DFID promoted models (e.g., in CSIP) have not been taken up in national level schemes (e.g., JNNURM Basic Services to the Urban Poor and the Integrated Housing and Slum Development Programme), which more explicitly addressed issues of land tenure. At the level of the State and local Governments though, the contribution of DFID's programmes have been considerably more pronounced, as the interventions have largely had demonstrative value to State Governments and local Governments on how to discharge certain functions.

Key amongst these influences has been the series of reforms in municipal finance and accounting and governance processes. As of now, irrespective of whether municipal bodies have officially adopted the double entry, accrual-based accounting system or not, most municipal functionaries are aware of its benefits and seek to implement the system. However, one of the key issues that DFID has faced in the internalisation of this reform, which continues to plague state governments, is that audit procedures are still largely based on the legacy model of single entry, cash-based accounting system. This is another instance of where a reform has percolated to some parts of the state government (viz., the Municipal Administration or Urban Development Department, which issues a series of orders, manuals, and guidelines to the effect of accounting reforms), but not to others (State Finance Department, which controls the audit functions within the state, which has not updated its procedures to keep up with double entry, accrual based models).

A key example is West Bengal where despite considerable training, sensitisation, and handholding in the field of accounting reforms, the state government has steadfastly refused to let local fund auditors perform statutory audits of local self-governments, and insists local self-governments be audited by the office of the C&AG. These conditions are largely detrimental to sustenance of reforms that are fostered through DFID programmes as well as reform linked schemes such as JNNURM.

The second area where DFID programmes have led to systematic thought and consensus within the municipal administration and urban development departments is that of e-governance. While 'computerisation' was very much a part of the national as well as state government agenda for a long time, DFID programmes have allowed states and local governments to articulate municipal functional needs for e-governance for the first time. As of now, irrespective of whether a municipal body has benefitted through DFID assistance or not, municipal functionaries are well aware of the benefits of a robust e-governance system.

However, this is also not without its share of flaws. KUSP initiatives for instance have largely worked on a 'decentralised' model, implying that each municipal body have its own dedicated server and platform, replicating and amplifying operations, maintenance, software and licensing costs. In the case of Madhya Pradesh, some municipal bodies, in order to deploy more cost effective solutions, have invested, on their own accord, into systems that are only partially compatible with the systems set up under DFID assistance, resulting in a fragmented model across the state, with neither scale-up nor integration possible. Jabalpur Municipal Corporation, for instance established an HR and payroll system (awarded by JNNURM) separate from the DFID supported Municipal Administration System for Bhopal (which was envisaged at the time for being rolled out across the State after successful deployment in Bhopal).

The third idea that seems to have been largely successful is the concept and understanding of dedicated, professional municipal cadres in the field of accounting, health (sanitation), engineering, and general administration, which are specifically trained and attuned to municipal functional needs. Almost all the second generation projects and beyond have attempted to foster the creation of such cadres. Municipal governments and departments for urban Administration and Development have been largely receptive of these 'cadres' as long as the fiscal burdens have been borne through DFID technical assistance. Usually, the task of 'internalising' these cadres to the normative state administrative machinery has been very slow, and at times, simply stopped for no apparent reason.

Interviews with project functionaries revealed a multitude of reasons as why this happened. For one, the fiscal implications of the professional cadres is a subject that the state departments of Finance and Municipal Administration usually do not agree upon, since each new position apparently creates a significant long term liability for the state. In other examples, such as in West Bengal, respondents alleged that the creation of these cadres is seen as an erosion of the elected representatives' discretion over executive powers, and hence, there is no political consensus on sustaining these reforms.

An interesting factor to note is that almost a decade after municipal cadres were first promulgated, Gol is now taking up the matter in a World Bank funded project – Capacity Building for Urban Development.

The key contributions of DFID programmes on government policies and programmes are summarised on the following table.

Table 7: Contribution of DFID programmes in various government programmes

Intervention under a DFID supported programme	Linked Intervention under a State supported programme	Other Influences supporting DFID contribution
Identifiable contribution		
Draft Development Plans (KUSP)	City Development Plans (JNNURM)	Other formative influences behind City Development Plans include the Cities Alliance & World Bank supported City Development Strategies
Comprehensive reform linked funding (APUSP)	Urban Reforms Incentive Fund (2003) Funding under JNNURM Set-up of Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)	Funding under JNNURM was mainstreamed from URIF and not APUSP directly
Indirect influence		
Migration to double entry, accrual based accounting system	Inclusion of reform as mandatory reform in JNNURM	This was largely precipitated by the reforms proposed under the USAID supported FIRE-D project
Energy saving initiatives (APUSP)	The AP state government has developed an Energy Mission on the lines of energy saving initiatives	
Reform Infrastructure Action Plan (APUSP)	RIAPs have assisted GoAP during reform implementation under JNNURM.	
Deployment of e-Governance solution	Inclusion of reform as mandatory reform in JNNURM	This was also influenced through a variety of other sources such as the National Mission Mode Project on e-Governance
Earmarking of budgets for urban poor	Inclusion of reform as mandatory reform in JNNURM	
Participatory planning for slums and adoption of 3x3 matrix for prioritisation of slums.	Rajiv Awas Yojana, succeeding JNNURM to include consent of slum dwellers in solution	
Implementation of accounting reform	The AP state government created a municipal cadre for chartered accountants and also appointed 228 accounts officers in 2013. This initiative was launched under APUSP in form of MAFAs and other officers.	

4 Evaluation

In this chapter, the evaluations undertaken for six urban projects are assessed (SPUR is ongoing and no evaluation has been conducted as yet). The aim of this assessment is to trace differences if any in the manner in which the evaluations have been conducted over time and make recommendations for future impact evaluations. The table below provides a list of the evaluations that have been undertaken, followed by a definition of the term (Section 4.1) and highlights of some selected evaluations. This is followed by a brief discussion of cost-effectiveness analysis in Section 4.2. Section 4.3 concludes.

Table 8: List of evaluations conducted across DFID programmes covered under the study (not including annual reviews)

S.N	Project	Evaluations
1	HSIP II and III (1983-1996)	Evaluation Report of Project Impact (1987): Eldawn University of Swansea Evaluation study of Hyderabad slum improvement project –Phase II (1989): ODA Impact Assessment study in selected slums of HSIP-III (1992): Council for Social Development, Hyderabad (Dr D. Vasudeva Rao) Detailed anthropological study of two HSIP 2 slums (undated): Prabhakar Varma Study of 33 slums in Hyderabad (1985): T. Rajagopalachari and G. Sreedar.
2	CSIP (1991–2002)	Participatory impact assessment (1997) ODAI.
3	KEIP (2001-2009)	Mid-Term review (2005); ICRA Management Consulting Services Limited Citizen report cards (2007); Public Affairs Foundation in India Baseline and Benefit Monitoring and Evaluation (2007); Infrastructure Professionals Enterprise Ltd (IPE) Impact Assessment (2009); IPE
4	KUSP (2003 - 2011)	End Term Evaluation (2011): TARU Leading Edge Private Limited. Mid Term Funding Review (2007): CRISIL. Quick Slum Surveys (2004-05): Change Management Unit (CMU), KUSP Urban Household Survey (2005-06): State Urban Development Agency (SUDA), GoWB Citizen Report Card: for 40 KMA ULBs (undated): CMU KUSP Urban Poverty Survey (2009): SUDA, GoWB Independent Evaluation of West Bengal Municipal Development Fund (WBMDf) (2010): Infrastructure Professionals Enterprise (P) Limited. Rapid Assessment of Innovative Challenge Fund (ICF) of the KUSP programme (2011): Catalyst Management Services (CMS) Private Limited
5	APUSP (2000-2008)	Impact Assessment (Evaluation) Of Andhra Pradesh Urban Services For Poor (2008) Infrastructure & Urban Planning (TI-UP) Resource Centre APUSP: Social Impact Assessment Study (2005): ThinkSoft Consultants Private Limited APUSP-Mid Term Review (2004): Intermediate technology consultants.
6	MPUSP (2006-2011)	Mid –term evaluation (2011): Ernst and Young End of Project evaluation (2013): India Development Foundation Impact Assessment (2013): WESTAT – in the inception phase currently

Of the evaluations listed above, only those that cover the project as a whole have been considered in this study (these are coloured in red in the table and their highlights discussed in Section 4.2). Evaluations that cover just one or two particular slums or assess only sub-components of the project have not been discussed. Besides those reports that were titled evaluations but were found on browsing to be survey data (without analysis), or dissemination material were excluded. Discussions pertaining to the selected evaluations are restricted to the methodology and do not present the findings/conclusions of the evaluation.

4.1 Types of evaluations

The term evaluation as used here refers to ‘the systematic acquisition and assessment of information to provide useful feedback about a project’³⁸. The two broad categories as generally understood in the development literature are ‘formative’ and ‘summative’ evaluations with the former concerned with different aspects related to the framing and implementing of the project, and the latter, the outcomes of the project. These may be further subdivided (not an exhaustive list) as follows:

I. Formative evaluations

- **Needs assessment** determines who needs the programme, how great the need is, and what might work to meet the need.
- **Implementation evaluation** monitors the fidelity of the programme or technology delivery.
- **Process evaluation** investigates the process of delivering the programme or technology, including alternative delivery procedures.

II. Summative evaluations

- **Outcome evaluations** investigate whether the programme or technology caused demonstrable effects on specifically defined target outcomes (these could be compared to the baseline or levels achieved towards targets, e.g., those set in the log frame).
- **Impact evaluation** is broader and assesses the overall or net effects -- intended or unintended -- of the programme or technology as a whole, including attributing a causal effect to the intervention.
- **Cost-effectiveness and cost-benefit analysis** addresses efficiency by standardizing outcomes in terms of their monetary costs or other values. Unit costs of a particular project/intervention for that outcome are obtained compared to other projects/interventions (or status quo). These are usually undertaken together with an impact evaluation.

Using the above classification, an assessment of the evaluations coloured red in the table (and discussed below) shows that they largely belong to one of the following categories: process evaluation, outcome evaluation (against baseline or against the log frame), and impact evaluation.

Some highlights of the selected evaluations are discussed below and are used to draw comparisons across the evaluations over time and develop recommendations for future impact evaluations.

4.1.1 Hyderabad Slum Improvement Project (HSIP)

An evaluation of HSIP-II was conducted by ODA in 1989. Although it states multiple objectives it appears to be a mix of a process and an impact evaluation. Various surveys conducted in the past (almost all after the implementation of the project) from intervention and non-intervention slums were largely used to inform the evaluation study. It is clear however that the study was not planned prospectively. Since there was no baseline data, data from a survey that was conducted in 1987 was

³⁸ This is an adaptation of the definition of evaluation given in Trochim, 2006.

used to identify control slums. Control and intervention slums were therefore matched well into the intervention rather than at baseline. Since the indicators used to match slums are also usually those that would be affected by the intervention, failure to match at the baseline can bias the results.

Monitoring data was lacking and purposively collected primary data was used. 10% of the slums (i.e., 23) where the project was being implemented were selected as a representative sample (having been selected from each of the administrative units in the city). Two unimproved slums were selected as controls. Details on power calculations to calculate the power size or the manner in which the sample was selected, were not provided

The study involved the use of quantitative and qualitative data to evaluate the implementation process as well as assess impact of the project. Qualitative data collection included conducting site visits to the selected slums, reviewing the impact at the community level, and interviewing a number of households about their perception of the changes the project had made to their lives. With regard to process evaluation, data was collected by KII with field officers – project officers, community organisers, and slum development officers. A profile of community development/social provisions and physical improvements (including incomplete work sites) was drawn for each of the sites. With regard to the quantitative data, surveys were conducted, but it is not clear how the sample was selected and whether it was representative of the project target population.

Impacts and achievements measured by the evaluation included improvements in sanitary conditions, access to dwellings, movements around slums, water supply, in-house sanitation, housing conditions, community activities, educational services, social integration, immunisation services, ante-natal care, family planning services, etc. Impact on the poor was also separately assessed, as also an assessment of the impact on female population in slum dwellings. Slum environmental conditions including solid waste disposal, drains, and sewers were also assessed. Sustainability of the project was also considered (although this was difficult) while conducting the evaluation especially in terms of maintenance of infrastructure, financial and human resources, budget, and revenue generation for MCH.

The main deficiencies of the evaluation study are related to the limitations of the project itself. The project lacked stated specific objectives and/a logical framework, which could be used to guide the evaluation. Being the first slum improvement project of its kind implemented by ODA in India, it was treated as a learning experience as also the evaluation.

4.1.2 Calcutta Slum Improvement Project (CSIP)

An evaluation of CSIP 1a and b (1991-1997) was conducted by ODA in 1997. This was a participatory impact assessment conducted with the objectives of a) understanding slum dwellers perceptions of the impact of the CSIP interventions and b) developing and testing a replicatory participatory methodology for M&E. Although termed an 'impact assessment', it was concerned with the perceptions of beneficiaries of the effects of the project interventions (against output and output verifiable indicators in the log frame) rather than with 'an assessment of impact (as understood currently). Data was collected using participatory rapid assessment methods.

Extensive effort was put into the planning, training, and execution of the study over around three months. Field staff were well-trained and the methods were first tested in the field. The sample was randomly selected and consisted of 12 slums (15% of the project slums) selected so as to include slums in which a range of interventions had been implemented and are representative of the different regions of the city. A number of participatory techniques were used for obtaining the information for each output. The triangulation of data for each output given use multiple methods is however not clear. Also triangulation of the findings by looking at any other sources of data, e.g., HH survey etc., was not undertaken. Factors that affected the data collected have been clearly stated (domination by certain groups, political conflicts, lack of space, participants' lack of time, issues with the language and literacy). The methods undertaken to analyse and synthesise the information have not been described adequately to provide a critical assessment. The lack of a clear methodology to guide the synthesis was however mentioned as a limitation.

Sustainability of outcomes of interventions during CSIP 1a were considered, but this was not done for CSIP 1b, which had just begun. Results were disaggregated by gender, income levels, and residence

status. While the project log frame did not have a specific equity related indicator, project activities did relate to issues of equity. Some general qualitative information was gathered on this. Analysis involved determining differential levels of access/quality of life/participation and empowerment. Influence of multiple simultaneous interventions was also taken into account.

Despite some limitations, this was a well-conducted participatory evaluation.

4.1.3 Kolkata Environmental Improvement Project (Capacity Building Component)

Impact assessment, 2009

An impact evaluation was conducted in 2009, the last year of the programme. The purpose of this study was to analyse the outcomes and document the impact of the capacity building component (which was funded by DFID) of the project at various levels. Although called an impact assessment, no attempt was made to have a counterfactual to assess the impact. Rather, outcomes were assessed against data collected by ADB (which was funding other interventions) from 2002-2003, which is referred to as the baseline. No details are however provided on how the data was collected.

Primary and secondary data were used, which included a mix of quantitative and qualitative information, as follows:

- a) Desk review of documents, records, and publications including secondary data sources such as surveys
- b) Discussions with key stakeholders including KMC officials, citizens, and DFID
- c) Field visits to units, slums, borough/ward offices, and citizen service centres
- d) Rapid citizens survey – random sampling of 20 wards. 30 households selected in each ward – 10 each from rich, middle income and slum HH. Total sample of 605 HH
- e) Exit survey – at KMC headquarters (104) and 4 borough offices (61)
- f) Rapid employee survey at KMC – 69 employees if KMC, 21 from category A, 17 from category B, 17 from category C, and 14 from category D

Details on the nature of information collected were not provided. There was no mention of the number of stakeholder interviews conducted nor the number of field visits. The choice of stakeholders was also not mentioned, including the exact person interviewed or how they were chosen. With regard to the surveys, no details were provided on whether power calculations had been carried out to determine the sample size of individual units (households or individuals).

It is not possible to comment on the data quality since no information was provided on the process of data collection. There was no indication of enumerator training or piloting of tools prior to data collection. With regard to data analysis, a 'plausible association' approach is mentioned as having been chosen instead of the causal model to identify and assess the impact of CBP. No explanation was provided however of what this meant and how this was carried out. The results were presented in a synthesized narrative, making it impossible to attribute conclusions reached to sources or comparisons. It was also unclear how the link from outputs to purpose to impact level indicators was made in the analysis.

Since the evaluation was carried out in the last year of the project, sustainability was not assessed nor was an assessment of structures or financial arrangements, which could ensure sustainability, made. The impact data was not disaggregated by gender or social group. Disaggregation was however carried out with regard to income levels of households to determine access to services by different income groups and to determine whether slums were receiving necessary services, especially those that were not receiving any prior to the programme.

Mid-term review of the Kolkata Environmental Improvement Project (Capacity Building Component), 2005

This was conducted about 3 years after the start of the implementation. The review appears to be concerned mainly with an assessment of achievements against the log frame and fund utilisation.

Although the objective is stated as being one to assess impact, this has not been done in the sense of the term 'impact evaluation'. The study team clearly states that there were high time, budget, and data constraints. Thus apart from data from monitoring and, secondary sources, primary data was only obtained through consultation with DFID staff, ULB staff etc. No details were however provided on the manner in which this data was collected and how it was synthesised.

The results were presented in a narrative form, making it difficult to ascertain whether the conclusions were derived from primary or secondary data; and with the former, which interviews exactly had been used.

The study was quite limited and no assessment of sustainability or equity or unintended effects/spill-over effects was undertaken.

4.1.4 Kolkata Urban Services for the Poor

End term evaluation, 2011

Based on its objectives, the 2011 TARU evaluation appears to be (i) a comparison of the programme effects with the targets in the log frame and (ii) an assessment of the impact. To assess impact, results have been compared with a control group.

Primary and secondary data were used, which included a mix of quantitative and qualitative information. Primary research was undertaken in 20 ULBs, including 15 KMA ULBs (the focus of the KUSP Programme) and 5 non-KMA ULBs (which served as the control group).

Data collected included the following:

- a) Quantitative household survey from 776 households in 33 KUSP slums and 724 households in 32 non-KUSP slums, in the 15 KUSP ULBs. The household surveys drew out aspects of changes in urban services, tenure and livelihood situations, income levels, and level of participation in planning process among others.
- b) Quantitative exit interviews covered 425 individuals across 20 ULBs, including 284 individuals in the 15 KMA ULBs and 141 individuals in the 5 non-KMA ULBs. with those exiting ULB premises after having sought specific municipal services such as issue of death and birth certificates, water connections, trade licenses, property assessments, mutation, etc.). The exit interviews drew out aspects of satisfaction or changes with the delivery of urban services.
- c) Qualitative discussions were held with slum households, Basti Works Management Committee (BWMC) representatives, Honorary Health Workers (HHWs), and Community Organizers (COs); key elected representatives and officials in the ULBs; and representatives of key state-level institutions/bodies. The discussions were centred on achievements of the programme, perceived changes, lessons learnt, and challenges faced. Discussions with ULBs also focused on changes brought about by the programme, institutionalisation of the changes, sustainability, replication, and scale-up.

To allow a proper comparison between the 15 KMA ULBs (i.e., intervention ULBs) and the 5 non-KMA ULBs (i.e., control ULBs) and between the KUSP and non-KUSP slums, it would be important that the manner in which the selection was done was such that the intervention and control groups were matched at the baseline, in key characteristics known to influence outcomes. From existing information in the study however it appears that the baseline data for various indicators for the log frame were collected from various data sources such as NSS 61st round, Directorate of Local Bodies, etc. Data was however not available for a number of indicators. The method used to select the sample of the ULBs and the slums within the ULBs was not given. Given the shortcomings of the baseline and the lack of information on sample selection, the robustness of the evaluation to isolate the impact of KUSP from other factors is questionable.

Details of data collection method, the level of training provided to the staff, the manner in which triangulation of findings was undertaken, etc., were not provided. The precise methodology used to analyse data from both primary and secondary data sources was also not clear from the document. However, it appeared that secondary data sources were used to create a comprehensive picture of the KUSP programme, its developments, and impact and changes brought about by it. Primary data

was used to supplement the findings and also to bring in the beneficiaries voices, especially in terms of satisfaction levels with the changes.

Despite these shortcomings, this was a well-planned study explicitly looking at unintended consequences and spill-over effects as well as assessing data for equity and sustainability. Spill-over effects of the project were assessed by looking at urban planning and governance reforms in non-KMA ULBs and the impact of governance reforms in non-KUSP slums. An assessment of the sustainability of the infrastructure was not possible as the programme had just been completed. The evaluation paid attention to the reforms under JNNURM, which were supported by the KUSP programme. The study carefully examined certain reforms such as introduction of DEAS, e-governance and property tax reforms, and budget allocation for municipal expenditure, which were also mandated by JNNURM. Thus the institutionalisation of these could be indicative of sustainability. With regard to assessing equity, the evaluation examined the distributional impacts of the KUSP programme, especially among women, BPL, minority and SC/ST households. Their awareness of the interventions, participation in decision making, satisfaction with services provided by ULBs, and perceptions about improvement in urban environmental services were assessed.

4.1.5 Andhra Pradesh Urban Services for the Poor (APUSP)

Impact assessment, 2008

The prime objectives of the impact assessment conducted in 2008 were to (i) analyse outcomes of APUSP against the project log frame, (ii) assess the indirect programme effects at both individual and community levels, as well as assess the wider effects at the state and national levels, and (iii) carry out impact assessment against the five Development Assistance Committee principles.

Site visits were undertaken to APUSP towns (6 notified towns 39 and 2 non-notified towns) and non-APUSP towns (2 towns). Out of the sampled towns, fieldwork was carried out in chosen 30 settlements. The settlement selection from the selected towns was done so as to obtain a mixture of APUSP notified slums, APUSP non-notified slums, and non-APUSP notified slums. Details of the manner in which the particular 8 towns were selected, and the manner in which the settlements within were chosen were not given – it was not clear therefore the extent to which these were representative. A number of methods were used to collect data (quantitative and qualitative) and triangulate findings, including extensive review of available data (information related to budgets, monitoring data) and FGD's (with beneficiaries), KII's (stakeholders and municipal staff at multiple levels), observations, transect walks, in intervention and non-intervention areas.

It is difficult to comment on the quality of data collected or suitability of methods for analysis due to the lack of adequate information in the study report. Besides, the non-interventions areas where data were collected do not appear to have been selected such as to 'match' the intervention areas (the baseline as mentioned in another assessment – below was quite deficient). Thus, any statements on the attribution of the results to the programme may be biased. This was thus a well-conducted study for comparing progress against the log frame, but would not qualify as an 'impact evaluation'.

Social impact assessment, 2005

The social impact assessment seems to be more a description of what was done during the project rather than an analysis. In fact, there wasn't even enough of an assessment to consider this as having been a process evaluation. The report mentioned deficiencies in the baseline data of the project and comparisons were not made against this. No reference was made to the log frame and towards assessing progress towards achieving these targets. Although it was called an impact assessment,

³⁹Slums are notified under the Andhra Pradesh Slum Improvement (Acquisition of Land) Act, 1956. There are 2 categories of slums: (1) notified and (2) non-notified slums. Government programmes focusing on slum infrastructure improvement focused only on notified slums. APUSP however targeted towns that had both notified and non-notified slums.

none of the methods mentioned for impact assessment were employed and it was not possible to arrive at any conclusion about the extent to which changes could be attributed to this particular project.

Three municipalities (and two slums within each) were selected, and although the method of selection was not given, the purpose according to the study was to have representation of the three regions included in the project. Data was collected through key informant interviews, focus group discussions, case studies, and observations made during field visits. No details were provided however on the tools used for data collection and methodology of analysing and synthesising the collected information. It was thus not possible to comment on the quality of the obtained information. The study provided a very good description of the physical and institutional changes, and changes made to people's lives during the course of the project up to the time of the assessment. Particular attempts were made to take into account issues related to equity - gender as well as the most marginalised and their inclusion/exclusion from the benefits. No assessment of sustainability was however undertaken

Midterm review, 2004

This was to assess the progress of the project outputs against the original purpose (i.e., comparisons against the log frame). The strategy to be followed was mentioned as being such as to 'ensure the focus is on practical and strategic, rather than detailed issues, adopt a forward-looking perspective, Raise questions, offer insights and make recommendations, rather than perspective answers'. No details were provided however on the manner in which the information was collected, analysed, etc., to allow an assessment of the quality of the review.

4.1.6 Madhya Pradesh Urban Services for the Poor

End of project evaluation, 2013

The evaluation assessed all three components of the project. For reforms undertaken in the local bodies and the building of capacity of the community, outcomes were assessed against what was planned (possibly against the log frame). With regard to the infrastructure component, an impact assessment was undertaken with the construction of a counterfactual. Data collected around that time period by other sources (Poverty Pockets Situation Analysis - PPSA data) was used.

Primary and secondary data and quantitative and qualitative information were used. Limitations were discussed and the methodology clearly outlined (see below for each component).

- I. **Reforms and Institutional capacity building:** To evaluate the former, both interviews with stakeholders and secondary data were analysed. For the latter, a participatory approach was used. To determine change in community empowerment and accountability as well as ULB level impact, a CSI workshop (pertaining to civil societies created as part of the project) and a 5C workshop (pertaining to ULBs) were conducted in each of the 4 cities involving key stakeholders from the community and ULBs. The 5C framework was provided by the European Centre for Development Policy Management, while the Civil Society Index was created by CIVICUS.
- II. **Access to basic services in slums:** A quasi-experimental method with propensity scores matching to provide robust results on 'average impacts of the programme' was used. Thus, 4 pairs of slums in each of the 4 cities, i.e., 16 MPUSP and 16 non-MPUSP slums, were compared. Data was obtained by a survey of 3,363 households selected through systematic random sampling. The difference in proportions of households with access to services like water connection, toilets, electricity, improved sanitation, etc., and the statistical significance were assessed. In addition, slum audits and focus group discussions (one each in each slum) were conducted. The aim was to (a) triangulate results obtained in the previous step, (b) gauge issues like 'perceived satisfaction' with the services provided, and (c) assess the level of community involvement in the participatory development process.

The details of the secondary documentation consultation and the data sources (NSS data Poverty Pockets Situation Analysis survey conducted by UN-HABITAT and Water Aid India) suggest that these may have been fairly robust. Details were not provided however of the training given to field teams and safeguards to ensure the quality of primary data collection.

While the success of reforms that had been undertaken, and their institutionalisation within national policies and programmes suggested sustainability, the evaluation was undertaken just at the end of the programme and sustainability was not specifically assessed. The evaluation was however quite comprehensive in looking at spill-overs of the project and its impact on non-project slums. Results were disaggregated by income group.

4.2 Cost-Effectiveness Analysis

It is becoming increasingly common to integrate cost-effectiveness analysis (CEA) into impact evaluations, so that decisions makers are able to understand not only the attributed impact but also the value for money of this impact, to inform future resource allocation. Questions that a CEA can be used to address is:

- a) What is the CE of individual interventions within the programme?
- b) Do different combinations and intensity of intervention implementation impact CE?
- c) What is the incremental impact of scaling up interventions on CE?
- d) Are there specific groups which are more cost effective to treat?
- e) Is there a point in coverage where interventions are no longer CE?
- f) What are the long-term implications of the programme?

Three related economic evaluation techniques are used to measure cost effectiveness under different circumstances:

- I. Cost Utility Analysis (CUA) – which calculates the cost associated with some unit of non-monetary benefit (e.g., cost per life saved). This is extremely useful for comparing interventions with the same benefits
- II. Cost Benefit Analysis (CBA) – which attempts to quantify outcomes in monetary terms, allowing a direct comparison with the cost of producing them – and help decide whether an intervention should be done
- III. Cost Effectiveness Analysis (CEA) – which calculates the cost associated with a physical outcome (e.g., cost per additional water connection). As with CUA, this can be used to compare the effects of alternative interventions.

Undertaking CEA is complex, and decisions and trade-offs need to be made especially on the level of costs collected (just programme costs, or also beneficiary costs; only direct costs or also indirect like e.g. opportunity costs), the construction of counterfactuals and how to deal with substitution effects (e.g. when beneficiaries are switching service providers). CEA also needs to be rigorously planned in advance, especially over the need to collect routine monitoring data on costs and outputs. It needs to be conducted alongside an impact evaluation to estimate the effectiveness/benefit part. However, it can be very useful in translating impact estimates into metrics for decision making and resource allocation.

Most of the DFID projects did not attempt a formal cost effectiveness analysis, especially along these lines. HSIP compared project costs with imputed rental value increases to assess cost effectiveness (or more accurately cost benefit given that both costs and benefits are in monetary units). Rental values, apart from being an inadequate proxy to capture the broad range of benefits, have to be imputed from property values (which can be hard to estimate). Besides, there was no baseline estimate to calculate increases over time rigorously. APUSP calculated the unit costs of constructing infrastructure, e.g., cost per kilometre of road laid, which is very useful for decision making and benchmarking, but is not linked to impacts. For KUSP, although the ToR calls for the evaluation team to look into cost-effectiveness and value-for-money aspects of the KUSP programme, these were not included in the evaluation report. Since none of the projects conducted an actual CEA, it was not possible to assess these and draw lessons from their shortcomings. Given that CEA is a very

specialised analytical procedure, it would be recommended that a study be commissioned to provide a blueprint of how this can be undertaken in the context of urban programmes.

It is becoming increasingly common to integrate cost effectiveness analysis (CEA) into impact evaluations, so that decisions makers are not only able to understand attributed impact, but the value for money of this impact, to inform future resource allocation. [Repetition; please delete] If done correctly, CEA provides an opportunity to undertake a more detailed analysis of interventions, sub-groups, coverage and time period, and importantly the cost drivers. Depending on the level of complexity, it can be used to analyse:

- a) What is the CE of individual interventions within the programme?
- b) Do different combinations and intensity of intervention implementation impact CE?
- c) What is the incremental impact of scaling up interventions on CE?
- d) Are there specific groups which are more cost effective to treat?
- e) Is there a point in coverage where interventions are no longer CE?
- f) What are the longer term implications of the programme? [Repetition]

4.3 Conclusions

The table below compares some key features of the evaluations that were undertaken for the different projects over the course of DFID's urban development programme. Note that one main evaluation for each of the projects has been considered.

Project	Baseline	Log-frame	Data Used - Quantitative	Data Used – Qualitative	Counterfactual/ Comparison Group	Assessment of Equity	Assessment of Sustainability	Unintended Outcomes
HSIP ^[1]								
CSIP								
KUSP ^[2]								
KEIP								
APUSP								
MPUSP								
SPUR								

Figure 12: Mapping of evaluation practices adopted across various projects

Green indicates that the activity had been fully undertaken (or was of a good quality), while red indicates that it has not been undertaken at all. Yellow is used to highlight that the activity was either

^[1] Evaluation study conducted by ODA in 1989

^[2] End term evaluation conducted by TARU in 2011

done partially or in a manner that was not ideal for the evaluation to be comprehensive and accurate (e.g., the baselines used by four projects were collected for other purposes and were not ideal).

The **findings** that emerge from the above analysis are as follows:

- I. The evaluations that have been conducted are a mix of process evaluations, outcome evaluations, and impact evaluations. The manner in which the term 'impact' has been used has changed over time, e.g., the impact assessment conducted for CSIP in 1997 was concerned with the perceptions of beneficiaries of the effects of the project interventions, rather than with 'impact assessment' as defined in current terminology. In the KEIP 2005 midterm review and APUSP 2005 social impact assessment, the term 'impact' is used to indicate the effects of the project, rather than being concerned with attribution. The recent reviews of KUSP (conducted in 2011) and MPUSP (conducted in 2012) however used the term 'impact evaluation' to indicate a study that is conducted with a view to attribute impacts to the project interventions.
- II. It does not appear that most evaluations had been planned prospectively. The lack of a purposively collected baseline data at the start of the project suggests this. Data seems to have been collected at the baseline for KEIP-CBC) and MPUSP (data collected for some other purposes at the time, but lacking some of the relevant variables), but largely the decision to undertake evaluations was undertaken retrospectively.
- III. Log frames began to be developed right during the first generations SIP projects. Although HSIP did not have a log frame, it seems to have been there for all other projects beginning from CSIP. Log frames have become more clear and precise over time and would have helped in clarifying project objectives, planning, monitoring as well as allowing evaluation of the achievements of the project against the log frame targets.
- IV. In general, the quantitative studies have not provided details of the manner in which the sample size was calculated. Details of sample selection (except in MPUSP) have not been provided to allow assessment of selection bias and the assumptions made when assigning the counterfactual. Besides, most studies are quite sparse on details of the data collection methodology whether for quantitative data or for quality, whether the tools were field tested, nature of training of data collectors etc. Assessing the quality of the primary data used in the evaluations is therefore difficult.
- V. Details of the methods of analysis used for quantitative data as well as qualitative data are sparse in most studies, although the methodology for the impact evaluation arm of MPUSP is quite clear.
- VI. None of the projects undertook a CEA. This is usually embedded within an impact evaluation often utilising data from the regular monitoring system.
- VII. An assessment of the quality of the evaluations conducted would be greatly aided by the inclusion of details related to the data sources, the data collection methods and tools, and the methods used for analysis and synthesis of data.

Recommendations to guide impact evaluations of future urban development projects are listed in Chapter 5.

5 Lessons Learned and Recommendations

In this chapter, we have captured the key learnings for DFID around its programmatic design and implementation approach, based on the analysis presented in the previous chapters. Only generalizable learnings that are applicable to other LIC settings have been focused on, given the purpose of the study. We then outline our recommendations for improving evidence and evaluations. Finally, we outline potential areas for future research that DFID might like to consider, either in terms of ‘public good’ research to fill national and international literature gaps or in terms of specific research that could help DFID improve its future programming in India and elsewhere.

5.1 Lessons for urban development programmes that can be learned from DFID’s experience

The three generations of DFID’s urban projects in India have been unique for several reasons. They have so far been the only externally aided projects in urban areas that have been developed around the issues of urban poverty. They have followed a distinct trajectory of moving from slum level projects to influencing and supporting state and national policies and institutions with varying results. They have evolved to address poverty focussed urban development in a comprehensive manner and target improvements across institutions, stakeholders, functions, and processes. They have worked continuously alongside local, state, and national governments. Over these three generations, many valuable lessons have emerged that could be applied to future DFID programmes in India or in other LICs.

5.1.1 Key learnings that have emerged for planning

1) Selecting partner states who have initiated a change process and are responsive to external technical assistance, and aligning with their policies and programmes, is key to smooth implementation, but there may be trade-offs with poverty alleviation goals

The first generation projects were initiated on the basis of ongoing work in the ULBs and the request of the respective states and ULBs. The second generation projects in Andhra Pradesh and West Bengal were in a way a ‘fallout’ of the first generation ones in Hyderabad and Kolkata. In retrospect, it appears that one of the reasons for the relatively better performance of the first and second generation projects and the sustainable elements that are visible here is perhaps a result of the initial interest shown by the respective States, apart from other factors. Hence, the learning is that in the selection of states, a balance is critical between the needs of the state based on levels of urban poverty and deprivation and its demonstrated willingness to start a change process. In fact, the success of projects depends on the political will of the government and the ULBs to drive forward a reforms agenda. However, this needs to be traded off against the constraints facing DFID in the selection of partner states, which is generally a decision by GoI with DFID offering demand led assistance.

2) Participatory appraisal and design processes have not always been followed, but have ensured smoother implementation when undertaken

The first generation projects primarily supported the ULBs by providing tools and processes to implement an ongoing programme. The experience and results of engagement with the ULBs in Andhra Pradesh and the Kolkata Municipal Corporation/West Bengal in the course of the second generation projects indicated the need and advantage of similarly improving structures, institutions, and processes across ULBs for better performance. Both APUSP and KUSP incorporated a design phase of sorts, during which process appraisals and need assessments appear to have been carried out in some areas. However, these were neither participatory nor exhaustive and led to several challenges during the implementation phase. During the preparation of SPUR, however, DFID contracted consultants for a six-month design phase during which several need assessments and ULB level assessments were undertaken. SPUR also had the benefit of a bridge period between the completion of the design phase and the start of implementation, during which baseline surveys and organisational development reviews were undertaken, which helped in better planning. However, the process was consultant driven with little participation from the state or ULBs. The learning is that

intensive appraisals and design activities in collaboration with the participating state and nodal agencies would make for a better conceptualised project with minimum hurdles during implementation.

Indeed, the role of communities has been central to all the projects, though the nature and intensity of engagement have varied from project to project. APUSP and KUSP facilitated in setting up dedicated poverty alleviation units with the ULB to converge and take forward all urban poverty programmes. These organisations have sustained beyond the project period and helped the state to engage with communities. MPUSP and SPUR are also attempting to put similar models in place but have not succeeded so far. APUSP and MUSP have also developed a system of preparing MAPP in participation with all stakeholders. Both these interventions have contributed to more effective planning as well as institutionalisation of a poverty focused ULB agenda and action. The learnings therefore indicate that a dedicated and empowered unit with a plan as a subset of the larger plan of the ULB is critical to take the poverty alleviation agenda forward.

3) Conducting a PEA during programme design stages to better understand how change in the policy process occurs could improve project designs

Given the increased focus of DFID on supporting state and central government programmes, it would perhaps be opportune to more explicitly undertake a formal detailed PEA during the project inception and design phases in order to predict and plan for hurdles during implementation. It would help DFID, the government, and DFID's contractors in understanding the role of and power relations between different stakeholders as well as the influence of formal and informal institutions on the incentives and motivations of stakeholders.

The analysis of DFID's seven projects would suggest that whilst assumptions were made in log frames around political support and policy regimes, there was little formal analysis of the motivations and incentives of actors and the nature of interests that would be threatened. Especially, there is no evidence that 'localised' PEA was taken up at the municipal level, whose councils are largely instrumental in effecting reform decisions. This PEA analysis could have helped pre-empt bottlenecks and ensure smooth implementation; for example, evidence from KUSP and APUSP appears to suggest that efforts made to create new municipal service cadres has hit roadblocks, both on policy as well as political fronts. Respondents from these projects have also indicated that 'political will' to sustain reforms has been 'fluctuating'. A 'best practice' PEA in this situation would include the following⁴⁰:

Before Implementation: Who are the main agents involved in the policy process? [Should this question also be included in list below?]

- a) Can any of them be characterised as an agent of change? How can they be supported?
- b) What are the contextual factors conditioning the motivation of agents?
- c) What is the motivation (internally driven) of agents to promote/resist change?
- d) What are the incentives (externally driven) of agents to promote/resist change?
- e) How does the incentive structure operate? How can the structure of incentives be modified to smooth out this relationship?
- f) How does the ownership process take place?
- g) What is the internal dynamics of policy communities?
- h) How can participation in decision making be improved?
- i) What are the main informal institutions affecting the process?

During Implementation for rapid feedback:

⁴⁰ *An Integrated Approach to Policy Analysis: Practical Exercises for Political Economy*, Mateo Cabello, Oxford Policy Management Working Paper 2009

- a) Are the timing and sequencing of implementation appropriate to achieve the goals originally intended?
- b) What are the obstacles to implementation?
- c) What is the role of the bureaucracy? Are there any out-of-the-loop agents?
- d) What are the main reactions to outcomes produced from beneficiaries, implementing agents, and other agents?

4) Providing infrastructure can help gain the confidence of communities

The various evaluations and impact assessments of the projects indicate that, for the poor, basic services and infrastructure are a bigger and immediate priority than interventions to enhance incomes. This has been demonstrated across all completed and ongoing projects, including SPUR. The learning therefore is that focus on slum infrastructure is an integral part of all development activities and should be one of the first interventions in an urban development programme to establish rapport and gain the confidence of the community.

5.1.2 Key learnings that have emerged for successful implementation

1) Giving adequate consideration to municipal and state governments to support their interdependence in implementation is key in delivering successful holistic urban development programmes

Chapter 3 outlined how the second generation DFID programmes focused more on cities than the state, which prevented broader learning and sustainable impact, because whilst municipal bodies are the implementing agencies of urban development programmes, the state governments are responsible for legislation, policy, and standard operating procedures. Increasingly, DFID projects attempted to solve this problem by diverting focus to the state government level. However, now, a different problem arose. The process of helping municipal governments internalise the processes became considerably difficult, and barring a few reforms, many were reported to be in a state of partial internalisation. A balance between the state and municipal governments would be optimal.

One way of resolving this issue would be to adopt a stage-wise approach to implementation. For instance, APUSP adopted a two-staged implementation process that was based on some level of minimum performance and accountability and incentives for stepping into higher levels of activity. This provided space and experience for the ULBs as well as the state to internalise processes and impact and prepare for a sustained change. Therefore, in order to conceptualise deep-rooted reforms and ensure its operationalization at the ULB level, implementation has to be undertaken in stages and starting with lower level reforms that are easier to implement while at the same time showing immediate results. It also means that the process of operationalization has to be an iterative one between the state and the ULBs.

2) Working with civil society organisations and NGOs to establish community structures is necessary for successful implementation

Across the three generations of projects, civil society organisations like NGOs have played a critical role in community processes. Although, the DFID projects have advocated and supported the formation of dedicated poverty alleviation cells within ULBs, the NGOs have been instrumental in establishing community structures and building capacities.

It is also seen that federation of SHGs have usually yielded better results than simply creating them or extending peripheral support such as opening of bank accounts. It may be considered to consider federation of SHGs for improved sustainability.

3) Better coordination with other sectoral programmes of DFID could amplify the impact of programmes on urban wellbeing

DFID tends to have multiple large technical assistance programmes operating in its target states with different areas of focus; for example, running alongside SPUR is the 'BTAST' programme on health, nutrition and water, sanitation, and hygiene, supporting the Department of Health, Department of Social Welfare, and Department of Public Engineering.

There is considerable scope for an integrated approach to urban wellbeing through synchronisation between these programmes and DFID's urban development programmes. Chapter 3 outlined how the review team could find no evidence of convergent programming or planning. There may have been 'back-end' coordination and joint planning within DFID during the design of the projects, but there seems to be limited programmatic linkages. This would seem like a 'low hanging fruit' opportunity to maximise the impact of DFID's programmes.

5) Different funding approaches could be considered to increase results

a) Conditional funding

Although DFID already employs the practice of revising its allocations within technical cooperation as well as financial assistance based on reviews of the programme and its various result areas, it has not employed a covenant-based funding as is usually employed by multilateral lenders such as the Asian Development Bank as a part of the loan agreement. From the third generation of projects, financial assistance to states has 'shifted' from large brick-and-mortar assets to softer components⁴¹. The softer components are usually items that constitute the conditionality on which funds for larger components can be given. Consequently, these cannot be made further contingent upon too many factors. However, a series of pre-conditionality checks, through due diligence measures and a risk assessment of the logical frame (conditions precedent, risks against conditions precedent), can assist in better targeting of funds.

For instance, for programmes that may involve setting up of a funding or financing instrument, a key set of conditionality to be adhered to would ensure that the operating rules, parameters, and institutional arrangement are already set up prior to the transfer of the fund corpus to the state for onward disbursement. This may also be supplemented with a risk framework that the fund or the financing instrument may be exposed to.

b) Co-venturing and co-placement of funds

A curious anomaly seen in the case of third generation projects was that DFID funds were not used to supplement or substitute state/municipal contributions expected in JNNURM, especially for projects taken up under the Basic Services to the Urban Poor and/or IHSDP, and now RAY. In sharp contrast, funds (in the form of loan) from the Asian Development Bank have been used in conjunction with state resources and Central subsidy (JNNURM), often in the same project. Interviews with personnel from MPUSP and the state of Madhya Pradesh revealed that there was a conscious avoidance of fiscal co-placement of funds (even though the JNNURM guidelines make a categorical reference to being open to external aid as a supplement to funds), as the process followed under JNNURM by the state was not in line with the approach followed in MPUSP slums. However, a perusal of JNNURM (BSUP/IHSDP) guidelines would indicate nothing in the guidelines precludes the adoption of participatory techniques, formation of CBOs, or adoption of any process that was otherwise followed in the slums taken up under MPUSP. In the past as well, particularly in first generation projects, DFID assistance has improved upon Centrally sponsored schemes with their own variations that have enhanced the effectiveness of the interventions.

Assuming that the reasons for non-convergence were not political or contextual (in which case this study is constrained to make any recommendations), there is considerable potential for syndication of

⁴¹ As per data from MPUSP documents, approximately Rs. 150 crore was spent in upgrading slum infrastructure, while the other components of the financial assistance together made up to around Rs. 100 crore. This would imply that the distribution of the financial assistance component into brick and mortar and soft components was close to 3:2. In the subsequent MPUIP, the investment in brick and mortar assets (bulk flow meters etc. under output 3 (water, sanitation & property rights) and the MPUIF under output 1 (enabling private sector participation in basic services), and conservation and energy projects) comprise close to Rs. 80 crore, while other components such as e-governance, prevention of violence against women, and accounting reforms cover over Rs. 100 crore. Note that the ratio between brick and mortar and soft assets has now changed to 4:5 (inverted).

funds and other efforts. In order to do this, the PCM or other cooperation agreement (at sovereign or sub-sovereign level) needs to incorporate appropriate clauses. While this may make the financial assistance lose some degree of portability (of being able to be used across a large range of functions), it may also add considerable accountability to projects. Examples can include – enhanced project management techniques – adoption of FIDIC based contracting, social audit of works, etc. Many of these have been taken up previously in APUSP and KUSP for DFID-only funded projects.

5.2 Key learnings that have emerged for evaluations

No attempt is made to provide a blueprint of how an impact evaluation for future urban projects should be conducted, as these would be project and context specific. Recommendations are restricted to addressing areas of concern that emerged from the analysis of impact evaluations in Chapter 4⁴². These are as follows.

5.2.1 Conduct an evaluability assessment

Given that conducting an acceptable impact evaluation is an expensive and resource intensive process, it is necessary to determine during the project inception phase whether an impact evaluation is even necessary. In case of a project, which is small in scale, with a low budget, location specific, and not expected to be reproduced elsewhere, an impact evaluation may not be considered worthwhile. A review needs to be undertaken to assess if evidence already exists on the extent of impact of the planned intervention. If no studies exist, it may be worth conducting a pilot intervention and conducting an impact evaluation of this. If evidence of effectiveness already exists, an impact evaluation may only be warranted in the situation where it is felt it would be able to address some important and new questions related to policy, e.g., if the project contains some changes in the form of innovations that require to be tested.

Thus, some factors to consider when justifying the undertaking of an impact evaluation would be whether the project is untested, innovative, influential, replicable (can be scaled up), and/or strategically relevant.

5.2.2 Plan prospectively

It appears that all the impact evaluations assessed in the previous o were undertaken retrospectively, rather than having been planned prospectively. This is reflected in the lack of baseline data for the projects (even baseline data used for the MPUSP impact evaluation was not ideal having been obtained from other surveys conducted at the time). While an ideal evaluation design cannot take precedence and force changes to implementation, planning for an evaluation at the start can ensure that some shortcomings of the retrospective evaluations that were identified in the sections above are overcome. A valid counterfactual (as is necessary for impact evaluation) may be ensured by randomly allocating interventions to certain slums/towns/ULBs while randomly classifying others as controls. Such an experimental design is unlikely, and in most cases, a counterfactual would have to be constructed so as to be similar to the intervention slums/towns/ULBs. Ensuring a valid matching control (through propensity score matching or exact matching, or through controlling by multivariate regression), however, requires baseline data for the intervention groups as well as controls. If an impact evaluation is undertaken retrospectively, identifying an appropriate control group is difficult and can bias the estimates.

5.2.3 Consider alternative data sources

Conducting purposive surveys may be the best way to ensure (i) an appropriately large sample size so that the data is sufficiently powered to detect the intended effect(s), (ii) the sampling frame has been made from the population of interest and data is available both for the treatment and control group, (iii) the data contains information for all variables that are to be analysed, and (iv) the frequency of data collection is as required for the analysis. Getting pre-existing data sources that fulfil

⁴² Amongst others, this section draws on two world bank publications: Field and Kremer, 2006 and Gertler et al., 2011

the desired characteristics may be difficult. Purposively conducting survey(s) may however be quite expensive, and when planning the evaluation at the start, the monitoring system should be designed keeping in mind the needs of impact evaluation (as also any cost-effectiveness/cost benefit analysis). Given the range of domains across which interventions for urban development programmes occur, social, economic, administrative, infrastructural etc., data collected during monitoring would have to be quite comprehensive.

5.2.4 Ensure better clarity of outcomes to be evaluated and develop a theory of change

Earlier projects were not underpinned by a clear underlying theory of change. This may be represented by a results chain/logic model/logical framework/outcome model. Apart from helping clarify the programme objectives, the mechanism by which interventions may be expected to translate into outcomes and the sequence of events, such a theory of change also serves an important role with regard to evaluations. It identifies the different aspects that require to be monitored and the outcomes (change in which would be assessed during evaluation) and also the assumptions and risks for which data would need to be collected to allow an explanation of the results of the evaluation. Thus, an explicit theory of change needs to underpin any evaluation.

5.2.5 Review sample selection and power calculations

Most impact evaluations (except MPUSP) did not describe the process by which the sample, for which data was collected, was selected. It was thus not possible to assess whether the sample was representative. Besides, no power calculations on how the size of the sample was decided, were provided. This is critical because if the evaluation is conducted on a sub-optimally sized sample, an existing impact may be missed (type II error). The size of the sample has to be large enough to detect the minimum difference that is required to conclude the existence of an effect.

5.2.6 Consider mixed methodologies

While assessing effectiveness requires quantitative data, a supplementation of this data with qualitative information is required to obtain a comprehensive picture. A process evaluation as well as good monitoring data would help the interpretation of the impact evaluation, e.g., causes for lack of impact like a flaw in the design of the project or problems with implementation.

5.2.7 Plan for a holistic evaluation

Explicitly plan to undertake equity analysis

Assessing equity with regard to income, gender, and marginalised groups (caste, religion) is important to ensure that the benefits are distributed across the board and have not been subject to some form of elite capture. Besides, often the most vulnerable groups may in fact be those who also suffer from the unintended negative effects of the intervention (see below).

Planning and assessing sustainability

This is a big challenge, and assessing sustainability would ideally require the evaluation to be conducted a few years (Field and Kremer 2006 suggest three to five years) after completion. If trying to assess sustainability when conducting an evaluation immediately upon project completion, features that may be able to predict sustainability, may have to be specifically looked for. The financial status of the ULB and its ability to collect adequate finances may be a necessary (though not sufficient) predictor of maintenance/continuation of physical interventions related, e.g., to sewage or water supply. Similarly if projects have withstood changes like political or economic shocks, this may be a good indication of robust continuation. Given the high migration from slums, depending on community involvement and individual drive to maintain infrastructure may not be reliable. Rather, an assessment of the level of involvement of ULBs and institutionalisation of certain initiatives may be good predictors of sustainability. A pre-condition for assessing sustainability is the need to include it as an element from the design and planning stage and identify indicators for sustainability.

Assessing complementary effects

It is important for urban development impact assessment studies to consider the catalytic effect of the interventions, i.e., also take into account complementary services and programmes that have arisen as a result of the programme. This is important for identifying benefits (for example the development of roads) and barriers to project success. Efforts must be made to incorporate this into impact evaluation data collection processes.

Assessing indirect effects

A number of indirect outcomes of slum upgrading interventions on the individual and community have received little attention in the past. Some of these, which could be quite interesting, include impact on real estate prices, fertility, residential segregation, formal sector integration, intra-household bargaining, and gender issues as well as mental health, including stress and depression. It has for example been shown from some experiments that improved daily access to water has reduced stress levels in households greatly. Including small focused research components on such specific impacts as a part of the larger evaluation would be a great value addition to the literature and of use to policy makers. Including indicators on such outcomes as a part of the project log frame would also be useful to ensure that more attention is paid to addressing these factors during programme implementation.

Assessing unintended/spill-over effects

Urban development programmes may be associated with some unintended positive or negative effects, which need to be taken into account to ensure that the impact is not under- or over-estimated. Setting up of garbage clearance e.g. would reduce the environmental hazards and contribute to a cleaner environment in the neighbourhood. Similarly, installation of sanitation and drainage could contribute to reduction in disease vectors (e.g., mosquitoes), and this could have a much wider impact than in the area of intervention. The upgrading could also stimulate markets in the region and increase earning opportunities. Some unintended negative effects may be increase in rental values in the area or out-of-pocket expenditure to pay for the improved services, which may sometimes result in the pushing out of the most vulnerable households.

Assessing slum up-gradation specific evaluation issues

With regard to slum up-gradation projects, evaluation issues due to mobility, urban rural slum linkages, informal sector, and population heterogeneity need to be addressed. For example, slums have high rates of residential mobility, which leads to high survey attrition which is very problematic for evaluation. Thus, the evaluation design must address such issues from the start.

Integrating CEA

Chapter 4 shows how integrating CEA into impact evaluations amplified the usefulness of impact evaluations for decision makers by giving specific metrics that can be used to direct resource allocations and decide on whether to scale-up or implement specific interventions.

5.3 Recommendations for areas of future research

Our broad recommendations for areas of future research include both ‘public good’ research to fill national and international literature gaps and specific research that could help DFID improve its future programming in India and elsewhere. The former (detailed in sections 5.3.1 and 5.3.2) don’t necessarily arise from the specific projects that were reviewed here, but relate more to background research that could help better design of urban development programmes in general. The latter (detailed in Section 5.3.3) arise specifically from the gaps that were found when reviewing the seven projects in this study.

5.3.1 Understanding urban development trends in India

The urban sector in countries like India suffers from a lack of sound database and a long-term perspective. The sector itself is fragmented with urban settlements ranging from small and medium sized towns to large metropolis and urban agglomerations and each has its own set of challenges. As such, policies, programmes, and interventions are more often than not a response to immediate

needs, and support agencies like DFID are forced to engage themselves in a variety of areas, which perhaps may lead to a loss of synergies. Hence, a better understanding of urban and urbanisation trends is necessary and research could focus on:

- I. Forecasting changing patterns of urbanisation and urban development and how they could be planned for by all stakeholders (donors and government at different levels)
 - Is rural-urban migration likely to accelerate now that the critical 30% threshold has been reached?
 - Will migration be focused on small towns or large existing cities? What are the implications for this on programming and planning? Where will migration be from, and to?
 - What proportion of villages are likely to become urban areas through clustering and agglomeration? What are the implications for this on programming and planning?
 - What are the implications of trends of cities increasing their sprawl at a reduced population density? How will urban governance and regional planning adapt to this?
 - What are the land related issues and how can the poor be assured of access to urban land for both shelter and productive purposes
- II. Better integration of issues of climate change
 - How are urban areas likely to be affected by a changing climate? How will this affect different groups and cities? What can be done to help cities and individuals adapt to the effects of climate change?
 - What can be done to mitigate the effects of climate change in cities, for example through reduced emissions? What are the likely effects of the major development trends (e.g., increasing sprawl) on patterns of emissions and through which channels (e.g., increased use of road transport)?

5.3.2 Investigating how to improve the poverty reducing impacts of urban development programmes

This study recommends that, in order to improve the impact of schemes in reducing poverty, the following research areas should be taken up to understand the basic processes in urbanisation that cause poverty to persist:

- 1) Understanding urban poverty better based on emerging trends
 - To what extent are traditional hierarchies of caste and social exclusion status replicated or evolved in urban areas and how does this affect the lives wellbeing and access to services of socially excluded groups?
 - Are the constraints and issues facing the poor in small towns different from those in large cities, and how can they be better addressed in DFID's programming?
- 2) Examining what can be done to support cities become engines of growth and poverty reduction

What are the optimal responses in terms of skills development, livelihood, and manufacturing policies? How can workers be brought into the formal, organised economy (compared to the 70% currently in the informal sector in urban areas)? [Should these questions be bulleted?]
- 3) Better understanding the complex and fragmented urban social safety nets that exist in India, and working out how to support their improved implementation performance (and design, where appropriate), and supporting the urban poor to benefit more from these schemes

5.3.3 Operational research to improve the effectiveness of urban development interventions

- I. Understanding how community participation can be managed in a way that improves the effectiveness of interventions, especially community monitoring

Assessing the main areas around which community participation can be managed, especially given that distal interventions now dominate urban development programmes, is important. Physical assets (e.g., those involved in proximal interventions) provide tangible interventions for mobilisation and their importance for building rapport has been mentioned. While retaining some of these is thus important, new modes of involving the community in the context of predominantly distal interventions need to be explored.

The promotion of social accountability – the active monitoring of public service delivery by beneficiaries – has become highly popular since the turn of the millennium. However, there is surprisingly limited evidence on its impact and what is required for it to be effective, as confirmed by a recent review carried out by IDS on behalf of DFID (The Impact of Transparency and Accountability Initiatives, Gaventa and McGee, 2012).

Community monitoring to promote accountability is not straightforward as there is a major collective action problem; each individual may not ‘complain’ about service delivery if he or she risks being excluded from that service as a result, or face other social sanctions (see Information and Collective Action in the Community Monitoring of Schools, Barr et al., CSAE 2012).

Emerging evidence suggests that community monitoring can positively influence service delivery. To illustrate, it has been shown in Uganda (Bjorkman and Svensson 2006) that using Citizen Report Cards to inform the community about the quantity and quality of health service provision improved the overall condition of health provision in treatment areas. However, there is also an emerging consensus that community monitoring has a much higher chance of working if community groups get to define the indicators and monitoring mechanisms themselves (JPAL), which enables them to select more socially acceptable indicators, and that monitoring groups require members to have defined roles and responsibilities, general exhortation to communities has limited impact (University of Oxford’s Improving Institutions for Pro-Poor Growth). Further research in this area could thus help fill in a considerable knowledge gap.

- II. Understanding how ‘informal privatisation’ helps fill infrastructure and service gaps in slums and other urban areas, and how best this can be supported and used to advantage within the programmes (e.g., small scale entrepreneurs for solid waste management)
- III. Developing an optimal methodology for undertaking PEA in the urban sector, as discussed in Section 5.1.1
- IV. Undertaking targeted research on appropriate delivery mechanisms for technical assistance

The mechanism of delivery for DFID projects has changed from having dedicated DFID staff during first generation projects to state owned entities (Management Support Units) during second generation projects to Technical Assistance Support Teams in third generation projects (and beyond).

While this change reflects a need to improve efficiency in the cost of delivery as well as adherence to the Paris Declaration Principles of 2005 on aid coordination (avoidance of parallel PMU), the following matters also warrant consideration:

- I. During the first generation projects, the onus of implementation, monitoring, and evaluation was directly with DFID, and therefore, a number of decisions on implementation could be taken jointly in consultation between the recipient of aid and DFID. This has progressively become a tripartite exercise, where the TAST now advises on the implementation, while the state is primarily responsible for implementation, and DFID largely maintains a review responsibility.
- II. The volume of the interventions (number of interventions) have widened from first generation projects (largely concentrated towards slum improvement) to third generation projects, where interventions range from energy efficiency to accounting reforms to reinforcing municipal (internal) infrastructure. However, from the perspective of being able to conceive or influence policy, the nature of interventions appear to have changed from being 'formative' or 'definitive' (e.g., defining the logic behind taking up an intervention in a particular way or with a particular result, e.g., the participatory approach in CSIP-1c), to being supportive of the state policy as may have been taken up through its own resources or compelled by other externalities. In essence, the nature of the mechanism of delivery appears to have moved from being an 'agent of change' to an 'agent of support'.

A key area for research therefore emerges as the comparative performance of different forms of delivery mechanisms in terms of:

- Delivery cost effectiveness – comparing an in-house MSU versus a TAST to deliver the same amount of aid
- Sustainability of interventions – comparing those involving MSUs and those involving TASTs in delivery
- Ability to influence policy – whether it is linked to the structure used for delivery, and to what extent (do TASTs have a better ability than in-house MSUs to influence policy)

Annex A A Narrative history of DFID's involvement in India's urban development

A.1 Before 1980 and ODA

The UK Government primarily focused its support to India on the rural poor and agriculture before the creation of the Overseas Development Administration (ODA) in 1980. The Government of India's work around urban development can be briefly traced through the experience of the first set of five year plans.

A.1.1 First Five Year Plan (1951 – 1956)

The first five year plan period (1951 – 1956) was essentially spent in building the institutions key to the (then) newly adopted Constitution of India, and formative legislations such as the Representation of People's Act, 1950. This was also the time the major Ministries et al were constituted and work divided amongst them. Even though local self-Governments or Municipal bodies were functional in several parts of the country, most of them were formed under their own respective legislations enacted during the British rule (viz. Bombay Municipal Corporation Act, 1888 or Calcutta Municipal Act, 1923). This period saw some States, like Orissa (Odisha) enact their Municipal Acts in line with the Representation of People's Act, 1950. It was also during this period that the subjects of local Governments, land and housing were largely delegated to States on account of being 'State' subjects and not 'Union' subjects.

Two key achievements in urban development were: (1) the constitution of the Town & Country Planning Organisation as an attached office of the (then) Ministry of Works & Housing, and (2) the establishment of the National Buildings Organisation as a Central Government authority on building related works – its key task being the preparation of the National Building Code, and compilation of statistical data on construction of buildings. The Central Public Works Department, which had existed from the British rule, was also brought under the ambit of the (then) Ministry of Works & Housing as an attached office.

The National government largely concentrated on institution - building at the Centre and on construction of homes for government employees and the weaker sections of society. Interestingly, a good part of the Plan outlay was spent on rehabilitation of the refugees from Pakistan and on building the new city of Chandigarh. Since industrialization was a key concern in this period (largely inspired by the Soviet Union model), the Government also initiated a scheme for housing industrial workers with around 50% subsidy from the Centre, and remainder from State Governments and industrial establishments.

A.1.2 Second Five Year Plan (1956 – 1961)

The second five year plan (1956 – 1961) saw a very key development – the enactment of the Slum Areas (Improvement & Clearance) Act, 1956 for Union Territories; and subsequently – State level variants of the Act within the remaining plan period. This set of legislations largely focused on 'clearance' of slums – evicting unauthorized encroachments wherever possible from Government lands earmarked for certain purposes, and improving areas where tenure of the settlers could be established. Interestingly, one of the first slums to be 'notified' under this Act was the walled city area of Delhi.

The scope of housing programme for the poor was expanded in the Second Plan (1956-61). The Industrial Housing Scheme was widened to cover all workers. Three new schemes were introduced, namely, Rural Housing, Slum Clearance and Sweepers Housing. Town & Country Planning Legislations were enacted in many States and necessary organisations were also set up for preparation of Master Plans for important towns.

A.1.3 Third Five Year Plan (1961 – 1966)

The third Five Year Plan period (1961-66) saw emergence of the Urban Community Development scheme. During this period, it was aimed to concentrate and coordinate efforts of all Central agencies towards orienting Central sector programmes to the needs of the Low Income Groups. A scheme was introduced in 1959 to give loans to State Governments for a period of 10 years for acquisition and development of land in order to make available building sites in sufficient numbers. Master Plans for major cities were prepared and the State capitals of Gandhinagar and Bhubaneswar were developed.

A.1.4 Fourth Five Year Plan (1969 – 1974)

Before the fourth five year plan, three annual plans were developed between 1966 and 1969 to carry on the work from the third five year plan. In 1969, when the fourth five year plan was notified, the key areas to be addressed were the growing regional disparities and the need for balanced urban growth. The Plan stressed the need to prevent further growth of population in large cities and need for decongestion or dispersal of population. This was envisaged to be achieved by creation of smaller towns and by planning the spatial location of economic activity. Housing & Urban Development Corporation (HUDCO) was established to fund the remunerative housing and urban development programmes, promising a quick turnover. A Scheme for Environmental Improvement or Urban Slums was undertaken in the Central Sector from 1972-73 with a view to provide a minimum level of services, like, water supply, sewerage, drainage, street pavements in 11 cities with a population of 0.8 million and above. The scheme was later extended to 9 more cities.

A.1.5 Fifth Five Year Plan (1974 – 1979)

The Fifth Plan (1974-79) reiterated the policies of the preceding Plans to promote smaller towns in new urban centres, in order to ease the increasing pressure on urbanization. This was to be supplemented by efforts to augment civic services in urban areas with particular emphasis on a comprehensive and regional approach to problems in metropolitan cities. A Task Force was set up for development of small and medium towns. The Urban Land (Ceiling & Regulation) Act was enacted to prevent concentration of land holding in urban areas and to make available urban land for construction of houses for the middle and low income groups.

This period also saw the emergence of various multilateral agencies, particularly the United Nations (specifically the United Nations International Children's' Emergency Fund or UNICEF) contributing to the actual implementation of such programmes by 'transplanting' or 'adapting' what were then known as internationally accepted practices. Several models of improvement of infrastructure and provision of urban basic services under what was known as the urban community development model were taken up in States and cities that were mutually agreed to by the Government of India and such multilateral donors.

It may also be noted that during this time, the Government of India did not enjoy a very substantial revenue base on account of taxation, and was largely dependent on external aid – a lot of which also used to be 'tied' to specific international development objectives; but which largely focused on modernizing the approaches used by the Government of India.

A.2 After 1980: Changes in National policies & trends and DFID's responses

DFID's involvement in the field of slum improvement and urban poverty reduction started in the early 1980's, and largely mirrored the five year plans of the Government of India.

A.2.1 Sixth Five Year Plan (1980 – 1985)

The sixth plan was preceded by an annual plan between 1979 and 1980 accounting for the period required for the ruling party to settle in after their return to power in the 1979 general elections. The thrust of the planning in the Sixth Plan (1980-85) was on integrated provision of services along with

shelter, particularly for the poor. The Integrated Development of Small and Medium Towns (IDSMT) was launched in towns with population below one lakh for provision of roads, pavements, minor civic works, bus stands, markets, shopping complex etc. Positive inducements were proposed for setting up new industries and commercial and professional establishments in small, medium and intermediate towns.

DFID's programmatic response

It may be noted that the involvement of the Department of International Development (at the time represented by the Office of the Overseas Development Assistance) commenced at this time, leveraging the on-going schemes of the National Government. A number of considerations were based into the ODA's involvement at the time:

- I. The continuing incidence of slums despite the launch of several schemes was emerging as a concern for development plans;
- II. The effectiveness of a number of schemes (viz. the urban community development schemes) etc. was also a matter of concern primarily because:
- III. The number of slums and human settlements housing the urban poor that could be covered by the scheme was limited
- IV. The programmes were essentially launched as untied grant 'schemes', a large portion of which would remain unutilized by the State Governments for long periods;
- V. The urban poor communities themselves had several internal dynamics which prevented the scheme from benefitting all concerned;
- VI. The institutional capability as well as capacity for urban poverty reduction and convergence was limited.

It was during this time that the ODA sought to partake into schemes that were already being run by the Government, which were also influenced by a large extent by other multilateral donors who were active in the areas.

A.2.2 Seventh Five Year Plan (1985 – 1990)

The Seventh Plan (1985-90) stressed on the need to entrust major responsibility of housing construction on the private sector. A three-fold role was assigned to the public sector, namely, mobilisation for resources for housing, provision for subsidised housing for the poor and acquisition and development of land. The National Housing Bank was set up to expand the base of housing finance. NBO was reconstituted and a new organisation called Building Material Technology Promotion Council (BMTPC) was set up for promoting commercial production of innovative building materials. A network of Building Centres was also set up during this Plan period. The Seventh Plan explicitly recognised the problems of the urban poor and for the first time an Urban Poverty Alleviation Scheme known as Urban Basic Services for the Poor (UBSP) was launched.

As a follow-up of the Global Shelter Strategy (GSS), National Housing Policy (NHP) was announced in 1988. The long term goal of the NHP was to eradicate homelessness, improve the housing conditions of the inadequately housed and provide a minimum level of basic services and amenities to all. The role of Government was conceived, as a provider for the poorest and vulnerable sections and as a facilitator for other income groups and private sector by the removal of constraints and the increased supply of land and services.

In 1986, the Government constituted the National Commission on Urbanisation with a view to understand the long term implications and prognosis of the urban sector and its impact on the economy. In 1988, the Commission submitted its report. The Report eloquently pointed out the reality of continuing and rapid growth of the urban population as well as the scale and intensity of urbanisation, the critical deficiencies in the various items of infrastructure, the concentration of vast number of poor and deprived people, the acute disparities in the access of shelter and basic services, deteriorating environmental quality and the impact of poor governance on the income and the productivity of enterprises. A key recommendation of the Report was the need to set up several

‘urban – regional’ planning areas (around 34 of them, out of which only the National Capital Region was notified at the time) to strike a balance between large, medium and smaller towns within such a ‘regional’ context.

It was at this time that the Government of India largely acknowledged the prospective potential of the urban areas in terms of its contribution to the GDP and the fact that failing infrastructure was responsible for not being able to ‘unlock’ the value of urban areas. The Rakesh Mohan Committee was constituted in 1989 to prepare a report on India’s infrastructure deficit and investment requirement. The Committee, in 1991, concluded that the investment required for urban infrastructure (i.e. water supply, sanitation, solid waste management and roads) during the five year period from 1996 to 2000 was estimated at Rs.28297 crore per year (Rs. 1,41,485 crore for a total period of five years). The estimated investment required during the next five year period of 2000-2005 was estimated at Rs.27, 773 crore per year (Rs. 1,38,865 crore for a total five year period). Thus, total investment requirement for the ten year period is Rs. 2,80,350 crore. The reports also largely established that the reasons for persistence of urban poverty lay within the larger macro-economic issues that prevented urban areas from realising their full potential and not being able to provide sustainable livelihoods or habitat to the poor.

However, even as the National Government struggled to internalise these findings into a ‘working’ model for development for the States, they remained dependent upon Central sector funds for poverty alleviation during the interim period. Slums, urban development, land, housing & municipal affairs were still strongly ensconced as State subjects, and what was being done on the field (i.e. in areas that housed the urban poor) was still dependent entirely on State and local Government capability.

The Department of Housing, Urban Employment & Poverty Alleviation, housed within the Ministry of Urban Affairs (previously known as Ministry of Works & Housing) floated the Nehru Rozgar Yojana scheme in 1989 in order to provide employment to urban youth living in impoverished conditions. This was essentially a pre-cursor to what eventually became the Swarna Jayanti Shehri Rozgar Yojana, albeit that fact that the original NRY was targeted at individual beneficiaries.

DFID’s programmatic response

The Department for International Development, still working through the ODA started developing plans for intervention in the areas where the State was unable to work effectively, and the emergent National policies on ‘reforming’ urban areas and making the poor ‘trickle-down’ beneficiaries of large scale urban development had not percolated to.

These plans effectively materialized during the eighth plan period in the form of the Slum Improvement Projects, taken up in four States within the next decade – West Bengal (covering Calcutta), Madhya Pradesh (covering Indore), Andhra Pradesh (covering Hyderabad, Vijayawada, Visakhapatnam), Orissa (covering Cuttack) and Kerala (covering Cochin). It may be noted that some of the early projects were ‘taken over’ from the State or local Governments, which were being originally funded by the Environmental Improvement of Urban Slums or any of the variants of the Urban Community Development Scheme – such as the Hyderabad Slum Improvement Project – of which the first two phases were funded by the Government of India (via the State Government) and the third was taken up using DFID (ODA) assistance.

A.2.3 Eighth Five Year Plan (1992 - 1997)

In the backdrop of the reports of the National Commission of Urbanisation and the Rakesh Mohan Committee, the Eighth Plan (1992-97) for the first time explicitly recognised the role and importance of urban sector for the national economy. While growth rate of employment in the urban areas averaged around 3.8% per annum, it dropped to about 1.6% in the rural areas. Therefore, the urban areas have to be enabled to absorb larger increments to the labour force. The Plan identified the key issues in the emerging urban scenario:

- the widening gap between demand and supply of infrastructural services badly hitting the poor, whose access to the basic services like drinking water, sanitation, education and basic health services is shrinking

- unabated growth of urban population aggravating the accumulated backlog of housing shortages, resulting in proliferation of slums and squatter settlement and decay of city environment
- high incidence of marginal employment and urban poverty as reflected in NSS 43rd round that 41.8 million urban people lived below the poverty line.

This period also saw the ‘opening up’ of the Indian economy through a series of reforms pertaining to liberalization – allowing for easier entry of private sector into core sectors of the economy, considered as eminent domain of public agencies.

At the National level, there was another donor supported initiative from the United States Agency for International Development known as the Financial Institution Reforms & Expansion Project (FIRE-D) was launched in 1994 for developing a long-term debt market for viable urban infrastructure projects was launched in 1994. The programme envisages development of a viable urban infrastructure finance system that could support development of debt market in India by using the Housing Guarantee (HG) funds for contemplating the issuing of debt instruments to finance urban infrastructure projects.

In the first phase of the programme (1994-98), the USAID provided the HG funds of US \$125 million for a period of 30 years to develop an urban infrastructure finance system. HUDCO and IL&FS acted as the financial intermediaries to channel the funds along with a matching amount of locally raised funds to municipalities or private sector entities to finance selected commercially viable urban infrastructure projects relating to water supply, sewerage, solid waste management and area development.

An entirely new range of Central sector schemes, powered by Central budgetary assistance was launched during this Plan period (also coinciding with 50 years of independence):

Table 9: List of key events in the urban sector during the last 10 years

Year	Core urban development	Urban poverty alleviation
1992	Enactment of the Constitution of India (74th amendment) Act, which devolves all functions of the 12th schedule to elected local Self Governments (Municipal bodies) in urban areas. Corresponding legislation - Constitution of India (73rd amendment) Act enacted to devolve all functions of the 11th schedule to elected local Self Governments (Panchayati Raj bodies) in rural areas. State Finance Commissions for recommending quantum & nature of State transfers to local Governments introduced; first recommendation of National Finance Commission to transfer funds to Municipal bodies on ad-hoc basis.	Urban Basic Services for Poor (UBSP), leveraging upon EIUS, UCD and UNICEF models to provide basic services and tenure to slums
1993	Mega City Project (MCP) launched – to enable the mega cities build a revolving fund for sustained investment through direct and indirect cost recovery measures.	
1993-94	Accelerated urban water supply Program (AUWSP) launched – priority grant funding to water supply schemes at a city level	
1995		Prime Minister’s integrated urban poverty eradication programme (PMIUPEP) launched - working basic services to the urban poor and urban livelihoods.

Year	Core urban development	Urban poverty alleviation
1996	Urban Development Plan Formulation and Implementation Guidelines launched by the CRDT, ITPI – becomes the normative document for inclusive plan preparation	
1997		National Slum Development Scheme launched – merges a part of PMIUPEP dealing with basic services, UCD and UBSP components into one umbrella scheme – works on the issue of providing basic services to the poor within slums, apart from sporadic construction of tenements (tenements were discontinued in 2001 after the VAMBAY scheme was launched)
1997		Swarna Jayanti Shehri Rozgar Yojana – aimed at upgrading the NRY and PMIUPEP livelihoods component into a single umbrella scheme – focus largely diverted to women's community based livelihood – using both self-help groups and focusing on self as well as wage employment.

The cumulative allocation of housing & urban development over successive plans as a percentage of plan allocation till the eighth five year plan is provided in the table below.

Table 10: Plan out lay and share of urban sector in various five-year plans

Plan	Total Outlay	Housing & Urban Development	Percentage share in the total
(Rs. in million)			
First Plan	20688	488	2.1
Second Plan	48000	1200	2.5
Third Plan	85765	1276	1.5
Annual Plan(1966-69)	66254	733	1.1
Fourth Plan	157788	2702	1.7
Fifth Plan	394262	11500	2.9
Annual Plan (1977-80)	121765	3688	3.0
Sixth Plan	975000	24884	2.6
Seventh Plan	1800000	42295	2.3
Annual Plan (1990-92)	1338350	3001	2.2
Eighth Plan	4341000	105000	2.4

DFID's programmatic response

The response of the Department of International Development (now working through the Urban Poverty Office) was through actual 'field level' interventions made by State Governments under the plan. The first few Slum Improvement Projects taken up in Calcutta (CSIP 1a and 1b) as well as the Hyderabad Slum Improvement Project were essentially more streamlined and 'field customized' variants of programmes which were already working within such areas. In CSIP, for instance, DFID appears to have consciously elected not to intervene in the matters pertaining to land tenure on the

basis of a 'regularised' customary law – the Thika Tenancy Act, 1980 – and concentrated largely on the provision of basic services. In contrast, Hyderabad Slum Improvement Project worked largely akin to the UCD/ UBSP model, also not including concerns of tenure.

It was not before 1997-98 where the concept of participatory approaches were used – again largely inspired from similar initiative used in rural areas (the Peoples' Plan in Kerala – for instance), which laid emphasis on the constitution of women's self-help groups, neighbourhood groups and participatory appraisal and planning for basic services – and this was reflected almost simultaneously in both the Government's programmes (SJSRY) and DFID's CSIP-1c component – although covering different functional aspects.

It may also be noted that while the Department of International Development was largely aware of the implications of the Constitution of India (74th Amendment) Act, 1992 devolving the responsibilities of urban poverty alleviation and improvement of slums to local self-Governments (as discretionary and obligatory functions respectively), it was not till 1997-98 that the focus of the DFID actually shifted to Municipal bodies as the competent body to deal with slum improvement and urban poverty alleviation.

A.2.4 Ninth Five Year Plan (1997 – 2002) and urban reforms

The approach document to the Ninth Plan underscored the need for accelerating development of urban infrastructure in order to sustain the economic reforms initiated during the last Five Year Plan, and a key concern posed was the archaic structures and working models of Municipalities that were neither able to foster a good investment climate, or effectively work towards removing disparities. The key reason was cited as the lack of capability of Municipal bodies to generate revenue sources and also leverage upon market borrowings. It was also largely determined over a series of internal papers and researches that most Municipalities were 'bottom heavy', employing a large complement of manpower with low and/or marginal skills – who were responsible for high administrative expenditure but without a matching revenue base.

A key initiative of this Plan period, in order to remove barriers towards investment was to 'normalise' taxation regime across States. A key tax that was affecting businesses, import, exports and the movement of goods and commodities across States was octroi – which was finally agreed to be abolished in 2003-04. Unfortunately, octroi also served as a major source of revenues for Municipal bodies, and its abolition would ultimately lead to significant revenue losses for the Municipal bodies. A series of Municipal reforms were launched during the plan period to try & compensate for losses. These included, inter-alia: (1) adoption of modern, accrual based double entry accounting system, (2) improving demand and collection of property tax – the amount of tax being rationalised to reflect a suitable measure of wealth (viz. area based guidance values), (3) improved financial management that would lead to improved cash balance, improved capability for investment, (4) sound budgeting techniques that would reflect appropriate concerns of the Municipal area, and (5) austerity measures in the short, medium and long term to ensure lowering of Municipal expenditure as a percentage of total delivery.

Unfortunately, the Municipal administration being a State subject, Municipal bodies could not be ordered by the State Government to adopt reforms. State Governments, on the other hand – were also constrained by the fact that many of the State level personnel had limited understanding of the purpose of such reforms, and therefore could not guide the Municipal bodies adequately.

DFID's programmatic response

It is at this time that the programmatic approach of DFID changed with the Country Action Plan –II, reflective of the emergent plan stipulations and making the reforms benefit the poor. The proven model of participatory slum improvement & convergent delivery of appurtenant services such as health & education – which were effectively innovations at field level, now gave way to support the new found need for augmenting the capacities of Municipal bodies. The two programmes devised (designed) at this time – the Kolkata Urban Services for the Poor (KUSP) as well as the Andhra

Pradesh Urban Services for the Poor (APUSP) 'scaled up' the initiatives restricted to one to two cities and slums therein to a State-wide, Municipal focused programme.

Either of the two programmes were reflective of reform concerns highlighted in the Five Year Plan, and supported specific components that were meant to roll out the reform processes within the State through appropriate 'tooling' and handholding. The Urban Poverty Trust Fund of the World Bank, along with the Cities' Alliance – had been globally supporting the preparation of pro-poor city development strategies – as a variable term vision and guiding document governing the operations of the Municipal bodies. This effectively became the basis for the inclusion of the Municipal Action Plan for Poverty Reduction (MAPPR) under APUSP and the Draft Development Plan under KUSP, which provided an overall 'larger picture' perspective to why these reforms were important to achieving larger results. While the MAPPR eventually appeared to become a repetitive exercise that was restricted to the realm of urban poor, the DDP model has been sustained by the Government of West Bengal as an all-encompassing document for creating a roadmap for Municipal development, including reforms.

The proven approach for participatory slum improvement continued to work, as DFID's programmes now complimented the flagship scheme of National Slum Development Programme, accounting largely for (1) participatory provision of basic services, and (2) construction of tenements for dilapidated structures. It may be noted that DFID still did not work directly on the issue of securing land tenure, and it was largely dependent on the State's policies for providing security or legitimacy of tenure.

One new method that was followed was a systematic process of prioritising slums, based on what was called a 3 x 3 matrix. This essentially mapped the state of poverty of slum households against the state of availability of basic services on a variable grade (acceptable, needing improvement and critical). Slums which exhibited 'critical' state in either parameter - state of poverty of slum households as well as state of availability of basic services would rank highest on the matrix and be therefore accorded priority. This method is also understood to be largely derived out of the UNICEF supported model, but it helped Municipal bodies prioritise slums for apolitical reasons.

A.2.5 Tenth Five Year Plan (2002 – 2007) and reforms, sustained

Akin to the grand consolidation exercise during 1992 – 1997 which led to several urban poverty alleviation schemes being 'merged' and consolidated for improved delivery, the Government of India mulled the idea of consolidating the urban development programmes in a large Central sector subsidy supported programmes, covering all of India. This would also be reflective of the emerging concepts of improved private sector participation in urban infrastructure, and the concept of financially 'bankable' projects. In the latter part of the ninth Five Year Plan and the early part of the 10th Five Year Plan, Municipal bodies were encouraged to float public investment schemes, in the form of tax-free Municipal bonds – which would be used for projects which had the capability to earn back, while exercising reforms in the area of water supply, sanitation and sewerage – largely related to tariffs that met operations and maintenance costs.

At the same time, in order accelerate and incentivise the process of urban reforms the Government of India decided to provide reform-linked assistance to states. The 2002 - 2003 Budget called for setting up an Urban Reform Incentive Fund with an initial outlay of Rs. 500 crore per annum during 10th Plan. The URIF proposed to provide incentives to State Governments to carry out reforms. Each reform area was assigned a special weightage, and the states were expected to enter into Memorandum of Agreement (MoA) with the Ministry of Urban Development & Poverty Alleviation (MoUD&PA – renamed from the Ministry of Urban Affairs) for carrying out the reforms. The MoA contained the acceptance of the States to undertake the reform measures. On signing the MoA 50% of the State allocation would be released, as incentive on signing of MoA, and the balance 50% would be given to the state governments after achieving the prescribed milestones. Unfortunately, not many States came forward to sign the Memorandum of Agreement with the Central Government, on account of a low understanding of the long term benefits of the reforms and internal constraints of capacity and capability to undertake these reforms.

In 2003, the Government also launched the Valmiki Ambedkar Awas Yojana, which was aimed at providing housing units to the urban poor. Typically, this was used by State housing providers to create a small segment of houses for the urban poor within the normative public housing schemes, and in some cases, the scheme was used to construct houses inside slums, relegating the NSDP to a 'services only' model.

The set of reforms along with the need for a consolidated thrust on capital investment into infrastructure culminated in the launch of the Jawaharlal Nehru National Urban Renewal Mission on 3 December 2005, covering 63 (later 65) cities of different size-classes all over India. The scheme proposed to partially fund the development of city wide infrastructure and integrated schemes for construction of serviced (complete with site level basic services), flatted tenements for the urban poor within these cities, subject to fulfilment of certain reform conditions by these States and the 65 Municipal Governments within the identified cities. The reform conditions were essentially the same as those proposed under URIF, and were based on the prior findings of the USAID supported FIRE-D project, viz. (1) adoption of modern, accrual based double entry accounting system, (2) rationalisation of stamp duty, (3) credit rating & enhancement of urban local bodies etc. The report of the second administrative reforms commission also played an important role in gaining an understanding of manpower and structural issues within local self-Governments, and that there was a need for 'rationalising' manpower – dissipating the low skilled, high volume workers against low volume, highly skilled manpower to discharge more complex administrative & governance functions such as planning, financial management etc. URIF, NSDP and VAMBAY were subsumed under JNNURM w.e.f. 3 December 2005.

Along with JNNURM, which was targeted at 65 specific cities, two identical programmes were also launched for the remaining cities of the country. One of these was Urban Infrastructure Development Scheme in Small & Medium Towns and the Integrated Housing and Slum (re)Development Programme (IHSDP). Although the Government of India allocated a common fund of Rs. 50,000 crore for all of these programmes, JNNURM accounted for over 70 per cent of the allocation.

The period also saw the change in National policy with respect to modernisation of technology – long determined as a 'labour unfriendly' policy and adoption of automated processes and e-Governance measures – at all levels of the Government, and Municipal affairs was no exception. 'Computerisation' had been commenced across several Municipal bodies – with accounts and finance taking to these first, and thereafter being extended to functions such as registration of births & deaths, trade licenses etc. Adoption of appropriate tools and techniques through an e-Governance solution was made a mandatory reform under JNNURM to avail of funding assistance.

DFID's programmatic response

At the end of DFID, while the State-wide programmes were largely 'designed' during the 1997 – 2002 phase (more so in the period between 1999 and 2002), most of them commenced 'implementation' in 2002, after the commencement of the 10th Five Year Plan period. Although the need for Municipal reforms in the fiscal space was identified prior to 2002, the precise nature and scope of such reforms was realised for the first time in the design of the programmes and the roll-out of these programmes in the period from 2002 to 2005. Both APUSP and KUSP focused extensively on the component of internalising double entry accrual based accounting system, as well as improved budgeting and financial management techniques. The process of handholding Municipal bodies to create their own opening balance sheet, setting up trial balance sheet and final statement of accounts was first started in these programmes. The USAID supported FIRE-D project, which was still on-going at the time, supported the creation of a National level Municipal Accounting Manual for adoption by the State Governments. The DFID supported projects assisted in adapting the manual in part or in whole to the State Governments. As a result, both States which received DFID assistance had already achieved the reform to a reasonable extent by the time JNNURM was rolled out. Likewise, e-Governance measures had been taken up in both the States even before JNNURM was announced, and therefore a number of legacy systems were already in place by the time JNNURM was announced.

As mentioned earlier, both DFID programmes active during the early part of the 10th Five Year Plan utilised the model of a long term vision document for Municipal development and/or urban poverty

alleviation. This model was, at the time of JNNURM, made into the mandatory requirement of a City Development Plan by the Central Government for accessing funds under the scheme, which was a vision document for 20 – 25 years, which would highlight inter-alia:

- Infrastructure requirements for next 20 years,
- Capital and recurring funding requirement for the period, and how the city proposed to meet such requirement using a combination of:
 - Grants from the Central Government
 - Grants from the State Government
 - Revenues augmented through implementation of reforms
 - Revenues augmented through private sector participation
- Strategy for alleviation of urban poverty
- Pipeline of identified projects that could be taken up in the period up to 31 March 2012.

Two new components, which were not very clearly envisaged at the time of JNNURM, were taken up in these programmes first:

- a. The component of a Civil Society driven initiative for poverty alleviation: Partially inspired by the famous Kudumbasree model from Kerala, which essentially re-organized community development societies created at the time of the urban community development project into effective, civil society run initiatives for poverty reduction, both APUSP and KUSP utilized components that were essentially non-Governmental or extra-Governmental bodies founded by the people and attempted to leverage the capabilities of non-Governmental organizations. The UPADHI scheme under APUSP essentially aimed to replicate the success of Kudumbasree in micro-entrepreneurship and promoting women's participation in microfinance. KUSP, on the other hand, utilized an Innovation Challenge Fund to foster community based initiatives which could not be taken up by normative public agencies or sources of funds. UPADHI and its legacy structures were eventually amalgamated into a State owned society known as MEPMA – responsible for community level initiatives in urban poverty alleviation, including preparation and roll out of MAPPRs.
- b. Knowledge management & institution building: While successive Administrative Reforms Commissions recommended that the Governments (both at Central as well as State levels), curtail expenditure into manpower and institutions, both the projects underscored the need for institutions into which expenditure was justified keeping in view the longer term benefits. Under APUSP, the Centre for Good Governance was established as a professional society under the aegis of the General Administration Department of the State Government. This entity would render technical support to various Governance issues all over the State, including Municipal administration, and would be staffed by highly qualified professionals. While the seed capital was provided by DFID, this entity has managed to recover its operating expenses in subsequent years. In KUSP, the Change Management Unit was set up as a professional society to support the knowledge management and handholding functions – which would eventually be disbanded once its utility is over. As on date, the CMU is still being funded by the State Government.

A.2.6 Eleventh Five Year Plan (2007 – 2012) reforms, new challenged

Since JNNURM commenced at the middle to latter half of the 10th Five Year Plan, and was envisaged with a seven year timeframe, the urban development agenda for the 11th Five Year Plan was more or less set – emphasis on JNNURM and making the scheme realise its functional goals. In addition, there was also some degree of mainstreaming between the urban development policy and mainstream economic policy – bringing into the mainstream new ideas such as investment friendliness/ climate assessment at city level, focus on low carbon economies, climate change prerogatives etc.

It was also observed that:

- Some of the reforms were still not being internalised by what were being called 'laggard' States – coincidentally also known traditionally as 'BIMARU' States (colloquial for 'ill' or 'sick', acronym for

Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh), despite such States not being geographically or ethnographically disadvantaged or different

- The component of JNNURM involving the provision of housing for urban poor was being done in a largely haphazard manner, since Municipal Governments were more interested in the high value city wide infrastructure, and City Development Plans did not reflect concerns of urban poor as well as the MAPPR or DDPs did.
- Some of the reforms such as private sector participation were not being taken up across a large number of States.
- Effectively, instead of creating a pro-poor, inclusive environment, JNNURM now risked fracturing the urban fabric into infrastructure that is prone to 'elite' capture, and an inconsequential (but not small) measure of investment for urban poverty.

In 2003, the policy of acceptance of external aid changed⁴³, and from this point onwards, aid would be accepted only from the G8 countries (including the United Kingdom), apart from multi-lateral agencies of which India was already a member/ shareholder. The Tenth Plan also sought an increased intervention from the private sector and the ability of local Governments and State Governments to garner, as far as possible, their own resources for work that involved construction and development of assets. This in turn targeted utilisation of external aid (non-returnable capital) towards components that could not be otherwise funded by the Central Government and where States lacked the wherewithal to make informed investments, viz. activities crucial to implementation of reforms.⁴⁴ It may be noted that the percentage of all external aid fell to around 0.2% of the GDP at the beginning of the plan period.

DFID's programmatic response

In 2008, DFID launched its third country action plan, CAP-III, aptly titled 'three India's' – reflecting the divergence that was being brought about by the economic reforms – widening the gap between the poor & the non-poor, increasing focus on the commercial aspects of development and decreasing focus on the social, economic & environmental fabric. This divergence apparently affected the urban development sector as well, as cities and States often 'chose' urban infrastructure over urban poverty; and States with inherent low capacity such as Madhya Pradesh, Chhattisgarh, and Bihar & Jharkhand would stand to lose on both fronts.

The DFID Country Operational Strategy 2008 – 2015, which subsumed CAP-III - originally focused on eight States of India. In keeping in view DFID's programmatic objectives towards supporting low income States, the State of Madhya Pradesh was selected on account of being able to take up reforms on account of two reasons:

- Sustaining the reforms included in an ADB loan covenant for the State, to which the State was irrevocably bound.
- Internalising the reforms proposed by JNNURM, to which the State had committed

DFID's response to the challenges changed radically from proximal interventions (largely concentrated in brick and mortar assets) to distal interventions – soft components such as management & policy support, assistance in implementation of reforms and capital expenditure to such effect. It is worthwhile to note that till APUSP and KUSP, the component of works in slums usually used to account for the largest component of expenditure within the financial assistance provided by DFID. Under CAP-III projects, this reduced to a very small amount, leaving the bulk of the

⁴³ Source: Overseas Development Assistance: An Indian Perspective - Anil K. Singh, Secretary General, South Asian Network for Social & Agricultural Development (SANSAD), see www.sansad.org.in/ODA_paper.doc

⁴⁴ This pattern of utilization of external aid appears to have repeated across several donors – bilateral as well as multilateral. While assistance from DFID was used to carry out activities such as multi-purpose household surveys and development of GIS based property tax systems in MPUSP, similar activities were funded in Uttar Pradesh and Haryana by JICA (then JBIC) under the Yamuna Action Plan, phase II.

assistance towards non-physical, but tangible components. Under both APUSP as well as KUSP, the amounts earmarked for financial assistance appeared to expend faster, while amounts under technical assistance remained underutilised.

Since the matter of providing serviced housing stock (complete with services etc.) was being managed under the Jawaharlal Nehru National Urban Renewal Mission (for specific cities) and the Integrated Housing and Slum (re)Development Programme (IHSDP), DFID programmes did not need to construct slum level services for the most part. However, these schemes also stipulated that separate components, viz. site level services or tenements could not be taken up separately. As a result DFID projects in this time could still take up such slums where the land tenure was fixated, but interstitial services needed upgrading. It may also be mentioned here that while the schemes of NSDP & VAMBAY were subsumed into JNNURM as well as IHSDP, legacy commitments made under these schemes (but which were not disbursed at the time of commencement of JNNURM) would continue being honoured and disbursed to the States. This also provided supplemental funds to States (and consequently, local Governments) to meet the costs of basic services in these slums, and therefore the need for DFID actually funding brick and mortar assets inside slums was further reduced.

Another functional change that came up during Country Operational Strategy 2008 – 2015 projects was the ‘externalisation’ of programme management responsibilities. Instead of creating new institutions to support handholding of the Municipal reform processes such as the CMU (KUSP), and the State supported PMU in APUSP, Country Operational Strategy 2008 – 2015 projects delegated programme management to specialist teams fielded by commercial service providers. The task of creating new Institutions was restricted to specific purposes such as infrastructure development financing, leveraging market funds etc.

A number of new concepts were brought into the programmes from 2008 onwards. These included increased sensitivity and targeted interventions towards gender equitability (viz. the introduction of the Resident Community Volunteer in MPUSP), assessment of the investment friendliness of cities (Support programmes for Urban Reforms in Bihar), integrated and scalable e-Governance solutions (Municipal Administration System – Bhopal Municipal Corporation), low carbon and low energy compliance (AP Energy mission, one of the last components of the APUSP programme, and now being internalised in both Bihar as well as Madhya Pradesh).

The key aspect of this generation of DFID projects was their ability to compliment or support mainstream urban development, and reducing direct focus on poverty alleviation. MAPPRs and DDPs, which were regarded as keystone interventions in the CAP-II period, were now further augmented to Annual Action Plans for Poverty and City Development Plans (in line with the stipulated models of JNNURM). However, it has been largely alleged that either tool has reduced focus on the urban poor as compared to prior tools.

Annex B Data Extraction Template

Table 11: Data Extraction Template

B.1 Basic Information

Project Title	
Project Start Date	
Project Completion Date	
Funding Amount from DFID	
Funding Amount from other sources	
Document Version (Person doing the data extraction must update draft version)	
Date	

B.2 Sources of Information

List of documents obtained and source

All documents except for evaluations

Doc No.	Date (Month / Year)	Title	Source and Contact Person
D1			
D2			
D3			
D4			
D5			

Evaluation documents

Doc No.	Date (Month / Year)	Evaluation Type	Title and Conducting Organisation	Source and Contact Person
E1				
E2				
E3				
E4				
E5				

Documents still to be obtained

Doc	Title	Potential Source and
-----	-------	----------------------

Number		Contact Person
R1		
R2		
R3		
R4		
R5		

B.3 Primary Data

Key Informant interviews

Interview Number	Date --/--/--	Person Name	Current post and contact details	Role in the project
K1				
K2				
K3				
K4				
K5				

Site visits

Visit Number	Where visited	Date --/--/--	Reason for visit
S1			
S2			
S3			
S4			
S5			

B.4 Data Gaps Remaining

Number	Area/Content	Plan	Potential Source and Contact Person
G1			
G2			
G3			
G4			
G5			

B.5 Project Details

Overview

	Descriptions as stated in document (Preferably use the same words as in the document. You may cut and paste but ensure formatting is uniform for ease of reading)	Doc Numbers (from Section 2) and page/point/ /table/figure number If multiple sources mention all
Project Goal		
Project Purpose/Outcome		
Project Outputs		

Background

	Descriptions as stated in document (preferably use the same words as in the document)	Doc Numbers - as above
Why was the particular area chosen for the intervention? Description of different aspects of the local area in which the intervention is taking place		
Was this project a follow on to previous DFID funded projects in the same location? How were learning's from that project used to design this one? What changed between the projects?		

External Engagement

	Descriptions as stated in document (preferably use the same words as in the document)	Doc Numbers – as above
Was there any engagement with communities in the planning, design or delivery of the intervention? If so, how?		
What was the role of the Municipal, State and/or National Government in the design of the interventions?		
How did it fit into / support Municipal Government plans / policies /		

programmes / initiatives		
How did it fit into / support State Government plans / policies / programmes / initiatives		
How did it fit into / support National Government plans / policies / programmes / initiatives		

Log frame

If there was a log frame for the project, please attach it as an annex to this extraction template

Interventions

	Descriptions as stated in document (preferably use the same words as in the document)	Doc Numbers – as above
Proximal interventions: These include the proximal interventions mentioned in the conceptual model and the guide Put a different row for each group of interventions if a broad grouping as in the guide is possible – but please use discretion, if this is not possible Add rows as necessary		
Physical environment and infrastructure		
Livelihoods		
Social services		
Social environment		
Other		
Distal interventions: As mentioned in the conceptual model and the guide. Put a different row for each group of interventions if a broad grouping as in the guide is possible – but please use discretion, if this is not possible Add rows as necessary		
Local Policy and Planning		
Interventions to improve delivery		
Laws and regulations		
Financial		

	Descriptions as stated in document (preferably use the same words as in the document)	Doc Numbers – as above
Other		

Resources

Financial

Source/s of information and page nos. for table below - _____

Source	Total commitment (% of total)	Total expenditure/notes
DFID		
Municipal Gov.		
State Gov.		
National Gov.		
Others (name)		
Total		

Source/s of information and page nos. for table below _____

Type of Intervention (add rows as necessary)	DFID Budget Allocation Value (%)	Total budget Allocation Value (%)

If information is not available by intervention just give total

Human /technical assessment

Source/s of information and page nos. for table below _____

Type of Intervention (add rows as necessary)	DFID contribution

If information is not available by intervention just give total

Roles and Responsibilities of actors

Actor (add rows as necessary)	Role (narrative description of what their role was expected to be and the extent of their participation)	Document/s and page /table/fig nos.

Programme Delivery

	Descriptions as stated in document (preferably use the same words as in the document)	Doc Numbers – as above
Management Structure of the programme		
Fund Flow Mechanism		
Fidelity of Intervention - was the intervention delivered the way it was planned?		

Barriers to implementation of intervention		
Facilitators for implementation:		

B.6 Mid Term Review if conducted

	Descriptions as stated in document (preferably use the same words as in the document)	Doc – as above
Type of Mid Term Review conducted (quant/qual/other details)		
Key results from review (<i>highlight issues identified if any</i>)		
Recommendations made		

Which recommendations were implemented and how (this would come from later documents)		
---	--	--

Results

Outputs

Output	Classification (Proximal, Distal) plus category	Indicator	Baseline Value (and year) if applicable	Initial End line Target	Was this target revised?	Final Value	Does the documentary evidence suggest the degree of attribution to project inputs?	Comments

Outcomes

Outcome	Related to which	Classification	Baseline	Initial End	Was this	Final Value	Does the	Comments
---------	------------------	----------------	----------	-------------	----------	-------------	----------	----------

Indicator	output above?	(Proximal, Distal) plus category	Value (and year) if applicable	line Target	target revised?		documentary evidence suggest the degree of attribution to project inputs?	

Impacts

Impact Indicator	Related to which outcomes	Baseline Value (and year) if	Initial End line Target	Was this target revised?	Final Value	Does the documentary evidence suggest the	Comments
------------------	---------------------------	------------------------------	-------------------------	--------------------------	-------------	---	----------

	above?	applicable				degree of attribution to project inputs?	

Results Narrative

	Descriptions as stated in document (preferably use the same words as in the document)	Doc – as above
More Detailed Narrative on Results Outlined Above		

B.7 Cross Cutting themes

EQUITY – across context, interventions and impact

	Descriptions as stated in document (preferably use the same words as in the document)	Doc Numbers – as above
Were particular inequities (gender, caste, economic, other) identified within the local context of which the project is taking place?	Gender Caste Economic Any other	
Were steps to address inequity specifically incorporated into the project planning, design and implementation and if	Gender Caste Economic	

so how?	Any other	
Were the results of the impact aggregated to assess equity and if so what are the findings – was inequity addressed?	Gender Caste Economic Any other	

Sustainability – across context, interventions and impact

	Descriptions as stated in document (preferably use the same words as in the document)	Doc Numbers – as above
Were there particular factors identified within the context of which the project is taking place, which could contribute to the sustainability of the impacts of the project or hinder them?	Institutions People Physical infrastructure	
Were steps to ensure sustainability taken during the project planning, design and implementation and if so how?	Institutions People Physical infrastructure	
Were the results of the impact assessed as being sustainable?	Institutions People Physical infrastructure	

Environmental Sustainability

Since it is unlikely that any of the older projects would have considered this and the manner in which new projects take into account, it is difficult to define what specific aspects to extract data for.

Provide a descriptive account of any measures towards environmental sustainability, undertaken or planned towards at any stage of the project

B.8 Lessons Identified

	Descriptions as stated in document (preferably use the same words as in the document)	Doc Numbers (from Section 2) and page/table/figure number If multiple sources, mention all
Lessons already learned/identified in the literature, or by KIIs etc.		

Annex C Evaluation Template

	Descriptions as stated in the document (preferably use the same words as in the document)	Document and page/table/fig nos. If multiple sources, mention all
Overall Summary of; <ul style="list-style-type: none"> • Number of Project Assessments carried out? • Was an Impact Evaluation performed? If so, how many rounds of evaluations? • Was there any project assessment carried out? 		
Documents found For example; <ul style="list-style-type: none"> • Terms of reference • Contract Copy with an external agency(optional) • Inception report • Baseline report • Baseline tools draft • Mid-term report • Mid-term tools draft • End line tools draft • End line report • Overall Evaluation Report/ Project Assessment document • Any other relevant documents 		
Documents missing		

1 Impact Evaluation /Project Assessment Study- General Information ⁴⁵

	Descriptions as stated in the document (preferably use the same words as in the document)	Document and page/table/fig nos. If multiple sources, mention all
Study No. 1		
Project Assessment OR Impact Evaluation		
Documents found specific for this assessment/study		
Documents Missing OR Awaited		

⁴⁵From tables 11.1 to 11.4 are specific to one Project Assessment OR one wave of Impact Evaluation. For more than one study we need to copy and paste the template from 11.1 to 11.4

1 Methodology

	Descriptions as stated in the document (preferably use the same words as in the document)	Document and page/table/fig nos. If multiple sources, mention all
Aims/Objectives of study- <ul style="list-style-type: none"> What was the study designed to assess? Are these clearly stated? 		
Study Methodology- <ul style="list-style-type: none"> (Qualitative/Quantitative or Mixed) 		
<ul style="list-style-type: none"> If used qualitative, methodology, have they used-any methodology mentioned below; <ul style="list-style-type: none"> Qualitative framework, Qualitative comparison, Accounts based secondary approach Accounts based primary approach? 		
<ul style="list-style-type: none"> If Quantitative whether it was an experimental or non-experimental methodology? [Give details about the methodology] Assumptions made to use the methodology Were the assumptions satisfied and was it natural to apply the chosen method? If experimental give details about- <ul style="list-style-type: none"> Was the design implemented prior to the implementation of the project? If non-experimental give details about- <ul style="list-style-type: none"> Type and nature of data used for analysis (secondary/primary- OR mixed, cross sectional OR panel) Formation of comparison group- was it ex-ante or ex-post? 		
Period of Study <ul style="list-style-type: none"> Start and end date of the study (OR)Period of dataset used Dates of follow-up studies 		
Comparison Group Formation <ul style="list-style-type: none"> If quantitative evaluation, was the comparison group formed ex-ante or ex-post? If quantitative evaluation, chances of selection bias? Was the group compared against a different intervention or against itself before and after? Was it the case that the comparison group for each of the outcomes was different? If so please give details of comparison group for each outcome? 		
Method/s of recruitment of participants <i>(Please give details about the selection of respondents for the study)</i>		

Sampling Methodology <ul style="list-style-type: none"> Details about sampling methodology used (qual and quant OR both) Details about specific method used Assumptions made to calculate the sample and appropriateness of assumptions Sample size (if mixed methods- <i>please give the sample size of both the methods</i>) 		
What was the unit of allocation to intervention or control? <ul style="list-style-type: none"> by individuals or cluster/groups <i>(if mixed methods- please give the sample size of both the methods)</i>		
Unit of Analysis <ul style="list-style-type: none"> by individuals or cluster/groups) <i>(if mixed methods- please give the sample size of both the methods)</i>		
Data Collection Methods <ul style="list-style-type: none"> Primary/Secondary or Both If primary- brief details about instruments used (i.e. number of instruments, respondents aimed for each instrument, brief description of modules in each instrument etc.) <i>(if mixed methods- please give the sample size of both the methods)</i>		
Statistical methods used and appropriateness of these methods <ul style="list-style-type: none"> Details about statistical methods In quantitative studies have they accounted for issues caused by <ul style="list-style-type: none"> Unknown biases from specification errors Omitted variable bias In quantitative non-experimental studies have they used any of the following to account for control bias? <ul style="list-style-type: none"> Propensity Score Matching Difference in Difference Method Regression Discontinuity method? 		
Has the study done a project contribution and attribution analysis?		
Study limitations <ul style="list-style-type: none"> <i>Give details about any limitations study mentioned about data resources, data collection, sampling, methods for statistical analysis etc.?</i> 		

2 Population Characteristics ⁴⁶

Population	Descriptions as stated in the document (preferably use the same words as in the document)		Document and page/table/fig nos.
	Control	Treatment	If multiple sources, mention all
Sample Size <ul style="list-style-type: none"> Sample size Give details of sample size separate for control and treatment groups			
Number starting in each treatment/control group (no. of individuals)			
For cluster studies - number of clusters, and no. of people per cluster			
Were there any significant baseline/end line imbalances?			
Withdrawals (Number and reason for [and socio-demographic differences of] withdrawals and exclusions for each intervention and control group (s))			
Population Characteristics: Please provide as much detail on the characteristics of the sample, including: <ul style="list-style-type: none"> Gender Race Religion Income/poverty Employment Literacy and/or education. Other socio-demographics /possible proxies for these e.g. low baseline nutritional status If data is provided for all study participants, and separately for each group – please extract all information.			

⁴⁶This table can be copy and pasted specifically for midline/end line/follow-ups.

3 Outcome measures and Results ⁴⁷

	Descriptions as stated in the document (preferably use the same words as in the document)		Document and page/table/fig nos. If multiple sources, mention all
Outcome 1			
Comparison			
<ul style="list-style-type: none"> Was the comparison made against a different intervention or against itself before and after? 			
Outcome definition (with diagnostic criteria if relevant)			
Time points measured			
Subgroup			
Time-point			
Post-intervention or change from baseline?			
	Control	Treatment	
No. missing participants and reasons			
Baseline result (with variance measure)			
Post-intervention results (with variance measure)			
Change (Post – baseline) (with variance measure)			
Difference in change (intervention – control) (with variance measure)			
Is the measure repeated on the same individuals or redrawn from the population / community for each time point?			
Unit of measurement (if relevant)			
For scales – upper and lower limits and indicate whether high or low score is good			
Is there adequate latency for the outcome to be observed?			

⁴⁷Use one table per outcome – and select relevant table depending on type of outcome. If the study is qualitative please use the next section to extract all the data details and conclusions of the study.
e.g. dichotomous outcomes or continuous

How is the measure applied? (e.g. Telephone survey, mail survey, in person by trained assessor, routinely collected data, other)		
Is it a reliable outcome measure? • Consider whether self-reported or study assessor? • Outcome tool validated?		
Does the contribution and attribution analysis suggest the degree of contribution and attribution by the project inputs towards results?		
Are the results disaggregated by:		
• Age		
• Gender		
• Social Exclusion Status		
• Duration of Residency		
• Migration Status		

4 Summary of Qualitative Study Details

	Descriptions as stated in the document (preferably use the same words as in the document)	Document and page/table/fig nos. If multiple sources, mention all
Only for Qualitative Evaluations/Assessments <ul style="list-style-type: none"> What was the qualitative data designed to assess? 		
Other Information <ul style="list-style-type: none"> Was any information regarding qualitative study entered elsewhere? If so, please give details? If there is information regarding qualitative study yet to be included in the data extraction sheet- please include here. 		

5 Summary of Outcome measures and Results

	Descriptions as stated in the document (preferably use the same words as in the document)	Document and page/table/fig nos. If multiple sources, mention all
Key conclusions of the study authors		
Key Impact Areas <ul style="list-style-type: none"> • Health and Well Being (<i>Mortality and Morbidity</i>) • Socio Economic Outcomes (<i>Financial Poverty, Employment Opportunities, Education, Social Security, Improved Land and Housing Values, Levels of Inequality, Equity in access to services</i>) • Quality of Life (<i>Crime and Violence, Local Resource Management, Quality of Services and Utilities and Local Institutional Development</i>) • Indirect Outcomes (<i>Migration, Political Enfranchisement, Social Capital Formation, Complementary Infrastructure Development</i>) 		
Does the contribution and attribution analysis suggest the degree of contribution and attribution by the project inputs towards results?		
Key Gaps/Limitations in the Assessment/Evaluation		
In arriving at the impact, has this evaluation considered the following impact areas that might have been overlooked? <i>Please write YES/NO/Not Applicable</i>		
<ul style="list-style-type: none"> • Fertility- <i>changes in decisions on child bearing, marriage and divorce</i> 		
<ul style="list-style-type: none"> • Residential Segregation- <i>potential changes to neighbourhood segregation</i> 		
<ul style="list-style-type: none"> • Formal Sector Integration- <i>changes due to formal sector integration influence</i> 		
<ul style="list-style-type: none"> • Political Enfranchisement – <i>changes in voter participation and local interest in political activism</i> 		
<ul style="list-style-type: none"> • Local Governance – <i>changes in nature of local governance, local leadership etc.</i> 		
<ul style="list-style-type: none"> • Intra-household Bargaining and Gender Issues – <i>changes in household time allocation</i> 		
<ul style="list-style-type: none"> • Mental Health, including stress and depression – <i>considering factors beyond traditional measures of well-being</i> 		
<ul style="list-style-type: none"> • Informal Taxes- <i>changes in accessing services before and after intervention</i> 		
<ul style="list-style-type: none"> • Time use- <i>changes in resident's time allocation in daily</i> 		

<i>routine, accessing services etc.</i>		
<ul style="list-style-type: none"> Credit Market Demand and Access –changes in accessing credit markets 		
Has this evaluation taken in to account the below mentioned factors which might have been influential for it? <i>Please write YES/NO/Not Applicable</i>		
Influence of-		
<ul style="list-style-type: none"> Residential Mobility 		
<ul style="list-style-type: none"> Rural Urban Migration 		
<ul style="list-style-type: none"> Informal Sector 		
<ul style="list-style-type: none"> Population Heterogeneity 		
<ul style="list-style-type: none"> Crime Rates 		
<ul style="list-style-type: none"> Multiple Simultaneous Intervention 		
Are the results disaggregated by:		
<ul style="list-style-type: none"> Age 		
<ul style="list-style-type: none"> Gender 		
<ul style="list-style-type: none"> Social Exclusion Status 		
<ul style="list-style-type: none"> Duration of Residency 		
<ul style="list-style-type: none"> Migration Status 		

6 Other Relevant Information

	Descriptions as stated in the document (preferably use the same words as in the document)	Document and page/table/fig nos. If multiple sources, mention all
Other information I.e. was there any other information looked at (feeds into process aspects)? If so, give details of where in the data extraction sheet the information was recorded.		
Only for Qualitative Evaluations/Assessments <ul style="list-style-type: none"> • What was the qualitative data designed to assess? • Was this information entered elsewhere? If so, please give details? • If there is information regarding qualitative study yet to be included in the data extraction sheet-please include here. 		
Potential for conflict of interest i.e. author involvement in the intervention under study, evidence that author or data collectors would benefit if results favoured the intervention under study or the control		
Potential for author allegiance I.e. any indication that the authors believed the intervention was better or worse than the alternative/s before the study began?		

Annex D Secondary Data – List of Documents

The list below provides the project wise list of secondary data provided by DFID for undertaking the study. For further detail one may like refer to Data Extraction Templates

Hyderabad Slum Improvement Project

- Annual Report HSIP-Phase –III, October 1992
- Review of the past slum improvements projects; Water and Sanitation Programme – UNDP-World Bank, 1999
- A brief note on Health services under HSIP, 1999
- Proposal for assistance of HSIP-IV, 1996
- Evaluation study of Hyderabad slum improvement project –Phase 2 conducted by ODA, 1989
- Impact Assessment study in selected slums of HSIP-III, 1992

Calcutta Slum Improvement Report

- Participatory Impact Assessment – Main findings report, September 1997
- End Project Report, CSIP Phase 1(a) and 1(b), July 1998
- Terminal evaluation report of CSIP 1a and 1b, conducted by the Urban Poverty Office of the Department for International Development, 1998
- Project Completion Report, August 2000
- Output to Purpose Summary (CSIP- Ic), May 2011

Andhra Pradesh Urban Services for the Poor

- APUSP-Mid Term Review, conducted by *Intermediate technology consultants, 2004*
- APUSP: Social Impact Assessment Study, conducted by *ThinkSoft Consultants Private Limited, 2005*
- Report on Impact Assessment (Evaluation) of Andhra Pradesh Urban Services for Poor, Prepared by DFID Technology, Infrastructure & Urban Planning (TI-UP) Resource Centre, March 2008
- Evaluation and Lesson Learning on DFID support to A.P, conducted by *Centre for Good Governance, 2008*
- Project Cooperation Memorandum-APUSP, 1999, DFID-India
- Project Completion Report (PCR), Jan 2008

Kolkata Urban Services for Poor

- Mid-term impact assessment of KUSP, April 2008
- End term assessment – Revised draft report, March 2011
- KUSP document – Published by Municipal Affairs Department, Government of West Bengal, 2004
- Project Cooperation Memorandum, March 2003

Capacity Building Project under Kolkata Environmental Improvement Project (KEIP)

- Mid Term Review; ICRA Management Consulting Services Limited, December 2006
- A Citizen Report Card on Selected Services Provided by the Kolkata Municipal Corporation, 2010
- Capacity Building Programme for Kolkata Environmental Improvement Project, March 2009
- Report and Recommendation of the president to the board of directors on a proposed loan to India for the Calcutta Environmental Improvement Project, Asian Development Bank, November 2000
- Project Concept Note, September 2000

Madhya Pradesh Urban Services for the Poor (MPUSP)

- Project Memorandum – MPURP, November 2005
- Mid Term Evaluation conducted by Ernst and Young, September 2011
- End of Project Evaluation, India Development Foundation, December 2012

Support Programme for Urban Reforms, Bihar

- Project Cooperation memorandum, March 2009
- Revised logical framework, August 2011
- Annual Review of Project Progress (SPUR), March 2010

Annex E Primary Data – List of Stakeholders Contacted and Site Visits Conducted

E.1 List of consultations held with some of the key people involved in implementation of DFID projects in Andhra Pradesh

Table 12: List of consultation held across various states

No.	Name	Designation
1	Dr B. Janardhan Reddy	Commissioner and Director Municipal Administration, Former Project Director, APUSP
2	Mr Rama Narayan Reddy	Commissioner GHMC, Former Commissioner Kapra Municipality
3	Ms G. Savatri	Community Development Officer, MEPMA
4	Prof. Chrinivas Chary	Professor, ASCI, Hyderabad
5	Prof. Ravindra Prasad	Professor, ASCI, Hyderabad
6	Mr Koteswarao	Executive Engineer, MEPMA
7	Mr.Imtiaz Ahmed	Chief Engineer, Directorate and Municipal Administration
8	Mr.Devendra Reddy	Additional Town Planner, AP Secretariat
9	Dr. Naveen Kumar	Urban Management Consultant, Head - PMU-JNNURM
10	Mr Ramesh Babu	Director, CD&MA and MEPMA
11	Mr D.B. Rao	Centre for Good Governance, Worked with implementation of APUSP
12	Professor D. B. Rao	Centre for Good Governance
13	Representatives from several NGOs, CBOs, community organisers, etc., were consulted through the help from MEPMA	

E.2 List of consultations held with some of the key people involved in implementation of DFID projects in West Bengal

No.	Name	Designation
1	Mr M.N.Pradhan	Project Director – KUSP
2	Mr Sujoy Mitra	Poverty Cell Coordinator Poverty Coordinator KUSP
3	Mr Saikat Sengupta	ICF Coordinator, Livelihoods and NGO Coordinator
4	Mr.Subir Bhattacharya	Finance Advisor, SUDA
5	Dr.Goswami	Health Coordinator KUSP, Municipal Health Advisor, SUDA
6	Mr Manish Mukherjee	IT Advisor
7	Mr Arup Mandal	Project Director KEIP

E.3 List of consultations held with some of the key people involved in implementation of MPUSP

No.	Name	Designation
1	Mr Dinesh Suhane	Municipal Engineer, Urban Administration & Development Department
2	Mr U K Sadhav	Joint Director, Urban Administration & Development Department
3	Mr C. U. Roy	Consultant, UADD
4	Richard Slater	Deputy team leader, Governance task team appointed to oversee the MPUSP programme by DFID
5	AshwiniLamba	IT Expert, Governance task team appointed to oversee the MPUSP programme by DFID
6	ManishaTelang	Social Development Expert, Governance task team appointed to oversee the MPUSP programme by DFID
7	PrabhakarVanam	Human resource & organizational development expert, Governance task team appointed to oversee the MPUSP programme by DFID
8	V. Madhusudan	Finance expert, Governance task team appointed to oversee the MPUSP programme by DFID

E.4 List of consultations held with some of the key people involved in implementation of SPUR

No.	Name	Designation
1	Dr. S. Siddharth	IAS, Project Director & Secretary Urban Development, GoB
2	Prem Kumar	Urban Development Minister, Bihar
3	Sriparnalyer	Deputy Team Leader, UTAST
4	Anil Bansal	Currently National Urban Programme Manager, also assisted in designing the social component in the design phase
5	Roshan Bhatnagar	Currently Municipal Finance Thematic Head, involved in the same capacity during the design phase
6	E. Narayanan	Currently Local Economic Development Thematic Head, involved in the same capacity during the design phase
7	Sauman Bagchi	DFID, Task Team Leader, SPUR
8	Abhijit Ray	DFID, involved in the design phase
9	Alison Barrett	Designed in the social development, poverty alleviation and livelihoods component
10	Jim Collins	Designed in the social development, poverty alleviation and livelihoods component

