INTEGRATED URBAN HOUSING DEVELOPMENT

\- experiences from Kenya and India –




Theo Schilderman (editor)

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Project team
India staff
Dr Vinay Lall and Dr Stuti Lall

Kenya staff
Josiah Omotto, Michael Kiyanyui, Eileen Mwangi, Edward Marona and Paul Chege

UK staff
Theo Schilderman, Lucky Lowe and Mike Majale

Project advisers and contributors
Jenny Rossiter, Janet Gardener, Lucy Stevens, Mike Albu, Elijah Agevi, Simon Kiarie, Jackson Mwaura, Hannah Kamau, Julius Mutsotso, Jobson Ngari, Margaret Ng'ayu, Paul Syagga, Enrique Ortecho, Liliana Miranda and Alex Mugova.

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Cover: Improved housing and infrastructure in India and Kenya

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LIST OF ABBREVIATIONS

AHT	Amani Housing Trust
AMC	Ahmedabad Municipal Council
BPL	Below the Poverty Line
C3F	City-Community Challenge Fund
CBO	Community Based Organisation
CTHC	Cone Textiles Housing Co-operative
CLIFF	Community-Led Infrastructure Facility
DFID	Department for International Development
EU	European Union
EWS	Economically Weaker Sections
FKE	Federation of Kenyan Employers
GTZ	German Technical Co-operation
HBEs	Home-Based Enterprises
HHCS	Huruma Housing Cooperative Society
HUDCO	Housing and Urban Development Corporation
ICLEI	The International Council on Local Environmental Initiatives

IFUP	International Forum on Urban Poverty
IGAs	Income-Generating Activities
IRDP	Integrated Rural Development Programme
ITDG	Intermediate Technology Development Group
LDCs	Less Developed Countries
LIG	Low Income Groups
LUO	Local Urban Observatory
MCH	Municipal Corporation of Hyderabad
MCR	Micro-Concrete Roofing Tiles
NACHU	National Co-operative Housing Union
NAHECO	Nakuru Affordable Housing and Environment Committee
NAROKA	Nakuru Ronda/Kaptempwo Association
NCC	Nairobi City Council
NCCK	National Council of Churches of Kenya
NCR	National Capital Region (of India)
NHC	National Housing Corporation (of Kenya)
NMC	Nakuru Municipal Council
NRY	Nehru Rozgar Yojaja
PDS	Public Distribution System
PMIUPEP	Prime Minister’s Integrated Urban Poverty Eradication Programme
PNA	Participatory Needs Assessment
ROSCAs	Rotating Savings and Credit Associations
SACCO	Savings and Credit Co-operative
SDS	Society for Development Studies
SEWA	Self-Employed Women’s Association
SEPUP	Self-Employment for the Urban Poor
SHG	Self-Help Group
SJSRY	Swama Jayanti Rozgar Yojana.
SLF	Sustainable Livelihoods Framework
SMH	Municipal Housing Secretariat, Rio de Janeiro
SSA	Sub-Sector Analysis
SXSSS	St Xavier’s Social Service Society
TNSCB	Tamil Nadu Slum Clearance Board
UBSP	Urban Basic Services for the Poor Programme
UN	United Nations
UIT	Urban Improvement Trust
VTP	Voucher Training Programme

1. INTRODUCTION

1.1. BRIEF DESCRIPTION OF THE RESEARCH PROJECT

This report takes stock of the findings of a research project funded by DFID's Knowledge and Research programme in the Infrastructure and Urban Development Department. The research was undertaken jointly by the Intermediate Technology Development Group (ITDG), through its offices in the UK and Kenya, and the Society for Development Studies (SDS) in India.

ITDG as well as SDS had been researching the problems in housing urban low-income residents for some time, in several countries. They both had experienced that, for the urban poor to invest in and hang on to housing or related services, there was a need to generate sustainable income and savings, since access to credit was often very difficult for them. In ITDG's case, this had been demonstrated clearly in an earlier housing project in Chitungwiza, Zimbabwe, described in section 7.5, whilst SDS had experienced it in their previous work in Alwar and whilst involved in housing improvement in Indonesia. A livelihoods approach to urban development, which takes into account the various assets of the poor and how they relate, would be suitable to take these ideas on board. Thus, a joint project was born that aimed to investigate an integrated approach to urban housing development, testing the assumption that increases in the incomes of the urban poor would generate significant investment in housing.

The DFID-funded research project started in the middle of 1999, and lasted for just over four years. Work is still continuing, with funding from other sources, but now is a good moment to assess what has been achieved, and what more needs to be done.

The research included a component of investigating and analysing the general urban development context and the approaches taken by other development agencies. This part of the work is described in chapters 2,3 and 7 of the report. The bulk of the work, though, involved looking at urban development in India and Kenya, and developing and testing an integrated approach in secondary towns in those countries. Whilst the contextual information on urban development in India and Kenya has been merged into chapters 2, 3 and 7, the two integrated projects have been analysed and documented separately, in chapters 5 and 6.

India and Kenya were chosen as research countries for a number of reasons, in the first place because it was found necessary to test and validate the integrated approach in more than one country. It was considered useful to have countries in two different continents, which were both still in a process of fairly rapid urbanisation. In the case of Kenya, there was thought to be no earlier experience with this type of integrated approach to urban development. And whilst in India there was some experience with upgrading projects having a small enterprise component, this was never quite conceived as a means of generating housing development.

The international research team opted to test the integrated approach in secondary towns, of a roughly similar size, 250,000-300,000 inhabitants at the start of the project, and at a similar distance, of 160 km, to the capital city of each country. These were Nakuru in Kenya and Alwar in India. Such secondary towns were facing somewhat different economic and urban development problems from the larger cities. There often tended to be relatively less investment in the urban economy in such towns and as a result they might have become stagnant or gone into decline. A key challenge was thus to find sub-sectors of the economy that could be revitalised and become the engine for housing development.

1.2. PURPOSE AND CONTENT OF THIS REPORT

This report is meant for professionals and fieldworkers within agencies and institutions involved in urban development in the Third World, who are themselves exploring and implementing different approaches to working with low-income communities.

The research has been valuable in enabling the international team to develop and document significant positive experiences of the merits of an integrated approach to shelter delivery, as compared to other approaches. However, it is too early for the team to frame a definitive integrated shelter strategy. What this report does, therefore, is to take stock of the status quo of the research. In the mean time, ITDG and SDS are continuing work in this area, and hope to be able to produce a more substantial publication on integrated urban development in a few years time.

The initial three chapters of this report set the context. Chapter 2 discusses the current trends of urbanisation and the increase of urban poverty that accompanies it. Chapter 3 outlines the various approaches to urban development that have been tried over the years, and which have slowly evolved from single sector approaches to multisector ones and now integrated approaches. Chapter 4 provides a rationale for the research, based on those findings.

The middle section discusses achievements on the ground. Chapters 5 and 6 describe field work by local research teams in India and Kenya, in developing and testing an integrated approach to urban development in two secondary towns. The results are then compared with single sector projects in those countries, and with a couple of more integrated projects in Zimbabwe, Argentina and Peru, given in Chapter 7.

The final part of this report draws the lessons from this work and looks ahead. Chapter 8 considers what we have learned in terms of an integrated shelter delivery strategy. Chapter 9 makes recommendations for follow-up work, and chapter 10 provides some final conclusions.

2. THE URBAN POVERTY CONTEXT

2.1. POVERTY

Poverty is not easy to define. It is still often defined in monetary terms only. Based on the World Bank's definition, it is estimated that half the world's population, or nearly 3 billion people, is living in poverty, on less than $2 per day. And 1.2 billion of them are living in extreme poverty, on less than $1 per day (UN-Habitat, 2003: xxvi). However, it is now increasingly agreed that poverty is not just about money, because even with some money people can not always get access to what they need.

Although they may have similar causes, urban and rural poverty are not the same, and may need different coping strategies. There is a degree of agreement on what differentiates urban from rural poverty; whereas rural poverty is often associated with lack of access to land, urban poverty is now seen as being more complex and having many dimensions. Moser (1998) identifies three main differences. Tacoli and Satterthwaite (1999) also explore these differences:

- <u>A greater level of commoditization</u> in urban areas. Since almost everything in urban settlements has a commodity value, the urban poor rely more on cash than their rural counterparts. The costs of accessing basic necessities (food, water, energy, land, housing, transport) are higher in urban than rural areas where people have greater access to free natural resources. The ability of household members to work to earn a living because a key asset for urban households.
- <u>Environmental hazards</u> are much more prominent in urban areas. The urban poor tend to live in squalid houses in neighbourhoods that are poorly serviced. They are also at risk from industrial pollution and traffic.
- Towns are more <u>socially fragmented</u>. Thus, community ties, mutual support and collaboration as well as safety networks are weaker. Politically too, the poor in urban areas are more likely to suffer the effects of bad governance, including evictions, harassment and violence, as a result of their often illegal status.

Since the Recife Declaration of 1996 (IFUP), there has been broader acceptance of the idea that urban poverty is multi-dimensional. The declaration also states that it is those living in poverty that should identify those dimensions. We should recognise, too, that definitions may vary according to gender, ethnic origin or culture. UN-Habitat (2003) also stresses that the monetary measures of poverty used in many countries are inadequate because (a) they tend to be set too low for urban areas, under-estimating the extent of urban poverty and (b) because they fail to capture the multi-dimensional nature of urban poverty. People are be poor not just because of low income, but for many other reasons, including an inadequate asset base, inadequate housing or services, discrimination, or lack of voice. It cites Satterthwaite (2001) in giving a list of constituents of urban poverty:

- Inadequate income;
- An inadequate, unstable or risky asset base;
- Inadequate shelter;
- Inadequate access to public infrastructure;
- Inadequate access to basic services;
- Limited or no safety nets;
- Inadequate protection of poorer people's rights;
- Voicelessness and powerlessness.

2.2. SLUMS

The world is urbanising rapidly. Approximately half the world's population is now urban, and that proportion is increasing. 90% of the world's urban population growth is taking place in the Third World. According to UN-Habitat (2003:2), the urban population in the developing world will double, from 2 to 4 billion people, over the next 30 years. In contrast, rural populations will barely increase and will actually start to decline from about 2020.

At the same time, poverty is urbanising. On the one hand, this is caused by external factors such as structural adjustment, the liberalisation of the economy, and a general economic decline in certain regions of the world. According to Jamal and Weeks (1993), it is the urban poor who seem to have borne the brunt of cuts in public spending on services, employment and food subsidies. But, even under normal economic conditions, it remains difficult for any urban economy to cope with a rapid influx of newcomers in the labour market. These now increasingly find their way into the informal economy, which has already become more important than the formal economy in some cities, in terms of numbers involved.

It is in the slums of the towns and cities of the Third World that most of the urban poor find a place to live. According to UN-Habitat (2003:xxv), 924 million people, or 31.6% of the world's urban population lived in slums in 2001. The majority of those were in the Third World, with Asia harbouring 554 million, or 60% of the world's slum dwellers. But, at 71.9%, Africa had the largest proportion of its urban population living in slums. At the same time, the UN-Habitat also fears that the number of people living in slums may grow to 2 billion in 30 years time. Compared to that, a Millenium Development Target of improving the lives of 100 million slum dwellers by 2020 seems woefully insufficient.

In most slums the factors contributing to urban poverty, as listed by Satterthwaite (2001) in 2.1., are visibly present. That does not mean that slum populations are universally poor. Many slums are quite heterogeneous, containing a mix of people some of whom will be somewhat better off. These may include landlords resident in slums. Slums are also the locations where much of the informal economic activities take place, and some of these may become pockets of development and improvement.

2.3. URBAN POVERTY IN INDIA[1]

The proportion of India's population living in urban settlements has grown steadily from 20% in 1971, to 28% by 2001; it is expected to rise further to 40% by 2021. The urban population currently stands at about 285 million, and is expected to nearly double over the next twenty years, to around 550 million, at an annual growth rate of 11 million.

The population living below the poverty line (BPL) is estimated at 24% for urban areas, which is slightly better than in rural areas. The income and consumption based measures of poverty in India ignore other crucial dimensions of poverty such as the ones listed by Satterthwaite (2001) above.

The 1991 Census indicated that access to basic services had improved somewhat over the past decade. Yet, half of all households did not have individual access to piped water, and 36% of households did not have access to sanitation in 1991. The situation is far worse, however, for the urban poor. A 1997 survey by the National Institute of Urban Affairs, found that between 52% and 85% of the urban poor did not have access to piped (treated) water; they spent 3-6 hours to collect a bucket of water from a public standpipe. And 60% of them resorted to defecation in the open.

The urban poor in India include both rural migrants and people who have lived in towns for a long time. Whereas urbanisation in the North happened as a result of industrialisation, the

[1] This section is mainly derived from the project evaluation by Janet Gardener (2003) and the strategy paper by Mike Majale (2003)

same is not true of India, where industrialisation has not kept pace with urbanisation. Thus, rather than lifting people out of poverty, quite a number of migrants to urban centres in India remained poor. This was exacerbated by the fact that many policy makers in India saw the urban poor as a drain on the economy, rather than as a resource, and therefore were reluctant to invest in them.

Urban poverty in India is reflected in housing conditions, which range from pavement dwellings to illegal slum settlements (often in environmentally unsuitable locations) to recognised slum settlements (mostly in established communities). Their quality also varies from temporary shelters to semi-permanent and permanent structures, mostly standing on their own. Household sizes in low-income settlements tend to range from 6 to 8 people, and overcrowding and related health problems are a real issue. Poor people's health is further affected by inadequate services, including irregular water supplies, lack of sanitation and the resulting defecation in the open, poor waste management and drainage. Whereas many recognised slums have benefited from public sector programmes to provide basic services, most illegal settlements have not.

India's government has undertaken a number of poverty alleviation programmes. These have been targeted at the provision of basic infrastructure mostly in slums, at income generation, and at social welfare. Where initially its focus was on slum clearance, the government changed that in the mid 1970s towards slum upgrading. The main poverty alleviation programme focusing on income generation for the poor is the Swama Jayanti Rozgar Yojana (SJSRY). This includes components of community development, micro-finance, skills training as well as the provision of infrastructure. Social welfare schemes are available to the BPL population through various targeted allowances and food subsidies, mainly via the targeted Public Distribution System (PDS). These approaches are explained in more detail in section 3.5.

2.4. URBAN POVERTY IN KENYA

In 1997, 20.9% of the national population, or around 7 million people, were living in urban areas. Residents of urban areas face many problems, including unemployment, poverty, insecure land tenure, poor access to services and a high cost of living. The poverty line for urban settlements is estimated at KShs 1,490 (£12.40) per day, and 52% of the population is estimated to be living on less than 1$ per day. Thus, over half the population would be defined as extremely poor by the World Bank. (Gardener, 2003:4)

Urban poverty in Kenya has its roots mainly in migration. People began to move towards the country's towns and cities as early as the colonial era, hoping to find waged employment. This flow has never stopped, and perhaps accelerated in the late 1980s and early 1990s, as a result of a stagnating economy. As in some other African countries, many urban residents still consider their stay in town as temporary, even though they may have lived there for decades. They maintain strong ties with the countryside, and some families are split between two locations. Surplus income from urban employment may be sent to rural areas, whereas rural relatives may provide some food in return.

Perhaps as a result of that situation, and the fact that it is hard to access land, most of the urban poor in Kenya live in rented accommodation. Their housing is usually in the form of rows of single rooms, within temporary or semi-permanent structures built on legal or illegal subdivisions of public or private land. There are often as many as five people to a single room. These rooms are poorly lit and ventilated, and also double up as kitchens, resulting in indoor air pollution. The provision of basic services is bad; in some slums as many as 200 people share a single latrine.

According to the Max Locke Centre (2002), poverty in Kenya is now recognised as a multidimensional phenomenon, requiring the use of a range of methods and indicators, both quantitative and qualitative, to be adequately understood. Few of these though distinguish between rural and urban poverty. This shortcoming is exacerbated by the common perception of poverty as a rural phenomenon. However, urban poverty is commonly associated with cumulative deprivations at individual, household and community levels. Urban poverty is characterised by low levels of income and consumption related to insecure and irregular employment; poor and insanitary living conditions derived from a lack of basic services; poor quality and insecure housing; and the social stresses of living in crowded or polluted conditions or in areas prone to insecurity, crime and violence. The cumulative nature of these deprivations can lead to high levels of vulnerability.

The Kenyan government has not developed a clear policy in response to urban poverty. Rather, its interventions have been in the form of scattered projects, usually externally driven, in the major low-income settlements. The recent election of a new government has introduced some new thinking and a new housing policy, which also addresses the problem of low-income settlements, is now imminent.

3. APPROACHES TO URBAN POVERTY REDUCTION AND URBAN DEVELOPMENT

3.1. CHANGING STRATEGIES FOR URBAN DEVELOPMENT[2].

Poverty alleviation and urban development are now firmly on the agenda of major development agencies, including the World Bank, United Nations (UN) agencies, the European Union (EU) and DFID. NGOs have historically had a more rural focus, but they are now shifting some of their attention to urban development too. At the same time, more holistic interpretations of poverty are gaining ground. According to the International Forum on Urban Poverty (IFUP, 1999) '*poverty is understood as a multidimensional process affected by cultural conditions, interpreted subjectively by the people living in poverty, lived differently by people according to their gender, age, ethnic origin and abilities, including many forms of consumption that escape the coverage of incomes and the concept of poverty lines'*.

The rapid urbanisation of the Third World, accompanied by growing urban poverty, poses a major challenge to development agencies and authorities alike. Since the 1960s, several strategies have tried to tackle urban poverty, without much success. Agencies like the World Bank (1990) concluded that '*it is difficult for urban poverty projects to reach the poorest'*.

The Modernisation strategy of the late 1940s to the early 1970s believed that the gains of industrialisation in the North could be transferred to the South. Economies in Less Developed Countries (LDCs) would grow through, e.g., import substitution and the creation of local markets, and thus poverty, inequality and unemployment would disappear. At the same time, the public sector intervened extensively in the provision of public services such as education and health, and also housing. Economic growth, however, did not 'trickle down' to the poor; instead their conditions worsened.

The subsequent strategy, of Provision of Basic Needs and Redistribution with Growth, from the 1970s till the mid 1980s, targeted much aid to the poorest groups in LDCs, including marginal farmers and slum dwellers. The World Bank, for instance, lent large sums to rural development, slum upgrading and sites and services schemes. Arguments for self-help housing, the informal sector and intermediate technology were considered favorably. Although some sites and services and upgrading projects have brought benefits to the poor, many evaluations show that their socio-economic situation did not really improve. And frequently, these projects failed to reach the poorest.

The strategic focus changed again, from Redistribution to Structural Adjustment, in the mid 1980s, and remained there till the late 1990s. This change was caused by the debt crisis which prevented Third World countries from meeting basic needs. In urban development, this precipitated a shift to urban management and enabling interventions, to make markets function better and thus make cities more productive, and ultimately benefit the poor. In many countries, however, the urban poor suffered from the removal of subsidies on products like food or services and from the slimming down of the public sector and industry. And whilst the strategy was meant to shift the public sector's focus from projects and programmes to policies, this only happened to a limited extent in most countries. Most authorities continued to invest in sectoral urban development projects in shelter or infrastructure, which, because of their single focus, failed to address employment.

By about 1997, strategies started to refocus on poverty. In the 1990s, there was an increased emphasis on the analysis of poverty in terms of the livelihoods of the poor, and out of that emerged an understanding that it was important to build on what the poor have (their assets) rather than focus on what they lack. The current understanding is also that poverty is multidimensional and that its various aspects need to be addressed simultaneously. Thus, it remains important to improve productivity, but at the same time build human capital. The

[2] Sections 3.1-4 are based on a desk study by Jenny Rossiter (2000) and a conference paper by Theo Schilderman (2002).

kinds of activities this strategy includes are: the removal of constraints to the informal sector; an increased involvement of women in the economy; better access to land and essential services; and the establishment of safety nets for the most vulnerable.

During the 1990s, the sustainable livelihoods approach to poverty reduction and development gained in popularity. The approach was initially developed with rural rather than urban poverty in mind. The Sustainable Livelihoods Framework (SLF), developed by the Institute of Development Studies in Sussex, and adopted by development agencies such as DFID and ITDG, contains three key components:

- The vulnerability context of the poor. This covers the kinds of shocks or stresses the poor have to cope with. In an urban context, these include natural and man-made disasters, eviction, loss of health, economic decline, loss of employment, urban violence and poor governance.
- The asset portfolio of the poor. Access to and the ability to accumulate and transfer assets are key to generating sustainable livelihoods. The assets considered in the current SLF model are: ***Natural Capital*** (including land and water); ***Social Capital*** (networks, membership of groups, access to politicians and institutions, etc.); ***Human Capital*** (skills, ability to work, good health and productivity); ***Physical Capital*** (shelter, water, energy, transport, communications, productive equipment etc.); and ***Financial Capital*** (incomes, savings, access to credit etc.). Households in different situations rely on different combinations of assets. Whilst land is considered the most important asset in a rural context, the literature identifies labour, finance and housing as more important in an urban context.
- The policies, institutions and processes which form the social, economic and institutional context within which the poor develop livelihood strategies. Their impact is to enable or inhibit livelihood development. Lack of secure tenure, for instance, can prevent utilities from providing the poor with water or electricity, or banks from lending them money.

The SLF thus demands an understanding of the external context within which assets exist, and of the threats they face. It also forces development agencies to think holistically, rather than sectorally, about livelihood development strategies. Looking at housing, for instance, it becomes more than just a basic need (shelter), but also a place to work and generate income from, collateral to raise credit against, or a contributor to good health and productivity.

3.2. SINGLE SECTOR PROJECTS AND PROGRAMMES

Most traditional NGO and development agency urban projects have been in support of single sector activities, such as small enterprise development, the provision of credit, or the supply of housing or water. According to Moser (1997), these were based on the premise that particular aspects of human activity can be isolated for separate treatment. However, some projects that appear to be single sector are in fact conceived to achieve a broader impact. And some grow into multisector projects over time. The following three examples of single sector projects by ITDG offer some lessons:[3]

[3] These examples are derived from a conference paper by Schilderman (2002)

Box 1: Food processing training in Bangladesh

According to Azami and Chowdury (2000), food processing is an important source of income generation for marginalised people in Bangladesh. This particular project, which has been in operation since 1990, is focusing on training the staff of development organisations, both governmental and non-governmental; they in turn pass on this knowledge to the poor, within their own projects or activities.

An evaluation done in 1996 found that by then 103 field workers had been trained. They had passed on their knowledge to around 5,000 beneficiaries, of whom 1,300 had gone on to establish a small food processing enterprise, employing on average 5 people. Taken together, these enterprises made nearly GBP£1 million profit per year. Women were the principal beneficiaries of this project, because food processing fits easily within their other roles and responsibilities, but men are not excluded from the training, and many play a supporting role in buying raw materials and marketing the final products. Decisions on how income is spent are usually made jointly by husband and wife. But the fact that women have become important income earners has raised their status and helped their empowerment.

The extra income has helped families to improve their lives. There are examples of families now being able to send children to school, buying land or livestock, or improving their homes. But the project team has not systematically monitored its wider impact, beyond jobs and incomes.

Some of the important lessons learned by ITDG in this project are:
- It is essential for beneficiaries to have access to credit, and since ITDG was not providing that, it had to work with partners who could provide credit and backup;
- Since ITDG was actually training the trainers, it was important to select them from organisations with sufficient commitment and resources to support their field staff and the ultimate beneficiaries;
- The contents of the training had to be based on the needs of the beneficiaries; any new technologies needed to be developed or introduced in collaboration with beneficiaries and partners.

ITDG – Mike Battock

ITDG food processing course in Dhaka

Box 2: Brick production in Shambob, Sudan

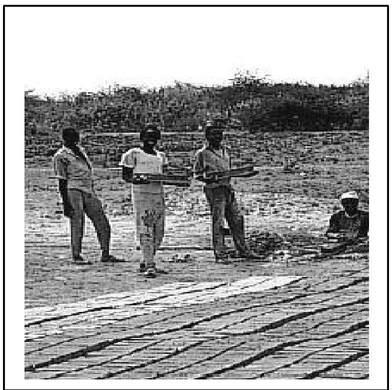
Lowe and Schilderman (2001) have documented the case of the Beja people of Shambob village, near the town of Kassala in Eastern Sudan. The Beja are originally nomads, but drought and the loss of traditional grazing land to irrigated agriculture forced them to settle in the 1970s. In a diversification of their livelihoods strategy, about two-thirds of the men of Shambob became seasonal labourers in the brick works managed by businessmen from Kassala. A baseline survey from 1997 found that their jobs were unstable and poorly paid; whereas the men had the basic skills for brick making, they possessed few management skills. The priorities for a subsequent project were established with them as being: management of brick production by the workers; cost savings through fuel efficiency; and higher prices from better quality bricks.

Technologies were changed with the participation of the workers. Bagasse was introduced as a substitute fuel for firewood, mixing loose bagasse with the clay, and using bagasse briquettes in the firing tunnels; thus, up to 80% of the fuel wood could be saved. An improved Scotch kiln was introduced, resulting in further savings on fuel. Handcarts, produced locally, helped to increase productivity. And the moulding was improved to make bricks of a standard size which, on building sites, helped to save mortar.

Most importantly, the workers formed a co-operative and started to produce independently, which enabled them to keep the profits to themselves. They started saving, and ITDG helped the co-operative to access a loan to acquire a piece of land of their own. Getting credit required substantial lobbying, and it also appeared that the loan period imposed by the bank was rather short compared to the brick production calendar. Yet, the co-operative managed to pay back in time; since then, credit has also become available from an NGO source. Another problem was getting access to water for production; this was ultimately solved through using donkey carts, produced locally, which could carry water from surrounding sources; these also helped to provide the village with water.

As a result of this project, incomes of brick workers have more than doubled in three years, and this has generated a wider impact. Shambob village now has a brick built community centre, used as a school, for adult education, and as a health centre. Households are now able to spend more on education, and more children go to school as a result. People eat better, and the village is now supplied with more water. Houses are being expanded or improved. Whilst women are not involved in brick making, they do hold shares in the co-operative, and some run the water supply as a business. Others have received food processing training, and are now generating income from that.

As in the previous case study, this project experienced that access to credit, under the right conditions, was crucial. Giving poor people access to land and water were also important issues which took substantial negotiation and inventiveness. Gradually, this project which started with a single sector focus – on raising the incomes of male brick workers – is becoming multisectoral and focusing on the overall development of Shambob. Attention is now being paid to the improvement of shelter, facilities and services, as well as education, and the generation of income by women.



ITDG – Mohammed Majzoub

ITDG – Lucy Stevens

Brick-makers. Association members displaying their products

ITDG staff worked with the men of Shambob to improve the brick production processes and equipment

Box 3: Reconstruction in the Alto Mayo, Peru

Family building their house using the "improved "Quincha" method

ITDG Lucky Lowe

Lowe (1997) has described the reconstruction project initiated by ITDG after the Alto Mayo region was hit by an earthquake in 1990. This quake, measuring 6 on the Richter scale, damaged 8,000 houses, of which 3,000 were beyond repair. ITDG was already working in the region when this happened and therefore was able to react quickly. The reconstruction work began in the town of Soritor, the most heavily affected area. It had a high level of community organisation, and a reconstruction plan was quickly established in partnership with local organisations. With the help of the NGO Caritas, which subsidised part of the reconstruction, the poorest and most needy beneficiaries were selected.

In a series of meetings with beneficiaries and local artisans, potential building technologies were discussed. Initially, the people affected preferred to rebuild with modern materials, such as concrete or brick, but these were expensive. In the end, the arguments for affordability and safety won, and people decide to improve a technology locally known as *"quincha"*. This is a pole frame, plastered with mud, which had proven to withstand the earthquake much better than the much more widely used traditional rammed earth. The improvements agreed upon included concrete foundations and wall base; treatment of the ends of the poles with tar; stronger connections between poles and roof; and a lightweight roof with sufficient overhang. A community building was erected in Soritor, for demonstration and training purposes. Further training was also provided elsewhere, to artisans as well as residents, and thus the technology spread. Designs for houses were produced with the future residents. People formed groups of 20-25, to help each other build. They were supplying local materials, such as stone, gravel, sand, poles and bamboo, whilst Caritas provided the materials that had to come from elsewhere, such as cement, nails and roofing sheets. At some stage, ITDG also promoted the local production of micro-concrete roofing tiles, and later in the project the sheets were replaced by these locally produced tiles.

In 1991, a second earthquake struck which damaged a further 17,000 houses in the region. But it helped to prove that the ongoing reconstruction with *"improved quincha"* was a really resistant technology, and thus increased its popularity. That such houses were affordable also helped: a standard 30 m² house in *improved quincha* only came to about $1,300, compared to $5,400 for a similar size brick house. Many residents who were not the direct target of the project, because they were not the most in need, decided to adopt the technology as well. They were able to make use of artisans trained by the project team or by peers, and thus many more houses were constructed. Four years later, when the project was evaluated, it was noticed that, where ITDG had helped to reconstruct 550 dwellings and repair several hundreds more, perhaps five times as many dwellings had been built in replication, and the *improved quicnha* technology had become really mainstream. That in itself has enabled many people to access safe housing, where before they could not; and it also provided employment for artisans. Some people also use the technology for workshops, and it is also used for community buildings and other facilities.

Whilst this is, strictly speaking, a single sector project, it also shows the importance of partnerships and of strong local organisations. In a disaster situation like this, some people loose everything, and they may not be able to rebuild their livelihoods without some subsidy. Providing the poorest in the Alto Mayo with a credit to pay off a housing loan would probably not have worked for many of them, because of the depressed economy in the region. Hence, the importance of Caritas providing help in the form of some materials. At the same time, the project would not have succeeded without the presence of strong community organisations, and the willingness of people to help each other, and thus save on building labour and local materials.

These examples show that single sector projects certainly have had positive impacts, e.g., in terms of gaining access to affordable and safe housing and increased incomes that are being used to improve other livelihood assets. But they also show that they often need additional inputs, to make them more effective. Single sector projects can at times be ill conceived, if they have failed to analyse the whole problem. This may then lead to poor results or the need to redesign projects when they are already under way. Only a minority of single sector projects do result from a more holistic analysis pointing at a specific activity as the most likely to resolve a problem, or as the best entry point. Amongst the more common difficulties experienced with single sector approaches are:

- The absence of a credit facility; this affects both small enterprise development and the construction of housing or infrastructure;
- A tendency to focus on only part of the target group, perhaps the most vocal, or the one with slightly more assets, overlooking the fact that urban communities are not homogeneous;
- The absence of a safety net (or subsidy) in the case of the most seriously affected or marginalised;
- In the case of income generating activities: constraints in accessing land, water, energy and other services, and the lack of a secure place to work from (often home based);
- The failure to recognise early on that, if houses or neighbourhoods are to be upgraded, this often leads to a higher cost for the residents, which credits on their own cannot solve, unless incomes grow at the same time, or there is some form of subsidy;
- Technologies or standards are imposed that are unaffordable, rather than discussed and adapted with beneficiaries.

3.3. MULTISECTOR PROJECTS AND PROGRAMMES

According to Rossiter (2000), the interest in multisector approaches has developed largely from the debate over livelihoods: the notion that problems are multidimensional led to the proposition that solutions had to be multidimensional, or multisectoral, as well. There appears to be no clear agreement on the terminology. In practice, the term multisector can be used to mean that interventions in several different sectors take place in the same location, without formal linkage. But sometimes they are linked, in which case the approach comes closer to the integrated approach described in 3.4.

Multisector projects can also occur when several NGOs or development agencies establish a partnership. This sometimes happens when agencies are relatively small or specialised, and find they are lacking either the expertise of the capacity to deal with the development of an urban settlement entirely on their own. Rossiter (2000) describes such a case in Ahmedabad, India, derived from an INTRAC paper (1999):

Box 4: St Xaviers Social Service Society in Ahmedabad, India

The St Xaviers Social Service Society (SXSSS) in Ahmedabad works in the urban settlements of the city, in the sectors of education, health care, community organisation and environmental improvement. The SXSSS has always tried to work with the Ahmedabad Municipal Council (AMC), because they are convinced that is the best way by which the poor can benefit from government programmes. The AMC, on its part, has involved the SXSSS in a major survey to identify the urban poor, as part of an urban poverty alleviation programme. This points to a realisation on the part of the council that the NGO is better equipped to obtain reliable information at community level.

But the SXSSS does not possess all the necessary skills to address the multidimensional aspects of poverty, e.g., it does not have the relevant experience nor the links with the formal finance sector to establish credit schemes. The NGO has, however, encouraged savings schemes by groups of poor people and linked those to savings institutions like the Self-Employed Women's Association (SEWA). SEWA has a reputation for organising groups of poor people, such as hawkers and street vendors, and providing credit for income generating activities.

The partnership of these two NGOs has provided the beneficiaries of the project with both credit and organisational capacity, and this has helped them to increase their assets.

Multisector approaches are often better than single sector ones, because they tend to address several aspects of urban poverty at the same time. They also help small or specialist agencies to cope with more complex problems by bringing partners on board. However, they can suffer from a lack of co-ordination and sometimes from disagreement or competition between partners, especially when they are approaching the same funding agencies. On the other hand, agencies which try to manage a multisector project on their own may find that parts of the project suffer from a lack of specialisation.

3.4. INTEGRATED PROJECTS AND PROGRAMMES

Rossiter (2000:21) discusses two definitions of integrated approaches found in the literature. One is where the project or programme envisages functional integration of different activities, and the other occurs when marginalised parts of a city are integrated with the rest of it. This spatial integration aims, for instance, to link slums to city-wide service networks.

The first of those two is described by, for example, the European Ccommunity (1999) – using the term urban development projects or programmes – as being conceptually different from sectoral projects in that they contribute to integrated development and the functioning of cities as a whole. They embrace cross-cutting issues facing the governance and management of cities, such as urban productivity; poverty and social equity; environmental sustainability and security. Sectoral projects, on the other hand, are seen as interventions in pursuit of particular, often physical, improvements. However, the EC does think that sectoral projects can contribute to an integrated programme, or can provide the entry points for a more integrated approach. An example that would fit this description is the Municipal Services for the Urban Poor project in Hyderabad, described by Rossiter (2000:35), after Ramirez (2000):

Box 5: Municipal Services for the Urban Poor of Hyderabad, India

Hyderabad is India's fifth largest city. 1.25 million of its overall population of 4.28 million live in over 800 slums. The Municipal Corporation (MCH) has targeted many of those with three successive slum improvement programmes over the past 20 years. In 1998, it decided that the fourth such programme ought to be more comprehensive to address the multidimensional problems of the urban poor, and opted for a regular programme of service delivery to the urban poor. Whilst the previous slum improvements programmes were both fixed for a given period, for given locations, and in terms of a single implementing agency, the service delivery programme was defined to be ongoing, have universal coverage, and to be implemented by a lead agency in partnership with others. It also aimed at providing a comprehensive package of services and infrastructure, social services and support for income generation.

When Ramirez and Rossiter were writing their studies, this programme was about to start, and it was therefore too early to assess its impact on the livelihoods of the poor.

The second definition of the word integration is employed for instance by the Inter American Development Bank (IDB, 1997), the municipality of Rio de Janeiro, Brazil (IDB, 1997) and the International Forum on Urban Poverty (1996), and focuses on the spatial and social integration of the city as a whole. The goal of the Favela Bairro programme in Rio de Janeiro, for instance, is not only to improve the living conditions in the slums, but also to integrate these into surrounding neighbourhoods. This is described in more detail by Rossiter (2000:34), after Ramirez (2000):

Box 6: The Favela Bairro Programme in Rio de Janeiro, Brazil

Rio de Janiero has a population of 6.5 million people, 1 million of whom are living in squatter settlements, or *"favelas".* The favelas face a number of problems: only 48% of residents have access to public sanitation and 83% to water. Only 4% have a title deed. And the houses are located on steep slopes, which make them vulnerable to, for example, landslides or floods. There is a lot of unemployment and violence.

The Favela Bairro programme was established in 1994 by the Municipal Housing Secretariat (SMH) with the aim of integrated the favelas in the formal city. The favelas were excluded because of their poverty, violence, locations and because of popular prejudice. The programme included on the one hand the fairly regular upgrading of a range of services in the favelas. And it tried to achieve social integration via training and income generation projects, the construction of sports and neighbourhood facilities, and the regularisation of road layouts and house and plot titles. The programme was aimed at entire communities, rather than at small sections of them.

Because of the wide variety of activities it includes, the programme is providing households with opportunities to strengthen a range of assets. The nurseries built have enabled mothers to enter the labour market. Sports activities strengthen social capital, so important in the face of urban violence. And the training and productive activities offer an alternative to the drugs trade and the violence that comes with it.

ITDG's definition of an integrated approach is one whereby a project or programme undertakes several activities in a co-ordinated way in a given location (but not necessarily city-wide). These activities will have been defined by the livelihoods needs of poor men and women in that location. Addressing those needs will require not only the integration of activities, but also of partners. The key partners meant here are Community Based Organisations (CBOs), the Local Authority and relevant service providers and development agencies including NGOs. The essential difference with the multisector approach is that activities are properly co-ordinated, and therefore adding value to each other. Drawing from Ramirez (2000), Rossiter (2000:32) describes an integrated programme by the NGO ENDA in Dakar, that comes perhaps close to this approach:

Box 7: ENDA's Pikine programme in Dakar, Senegal

Pikine is an extension of Dakar, with some 800,000 inhabitants. It began as a relocation site during the 1970s, but soon became a haven for newcomers to the city as well as the poor of the city in search for cheap land. Pikine is informal and unplanned; it is governed by a City Authority, and divided into 16 municipalities. ENDA is a large international NGO, with headquarters in Dakar, which has been working on urban poverty alleviation since 1972. It established an integrated programme in three municipalities of Pikine and one other settlement, in collaboration with local CBOs. The programme aimed to improve living conditions, strengthen local initiatives, and find the financial means for urban development. In consultation with the community 4 key problems were identified: access to water; better sanitation and hygiene; support for income generating activities; and social activities and community development. The first phase targeted the poorest areas, constructing public taps and latrines, collecting waste, supporting savings and credits, and training local leaders, women and builders. Many of the activities added value elsewhere, e.g. the waste collection generated income for young people, and several activities contributed to a local development fund used to support small local projects.

Participation and partnerships were key to this programme. ENDA worked closely with a number of institutions providing funding or services, including UNESCO, a public sector water and sanitation body, Dakar University, other local NGOs, and a variety of CBOs.

Whilst successful in creating social capital and benefiting hundreds of relatively poor women, men and youth, the programme also encountered problems. It proved difficult to reach the poorest, because of the financial contributions required. And finding the right economic activities to sustain employment proved not to be easy either. This leads Rossiter to conclude that, given the limited scale of the work of NGOs and CBOs, it is hard for them to replace the public sector in carrying out integrated programmes.

3.5. URBAN DEVELOPMENT IN INDIA[4]

At present, India's rate of urbanisation is estimated to be about 32%; that is about twice the percentage at independence, in 1947. About two-thirds of the urban population live in towns with more than 100,000 inhabitants, but half of those are in just a few metropolitan cities. Many urban dwellers live in poverty, as manifested by the rapid growth in slums and squatter settlements. For a long time, these areas were neglected in terms of investments by the elites, who initially saw the poor as a drain on the urban economy, rather than as the engine of it. Thus, there was a clear shift of poverty from rural to urban areas, a trend which only started to reverse in the 1990s.

During four decades after independence, urban planning in India focused on the production of Master Plans and detailed land use patterns, rather in isolation from the socio-economic and environmental realities of urban development. This did have a negative impact on investment in urban development. This deficiency was pointed out by UNCHS as early as 1984, and the

[4] Section 3.5 is based on an IUHP working paper by Dr Stuti Lall (2002).

Seventh Five Year Plan (1985-90) then goes on to acknowledge the need for interaction between physical planning and investment, and for multi-disciplinary approaches. But integration did not prove to be easy, because of the many overlaps and contradictions and the lack of co-ordination between the multitude of institutions involved. The decade of the 1990s saw further developments in favour of integrated planning, with the introduction of the 12th Schedule of the Constitution (74th Amendment) Act. This effectively transferred the responsibility for urban planning to local authorities. The 1990s also brought public-private partnerships, good governance, and environmental programmes, all of which contributed to a more multi-dimensional approach.

There have been three main types of urban poverty policies in India, focusing on (1) credits to increase productivity and generate income; (2) health and welfare; and (3) infrastructure and the built environment. Initially, these were single sector interventions. The early credit schemes were targeted at those below the poverty line, in towns with a population above 10,000. A scheme introduced in the mid 1980s was knows as Self Employment for the Urban Poor (SEPUP); but its credit component was too small to make a real dent into poverty. The Nehru Rozgar Yojaja (NRY) scheme was introduced in 1989 as an employment generation programme; it was more comprehensive in that it targeted the needs of several segments of the urban poor, and supported micro enterprise development not only via credit, but also with skills development and infrastructure. In the mid 1990s, a merger then took place of the Urban Basic Services Programme with the NRY, into a new scheme called Swama Jayanti Rojgar Yojana (SJSRY) focusing on the overall improvement of low-income settlements. It brought on board neighbourhood groups or CBOs, to achieve a more decentralised approach and identify the genuine poor. The programme focused amongst others on the elimination of manual scavenging in small and medium towns, and its replacement by sanitary latrines of various types. There have been several other programmes with a direct or indirect impact on poverty reduction, all of which involved infrastructure development (e.g., Accelerated Urban Water Supply; Urban Transport; Shelter and Sanitation; Building Centres; Low Cost Sanitation; Environmental Improvement), and mostly aimed at the larger cities.

The housing problem of the urban poor only started to receive serious attention about three decades ago in India. Of course slums existed before then, and the partition of the Indian subcontinent, in 1947, in particular was a major factor in displacing people and creating squatter settlements. Solutions fall into three main categories: (1) slum clearance and relocation; (2) slum upgrading; and (3) sites and services. The first type of scheme started as early as 1956; it aimed to clear existing slums and relocate its inhabitants elsewhere, initially in highly subsidised tenements. Due to the scarcity of land and its high cost, it reached only a small proportion of slum dwellers, e.g., in Delhi, only 21% could be resettled by 1977. Many of the resettled poor rapidly sold their properties to higher income groups; they simply did not have enough financial capacity to hold on to their property. It also shows that such projects can not be planned in isolation of external factors, such as work and transport, or other segments of the housing market. The second type of scheme started in earnest in 1970, when Calcutta launched slum improvement on a city wide basis; this largely focused on the provision of infrastructure and services. Since then, the approach spread and the Sixth Plan (1985-90) aimed to achieve the total coverage of the then 33 million slum population. By now, this has risen to 50 million, of which 30 million have been covered. The physical improvements did change the face of the slums covered. However, shelter in the slums did not improve significantly; its improvement was left basically to the efforts of individuals. The third type of scheme, sites and services, started in the 1960s, when the government realised that it could not possibly build houses for the poor, who could not afford what was on offer. Sites and services schemes have been provided and funded by various institutions, including the World Bank and the Housing and Urban Development Corporation (HUDCO); a total of about 634,000 plots was allocated. Evaluations of these schemes have highlighted various problems; again, the capacity of households to hold on to their plots and houses was a major one. The absence of regular incomes made that very difficult.

The above experiences clearly show how important income generation is in making housing and upgrading projects succeed. Failure to recognise this, due to non-integrated planning, makes these projects unsustainable. Two studies by the Society for Development Studies (SDS) provide further evidence. The first was a survey sampling 74% of households in a group resettled in the early 1990s. On the eve of the second year of resettlement, it was found that only 56% of the original allottees remained. In the fourth year, that percentage had dwindled further to 44%. The majority of the houses sold belonged to the poorest households. At the same time, it was noticed that incomes and the quality of housing were going up all the time, thanks to the newcomers. A second study, of three resettlement clusters in Delhi in the late 1980s, showed that it took households three to seven years to get back to their income levels of before their resettlement. This has led SDS to argue that, in cases of resettlement, both shelter and work need to be addressed simultaneously. That it can be done differently is shown in the example below:

Box 8: Integrated Planning in South Delhi, India

This case is the result of an effective partnership between the city authority, NGOs, and a community of 112 households, all originating from the same district in Tamil Nadu. Shelter and infrastructure solutions were designed according to what people could afford, and supervised by local authority engineers. One NGO coordinated construction activities and the community labour input. Another NGO provided housing finance, training for income generation, and business credit to women. The initiative for additional income generating activities came from the people themselves. The project was a truly integrated attempt at poverty reduction, in that all inputs were planned simultaneously, and standards were set according to what community members could afford

As a result, 95% of dwellings were upgraded to permanent structures between 1991 and 1997. Over the same period, annual incomes of participants rose from $750 to $1,100. The project has provided a stable basis for home-based enterprises, has facilitated savings, and has demonstrated affordable solutions for housing and services, which is what makes it sustainable. (S. Lall, 2002a: 15-16)

So far, housing and employment programmes in India have been mostly single sector rather than integrated. The impact is evident in poor housing conditions, high transfer rates of houses and high numbers returning to poverty. SDS has been advocating for an integrated approach for a decade and a half. Where the poor do not have the money to hold onto shelter, it is clear that something needs to be done simultaneously about enhancing their income and other assets. In the late 1980s, the convergence of shelter and income generation was attempted in a major poverty alleviation programme in India, but that did not generate much interest in the absence of clear cut policies and logical clarity. The approach required inter-departmental co-ordination, which has as poor a track record in India as elsewhere. In the early 1990s, SDS developed a project for the resettlement of nearly 2,000 households squatting on prime land in Paharganj, Delhi. The project had several innovative components, of which the integration of shelter and income generation was one; others were the phasing out of subsidy via access to rented equipment, and a complete facilitator's role of public agencies in shelter development. The project was conceptualised in close consultation with a number of key institutions, as well as residents. But ultimately, bureaucracy intervened and the project was not launched.

The National Housing Policy of India, launched in 1992, focused on integration in an implicit manner. It observed that housing is an important part of poverty alleviation, and at the same time income generation should be part of the improvement of settlements. A good number of Indian states have accepted this approach in their policy documents, but they have not yet put it into action in their projects. Where the early slum upgrading projects, e.g., in Indore, were praised for their infrastructure components, but criticised for the absence of an income generation component, the more recent ones, for examples in Hyderabad, have now addressed that shortcoming.

Box 9: The Hyderabad Urban Improvement project

This project, popularly known as Habitat Hyderabad, was initiated by the Municipal Corporation of Hyderabad (MCH) in the early 1980s as part of its ongoing programme of community upgrading through housing and infrastructure development. 34 slums, inhabited by 4,708 households, were identified for upgrading. The residents belonged to the economically weaker sections of society. Though shelter upgrading was the starting point of the project, it became evident that the increase of incomes and the generation of better employment opportunities were as essential for the success of the project. Training programmes were organised to address identified skills gaps. The MCH converged various skills development components of other urban poverty alleviation programmes with this project; it also took the initiative to identify market outlets. At a later stages, co-operatives were formed and bank loans accessed. A case study of the project demonstrated the critical role of these resources in housing development.

SDS has also advocated the development of shelter incorporating a workspace, to accommodate home based enterprises (HBEs). The arguments for that were first explained in a model conceived for the secondary town of Alwar, in 1986. The integration of a workspace in the house would, the SDS argued, save on rent for work and storage, enable more family members to participate in work, and allow more flexible working hours. Other researchers took up the topic in the late 1980s – early 1990s, and generally concluded that HBEs could improve the affordability for housing in India. The concept was put to the test in a project in Tamil Nadu:

Box 10: The Coimbatore basket weavers project

This project was initiated by the Tamil Nadu Slum Clearance Board (TNSCB) in 1998/9, for a group of 115 basket weaver households in the city of Coimbatore. They had been shifted 20 years earlier from land belonging to the Municipal Corporation to a small marshy site, measuring 0.27 ha, on the fringe of the city. Thus, space did not really allow much improvement of either housing or income generation. The upgrading project managed to densify the housing designs, thus creating an open space in the centre of the housing cluster where weaving and marketing could take place. It also incorporated a day care centre, allowing women to participate in weaving. The cost of housing was brought down by opting for low-cost technologies; the repayment of housing loans was scheduled to coincide with income flows (S.Lall, 2002a: 24-25).

In conclusion, government programmes in India have largely failed to have a serious impact on low-income housing development. Though standards have come down, such programmes are still not affordable to the majority of the poor. An additional problem is that housing finance agencies such as HUDCO are unwilling to make serious attempts to reach the lowest income groups, unless state guarantees are in place. This makes it all the more necessary to raise incomes, so that poor people can afford housing, services and other assets.

3.6. URBAN DEVELOPMENT IN KENYA[5]

Kenya is urbanising rapidly; in 1997, its urban population stood at 20.9% of its overall population of 28.1 million, up from 5.1% at the time of its first census, in 1948. The most pressing issues faced by urban residents have been identified as poverty, unemployment, and access to land, services and energy. These problems have also increased the vulnerability of the poor, who increasingly find themselves living in life and health-threatening conditions.

Urban housing development has gone through four distinct phases since Kenya's independence. The first phase saw the public sector heavily involved in housing construction, whilst demolishing squatter settlements that did not conform to the regulations. This top-down strategy continued till about 1990. A second phase started in parallel during the 1970s, initially quite slowly, under the influence of institutions like the World Bank. This focused on both the provision of serviced sites and settlement upgrading. Both types of projects provided a minimum level of infrastructure and services. The first project of this type was the Dandora project in Nairobi, followed by the provision of serviced plots through the National Housing Corporation (NHC) in other towns in the 1980s. Some of these are described below:

Box 11: Dandora Community Development project, Nairobi, Kenya

This project, usually called the First Urban project, was implemented from 1975, in collaboration between the World Bank, the Government of Kenya and Nairobi City Council (NCC). It was essentially a sites and services scheme with 6,000 serviced plots of 120 m² with a built wet core, consisting of a kitchen, a toilet plus shower, and in some cases also a room. The infrastructure included water supply, sewers, refuse collection, roads and drainage, and street lighting. Besides, the neighbourhood incorporated a range of facilities, market stalls and workshops. 95% of the plots were aimed at the lowest income groups, who were expected to spend 25% of their income on housing repayments. The project committee initially allowed the application of the Grade II byelaws, which are of a lower standard, but comments received within the NCC forced an upgrade of most of the infrastructure standards to Grade I; this caused both a delay and raised the costs. A first phase of 1,000 units then went ahead. The second, much larger phase of 5,000 units got delayed further, till 1982, this time to make its standards more comparable to surrounding housing estates; this considerably increased its development costs. The proportion of plots sold on the open market was raised from 5 to 20%. And allottees were only given 18 months to complete their houses, where originally a much

[5] Section 3.6. is based on an IUHP working paper by Prof Paul Syagga (2001).

more gradual construction had been assumed.

Though having several distinct components, the Dandora project was conceptually a single sector project, focusing mainly on shelter. It was developed at a time when the basic needs approach to development was popular, and livelihoods not yet considered. Where there could have been more integration of income generation activities with housing, the opportunity was lost as the market stalls and workshops were sold to different groups than those allotted the plots.

Box 12: Umoja II Housing project, Nairobi, Kenya

Like the Dandora project, this was a largely sectoral housing and community facilities project implemented by the NCC, with financing from USAID. Of a total of around 4,400 units, 8% were expandable core houses. The remainder were built as condominia, with 5-6 units sharing a single plot, designed around a courtyard. Whilst the occupants owned their houses and a private open space, they shared the ownership of the courtyard and other common areas with other occupants in their cluster. The condominia were aimed at households below the median income, but the core housing was targeted at a somewhat higher income group. The condominia were designed in such a way as to discourage the subletting or selling of the properties to higher-income earners. The project was commissioned for construction in 1985 and completed in 1989.

These projects, though, failed to reach the lowest income groups. Dandora, for instance, did not reach anyone in the poorest 35% of the population, because the repayments were too high (Syagga and Olima, 1999:54). The rate of consolidation on serviced sites was slow, and many low-income beneficiaries eventually sold their property to people with higher-incomes. In the case of Umoja II, many properties ended up in the hands of landlords, and Hoek-Smit reported as early as in 1989, that two-thirds of the units were occupied by tenants, few of whom were poor (only half had an income below the national median).

Results such as these raised the issue of targeting, since subsidies did not reach those most in need. It caused a shift, in the third phase of housing development, towards a greater emphasis on upgrading rather than new serviced plots. It also led to the introduction of some income generation activities. However, project delivery remained largely top-down, due to a failure to develop participatory institutional structures amongst the beneficiaries. This phase included two more World Bank-funded urban projects, as described below:

Box 13: The Second Urban Project, in Nairobi, Mombasa and Kisumu, Kenya.

Whereas the First Urban Project focused on serviced plots only, the second urban project also included upgrading. It covered the three largest cities and towns of Kenya, where the urban shelter problem was the most acute. This project was essentially a multi-sectoral project, because it not only included serviced plots and infrastructure, but also employment and income generating activities; health, nutrition and family planning services; and institutional strengthening. It also involved a wide range of institutions. It is perhaps the one project from the Kenyan examples in this section that comes closest to an integrated approach. But unfortunately, some of the lessons learned in the first project, such as the need to involve communities, were neglected. And because the target groups were not consulted, it was difficult to adjust the design and its standards to what they needed and could afford. NGOs played a key role in the community development and social programmes, but again, they were not involved in planning the project.

As before, bureaucracy delayed the implementation, particularly in Mombasa and Kisumu, which had to catch up with Nairobi in establishing a project structure. This caused huge cost overruns, of 87% in Mombasa, and 233% in Kisumu, compared to the original estimates. Thus, some project components were omitted or reduced in standard. Also, the number of sites was reduced from 13 to 8, and the number of plots was reduced by one third.

Box 14: The Third Urban Project, in five secondary towns of Kenya

This was only to some extent a multi-sectoral project, initiated in 1983 to complement the above. Unlike the Second Urban Project, this one focused mainly on shelter, with the other components being more incidental. The secondary towns did not establish special project units, like the larger cities before them, but opted for handling the project through their existing municipal departments. They only recruited some community development staff, and that at a very late stage, and more to handle applications and winning the co-operation of residents, than to get them involved in planning. Thus, there were several problems between allottees and the councils, with the former stating the project was not delivering what they needed. Plots were allocated to people who needed some proof of a stable income; this put women at a disadvantage.

On the positive side, the Second Urban Project provided services to around 400,000 urban people, but because those services were better than what was available elsewhere, plots were very quickly sold on for as much as 150% of their development cost, in locations like Kayole (Yahya and Associates, 1988:49). There was also a substantial level of income generating activity, much of it home-based and not always in the planned locations in project areas. Unfortunately, the Third Urban Project did not place the same emphasis on income generation as the second one had.

A fourth phase in housing development started in the 1990s, and concentrated on enablement, as promoted by UNCHS and the World Bank. This shifted the government focus away from housing projects, to focus on policies; it also called for the involvement of all stakeholders in shelter delivery, and for more participation. One multi-sector project, where participation has been much more prominent than in the urban projects described above, is the Community Lands Trust in Voi:

Box 15: The Tanzania-Bondeni Community Lands Trust in Voi, Kenya

This project was the result of collaboration between the Ministry of Local Government and the German Technical Co-operation (GTZ), under the Small Towns Development Programme. This included Voi, a municipality of some 15,000 inhabitants, situated between Nairobi and Mombasa. One third of those were living in Tanzania-Bondeni, an unplanned and unserviced settlement. Residents did not have secure land tenure, but 60% were structure owners living on site, and the remainder tenants. The project started in 1991 with various baseline surveys; it essentially aimed to regularise the tenure situation, provide services and upgrade housing. There was intense community mobilisation and participation, via resident committees. The Community Land Trust model was one of three tenure models discussed in about 1993, and finally selected as the preferred one. It allows for land to be held in trust by the community, and this helps the poor to retain possession. Whilst the intense participation was seen as essential to the success of the project, it was also realised that it was time consuming (Syagga, 2001:22-25).

Development organisations are moving towards holistic, poverty focused interventions, but face a realtity of sectorally organised approaches with which to interact. NGOs and donors have themselves responded to this reality by organising their operations along sectoral lines, but with increasing responsiveness to the broader needs expressed by the poor. The key development institutions in Kenya are sectorally established. Sectoral programmes such as shelter have suffered in Kenya, due to the large number of institutions involved in anything from issuing land to approving development. Thus, projects frequently are delayed and exceed original budgets, which again reduce their affordability to the poor. However, where resources are scarce, it may sometimes pay off to focus on specific sectors with acute problems; that can work, provided that other stakeholders are brought on board at an early stage. In a multi-sectoral approach, strategic partners get together at an early stage to determine how a specific programme would affect each of their sectors, and how they could support it. The development of the programme should be done through participative and inclusive processes. And ideally, responsibility and resources should be decentralised as far down as possible, perhaps down to CBOs. The integrated development approach has been present in Kenya since the 1970s, in both rural and urban areas, sponsored by a variety of agencies. Some low-income housing development projects of the 1970s and 1980s incorporated components to promote income generation as well as health and educational facilities. Income could be generated both from sub-letting, as well as from small businesses in project areas.

In conclusion, most shelter development projects in Kenya have been top-down, driven by professionals and politicians. It is only in the last decade and a half, that more attention is being paid to the involvement of local communities. In the case of the early sites and services projects, it has been argued that it is difficult to consult beneficiaries at the planning stage, because they are not known then. Yet, the kinds of people targeted were defined, and could have been consulted. And even after the focus shifted from serviced sites to upgrading existing settlements, with known communities, the professionals did not change their approach, at least initially.

Most projects described above were single or multi-sector, with only the Second Urban Project moving closer to an integrated approach. It is quite possible that the lack of consultation of target groups has been a factor in this. If people are not asked what their real needs are, and what they can afford, they end up being offered what the professionals or politicians assume they need, designed according to standards established from above. And given that such professionals are organised in single-sector institutions that are not used to collaboration, this further explains the kinds of projects that are being developed.

3.7. SUMMARY

The causes of urban poverty are multiple, and solutions can therefore not be found in a single sector, such as shelter or enterprise development alone. Some of the above examples clearly make that point. Development agencies now increasingly accept that tackling a single aspect of urban poverty is unlikely to lead to long term sustainable benefits for the urban poor. Ideally, projects should not only bring different sectors together, but also different stakeholders and different levels of intervention, from the community to the local authority.

The livelihoods approach leads us towards a multisector or integrated response to reducing poverty. It aims to develop a broad range of assets within households and communities, enabling poor men and women to improve their livelihoods as well as being less vulnerable to shocks. In an urban context, both shelter and income or access to credit appear to be, from the above examples, crucial assets in developing sustainable livelihoods. Shelter, for instance, is used as a base to work from, as a source of rental income, or as collateral for credit. And finance is particularly important in the urban economy, to develop small enterprises or acquire land or housing.

To develop multisector or integrated projects or programmes can be a particular challenge to NGOs, who may not have the scale or all the specialisations required to cope with these. They may have to look for partnerships with other NGOs or development agencies, if they wish to undertake such projects. In such an approach, single sector projects may provide them with an entry point from which to build a more comprehensive programme.

4. PROJECT RATIONALE AND OBJECTIVES

The rapid growth of urbanisation as well as urban poverty, together with the change towards a multi-dimensional understanding of poverty, provided the rationale for this project. Single sector approaches to shelter improvement or income generation had often proven to be inadequate. It was found that, in an urban context, two assets are of key importance to the development of sustainable livelihoods: shelter and finance. Whereas shelter can be an important incentive for the urban poor to save, it is nevertheless a sustainable income that is key to both housing investment and the capacity for poor people to hang on to their property. At the same time, shelter very often provides a base from which to generate income.

The proposal for an integrated urban housing project therefore aimed to test an approach to housing delivery which combines employment creation and income generation with the improvement of housing and related services. And, within that context, it proposed to test specifically the extent to which increases in the incomes of the urban poor would generate significant investment in housing.

The goal of the project was that of the Urbanisation sub-sector of DFID's Knowledge and Research Programme *'to increase the access of low-income households and the poor to adequate, safe and secure shelter'.* And the project purpose was *'to identify and promote a sustainable shelter delivery strategy for the urban poor to be adopted by national and local government in Kenya and India'.*

The project document proposed five outputs. The sixth was added later:

1. Two integrated projects established and tested and four sectoral projects tested;

2. 100 persons in Kenya and 200 in India trained in marketable skills; 3-5 viable firms established in Kenya each employing an average of 10 trained people, and 200 people employed in profitable micro-enterprises or group enterprises in India;

3. 100 houses with access to water and sanitation built and occupied by project participants in Kenya. In India, 200 households assisted in building or improving shelters with access to economic and habitat services;

4. Housing strategy document;

5. Project results published and disseminated;

6. Establishment of two Local Observatories.

5. INDIA CASE STUDY[6]

5.1. BACKGROUND

The India Case Study is from Alwar, a secondary town of 266,000 inhabitants[7], located midway between the National capital Delhi, and the Rajasthan State capital of Jaipur. There is a national strategy to develop Alwar, and similar urban centres in the National Capital Region (NCR), into counter magnets to Delhi, so as to reduce the latter's growth. But the emphasis of this strategy has been to tempt large industry to invest in secondary towns, and that has not really worked well in Alwar, because certain essential conditions such as good infrastructure and a skilled work force were lacking. Thus, Alwar's population only grew at a modest rate of 2.65% per annum between 1999 and 2001, which is rather slow compared to towns along the national highway growth axis between Delhi and Jaipur, and is below NCR projections.

The employment and income poverty characteristics of a secondary town like Alwar are different from those of larger cities like Delhi or Jaipur. Employment is largely in traditional economic activities, handed down through generations. The traditional trades flourished under royal patronage. When this stopped, however, the artisan communities became vulnerable to market changes and could not develop coping strategies to prevent them from slowly sliding into poverty. Currently, the artisans are vulnerable due to stiff competition from other products and a lack of access to cheap raw materials, technology and credit. The plight of women is worse, because local tradition does not allow them to earn income outside their residences. Thus, they become easy victims of exploitation by middlemen. In contrast, the poor in larger cities have greater opportunities to escape these poverty-driving factors. The population living below the poverty line (Rs 466 or $6 per person per month) is estimated at 2,000 households or 14,000 people (6.1% of the population)[8].

ITDG – Theo Schilderman

Waste collection is a big problem in Alwar. When it rains, drains become blocked and cause flooding

On the other hand, housing conditions in Alwar tend to be better than in the slums of cities. Most people own their houses, which have been passed on for generations. There are some problems due to high occupancy rates and poor ventilation, contributing to bronchial illnesses. But the major problems are to do with inadequate services, e.g. open drainage and sewer systems, human and household waste littering open spaces and drains, irregular water supplies, and inadequate access. According to the Municipal Council, Alwar has 28 notified slums.

[6] This chapter draws largely from a case study written by Dr Stuti Lall and Dr Vinay Lall (March 2003) and the end of project evaluation report by Janet Gardener (August 2003).

[7] Census (2001).

[8] The BPL population is surveyed every 5 years. A new survey is planned for this year (2003).

5.2. ORIGINS OF THE INTEGRATED PROJECT IN ALWAR

At the time of launching the integrated project in Alwar in September 1999, SDS already had an established relationship with the local government and with poor urban communities. This partnership had developed over a period of about 10 years, since SDS got involved in policy work in Alwar for the NCR Planning Board, the Government of India's regional planning and development agency. The NCR has been entrusted with the responsibility of stimulating and sustaining an induced urban growth in secondary towns around Delhi to develop them into counter magnets to the mega city. SDS prepared an Integrated Development Strategy for Alwar in the early 1990s on behalf of the NCR Planning Board to promote economic growth in the city[9]. This focused on developing the informal sector, and identified five mostly traditional economic activities for development. These were leather-based products, stone-based products, carpet weaving, pottery, and light engineering goods. The strategy was developed after an in-depth assessment of the existing pattern of operations of households engaged in these activities, identification of major development prospects and constraints, and evaluation of the people's self-assessed upgrading plans and development requirements. The basic concern was to promote and support a value added component in economic activities and raise the productivity of those involved. The issue was not to create employment, as they were already employed but, recognizing that this employment could not effectively alleviate their poverty, to make it more productive.

Taking this one step further, and on the basis of its research results on informal sector employment, poverty alleviation and low-income housing, SDS concluded that, for the implementation of the strategy, an integrated housing and economic development approach was probably the most effective and sustainable. It would provide a route for low-income households to access adequate, safe and secure shelter and join the path of economic development. Exclusive one-component programmes had been generally found to be unsustainable. In the case of housing, for instance, they often left residents poor and with low savings and led to high default and transfer rates. And programmes focusing on economic activity often suffered from high conspicuous consumption, a lack of collateral for borrowing, a lack of secure shelter to work in or store goods, and a high fallback rate into poverty on the withdrawal of subsidized inputs. For the formal financial system, the urban poor were a high risk clientele who were provided credit only under special directed credit programmes of the government, whilst the housing finance institutions considered the urban poor as untouchables for credit. Experience also showed that the provision of secure tenure and housing finance alone was often insufficient for low-income residents to hold on to their house, or to further improve it. It is in this context that an integrated income and shelter programme was formulated. The IUHP project provided an opportunity to test it on the ground.

Addressing urban poverty is among the priorities of the District Administration in Alwar. It was keen to enter into a partnership with SDS to support the project, in expectation of a policy product that could be replicated elsewhere in the District, or in the State of Rajasthan. The District Collector became the chairperson of the Steering Committee established at the start of the project, which included members of key government departments.

5.3. PROJECT OBJECTIVES AND DEVELOPMENT

The ultimate aim of the project in Alwar was to reduce urban poverty in a sustainable way. It sought to achieve this by working on both income generation and housing with traditional artisans.

SDS was convinced that income enhancement had to be the starting point of the programme. This could be achieved both by increasing productivity and by value adding. Access to technology, finance, different markets and better skills were key factors in this. The sustainability of the gains in income would be very much determined by the markets, so a marketing strategy including participation in fairs and exposure visits had to be devised too.

[9] Lall, Vinay D (1992): "Informal Sector in Alwar: Status, Development Strategy and Action Plan", SDS, New Delhi.

Improvements to shelter and services would follow on from there, but they were dependent on having sustainable incomes. SDS did not determine in advance what these improvements would be; these decisions were left to the artisan families. But they did decide early on that achievement of shelter improvements amongst the urban poor within the project time frame of about 3 years would only be possible by working with those households which at least had ownership of land.

The project locations were to be mainly in old settlements, both because these formed the home of groups of traditional artisans, and because they were characterized by a deterioration of housing quality and by inadequate basic services. As such, the need for upgrading the structure of the houses did not seem to be as urgent as in the squatter settlements of mega cities like Delhi; it was the income shortfall that posed the major challenge. In this respect, the Alwar model, if effectively implemented, would have scope for replication elsewhere. The intention was to develop an approach to small town development which could be recommended to the Planning Commission and the NCR Planning Board as a secondary town development model for inclusion in future strategic plans.

5.4. LOCATIONS AND PARTNERS

The selection of locations was made on the basis of previous studies of the informal economy in Alwar undertaken by SDS and following two workshops with district and government representatives. It was considered essential to work with, rather than against, the strong links between economic activity, cultural practices and socio-economic status, which were closely associated with individual neighbourhoods. Working in a traditional trade is strongly associated with poverty in Alwar, so identifying beneficiaries according to their trade also meant identifying people living in poverty.

The two workshops and previous studies by SDS indicated that the project could successfully intervene in pottery and leatherwork; later this was extended to weaving. It was thought that these activities could provide sustainable incomes and also that working with these relatively poor and traditional artisans could bring about a sustained social mobilization process.

The most crucial activity of the project was to identify project partners from among the community members, and the nature and scale of support they required. This was done with the help of baseline surveys and other field-based interactions in six settlements, covering 790 households, of which 300 were selected. These were selected according to a set of criteria relevant to the project objectives. The most important among those were that beneficiaries should be in a traditional occupation and should own land. Secondary criteria included the level of household income (below Rs 1300 per month). However, the very poorest were not selected because it was assumed they would not be able to afford to participate in an upgrading programme within the timescale of the project. Other criteria included low social status and other localized poverty indicators defined through participatory appraisal.

Project partners were selected from 6 settlements, as shown in the table below. All these settlements were characterized by inadequate provision of water and sanitation. But there were some variations in land ownership and shelter conditions. For example, some had ancestral ownership of a properties in the inner city which are now overcrowded. Others owned peripheral land which did not yet have permission for residential use. Others owned semi-rural land now subject to development pressure. Partners were encouraged to form Self-Help Groups, as these could be legally recognized and registered with government, allowing members access to support and credit.

Potters had bank loan to purchase electric wheels which will increase their productivity

ITDG – Theo Schilderman

Settlement name and description	Original Occupations	SHGs established	Income generating activities
Delhi Darwaza Large slum in the old inner city. Home to 1,200 households. Most houses have been in the same family for generations and are now overcrowded. Narrow lanes. Reasonably well-serviced, though water is hand-pumped from mains.	70% involved in embroidery of leather shoes	5 groups (65 members) circa 5% of households	Leather embroidery (traditional) Cloth embroidery (new)
Toli ka Kuan 150 year old inner city settlement. 120 households, living in large, old and dilapidated, and crowded houses. Narrow lanes hampering transport of raw materials and pots. Relatively well serviced. Pottery activity is spilling into public space.	Only 50% have been able to retain their ancestral occupation of pottery	2 groups (42 members) circa 5 % of households	Pottery - Diversification of products and markets. New technology
Ramgarh Traditional pottery centre 16 km from Alwar. 70% of housing is non-permanent and there is no piped water, poor drainage and latrines. Narrow lanes hampering transport of clay and pots. Shortage of space for pottery, spilling into the streets.	Pottery	3 groups (36 members)	Pottery – diversification of products and markets. New technology
Budvihar Semi-rural setting on the periphery of town, surrounded by high and middle-class estates. Small community of 25 households, living in mostly semi-permanent housing. Old and unserviced settlement.	Traditionally agriculture. Now also daily wage labour and petty trade.	2 women's groups (29 members) 1 youth group 100% of households	Weaving

Naya Basti Established urban settlement on the periphery of town, on land zoned for agriculture. 200 households (1500 population). Permanent housing and roads; some services.	Fewer traditional trades - Inhabitants moved into Naya Basti from elsewhere	5 groups (65 members) 33% of households	Weaving Embroidery
Akhipura Large and old colony with 2000 households. Mostly permanent housing, but densely populated. Narrow lanes but reasonably well services	Basket weaving	5 groups (62 members), of which 3 of women and 2 of men. 3% of households	Basket weaving (traditional) Cloth weaving (new)

Table 1: Settlements, partners and economic activities in Alwar.[10]

Basket Weaving

ITDG – Rita Nandu

The project also worked closely with a number of institutional partners. In Alwar, these included the Alwar District Administration, headed by the District Collector, and particularly its Urban Improvement Trust, District Industries Centre and District Rural Development Agency. In addition, there were the local media, the private sector and finance institutions. At the regional level, the project worked with the National Capital Region (NCR) Planning Board. The District Administration in particular has been closely associated with the project. The District Collector has chaired various meetings and workshops involving the Indian partners, as well as ITDG and DFID. His proactive role has, for example, facilitated access to water for toilets. The partnership with the private sector opened up new market outlets, by-passing the middlemen. The partnership with financial institutions has facilitated access to credit for the artisans, and the partnership with the media has facilitated good coverage of the project activities.

[10] This table is largely based on Appendix 3 of the project evaluation report by Janet Gardener.

5.5. KEY ACTIVITIES

It was a challenge to organise the participants into common interest groups which would then have more weight with the district administration and in the open market. However, because there was so little demand for their products compared to the supply, competition was intense and social networks amongst the artisan communities had deteriorated in favour of more individualistic survival strategies. It was difficult for them to come together and think about common objectives. This tendency for social networks to disintegrate as poverty increases has been noticed elsewhere too[11]. To change this mindset, SDS adopted the method of group savings, which required a number of joint decisions to be taken on savings and credit related issues. In addition, a skills training centre offered the opportunity of learning together.

The partners of the programme are the 23 Self Help Groups (SHGs) formed on the basis of common interests of the group members, 80% of whom were women, and most of whom belonged to the weaker social groups. The action research started with the adaptation of potential coping strategies to local conditions, and their modification following partners responses. Since the strategy had an initial focus on enhancing incomes, one of the first activities was to increase the skills base of the partners. This included the diversification and improvement of traditional technical skills for the same and new products, as well as training for entrepreneurship, business planning and management, sustainable saving habits, multiple credit management and general banking and accounting. For some women, the training had to start with basic numeracy and literacy. Another activity was the introduction of new technologies to improve productivity and diversify the range of products; this included electric wheels instead of manual wheels for potters, better pottery kilns and electric sewing machines for embroidery and handlooms for weaving. These were complemented by capacity-building activities such the registration of participants with the State and Central government institutions to boost marketing; networking with other technology development agencies in the State; and study visits.

A most critical activity was to provide partners with exposure to markets, to make them understand demand and market requirements. It was also important for them to get a better understanding of the economics of their production, the pricing system, and the potential for growth. Participants were taken on exposure visits within Alwar town, to a few places within the district, to Jaipur and Delhi. Another important activity was to link them to the formal banking system and give them access to credit. Participants have purchased their own equipment and taken on the responsibility of servicing bank loans. Reducing the role of the middlemen, whilst at the same time building community skills to tap into new markets is a continuing process. Partners were encouraged to participate in fairs and exhibitions in Alwar and Jaipur, where women learnt the art of price negotiations, and were exposed to other products in the market.

Regarding the project’s housing component, the challenge was to convince the partners to undertake shelter upgrading within the project timeframe. The partners, especially the women, were not sure of the sustainability of the increased income levels, and were thus reluctant to immediately venture into housing investments. Moreover, there were significant variations between groups of home owners and each of them involved different problems. A major issue was the joint family ownership of ancestral homes in the inner city where the inheritors live separately, hence the intervention would not be legal, and more importantly, no housing finance would be available. The Urban Improvement Trust of Alwar initially showed interest in providing credit, but withdrew because of the small number of applicants. Another major group own their house sites legally, but as agricultural land. Before building, the land use designation would need to be changed, which is very expensive. Moreover, the chances of obtaining services, even after re-designation, are limited. A group of potters in the inner city of Alwar were facing yet another problem. Due to the growth in their numbers, there is no

[11] See, for instance: Deepa Narayan et al.: “Voices of the Poor: Crying for Change”, Oxford University Press and the World Bank, 2000, and Theo Schilderman: “Strengthening the Knowledge and Information Systems of the Urban Poor”, ITDG and DFID, 2003: 26.

more space for additional pottery activities in their cluster. They do have some savings, and legal ownership of land, but no financing institution is prepared to lend them money, due to the seasonal nature of their incomes. An additional factor is that such loans are small, and therefore carry a high administration cost, and are considered high risk. The project helped the potters to negotiate for land on the outskirts of town. It also supported the construction or maintenance of some housing and services with general information, and provided health and hygiene education.

The establishment of a Local Urban Observatory (LUO) was not foreseen in the initial DFID-funded project, but was added by SDS, as part of its global mission to promote and develop systems for promoting participatory processes in local governance.

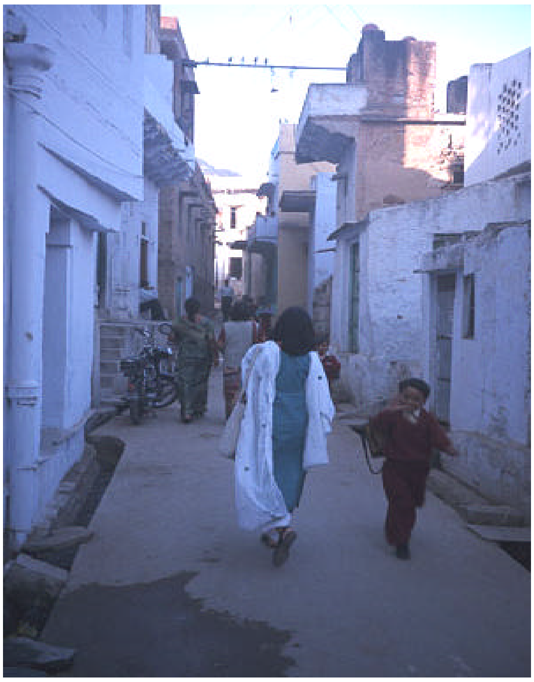
5.6. ACHIEVEMENTS

The achievements and the problems faced in each of the settlements in Alwar are presented in the following table:

Settlement and economic activities	Achievements	Key Barriers	Possible Response
Delhi Darwaza Groups: 5 Members: 65 Trades: leather and cloth embroidery. Incomes: leather work, Rs 30/ day; cloth embroidery Rs 60-75/day. Saving level: Rs 100/ month	<u>Business development</u>: 2 group bank loans, one for an embroidery machine. Group purchase of raw materials. Individual loans for household necessities. <u>Shelter and services:</u> Bank loans for plaster work, water and gas connections. 2 individual toilets 15 individual water connections	Market outlets	Build assets. Develop marketing further.
Toli ka Kuan Groups: 2 Members: 42 Trade: pottery Saving level: Rs 50/ month Total saved; Rs 22,000 per group	<u>Business development:</u> Improved productivity and marketability Savings and individual loans for 20 electric potter wheels, household consumption, school costs. <u>Shelter and services:</u> Some house maintenance. 1 individual toilet. 10 individual water connections.	Physical (access road and lack of work space) Weak political influence (to obtain land or services).	Seek peri-urban land.
Ramgarh Groups: 3 Members: 36 Trade: pottery	<u>Business development:</u> 3 group loans. Many skilled potters left for Jaipur, but some have now returned. Therefore less progress than in Toli ka Kuan.	Physical (access road and lack of work space)	Seek peri-urban land.
Budhivar Groups: 3 (2 women's groups with 29 members and 1 youth group)	<u>Business development:</u> Income generation marginal. 1 group bank loan. Individual loans for education,	Time to build assets. Small scale – Weak political	Long term asset building. Develop income source

Trade: weaving. Saving level: Rs 100/ month	household consumption. <u>Shelter and services:</u> Grouped toilets (4)	influence to access services. Lack of income source close to home.	from nearby UIT estates. Lobby for services. Bring looms to the houses?
Naya Basti Groups: 5 Members: 65 Trades: weaving and embroidery. Income: weaving, Rs 70/day; little from embroidery. Saving level: Rs 50/ month.	<u>Business development:</u> Savings and individual loans for emergencies, school costs and medical care. 4 group bank loans. <u>Shelter and services:</u> 7 individual toilets. 5 individual water connections	Agricultural land zoning. Small scale – Weak political influence to obtain re-zoning and services. Time to build assets.	Build savings and productive assets. Lobby for re-zoning and services.
Akhipura Groups: 5 (3 women's and 2 men's) Members: 62 Trades: basket and cloth weaving Income: basket weaving, Rs 20-25/ day; cloth weaving, Rs 50-60/day. Saving level: Rs 100/ month	<u>Business development:</u> Increased income and savings for household consumption. Purchase of looms <u>Shelter and services:</u> Hygiene and family planning awareness. 7 individual toilets.	Poverty Weak political influence to obtain services	Lobby for services.

Table 2: Achievements in Alwar[12]



ITDG – Theo Schilderman

Narrow inner city street with drains

ITDG – Theo Schilderman

Water point with hose connections in public street

[12] This table is largely based on Appendix 3 of the project evaluation report by Janet Gardener

In summary, 23 SHGs have been established, with a total of 299 members. The skills of 250 members have been enhanced. They are running 50 profitable micro-enterprises, often using new technology and equipment. Productivity and marketability have increased, and groups are working together in production and marketing. There is also group cooperation to build savings and to agree individual loans from group savings. Amounts regularly saved in three settlements are Rs 100 per month, and in two others Rs 50 per month. Overall incomes are reported to have increased by between 108% and 212%. There are 10 bank loans among 4 groups, one of which is for production. Some participants have obtained second and third loans after amortising earlier loans. 80% of group members now have individual bank accounts for personal savings. On the whole, groups have become less dependent, and the women members in particular have become more self-confident through training in literacy, numeracy, negotiations, marketing etc.

The project in Alwar has been quite successful, and exceeded its targets, in income generation. In shelter, however, achievements have fallen short of the targets, to a large extent because it took more time than expected for income increases to become investments, but also at times due to other pressing priorities. Shelter development activities did only really take off in the last year of the project, when 30 members obtained an individual water connection in 3 settlements; another 17 built individual toilets in 4 settlements; and a community toilet block and water standpipe was built in another settlement, serving 25 households. Some of the sanitary facilities were subsidized by the project. Many women were keen on improving their kitchens: 30 members obtained individual gas connections and others improved ventilation, to reduce smoke in their kitchens; 9 others built individual kitchens away from the living quarters. There was also some house maintenance, and in 15 cases, houses were upgraded through improvements to roofs or other parts. Thus, at least a third of all members involved in the project had achieved some improvements in their living environment at the end of about three years.

Beyond the activities on the ground, the SDS team has also achieved effective partnerships with a range of authorities and institutions, including the District Administration, the private sector, finance institutions and the NCR Planning Board. These various stakeholders were involved from early on in meetings and workshops discussing the project's conceptual approach and operational strategy, as well as follow-up discussions about progress and problems encountered. SDS and its partners in the communities also lobbied the District Administration for land and the provision of services. A Local Urban Observatory was established involving several of these stakeholders, as a tool for strategic planning and development in Alwar. The LUO has created a common platform for stakeholders in the city to meet and examine their priority problems and find ways of addressing them. Out of this has emerged a strategy for solid waste management, which is now being piloted by SDS in one settlement.

The successes and failures of the project have been regularly presented by SDS at seminars and workshops in the region and beyond. They also have been written up and disseminated as papers or articles in the media. There have been exchange visits between teams in India and Kenya; and Asian students at courses SDS was running in Delhi have visited project sites and been exposed to lessons from the project. The Alwar experience has also been integrated in the curricula of SDS national and international training programmes. SDS also presented the Alwar project, and the parallel project in Nakuru, to the Heads of African and Asian Diplomatic Missions in New Delhi. And the Alwar project has become part of a comparative study of innovative poverty reduction strategies in India, China and Indonesia, supported by UN ESCAP, which will allow for further dissemination.

The initial outputs of the urban poverty strategy pursued by SDS drew the attention of the Ministry of Textiles in India, which requested SDS to develop a similar strategy for rural areas. This has led to replication of the approach in peri-urban and rural centres of Alwar District, involving 640 partners (a population of 3,000), organized in 60 SHGs; the majority of whom are women artisans. This project uses some of the staff and artisans from the IUHP, to maximize the transfer of lessons and for peer training.

A communal toilet block in the neighbourhood of Budhivar.

ITDG – Theo Schilderman

5.7 OUTCOMES

There has been important progress made by the Alwar project in increasing the financial capital of project partners. The by-passing of middlemen and the increases in the independent incomes of women in particular are likely to have a long term positive impact on the health, welfare and skills of those households too. The human capital of those involved in the project has been strengthened also through various forms of training.

Perhaps equally important are the gains in social and political capital. The development of social capital, e.g., in the form of SHGs, has been crucial in overcoming some of the barriers encountered, for instance in accessing credit or markets. Similarly, assistance in gaining access to political leaders and administrators to lobby for the provision of land, credit or services and to raise awareness of the contribution of the informal economy has built political capital.

The most important impact of this has been in the mindset of the artisans, which changed from a dependency on subsidies to self confidence and a belief that they could move out of poverty largely by themselves. Where before they would wait for the administration to come to them (or more often not to come), or rely on touts and intermediaries, they are now not afraid to take pro-active action and seek out service providers and financial institutions, directly demanding their rights to services from them.

Perhaps as a result of this, there have been a number of unintended outcomes too. These include the adoption of family planning practices and a reduction in child mortality as a result of women participating in various courses under the project. There was also a community-initiated literacy drive, and children were pulled out of family enterprises and sent to school. In addition, a noticeable decrease in alcohol abuse amongst men in the project locations was observed. The main initiators of most of this were the women.

Thus, it is likely that several of the groups established by the project will continue to flourish and to further improve the livelihoods of their members.

5.7. LIMITATIONS

So far, the Alwar project has had only limited impact on improving the living environment of its target groups, notwithstanding the substantial increases in income that have been achieved. There seem to have been three major reasons for that. One was that shelter improvements have to compete with other demands on income, such as children's education, health care, or household consumption. A second was that partners wanted to be sure that the increases incomes were not transient, but would be sustained. And finally, they found that it took time to generate sufficient savings for investments in shelter. That latter problem could have been overcome had either the project had a project component allowing for housing credits, or had artisans been able to access institutional housing finance. Whilst the artisans managed to get some bank loans, on the basis of their savings and incomes, this has generally been for relatively small amounts for other purposes. They have been unable to access housing loans, where the hurdles seemed to be particularly high, and any improvements in housing had to be largely paid from savings or incomes.

As a result, improvements to shelter and services have been rather limited in scope and content. But that may be only a matter of time. Where expenditure on the house itself seems to have a lower priority in most settlements, there are certain components, most noticeably water and sanitation, that have a much higher priority, and a good number of households have started to access those. There also has been noticeable action, initiated by women, to improve kitchens. Whether the lower priority for shelter improvements, compared to accessing better services, is just a matter of need, or also influenced by other constraints, is a matter for debate. These constraints do vary between settlements, for example from multi-family ownership of housing at high densities in the inner city, to insecure tenure or illegal land use on the outskirts. Such constraints may discourage private investment. And the only way to overcome them might be through mobilization and group action.

The issue of overcrowding not only affects the living conditions of residents, but also the potential to have or expand home based enterprises. Space has become a particular issue in the case of potters, and the only solution appears to be for all or some of them to move to peri-urban areas. They are currently negotiating with the UIT for land. But it also affects diversification in other areas. Women involved in shoe embroidery could do that in common open spaces, but textiles embroidery cannot be done in the open, because dust, sun and other factors would affect its quality. Besides, the use of certain new types of equipment, such as sewing machines, requires electricity and a covered space.

Whereas the project has certainly built social and political capital, it should be remembered that it was only of limited size and duration, and this has hampered its ability to access public services. For that to happen, a larger project would have been necessary, ideally at the level of the whole town, if not focusing on several entire neighbourhoods, rather than on six clusters of artisans. But this was beyond the scope of a research oriented project. At some early stage of the project, it was suggested that an umbrella CBO could be formed, after the example of NAHECO in Nakuru, but this did not happen. Yet, this might be the way for the artisans to increase their political leverage, get easier access to, for instance, services, and also benefit from wider collaboration in accessing raw materials or markets.

There could also have been gains from more artisans getting together in a crafts center (*Shilp Gram*). A review, involving DFID and the District Administration in Alwar in late 2001 concluded that the establishment of such a centre would benefit local artisans substantially. The centre would provide work and storage space, marketing facilities, further training, equipment and a materials bank. The District Administration promised to make land available, and other key institutions including the UIT, NABARD, the District Lead Bank and the DIC offered their support, DFID encouraged the development of a proposal for additional project funding, to enable this centre to be realised. In the end, however, DFID was unable to extend the funding required, which stalled not only on this initiative, but also the potential for achieving significant scaling up.

5.8. LESSONS AND CONCLUSIONS

The Alwar experience highlights how the relationship between income generation and the upgrading of housing and services is not as straightforward or simple as originally assumed in the project. Whilst there is no doubt that there is a positive relationship between the two, it has also emerged in Alwar that several other factors can weaken that relationship. The sustainability of income is one, the need to use it for more than just housing another, whilst practical constraints to upgrading itself can present yet another hurdle.

Perhaps a general lesson is that it takes time to identify what the economic activities are (old or new) that have real potential for income generation in towns like Alwar. And once these have been identified, raising incomes within them is not something that happens suddenly. Besides, project partners argued quite rightly that increased incomes needed to be sustained for a while, before people will take on the risk of further investments in things like shelter.

One of the operational principles that has emerged from this experience is that it is essential to initiate a project such as this with an open mind. Communities should not be rushed into pre-defined projects. Instead it is necessary to remain flexible, and to adjust to the local context. It is also important to wean vulnerable groups from the dependency syndrome and develop their capacity to own the project, and then to nurture them to negotiate development inputs. In all this, agencies should provide communities with ample information and knowledge on many aspects of development, and stimulate the use of this increased capacity to leverage more resources.

The project has shown a range of avenues through which income levels were improved significantly. These included interventions to reduce and preferably eliminate the role of middlemen in supplying the inputs and marketing the outputs. In the case of leather embroidery, this immediately increased incomes by about half. The project also found that the usual project components of providing enterprise credits and training in business management and skills alone were not enough. It also needed to improve the technologies used, and the skills associated with that, so that artisans were able to produce higher value products, improve their productivity, and benefit from economies of scale. With these changes came a need to explore and promote additional market outlets, and to build the confidence and skills of artisans to enter these.

The lack of a credit component, particularly to fund shelter, working space and services, emerged as a key deficiency of this integrated project. A credit line was foreseen to boost micro-enterprise development, but not for shelter improvement, since it was assumed that this would be funded by the increased incomes. Whilst incomes increased substantially, however, this took time, and that is where access to housing finance could have made all the difference. Since the formal institutions were disinclined to provide that, the project may have been the only option.

Importantly, the very nature of the project, focused as it was on research, with a limited time frame and budget, and therefore scale, posed its own limitations. In hindsight, the project design was probably too optimistic in estimating the time it would require for building groups, increasing their skills, and raising their income to result in shelter investments. Given more time, the project would have achieved more in shelter upgrading, and in building the social and political capital required to access services. Given more money, the project could have targeted larger numbers of poor inhabitants of Alwar, which would have attracted more support from the side of the authorities. More importantly, it would have required a larger project in the Indian context, to make more of a case for the integrated approach, and to influence authorities in the region to adopt it, as the project set out to do. As it was, DFID did allow for the project duration to be extended by half a year, which helped to make noticeable progress on the shelter and services front. But there was no extra money attached to this extension, and so an important opportunity for scaling up and influencing was lost.

SDS is of the view that a pilot project such as the one in Alwar is useful for highlighting the relevance of an approach and the components of a strategy; and validating some of the conceptual and policy issues that may come out from research and from consultations with policy makers. But a small pilot project cannot provide the basis for much generalization. It may provide, at best, guidelines which then need further fine tuning to raise the level of confidence of policy makers in using or modifying the new strategy. Further lessons are currently being learned by applying the integrated approach on a somewhat larger scale to rural poverty alleviation in Alwar District.

Over the years, strategies to generate employment and eradicate poverty in India have changed, recognizing mistakes made in the past and changing approaches accordingly. There has been a gradual shift from one- or two-component programmes to multi-component programmes, but even their impact appears not to be sustainable. Without the improvements in productivity and added value generated by the adoption of different technologies, gains in incomes are often not maintained. This is probably a key lesson from the project in Alwar and related SDS research, and one that merits taking on board in development strategies. Without those sustained increases, the producers involved are unlikely to invest in their shelter, services, or workplaces. Even so, it has also emerged from the work in Alwar that the link between income generation and shelter improvement has to evolve on its own, though a project can help to eradicate some of the operational constraints affecting it.

6. KENYA CASE STUDY[13]

6.1. BACKGROUND

Nakuru *ITDG – Lucky Lowe*

The Kenya Case Study is located in Nakuru, the fourth largest town in Kenya; it is situated approximately 160 km West of Nairobi, along the main highway towards Western Kenya and Uganda. In 1999, the municipality had a population of 289,288 and was growing at a rate of 5.68% per year[14].

Like many urban centres in Kenya, Nakuru has been experiencing a rapid decline in its economy. Over the last decade, economic growth was only 1.4% per year; well below the rate of population growth. Nakuru's traditional source of employment is the agro-industry, supplied by the rich surrounding agricultural hinterland. Over time, some non-agricultural based industries have developed too. But industrial development has been stagnating, and several industries have closed. In 1999, only about 20% of the labour force (26,400 people) were employed in six key sectors. At the same time, it was estimated that the informal sector of the economy employed about 3,000 people. This may well have been an underestimate, since the informal sector tends to absorb the growing number of people who do not find employment elsewhere. There is now stiff competition in the informal sector too, and many activities now provide only survival level incomes. Thus, Nakuru is grappling with problems of unemployment, underemployment, and urban poverty. In 1997, 16% of Nakuru's population were categorized as living in absolute poverty, whilst 41% lived below the poverty line[15]. Women are over-represented amongst the poor, and there is a high incidence of female-headed households.

Growing poverty, and the town's population growth, have been accompanied by an unprecedented growth of informal settlements, and a deterioration of urban services. 70% of Nakuru's population now live in informal settlements. Of these, 87% are tenants, which is in marked contrast to Alwar, where home ownership is predominant. There is still a substantial

[13] This chapter draws on several sources, in particular a project impact assessment by Margaret Ng'ayu (2003) and the project evaluation by Janet Gardener (August 2003). Other sources included a study of micro and small enterprise development by Eileen Mwangi and Julius Mutsotso (2003), of livelihoods in the roofing construction subsector by Michael Majale and Mike Albu (September 2001) and on community participation, by Michael Kinyanjui (2003).

[14] According to the 1999 Population Census.

[15] As defined by the Welfare Monitoring Survey of 1997.

stock of public sector housing, perhaps as much as 40%, but the bulk of this dates from the 1950s–1970s. No new public housing has been built for at least a decade. The private sector has now come to dominate housing supply, largely in the seven informal settlements surrounding the town centre. 95% of the land in Nakuru is privately owned, and it is still relatively easy to acquire land on the outskirts of town. This attracts investors, who anticipate high returns on rental housing. 68.5% of the dwelling units in the informal settlements consist of a single room, typically built with mud-and-pole walls and a corrugated iron sheet roof, and occupied by, on average, 4 people. Most of these rooms are one in a row, or several rows, densely packing a plot of land. Water supply and latrines are shared, and both are in short supply. In the worst cases, as many as 200 users may share a latrine. The water supply is often interrupted, and many households rely on water sellers, or spend long hours queuing for water which could have been spent more productively. Roads are unpaved, making them dusty during the dry seasons and muddy during the rains. Waste litters the drains and any open spaces.

6.2. ORIGINS OF THE INTEGRATED PROJECT IN NAKURU

ITDG was working in Nakuru before the start of the integrated urban housing project, most notably in the Enabling Housing Standards project. This sought to introduce new and more affordable house construction technologies and encouraged the Nakuru Municipal Council (NMC) to adopt Code '95[16]. ITDG had been involved in the development of that Code, which allowed for lower standards and more building options, largely by moving from prescriptive to performance standards. It was then found that this new Code needed active dissemination and demonstration, to encourage authorities, builders and residents to adopt it. In Nakuru, ITDG worked closely with, among others, the NMC, technicians, designers and building artisans, to promote the new ways of building allowed by the Code. This included, for instance, the use of stabilized soil blocks or ferro-cement for walls, and micro-concrete tiles to cover roofs. The project trained an artisan group in new technologies, and encouraged them to apply these to construction in the informal settlements. Design workshops were held with residents, leading to several type designs, some of which accommodated home based enterprises. The NMC approved these designs and put in place a procedure for rapid approval of building permits for those residents or landlords wishing to construct according to these designs. The adoption of the new Code made standard housing at least 30% cheaper than previous standard designs.

However, it was also noticed during the implementation of this project that just reducing the cost of standard housing was insufficient, in the face of increasing urban poverty and the general absence of housing finance for the residents of informal settlements. Thus, it was felt that a more integrated approach to urban development was required which incorporated an element of income generation to help fund investments in better shelter and services.

The NMC, which was already working closely with ITDG, was very keen to explore this new approach too, and become a partner in it, because it was aware of its own inadequacies in this area. Councils in Kenya are increasingly required to deal with the provision of services, in a process of municipal reform and decentralization, but are often constrained by inadequate resources. The NMC saw the integrated approach as a possible way to overcome some of its own problems in getting residents to pay for municipal services and housing.

A number of past initiatives had attempted to improve the urban environment and the living standards of Nakuru's residents. These included a sewerage project, installed at a huge cost, but unable to reach many informal settlements, and suffering from the frequent water shortages. Furthermore, there was a project to provide a community water supply in the settlements of Kwa Rhonda and Kaptembwo, supported by ICLEI. The water kiosks constructed not only provided a source of clean water for residents, but also a source of income for a local CBO, NAROKA. There was also a project to improve the environment in informal settlements bordering the Lake Nakuru National Park, which built a number of refuse transfer stations in neighbourhoods such as Lakeview, on which the IUHP could build. Furthermore, Nakuru was one of the towns included in the Local Agenda 21 programme

[16] This project is described in more detail in chapter 3 of a book by Saad Yahya et al. 2001.

supported by UN-Habitat and the Belgian government. This had two outputs considered useful for the IUHP: a Strategic Structure Plan for the town, and the establishment of Zonal Development Committees, which included community representatives and acted as channels of communication between the council and communities. One of the common features of all these initiatives has been the recognition of the NMC as the focal point and co-ordinator, although the council has lacked the capacity to play this role effectively. At the same time, these past initiatives have stimulated community organization and participation, and a spirit of partnership, on which the IUHP would build.

6.3. PROJECT OBJECTIVES AND DEVELOPMENT

The project in Nakuru sought to identify and promote a sustainable shelter delivery strategy for the urban poor that could be adopted by the government in Kenya. Thus, shelter was the ultimate aim. But, since those targeted were poor, the project had to have a major income generation component. The local ITDG team was convinced that this could be achieved by promoting income generating activities (IGAs) in the informal sector, as well as regular savings. It was then assumed that incomes would be translated into housing development.

But it was also important to the team that integration would not be only about bringing together various activities in a single project. It was thought equally important to integrate the various stakeholders into true partnerships, building on the foundations and examples of previous projects. Many of these partnerships allowed the project team to benefit from expertise in a far wider range of areas than they could cover alone.

Integration was also evident, to a certain extent, in the approaches that were adopted. The integrated project in Nakuru was based on the understanding that urban poverty is multi-dimensional, and therefore adopted the sustainable livelihoods approach, because it appeared to be well suited to it. It was used particularly in the needs assessment analysis which helped to prioritize issues for intervention. In addition, the project team was aware that it needed to build the capacities of poor communities and to adopt a process-oriented approach to enable them to develop and implement appropriate housing and infrastructure solutions in partnership with other actors.

The project team decided that it had the capacity to work in three informal settlements, where previous work had focused mainly on one settlement; but that it could not spread itself to all seven settlements designated by the NMC as low-income areas in which Code '95 could be applied. The selection process is described in section 6.4. The entrance point into the selected settlements was through existing community based organizations (CBOs). Some of these were known to ITDG from their earlier project work. Compared to Alwar, where the project focused on clusters of artisans who did not have a great level of organization and had to be encouraged to form SHGs, there was more social capital in Nakuru, in the form of these CBOs, at the start of the project.

6.4. LOCATIONS AND PARTNERS

In an effort to fight poverty, the urban poor of Nakuru have organized themselves into community-based groups and networks, which are key in helping them secure their livelihoods. The project started by making an inventory of those groups. A total of 165 CBOs was identified, consisting of 76 women's groups, 61 mixed groups, 14 men's groups, and 14 youth groups. More than three quarters of the women's groups were involved in 'social welfare' activities. This involved the members typically contributing between KShs 20 per week and KShs 200 per month, which was mainly used in meeting basic needs, paying school fees etc. The amounts saved, and the pressure of immediate needs, left little money for pursuing longer-term objectives, such as shelter improvement. Men's groups were also involved in saving for immediate basic needs, but many were also interested in buying plots within or outside the municipality. Youth groups were more often involved in waste management. 73% of the CBOs work in isolation, without linkages to other groups, and are often invisible to outsiders. Though some groups did co-operate in shelter or small enterprise development, the inventory also concluded that the expansion of these activities would require financial and technical capacity building.

The identification of project sites was a subsequent important step. This was done in participation with the CBOs, in a community workshop with members from the seven low-income settlements in Nakuru. The process was guided by feedback from the CBO inventory. Seven equally weighted criteria were adopted:

1. Income poverty levels within the settlements;
2. Community engagement in diverse income generating activities;
3. Community engagement in shelter development initiatives;
4. Levels of partnership and engagement with other groups or organizations in the area;
5. Involvement in environment, water and sanitation initiatives;
6. High level of women and youth involvement in the development initiatives;
7. Very low living and infrastructure standards in the neighbourhoods.

These criteria were given a weight of 1-3, leading to the following scores and ranks:

SETTLEMENTS	**CRITERIA**								
	1	**2**	**3**	**4**	**5**	**6**	**7**	**SCORE**	**RANK**
BONDENI	2	2	1	1	3	3	3	**15**	**3**
LANET	1	2	2	2	2	2	2	**13**	**5**
KIRATINA	2	2	2	2	2	2	2	**14**	**4**
LAKEVIEW	2	3	2	3	3	2	1	**16**	**2**
MWARIKI	**2**	2	1	2	1	2	2	**12**	**6**
KWA RHONDA	3	3	3	2	2	2	2	**17**	**1**
KAPTEMBWO	1	3	3	2	1	2	1	**13**	**5**

Table 3: Site selection in Nakuru

As a result of this exercise, the settlements of Kwa Rhonda, Lakeview and Bondeni were selected for project intervention. These settlements can be characterized as follows:

Settlement name and description	**Original Occupations**	**Groups and membership**	**Income gen. Activities**
Kwa Rhonda Large plots, mostly 35m x 60m with lots of rows of rental housing, mainly mud-and-pole. Room occupancy of 4 on average. Indoor air pollution and illnesses due to cooking in the same room and poor ventilation. Serious water shortages. On average 49 households share a latrine. Poor roads and severe drainage problems leading to flooding and roads being impassable at times. Most waste is not collected; one person pays children to collect plastic and metal waste.	Many involved in petty trade or services. Others in carpentry, building, furniture making.	32 identified CBOs: 13 women's, 15 mixed, 1 men's and 3 youth.	Food processing Building materials and construction Soap making
Lakeview Large plots, varying in size from 0.1 to 0.5 ha, with mainly rooms for rent. Generally poor housing, of mud-and-pole and corrugated iron sheet. Average room occupancy of 4. Similar cooking problems as above. Waste collection points installed but often overflowing; some groups involved in clean-up. On average 19 households share a latrine.	Many involved in petty trade or services. Others in metal work and carpentry, food processing.	20 identified CBOs: 7 women's, 8 mixed, 3 men's and 2 youth.	Food processing (jam and peanut butter) Handicrafts Soap making Waste recycling

Bondeni Oldest informal settlement, started in 1902, with 97 plots of 15m x 30 m. Mostly “Swahili” type housing, with rooms on both sides of a corridor, built of mud-and-pole, with a corrugated iron sheet roof. Landlords usually occupy some rooms, renting out the rest. Average occupancy 3 persons per room. Main roads have been upgraded under the Third Urban Project to murram and are in reasonable shape, but footpaths and drains are poor. Water supply is inadequate, 22 households/latrine.	Many involved in petty trade.	19 identified CBOs: 9 women’s, 6 mixed, 2 men’s and 2 youth.	Waste recycling (2 groups) Food processing (pop corn)

Table 4: Settlements, groups and economic activities in Nakuru

In the three settlements, CBOs were involved in the identification of potential businesses. 15 CBOs were identified from the three settlements as a potential target group for IGAs. They were asked to suggest up to 3 IGAs they could be involved in, on the basis of the availability of raw materials and skills, the potential for developing a market and generating employment and profit, as well as the availability of start-up capital. These were further assessed with respect to their viability and feasibility, and ultimately 7 categories of IGAs were selected, some of these including several groups:

- Food processing (juice, ice cream, pop corn, jam, baking and later on also peanut butter)
- Handicrafts (necklaces, earrings, bangles, carvings)
- Building materials and construction
- Textiles and weaving
- Soap making
- Waste recycling
- Theatre

ITDG – Guy Whitmore

Metal stoves, kitchenware and storage cases are shown which have been produced using recycled metals

Ladies from USAFI Women’s Group, Lakeview area. Showing their finished product – Peanut Butter

The IGA selection was somewhat different from that in Alwar, where it focused on traditional trades. In Nakuru, the activities included both those that some where already involved in, such as building, and new opportunities, such as waste recycling or theatre. The team in

Nakuru was aware that, in some subsectors, the market would not allow expansion, and that therefore they had to select either ongoing activities with potential for growth, or try to open new markets for additional subsectors.

6.5. KEY ACTIVITIES

As described above, the project team started by making an inventory of CBOs in all informal settlements in Nakuru, and, in participation with those CBOs, went on to prioritise three settlements for intervention. An intensive mobilisation activity then started in those settlements, involving community leaders, and house-to-house discussions with community members.

The CBO inventory was followed by an IGA context study in 2000 which sought to inform the design of the project's IGA component. This study found that the selected settlements were located close to Nakuru's main industries, and had therefore attracted large numbers of migrants, adding to the local population who settled there in the post-independence era. Despite the proximity of the industries, more than half of the income in the settlements was derived from informal sector activities rather than waged employment. Several CBOs were already involved in savings and credit activities; two thirds of the groups in Lakeview, a quarter of those in Bondeni, and one seventh of those in Kwa Rhonda had been formed with the objective of securing credit. Many groups operated as traditional rotating savings and credit associations (ROSCAs), on a 'merry-go-round' basis.

A series of focus-group discussions were held with the CBOs which identified the major constraints facing IGAs in the settlements:[17]

- Lack of access to sources of capital;
- Lack of markets and effective marketing skills;
- Inadequate business management and planning skills;
- Lack of technical skills and appropriate technology tools;
- Un-regularised business location, licensing and service charge procedures;
- Electricity rationing;
- Lack of storage facilities for raw materials and finished products.

It was concluded that the IGA components would build on linkages with existing programmes, such as the Federation of Kenyan Employers (FKE)/Technoserve training centre, the K-REP credit programme and the World Bank funded Technology Development Voucher Training Programme (VTP). The components would include market surveys, business planning and management training, and advice.

In September 2000, the project team conducted a Participatory Needs Assessment (PNA) with 128 residents (82 women and 46 men) from the three settlements. This followed the Sustainable Livelihoods Framework and analysed vulnerability, assets, transforming institutions and livelihood strategies. The PNA focused in particular on income generation and shelter provision. A range of tools were used[18], including participatory mapping, time lines and trends, transect walks, wealth ranking, institutional analysis, and gender analysis. The assessment found that 90% of the respondents were tenants, and that housing and environmental conditions in all three settlements were very poor, leading to high morbidity and acute public health problems. But despite that, the insecurity of tenure and the fact that most residents were tenants provided no incentive for them to improve their housing. The PNA also noted that the lowest income groups did not belong to any CBOs. In all settlements, housing, water and environmental sanitation were the most urgent needs, followed by credit and education.

Based on these background studies, and the experience with previous projects, 15 CBOs involved in IGAs were selected from the three settlements. These were involved in, or were going to start, IGAs in 7 subsectors (as listed in 6.4). On a cost-sharing basis, ITDG sub-

[17] According to Mwangi and Mutsotoso (2003): 6-7.
[18] According to Kinyanjui (2003): 11.

contracted Base Africa as training providers in business planning; Base Africa also created linkages with the World Bank VTP. 60 group members representing 12 IGAs were trained under this scheme. This enabled them to prepare business appraisals and plans. The groups that participated in the training have benefited from equipment loans (10 in total) and established viable enterprises. The Technoserve/FKE business training centre provided technical skills in food processing to 24 people; in the production of building materials and different sanitation options to 18 local artisans; and in waste recycling technologies to a group of 18.

Whilst that was ongoing, ITDG also undertook some further methodological research, funded under another project, into subsector analysis (SSA) [19]. The research particularly sought to investigate whether SSA could be used as a tool to select economic activities that had potential. The method was applied to the roofing subsector, where artisans were keen to start production of micro-concrete roofing (MCR) tiles, in an attempt to further diversify their activities. Subsector tools proved valuable for rapidly analysing information from various sources, and subsector mapping exercises stimulated participation and brought out key issues quickly. At the same time, the exercise concluded that there was little prospect for MCR tile production to provide livelihoods for a significant number of people, largely because the traditional market for tile roofs in Nakuru was declining, and MCR could not compete with galvanised iron sheets in low-income housing.

Within the shelter component, the project continued the work of previous project, using several model housing types, some of which included shops or workshops. The main technology used was stabilised soil blocks (SSB) for the walls, and in a few instances, ferro-cement. The project continued to train artisans in technical and business skills. It also assisted the formation of the Kwa Rhonda Neighbourhood Housing Co-operative.

At the institutional level, the project supported the establishment of the Nakuru Affordable Housing and Environment Committee (NAHECO), as an umbrella organisation of CBOs in the settlements the project was working in. At its formation, NAHECO's objectives were to[20]:

- Co-ordinate shelter improvement activities in the 7 low-income areas of Nakuru;
- Initiate income generating activities that would help improve the livelihoods of the low-income people within the groups;
- Foster and promote partnerships and collaboration with other actors and stakeholders carrying out similar activities within the municipality;
- Involve the stakeholders in urban improvement activities that safeguard the beauty of nature and protect the eco-systems of Lake Nakuru National Park for the benefit of all;
- Ease information dissemination to the groups with respect to the above activities.

When its members got more involved in savings and credit activities, stimulated by the IGA and shelter components, NAHECO registered as a Savings and Credit Co-operative (SACCO). By early 2003, it had 351 members, more than half of whom were women, and was giving out business and housing loans to them. ITDG has built the capacity of NAHECO to increasingly act independently, and was also able to help it create a revolving loan fund. NAHECO became affiliated to the National Co-operative Housing Union (NACHU)[21], and began the process of mediating loans to groups in Nakuru such as the Kwa Rhonda Neighbourhood Housing Co-operative (KShs 1.2 million), and Elnaku (KShs 1.8 million). NACHU has also provided administrative back-up for the management of housing loans. Another achievement was that ITDG managed to convince K-REP, which traditionally focused on lending to small and medium enterprises, to venture into housing finance and provide loans to individual landlords and plot owners. NAHECO has also facilitated access to small enterprise credit for its members, by establishing an inventory of Micro Finance Institutions. 20% of members have accessed business credit from such external sources.

An equally important partnership was that with the Nakuru Municipal Council. Where good relations in the past with the NMC's Director of Social Services, as well as the Municipal

[19] The subsector analysis research is described in detail in Majale and Albu (2001), and in Albu and Scott (2001).
[20] According to Kinyanjui (2003): 14.
[21] For a case study of NACHU's work elsewhere, see section 7.4.

Engineer, had helped to streamline the process and reduce the cost of housing, more recently, it has been particularly the Director of the Environment whom the project has worked with closely. That collaboration included work on environmental improvements, particularly solid waste collection, and the establishment of a Local Urban Observatory (LUO).

The Observatory was not foreseen in the original project, but was added on, inspired by the example of India, where SDS had been at the forefront of the capacity building and establishment of LUOs. The Nakuru Observatory is being developed by various partners into an information database on urban planning and development, including a spatial information base containing digital maps. Its intended users are in the first place the NMC, but also the public and private sector. Currently information is being compiled from many sources in Nakuru and Nairobi. Data obtained from a participatory mapping exercise, involving communities will also be added.

6.6. ACHIEVEMENTS

27 Savings groups have been established, with over 350 members. An umbrella organisation, NAHECO has been formed, and has been registered as a SACCO. Besides facilitating saving and issuing credits internally, NAHECO has greatly facilitated the access for its members to credits from external finance institutions. 12 business loans and 7 housing loans have been obtained from the NAHECO revolving fund, and a further 20 loans have been obtained externally. The membership of NAHECO is increasing steadily and has expanded to all seven informal settlements of Nakuru. NAHECO now has a strong leadership that increasingly takes initiatives on its own. NAHECO is also represented in the Zonal Development Committees which guide neighbourhood development in Nakuru.

16 IGA groups have been established, with over 200 members. A lot of training has been conducted, both technical (to 43 trainees – 28 women and 15 men) and business (to 103 trainees – 44 women and 59 men). These trainees have trained others; their colleagues and peers, or in the case of building artisans, even builders in other towns. Exposure visits were also organised for IGA groups. A survey on a sample of 20 IGA members, in February 2003, showed that 68% had an average increase in monthly income of 64%. Over half (55%) had taken on more employees, 75% estimated that business volume had increased, and 85% were maintaining savings. That said, some of the activities started still provide no more than small additional sources of income. The 30 members of the peanut butter processing group, for instance, are only operating part time, and profits so far are only a third of those projected. Similarly, the members of the theatre group earn income from a wide variety of other activities, though their income from performing has more than tripled.

In the area of shelter, 5 housing co-operatives have been formed. One group of tenants has been able to buy land. 7 loans have been obtained from the NAHECO revolving fund. Two co-operatives obtained loans from NAHECO, and one group obtained a K-REP housing loan. The DAIMA group acquired a loan and bought a plot with some old rental housing units which they intend to improve, both to have rental income, and to live there. Approximately 185 dwelling units, of which 151 were single rooms, have been built, as well as more than 80 toilets. More affordable building technologies, such as stabilised soil blocks, have been demonstrated and are taken up. Health and hygiene awareness training has been conducted. Water and sanitation appraisals have been carried out with the NMC and the Municipal Working Group, and three community-based water and sanitation committees have been established.

Partnerships have been established between the CBOs, NAHECO and the Nakuru Municipal Council, as well as support agencies such as NACHU and K-REP. A Local Urban Observatory has been established, with a steering committee that includes all these key partners, and information collection is underway. The collaboration with the Indian partner in the project, SDS, has been particularly instrumental in establishing the LUO in Nakuru. SDS is a centre appointed by UN-Habitat to provide capacity building on the establishment on LUOs in Asia. The exchange visits between the Indian and Kenyan teams in this project have helped to convince relevant stakeholders in Nakuru of the usefulness of establishing a LUO; and some Kenyans were subsequently trained in India for its implementation.

6.7. OUTCOMES

The project has made progress in diversifying the livelihood strategies and reducing the vulnerability of hundreds of poor people in Nakuru. Group formation and support have been a key component of that, and now offer the prospect of more sustainable livelihoods. Using the Sustainable Livelihoods Framework to analyse impact, it can be seen that the project has helped those involved to overcome barriers and to access resources to build the following types of capital[22]:

Social Capital
Through the formation of groups and networking of them, project partners have begun to overcome isolation and exclusion and report mutual support for group interests. Whereas the communities had a certain amount of bonding, the formation of NAHECO was a crucial step towards building bridges and links with other communities and institutions. The development of social capital has also been an important first step in acquiring other types of capital.

Human Capital
Through training and group formation and exchanges of experience, the project has assisted its beneficiaries to overcome lack of knowledge, skills and confidence, allowing them to undertake new individual and groups activities. At the same time, the project attempted to make the most of skills already existing in the communities, and encouraged people who had acquired skills to train others, even beyond Nakuru.

Political Capital
Through the formation of groups and an umbrella organisation, and in the longer term through the LUO, project partners have found a voice within the town to express their needs and rights.

Financial Capital
An increased culture of saving, individually or in groups, combined with income generating activities have increased people's financial assets. Those, and the establishment of NAHECO then allowed access to credit from institutions such as NACHU and K-REP.

Physical Capital
The project has assisted groups to access productive equipment (through grants, rent or purchase), as well as housing and sanitation (for some).

Natural Capital
The project has helped a few tenants to access land. Several groups are also involved in environmental conservation, for example through cleaning up activities, waste recycling, and tree planting.

6.8. LIMITATIONS

The fact that the large majority (92.6%) of the urban poor in Nakuru are tenants has limited their involvement in housing. The internal evaluation of February 2003 shows that only 8.6% of project partners were able to directly invest in housing during the project period. Increases in incomes may allow them to move to better quality rented accommodation. And further time may allow more of them to form housing co-operatives and purchase land for housing. At the moment, access to housing finance from institutions such as NACHU requires the possession of a plot or of sufficient means to buy one, which remains a major hurdle for tenants.

[22] According to the project evaluation by Janet Gardener (2003): 15-16, and Michael Kinyanjui's report on community processes (2003): 19-22.

The construction of a substantial number of housing units has been achieved largely by working with artisans building for plot owners. Whilst relatively poor, they are better off than the majority of residents in low-income settlements. The construction of somewhat better houses has allowed them to increase rents, often by about half. This could have benefited members of IGAs, but most tenants in those dwelling units appear to be wage-earning factory labourers. It is possible that this activity has displaced some of the poorest tenants.

The project has been able to assist with the construction of sanitation facilities, but these have been subsidised. This was probably necessary to demonstrate some innovative solutions, but is not sustainable in the long run. There is now some replication of the sanitary models by other plot owners. At the same time, the project has had a limited impact on the provision of public services, and thus on residents' vulnerability to an unhealthy environment. It may have been a limitation of the project design that it paid insufficient attention to the external environment (the 'transforming institutions' in the SLF). In addition, the project probably did not make sufficient effort to link with some of the previous community initiatives, such as the water supply work in Kwa Rhonda, which it could have built on.

With respect to income generation, a limitation noted in the 2000 context study, was that IGAs *"have their roots in low incomes, poverty and structures that maintain them".* The approach may not do enough to transform the position of the IGA groups in the economy, and from the results so far, it is unclear whether the IGAs will generate sufficient returns to actually move households out of poverty. In addition, Mwangi and Mutsotso (2003) noted that community based structures might not be adequate to run viable IGAs, since that would also require entrepreneurial spirit and skills. It is too early to say whether these limitations to income generation may actually all come true, but they certainly need to be monitored in the continuation of the project.

The fact that the project opted to work with some of the existing CBOs in three low-income settlements was a limitation in itself to reaching the very poorest. Those groups had at least built up some social capital, and more than half of the members were involved in some sort of business before the project started, which undoubtedly gave them some useful prior experience.

6.9. LESSONS AND CONCLUSIONS

The Nakuru project had a very broad mandate, which raised high expectation with potential beneficiaries, expressed in the participatory needs analysis and elsewhere. Unfortunately, implementation was on a rather limited, pilot scale, and therefore the results over the life time of the project have disappointed some. Perhaps the most important result of the project is the empowerment of grassroots organisations, and particularly NAHECO, which now puts poor people on a more equal footing with the authorities and support agencies, and makes partnerships with those function better. The initial emphasis on building social capital has also resulted in other types of capital being increased over the duration of the project.

The integrated urban project in Nakuru is clearly working with two sets of partners. It works with plot owners (and building artisans) on the construction of shelter, and it works with income generating groups, which are largely composed of tenants. So far, there is little overlap between the two categories. Few of the tenants have managed to get involved in housing construction. And the construction of dwelling units by plot owners may not have benefited the tenant partners in the project that much. In fact, some may have been displaced as rents increased.

Thus, the hypothesis that increased income will lead to sustainable investments in housing and related services, is at the moment being tested in Nakuru in parallel streams, rather than in an integrated way. It is too early to judge whether increased incomes amongst tenants will lead to increased housing investment.

As in the case of Alwar, the relatively small scale of the activities in Nakuru may have limited the degree of impact of the project. This is true particularly with respect to the time-scale of the project. More time would have been required to extend partnerships and activities further, and in particular to judge whether tenants would ultimately benefit. Fortunately, additional funding has been raised from other sources to continue the integrated urban development work in Nakuru and extend it to all seven informal settlements. This will help to overcome the constraints in time and resources, and ultimately to draw firmer conclusions with respect to the approach.

7. COMPARATIVE CASES OF URBAN DEVELOPMENT

7.1. THE SHIVAJI PARK HOUSING SCHEME, ALWAR, INDIA[23]

Alwar is a medium-sized secondary town in the State of Rajasthan in Northern India. The Shivaji Park scheme is a housing project undertaken by the public sector body the Urban Improvement Trust (UIT). Its main concern was to provide shelter to the economically weaker sections (EWS) and low income groups (LIG) of the population. It was typical of the development approaches in the seventies and early eighties. It was a variant of a sites and services project, and therefore focused on a single sector. It had no intention of promoting employment, although its location only 3 km from the town centre means that many facilities, employment opportunities and markets are within easy reach.

Shivaji Park was designed to accommodate 3000 houses and 156 shops in a 1.26 km² area. 95% of the dwellings were earmarked for the poorer sections of society. The scheme was designed in such a way as to allow for extension and improvements to houses over time as households could afford it. The complex is provided with basic services such as water supply, sewerage (rare in Alwar), electricity and waste collection, as well as good roads. The project was carried out through a partnership between the UIT, which provided land and allocated plots; HUDCO, the public sector housing finance company which provided finance; and the private sector for construction.

The project was initiated in 1981, and finished by 1983. The EWS-houses were allocated between 1984 and 1987 to applicants that fulfilled UIT eligibility criteria, on the basis of a lottery. Many of the EWS group were below the poverty line at the time of allocation. By 2000 there were an estimated 17,350 inhabitants. The original intention was that EWS should occupy 2887 houses, and 127 plots would be sold to low/middle income groups. However, the number of EWS allocations was reduced to 2444 to increase cross-subsidies via the sale of a higher number of plots to somewhat better-off people. The standard size of the EWS plots was 36 m², whilst the open plots varied between 72 and 100 m². On the EWS plots, one room (9.28 m²) was built using a standard reinforced concrete design, plus a kitchen and toilet connected to a sewerage line. There were also 156 shops, of a size of 9-14 m².

It is a common experience in developing countries that housing projects meant for the poor do not actually reach them. Several factors contribute to that. In India, one of those factors is that the poor require certification of income to show their ability to repay a mortgage, which is hard to obtain, particularly when people are engaged in the informal sector and incomes fluctuate. A second factor is the sectoral approach to housing projects. Without paying due attention to transport, employment opportunities and facilities, the poor often do not have the capacity to retain housing allocated to them. Finally, the location of projects is important. If they are located at the periphery of towns, the result is sometimes that plots are not taken up, because of the distance to employment locations and basic services, and resulting travel costs.

In the case of Shivaji Park, the level of retention of dwellings was much higher than in comparable projects in India. In 2002, 70% of the original residents still inhabited their houses, and about 80% had extended them, often to a second floor. It appears that an important factor in this was their self-employment, in nearly half of all cases within their own homes. It is the advantageous location of Shivaji Park that has stimulated this. It allowed residents, who before lived on average 15 km away from the town centre, to move much closer to sources of raw materials and markets. This proximity also meant that many were able to cut out middlemen, and thus increased their profits further. It has also provided scope for more members in the household, and particularly women (40%), to join in income generating activities. Furthermore, it is now easier for residents to get information about job opportunities and marketing opportunities. Overall, incomes have multiplied by a factor 6-8 over the 1985-2000 period, with the highest increases amongst the micro-entrepreneurs and

[23] This is a summary of Working Paper 6 by Dr Stuti Lall (2002b)

home-based entrepreneurs. They were also the ones with the highest house retention rates. These figures do not take inflation into account, but compared with the proxy of housing values which increased by a factor of about 3 in the same period, it is clear that substantial increases in real income have been achieved. Since repayments for the housing credits were fixed over a 13 year period, this progressively increased affordability, which was quite reasonable to start with, and allowed people to expand their houses. The secure tenure obtained at the end of the repayment period then allowed owners to use their property as a guarantee for obtaining further loans from formal finance institutions.

Thus, inadvertedly, this project has helped to increase the financial assets of its target group, which in turn has led to further improvements of their physical assets. A key factor has been its advantageous location. A secondary benefit of the location is that schools and health facilities are much closer than before, and this has led to better education of the children, and better health.

A key lesson from this case is that it is crucial to plan housing developments in conjunction with employment and market opportunities that allow the inhabitants to flourish. The further these two are apart, the more difficult it will be for residents to afford to extend their dwellings, or even to retain them. Location is therefore a crucial factor in the success of such projects. Another factor is affordability. The Shivaji Park scheme made entrance and initial repayments relatively easy, by constructing an affordable core house that residents could extend once their circumstances allowed them to do so. The increases in income largely due to the location of the scheme then helped them to do so. But, had initial standards been set higher, there would have been an entrance barrier.

7.2. EMPLOYMENT PROGRAMMES IN INDIA[24]

This case study analyses how public sector employment strategies have evolved over time in India. In doing so, it accepts that a shortfall in income is an important component of urban poverty, and it assumes that employment incentives can help address this situation. Urban poverty has steadily increased in India, from around 60 million in 1973/4, to around 76 million in 1993/4, but it is thought to have dropped since to around 67 million by 1999/2000. This is in a context where population growth rates are gradually slowing. A concern for many, however, is that the growth of many sectors of the economy is capital intensive, leading to increased productivity, but without creating jobs. Growth in employment therefore has lagged behind population growth. Recent Strategic Plans, therefore, have stressed the need for labour intensive production.

India's first Strategic Plans, of the fifties, aimed to achieve full employment, and particularly to increase incomes and opportunities at the lower end of society. But the economy did not grow fast enough to achieve this, and by the late 1970's it was realised that half of the Indian population lived in poverty. From that time, strategic plans merged the issue of employment generation with poverty alleviation, initially with a rural focus. From the 1980's, a more integrated approach was adopted, combining various components in an attempt to tackle poverty and unemployment. Knowing the absorption capacity of the formal sector of the economy to be low, the plans focused mainly on employment-oriented growth in the informal sector. The best known programme in this period was the Integrated Rural Development Programme (IRDP) which combined components such as capacity building, credit, wage employment and self employment.

Urban poverty was tackled for the first time in 1986/7, with the establishment of the Self-Employment Programme of the Urban Poor (SEPUP). This was limited to offering credit to micro-enterprises, including an element of subsidy. The Nehru Rozgar Yojana (NRY) followed in 1989. This was a broader programme, focusing on the skilled as well as the unskilled, and made a particular effort to reach women, through the promotion of micro-enterprises, housing construction and upgrading. Essentially, it aimed to increase the employability of the urban poor. The NRY included several components, amongst others training, credit and market outlets. It was also the first programme to realise the crucial role of local factors in poverty

[24] This is a summary of Working Paper 7 by Dr Stuti Lall (2002c).

alleviation, and therefore strengthened the participation of local authorities and institutions in its decision making. Following the SEPUP and NRY there was a mushrooming of urban poverty alleviation programmes throughout the 1990s.

The nineties also saw the integration of various approaches, targeted at areas, individuals or communities, to rationalize urban poverty alleviation. The integrated approach combined programmes of employment generation with community empowerment and environmental improvement (e.g., the Urban Basic Services for the Poor programme, UBSP), to add value and achieve sustained results. The employment focus remained on the informal sector, which had a much higher growth rate than the formal sector. An example of this integrated approach was the Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) which still focused on employment generation but put community based organisations (CBOs) at the centre of planning, implementation and monitoring.

Towards the end of the nineties, the Swarna Jayanti Shahari Rozgar Yojana (SJSRY) programme was introduced, which subsumed all the existing urban programmes. It aims to improve the livelihoods of the urban poor through the convergence of the employment components of previous schemes. It focuses both on wage employment and on self employment, and targets various marginalised groups, including poor women. The scheme encourages the establishment of CBOs such as self help groups (SHGs) to ensure group responsibility for e.g. repayments, and has a range of components, including credit and housing development.

Assessing the impact of these various programmes is difficult. In general, they seem to have measured achievements in terms of disbursements of, for example, credits, training or house sites, but not in terms of results. Thus, it is not known how poor people benefited from micro enterprises established, and whether these actually helped them to acquire other assets, nor how many were still in existence after a certain period. There is also a problem with isolating the impact of individual employment programmes such as NRY, UBSP and PMIUPEP because they overlapped and sometimes co-existed in the same cities. Besides, not all agencies like to part with data.

An additional problem has been that, whilst the national strategies aimed for convergence and integration of various programmes, the same convergence did not happen between the different departments at the local or district level in dealing with those programmes, leading to weaker impacts. There have been success stories, but that is invariably where integration has happened due to the initiatives of either the implementing agencies, or of NGOs, or sometimes of poor people themselves.

Employment strategies in India have changed over the last half century. In making those changes, policy makers have been willing to look at the results of earlier approaches, recognise mistakes, and learn from experiences elsewhere. The most conspicuous feature of the change process has been a gradual shift from stand-alone, one or two-component programmes for employment generation, to multi-component programmes including, for example, credit, training and infrastructure.

Given the limited potential of employment generation in the formal sector, the programmes have rightly focused on the informal sector, and they have increasingly linked employment generation to other components. However, they may not have gone far enough. Research by the Society for Development Studies (SDS) points to a lack of stability within the informal sector. In fact, the sector does not plough back much income into further investments, as it is often characterised by the insecurity of the enterprise location. Unless the sector can be stimulated to invest in asset generation, particularly in shelters that can also serve as workplaces, the programmes may not be sustainable. Thus, it is essential that income generation is integrated with shelter development.

7.3. THE NACHU HOUSING CREDIT SCHEME IN HURUMA, KENYA[25]

Huruma is one of the informal settlements of Nairobi. The urban poor in settlements like Huruma find it extremely difficult to access credit through formal finance institutions because they cannot meet the strict requirements imposed by them. But the National Housing Cooperative Union (NACHU) does not fall within that domain. NACHU was registered in 1979 under the Cooperative Societies Act, with the aim of providing technical and financial assistance to primary housing cooperatives at a fee. Its focus is mainly on cooperatives in low-income settlements, and occasionally on cooperatives of middle-income earners. By June 1999, NACHU has 79 affiliate housing cooperatives. NACHU's approach to urban development is highly sectoral; all its programmes are geared towards assisting the beneficiaries improve their settlements by focusing on the house.

The first inhabitants of Huruma had been living in Kaburini, but had moved to the edge of Karura forest, when a fired destroyed their houses. In 1975, the Nairobi City Council (NCC) alloted the 300 households settled at Karura plots in Huruma sites and services scheme for final resettlement. They were provided with 120 m² plots serviced with water on the plot, a wet core (shower and toilet), roads, surface water drains, sewerage and street lighting. However, a large number of the allottees were unable to raise the necessary finance to construct the stipulated type of houses for which NCC provided a standard design at a fee. Most beneficiaries only have partial documentation for their plot ownership: only one has a 99 year lease, nearly a quarter hold letters from the provincial authorities, and the remainder have cards issued by the NCC. Though these are not statutory, they do provide a sense of security. However, a large number of the allottees were unable to raise the necessary finance to construct the stipulated type of houses for which the NCC provided a standard design at a fee.

Over the years, the National Council of Churches of Kenya (NCCK) encouraged the residents of Huruma to form building groups with the dual purpose of organising self-help and saving for construction. The support from the NCCK was limited, and beneficiaries mostly managed to build only one or two rooms. Some of the groups in Huruma, however, transformed themselves into cooperatives; one of those – the Huruma Housing Cooperative Society (HHCS) – is the subject of this case study.

In 1993, NACHU offered technical assistance and credit amounting to KShs 1,880,000 to HHCS for house construction and rehabilitation; it accepted the non-statutory land ownership documents as collatoral. 34 individual members secured a credit of between KShs 20,000 and KShs 85,000 from the cooperative. HHCS uses a credit guarantee scheme to recover loans from its members and pay back to NACHU.

Nearly two-thirds of the beneficiaries were women, and the majority of those were single. This is representative of the high presence of female-headed households in informal settlements in Kenya. The average age of beneficiaries is now 54, and they have nearly 5 dependants per household. One third is illiterate, and less than 10% had attended secondary school.

Just over half of the beneficiaries are involved in petty business, nearly a quarter do some farming nearby, and many households keep small livestock. But all beneficiaries rent rooms to tenants, which is their major source of income. Just over a fifth (22%) do not have any other source of income. For the others, the average rental income is around KShs 7,000 per month, whilst income from other sources only amounts to KShs 5,000. Their monthly income is more than three times the average income in informal settlements in Kenya, and it is their ability to rent rooms that makes most of the difference.

Most of those receiving a credit had used it to add at least two more rooms, with the remainder using it for renovation. Almost always, they had added their own savings - on average about half of the credit received. It was reported that rental occupancy increased by 15% as a result, and rental incomes per room by about 60%. This had a considerable impact on the financial assets of the beneficiaries, but it may also have displaces some of the poorer

[25] This is a summary of Working Paper 3 by Jackson Mwaura (2000)

renters. There were indirect benefits in the settlement from the purchase of building materials and the use of local labour for construction.

The social assets in Huruma have also been strengthened as a result of this activity. Membership of HHCS itself is growing. And within the cooperative and beyond, there are now “merry-go-round” savings groups – adding to the financial capital - , five member group cells, funeral groups, and solid waste management groups. These social networks are part of the coping strategies of the urban poor, providing a buffer against shocks such as unexpected death, and to compensate for inadequate finances. However, the social capital generated by these networks seems mainly to be of the bonding type, within Huruma settlement. There appear to be insufficient bridges and linkages with groups and institutions elsewhere, that could help to improve the situation further (Woolcock, 2000). What is perhaps needed most is a partnership between CBOs in Huruma and the NCC and perhaps some support agencies, to effectively tackle the services crisis.

As to natural assets, in particular land, the community in Huruma is in the process of acquiring ownership of the plots on which their houses are built. They are not squatters, however, since the NCC took the deliberate step of resettling them in Huruma, and most would consider the various partial proofs of ownership they hold as quite secure. For NACHU, these were enough to guarantee credits, but other financial institutions would be less flexible.

Improving shelter was the main aim of NACHU’s involvement in Huruma. Where previously, beneficiaries were living in houses built of mud-and-pole, and occasionally cardboard or plastic, they now live in much more durable and secure shelter. This has increased their physical assets and reduced their vulnerability to for instance the elements and fire. The same cannot be said for such assets held at the community level. Much of the infrastructure installed in the original sites and services scheme has now collapsed. Life sewage runs in open drains to the Nairobi river. Open spaces have been occupied, and as a result the settlement now appears unplanned. Waste management is a problem, but at least this is being tackled to some extent via social networks in the community. It must be noted here that the members of the HHCS only form a minority in Huruma; and the fact that their financial, social and other assets have increased has been insufficient to upgrade the settlement as a whole. However, HHCS membership is increasing, extending benefits to more members of the community, and this may help to turn the situation around.

The housing scheme has had some impact on human capital. This was partly because beneficiaries was a requirement before they could qualify for credit. This was designed to enhance their financial management skills, and their involvement in meetings. They were also encouraged to get involved in the construction itself, either in the form of self-help or in its management. Indirectly, the health of beneficiaries may have improved somewhat from living in better houses and having more money for food, but the potential here has undoubtedly been reduced by the deteriorating infrastructure at neighbourhood level. And overall education levels in the neighbourhood remain low, contributing to high unemployment and high levels of crime and violence.

What this case study shows is that, with housing finance as an entrance point, the target group’s livelihoods have improved considerably, particularly by increasing their financial assets, as a result of using their improved house as a source of income. This has also had an impact on some other assets. Access to finance is one of the most important bottlenecks for improving the housing of the urban poor in Kenya. But, if agencies are willing to be flexible, to innovate, and consider the poor as borrowers, some real improvements are possible.

However, impact elsewhere has been negligable, most noticeably in infrastructure. That is partly due to the fact that only a minority of households in Huruma were targeted, and partly because other potential stakeholders, such as the NCC, were not brought on board.

7.4. THE MATHARE 4A REDEVELOPMENT SCHEME, NAIROBI, KENYA[26]

Mathare Valley is one of the oldest and largest slums of Nairobi. This particular scheme aimed to redevelop part of the Valley, Mathare 4A, an area of 17 hectares with a population of about 6000 households (approximately 30,000-32,000 people). The residents belonged to the lowest income bracket, having an average monthly income of KShs 1980[27], with only 30% of heads of households receiving a regular salary. The majority (92%) of the residents were tenants, paying around KShs 300-400 per month to rent a single room per family from structure owners, 70% of whom did not live in the neighbourhood. The houses were of poor quality, mostly built of mud-and-pole walls, with an earth floor and roofs covered by corrugated iron sheets. A few had cement plastered walls and floors, for which they paid a higher rent. Most rooms were between 9 and 12 m² in size, built in blocks of about 15. There were two public toilets, of which only one was in working order, plus some pit latrines built by structure owners. Overall, there was a severe shortage of sanitation, resulting in many residents relieving themselves in ditches or on open land. Water was available from privately run kiosks, at 3-4 times the official rate. Access to and around the settlement was via earth tracks, and drainage a major problem; in the rainy seasons, paths would become impassable and there would be much flooding; the water also provided a breeding place for insects. Garbage was scattered across the area, and was often contaminated with human waste. Since the land is illegally occupied by landlords providing rental accommodation, the utilities could not provided the houses with electricity; the use of alternative sources of energy was contributing to indoor air pollution. In the neighbourhood there was one primary and six nursery schools. There was no health centre, only a few privately run clinics.

The upgrading programme, funded by German aid, aimed to improve housing conditions without unduly increasing rents and displacing tenants. They would, in fact, also be encouraged to become home owners. It also set out to substantially improve infrastructure services. It was to be implemented in two phases. A first and pilot phase started in May 1992 and was completed in September 1996 at a cost of KShs 122 million. It succeeded in building 1500 rooms using stabilised soil blocks for walls, and provided 1700 households (11,000 people) with potable water, sanitation, roads and footpaths, streetlights, and garbage collection. A second and main phase, covering the remaining 4300 households at a cost of KShs 420 million, started in March 1997 and was due for completion in December 2001, but due to various problems, including political interference, it remains uncompleted.

An independent, not-for-profit agency was established to manage the project, the Amani Housing Trust (AHT). The land in Mathare Valley was public land, and therefore the house owners as well as their tenants were effectively squatters. Land ownership was transferred to the Trust. It also took over the structures from the absentee landlords. The residents now pay rent to the AHT. It considered building multi-storey apartments, but these would have been too expensive and resulted in much displacement of tenants. Instead, it opted for building better designed single-storey rooms, using more affordable technologies that had been approved by the Kenya Bureau of Standards: stabilised soil blocks for the walls, and roofs covered by micro-concrete tiles.

The programme activities relied heavily on community participation, which ensured that the needs and priorities of residents were taken on board. Thus, apart from better housing and services such as water and sanitation, roads and footpaths, street lighting, garbage collection and better health facilities, it also included the construction of some stalls and kiosks for small enterprises in the neighbourhood, and some skills training. However, the fact that the programme included some relocation, albeit within the programme area, to make space for facilities, led to a weakening of the previously existing social networks. Though new ones have been formed, they are not as strong as the previous ones.

The community structure was organised such that leaders were elected at grassroots level along each wet core. These cores contain a water supply point, toilet and washing slab

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[26] This is a summary of Working Paper 4 by Hannah Kamau and Jobson Ngari (2002)
[27] $1 = KShs 79.50 (2002).

connected to the sewer, and serve 10-15 families. Every six wet cores then select one leader to represent them at the level of the Assembly.

Most residents interviewed for the case study were satisfied with the upgrading programme. Tenants in Mathare 4A have benefited from it by acquiring greater security of tenure, better living conditions and a much improved and healthier environment. There were some complaints, however, with respect to the quality of construction, perhaps due to the unfamiliarity of the materials used. The ownership pattern has also changed, from 8% of structure owners and 92% tenants in 1995, to 20% owned by landlords and 80% by former tenants in 2000. The new houses are being offered to tenants on a rental basis, including some subsidy of the capital cost. Yet, tenants do complain that rents have increased, sometimes without their consultation. On the other hand, the cost of water has come down. And, where they have lost some social capital, some have gained in human capital through the training offered by the programme, and the better health services and living environment; 43% of the residents reported a lower incidence of disease. On the whole, therefore, the impact on livelihoods assets has been mixed, with some increasing and others diminishing. But essentially, residents were pleased. Overall they felt the changes were positive. In the case of the structure owners, however, the losses have been much greater. In fact, they feel that the land should have been allocated to them rather than to the AHT, and that they received insufficient compensation.

A number of small businessmen and women in the neighbourhood have generally benefited from the programme. 30 were able to rent a kiosk or stall, built of better materials, at a very affordable rate. The improved access into the area has allowed them and other shops to stock a wider range of goods, and increase their sales and profits. The installation of streetlights increased security and allowed them to work longer hours which also boosted sales. Other people involved in the informal sector of the economy received skills training in e.g. dress-making, welding, carpentry, stabilised soil block production or construction, which enhanced their opportunities. The programme also pursued a policy of employing local labour, where possible; thus, 70% of the labour force in its implementation was local, generating a lot of local added value. There are now more people earning incomes in the informal sector than before and many of those have seen their financial and human capital increase.

This programme included many more elements than most of the other case studies documented in this report. It undertook an analysis of previous attempts at upgrading in Kenya and concluded that many of these had failed due to insufficient community involvement and poor security of tenure and ultimately did not benefit the targeted residents. The participation of communities, and particularly of the vast majority of tenants, in determining needs and priorities of this programme undoubtedly made it more complex. That may have caused some problems, for example around the integration of structure owners, but on the whole the livelihoods of many residents improved as a result. Besides, the participation of the government, as an enabling partners through, for example securing tenure or exempting certain taxes, was an important factor in its success.

7.5. AN INTEGRATED URBAN DEVELOPMENT PROJECT IN CHITUNGWIZA, ZIMBABWE[28]

Between 1997 and 2000, ITDG Southern Africa was involved in an integrated urban development project with the Cone Textiles Housing Co-operative (CTHC) in Chitungwiza near Harare. The CTHC had been formed in 1988, and its collaboration with ITDG started soon after. In Zimbabwe, housing co-operatives are a common answer to the housing problems the country is facing, currently estimated to contribute 20-30% of housing supply. They are a popular strategy for pooling resources and claiming access to land or finance. The government favours co-operatives and, for example giving them priority over individual applicants when it comes to allocating land.

[28] This is a summary of a case study by March Chikanza and Alex Mugova (2000).

The CTHC was an employment based co-operative, formed by the then employees of Cone Textiles Ltd, a textiles factory which went into liquidation at the end of 1996. ITDG had been working with CTHC to build their capacity, lobby for land, get it surveyed and planned. When all co-operative members lost their jobs in late 1996, they had already serviced land for part of the membership, but now had no income to build on it. And the Building Society, who had initially agreed to lend them money, withdrew its offer. A different strategy was therefore required.

The all-male membership of 900 quickly agreed that the only way forward would be to embark upon small enterprises. That would ensure food security, and housing could follow after that. But they also realised that they did not have the resources or know-how to do so. In fact, those who were married often found that their wives had more experience with running a small business, which some had been doing for years to support family income, and for many this now suddenly became the main source of income. However, they did have some financial and social capital, within the co-operative.

ITDG worked closely with the CTHC management committee, as an entrance point to working with the members. A participatory process than followed, during which ITDG worked with members and their wives to define a number of potential enterprise sectors. Initially 3 group enterprises were selected to be piloted: peanut butter processing, welding and block making. Those going to be involved, as well as some others, were given training in business techniques, marketing, production skills etc., and were helped to acquire production equipment. The emphasis was to not rely on expensive modern technologies, but on intermediate ones that would allow savings on materials and labour. At a later stage, 9 more enterprise areas were identified. As a result of this initial demonstration and training, a range of small enterprises emerged. Sometimes this happened when individuals moved out of the initial three pilot groups. Others copied the initiatives, or came up with their own. Where initially group enterprises had been an important way of sharing the risk of innovation, that gradually became less essential, with more people risking it on their own.

By the end of the project, 75 members had been trained by ITDG, and approximately another 150 by peers, resulting in increased human capital and marketability. There were 48 small productive enterprises, often based within a household, and a further 32 involved in retail. The average earnings from these activities were well above (nearly twice) the salaries paid in industry for similar levels of skills. And they started to generate some of the funds necessary to invest in shelter. It is particularly interesting to note that the project has helped to raise the business and technical skills as well as the status of women, who now occupy over 60% of the jobs generated.

This project has been successful in showing that it is possible for poor urban communities to earn an income without formal employment and realize their aspirations of owning a house. At the end of the project period, in March 2000, 156 housing units had been built, plus a further 300 cottages of a lesser standard, solving the housing needs of about half the members' families. Members often moved to their new sites very early on, to avoid paying rent. They preferred to live in temporary structures, at the back of the plot, whilst building a better house at the front. The houses also proved to be an important source of income, with many households renting rooms to tenants, building additional rooms for rent, or using the backyard shack for rental accommodation. And many houses now provide them with a secure base from where to manage home-based enterprises. Their social capital has increased as well; an example of that is the management of CTHC successfully negotiating the allocation of nearby land, which is in fact an old waste dump, which they are now reclaiming in order to allocate more plots. 75 members were trained by ITDG, and approximately another 150 by their peers, resulting in increased human capital and marketability.

The CTHC experience is interesting in that it has gone through a number of phases, as a result of changing circumstances. It started off as a single sector project, aimed at solving the housing needs of a large group of people with secure employment, but at a relatively low level of income; most were earning between one and two times the then minimum wage in industry. When they lost their jobs, the project had to take other components on board: at some stage income generation was the major component, although housing remained on the agenda and emerged again later as an important component. One of the advantages of the

CTHC was that it had some solid social capital, and some financial reserves, when the economic shock hit. That was useful as a starting point for rebuilding. It was also important to have support, from ITDG and other agencies, to further strengthen both the social and human capital, and then use that to generate financial assets and ultimately acquire physical assets.

7.6. THE AVE INTEGRATED HOUSING PROGRAMME, ARGENTINA[29]

Over the past decade or more, the economy of Argentina has be in sharp decline, leading to a current state of deep crisis. Structural adjustment programmes have forced the State to restructure and reduce its expenditure both on labour and investments, partly to help repay its ever growing debt. The parity of the peso with the dollar, maintained for too long, made Argentinian products uncompetitive in the international market. With economic policy focusing on exports, by large companies, there was little support for micro, small and medium enterprises, which occupied more than 60% of the labour force. These combined processes led to high unemployment and much poverty, amongst others. It also led to an increased polarisation of society, with the income gap between rich and poor growing by a factor four over the past two decades. The social policies meant to support those at the bottom end tend to maintain a culture of dependence and are hampered by clientelism. The democratic system is weakening too. At the same time, the country faces a huge housing need, of more than 3 million units, which the State is increasingly unable to solve. The State Housing Fund, FONAVI, supported the construction of on average 30,000 houses per year over the past two decades, for a priviliged clientele. This is only 20-25% of total annual house production; the bulk of this total is made up by people building themselves, and to a lesser extent the commercial sector.

AVE is an NGO, based in Cordoba, with more than 25 years of experience in the research and development of appropriate building technologies. Faced with the above crisis, it also had had to adjust its thinking and ways of working. Out of this has emerged an integrated programme which aims to resolve both the needs for housing and for work, whilst at the same time supporting the social development of those involved. The programme focuses on delivering housing to those whose monthly income falls within the $62.5-312.5 range. Beneficairies often contribute their own labour, and the programme also makes use of local small enterprises, both for manufacturing building materials from local resources, and for construction. AVE stresses that the production of houses does not require imported technology, and that it is much more appropriate to promote local, labour-intensive technologies.

Some of the key features of the programme are that:

- It integrates more than one need of its beneficiaries and participants;
- It encourages the participation and commitment of a range of beneficiaries, groups and agencies in the projects, adding a social dimension to economic production;
- It has a single co-ordinating agency (AVE or a local agency);
- Funding comes mainly from the State, plus some aid and private sector capital. Costs are only partly recovered, since the most deprived are subsidized;
- The technologies used are appropriate, labour-intensive, and build on local skills;
- There is an important capacity building component, of residents, groups, workers and agencies involved.

Between 1998 and 2000, AVE was involved in an integrated project in the Eastern Provinces of Argentina, which had been hit by floods. The work also involved a local NGO, SEHAS, with strengths in social and community development; the Sub-secretariat of Housing and Urban Development; and various municipalities. Interventions were designed with the participation of all concerned, with SEHAS bringing the target groups on board. The actual execution of the projects involved local small enterprises, mutual aid of the beneficiaries, and (subsidized) work plans for the unemployed. The State contributed the bulk of the funds, land and

[29] This is a summary of a paper presented by Enrique Ortecho to the IUHP International Workshop of March 2003.

infrastructure. Because of the emergency situation, the beneficiaries did not have to repay anything. The results of the project included 315 houses built in 6 towns, 21 small enterprises generating paid work for 323 people, and 68 unemployed remunerated by the work plan scheme. The project also involved the mutual aid of 237 people, whose building skills will have increased.

In the city of Rio Cuatro, another project assisted two groups with, in total, 39 families. In this case, AVE and SEHAS mainly focused on transferring the integrated approach, by advising and training the municipality's technicians and professionals. Several of the latter formed an interdisciplinary team to lead the project. Another partner, involved in building training, was the Centre for Regional Development, CEDER. Again, the families contributed unskilled labour to certain parts of the construction, and they were paid for those inputs. Small local enterprises were involved too. Funding came from several sources, including the public and private sectors, and the municipality provided land and infrastructure. This project was also largely subsidized, with the beneficiaries repaying just under a quarter of the total cost, equivalent to their labour payments. Apart from the 39 houses built, and the incomes generated in the process, the families involved also benefited from a strengthening of social capital, and an increase of their building and other skills.

In the Province of Cordoba, AVE has been running a Circuit Project since 1996. This offers credit for both housing and small enterprise development, as well as appropriate building materials and components for housing development and upgrading. Besides AVE, the project involves 6 micro-enterprises, 8 housing co-operatives, some small contractors and the Sub-secretariat of Housing and Urban Development. Funding is from AVE, the Sub-secretariat, and the clients: families, co-operatives and municipalities. Families obtain between $200 and $6500 from a credit fund, which they have to repay within 6-36 months; in this case, there is no subsidy. Co-operatives and municipalities have to repay within four months. Between 1998 and 2000, this project resulted in the improvement of 529 houses, the start of 205 new houses, the completion of 13 others, and 5 community precincts. Loans were granted to 760 low-income families. Continuous work was generated for two small enterprises, and four others had occasional work.

In this case from Argentina, integration has produced some positive results, with some very poor families gaining a physical asset (house), whilst the financial assets of others increased via payment for their work. At the same time, human capital was formed through gaining building skills, and the social capital of beneficiary groups strengthened. It is unlikely that similar results would have been achieved without integration, and the involvement of a single co-ordinating agency. The numbers reached so far are no more than a few thousand, and the integrated approach therefore is by no means mainstream. There are some worries with respect to its potential for scaling up. In targeting the very poor or marginalised, it has had to rely on substantial subsidies, and with the continuing decline of the Argentinan economy and of the public sector, the availability of subsidies may decline too. And where credits were repaid in full, e.g., in the case of the Circuit Project, repayments have now started to falter due to the ever-increasing crisis. That in turn raises questions with respect to the available technology options and their affordability; there may be a need to look for even cheaper solutions, but these could be less durable and not considered credit-worthy by some.

7.7. SUSTAINABLE DEVELOPMENT IN NEW CHIMBOTE, PERU[30]

The town of Chimbote, on Peru's Northern coast, was established as a result of an invasion by fishermen in the 1940's. The fisheries industry in the area boomed, leading to very rapid urbanisation, and a current population of about 350,000. There are 27 fish meal factories in the town, plus a steel plant, causing a lot of pollution, of the air, of underground water, and of the sea. The town is also vulnerable to natural disasters. It was devastated during an earthquake in 1970, and the floods associated with the "El Niños" of 1972, 1983, 1989 and 1998 destroyed many houses too.

[30] This is a summary of a presentation made by Liliana Miranda to the IUHP International Workshop of March 2003.

New Chimbote is a peri-urban settlement to the South of the main town, which started nearly ten years ago. It now has about 3,000 inhabitants, of whom 70% are in low-income neighbourhoods, and the remainder in a middle class neighbourhood. It is somewhat less polluted than the town itself, and therefore a natural area for expansion. There is a large swamp between the town and New Chimbote, which has a rich and diverse habitat, and also acts as an overflow area in case of floods. This swamp is under pressure due to the needs for cheap urban land within easy reach of work and facilities.

The NGO NATURA initiated a development process in New Chimbote that culminated in a strategic sustainable development plan. This was a plan that integrated environmental, social and economic components. The process started with mobilisation and building partnerships between key actors, and then moved to participatory planning and budgeting involving all partners. It encouraged information sharing and the pooling of financial and personnel resources between partners, and led to a number of agreements between them which were subsequently ratified. A development council for the municipality of New Chimbote was created, with various thematic sub-groups. The plan pays attention to environmental management, including rules to protect the swamp, maintenance of drains and an integrated solid waste management strategy for the town as a whole; sustainable construction, including of 300 houses for families affected by the latest “El Niño”; the promotion of home-based enterprises; and the use of alternative technologies, amongst others. It includes a number of indicators to monitor urban sustainability.

NATURA is part of a larger network, the Cities for Life Forum, which operates at the national level. Its members include 34 municipalities, 7 universities, and 37 civil society organisations such as NGOs and CBOs. At that level, the Forum is using the grassroots experience of its members to propose and influence policies and strategies for sustainable urban development. But the network is also an important means of exchanging experiences between cities and settlements. The planning process in New Chimbote could draw on best practice elsewhere in Peru, yet it was unique. The Forum has found that set blue-prints do not work. Each town or city has its own characteristics, and therefore needs its own solution. For example, the predominance of the fisheries sector made Chimbote a very special case. Thus, it is important to be creative and innovative and also to build on the local capacities and initiatives that exist already. The consultation of a range of partners is important, but the initial plan should focus on those components on which there is a consensus of need amongst partners. Furthermore, it is important to respect all partners, and to value the rights and opinions of each individual.

The approach NATURA has taken to urban development is certainly integrated, but it has also been selective, in not trying to do everything at once. It has sought a number of entrance points for which there is enthusiasm across the board, and is confident that other components will be added later, when the partnerships have been put to the test, and become more mature.

7.8. SUMMARY OF CASE STUDIES

The objective in detailing these case studies was to compare their approaches and outcomes with those of the integrated projects in Nakuru and Alwar. The case studies consider single sector projects in Kenya (Huruma, 7.3) and India (Shivaji, 7.1 and Employment Programmes 7.2), as well as some more integrated projects in Kenya (Mathare, 7.4), Zimbabwe (7.5), Argentina (7.6) and Peru (7.7).

Among those with a single-sector focus, entry points varied. In Huruma (7.3), the focus was on housing alone. In Shivaji (7.1) and initially in Chitungwiza (7.5), the focus was on shelter and service infrastructure. In Shivaji the project was successful largely because of the location of the settlement, close to markets, employment opportunities and health and education services. In Huruma there were some successes because the members of the housing co-operative could use their homes as a source of income through rents. However, because there were no funds for infrastructure development, the settlement as a whole became gradually more run-down. In Chitungwiza, the project faced a crisis when the members of the co-operative all lost their jobs simultaneously. A final example of a single-sector approach is that of the employment programmes in India. These changed over time, and broadened to include issues of community empowerment, as well as to cover both wage employment and small enterprise. However, their potential was limited by their focus because many of the beneficiaries lived in insecure locations. The threat of eviction discouraged many from investing in their home-based small enterprises.

At the other end of the spectrum, the project in Mathare (7.4), the work of AVE (7.6) and the later work in Chitungwiza (7.5) took a more integrated approach. A number of issues were raised by these case studies. In Mathare, there were difficulties in getting agreement from former landlords who had lost a significant source of income. There were political problems too which caused the project to stall. The work of AVE faced issues of when and where subsidies are appropriate, and what constitutes ‘affordable’ housing. In the context of a disaster (flooding) government subsidies were available for the poorest. In other areas, the beneficiaries were hit by a general economic crisis. They began to find making repayments difficult, despite the ‘integrated’ nature of the project which was supporting them in developing small businesses. In Chitungwiza, small businesses began to generate sufficient incomes so that loan repayments could be sustained. However, this income was also supplemented by the income from renting parts of the house and/or spaces on the stand to tenants (as happened in Huruma). However, in both Huruma and Chitungwiza, a divide opened between those who were members of the co-operative, and those who were not and remained as tenants.

In all the case studies, the challenge emerged of how to move beyond the initial work – the entry point. If the project is working with a co-operative, how do you move beyond the initial members and encourage other residents to join, or help the benefits to spread beyond this group? If the project starts working on a particular issue (e.g. shelter alone) how can it move on to other priority needs such as income-generation or services? In New Chimbote, the premise of the approach is that the work will start with an issue on which there is consensus among all the partners. Once trust has developed in these partnerships, other, and perhaps more contentious issues, can be tackled. This approach, and the broadening of the others, relies on developing partnerships and relationships which can be sustained once the support and impetus of an NGO or government programme is no longer available.

8. LESSONS AND RECOMMENDATIONS FOR A SHELTER STRATEGY

8.1. APPROACHES TO URBAN DEVELOPMENT[31]

We saw in Section 3 that there has been a shift in thinking amongst development agencies in recent years from sectoral interventions towards treating urban development in a 'holistic' or 'integrated' way. The key lessons about those approaches, emerging from the case studies and the literature surveys, are summarised below.

Single Sector Development Approach
Development agency and NGO projects have typically supported single sector development activities in, for example, water supply, housing, small enterprise development, provision of credit, or health improvements. The objectives of single sector projects implemented in urban areas are usually confined to improvements within the sector in which they are operating. They rarely address other aspects of local authority performance or improvements to the general quality of urban life. However, many projects that appear to be single sector actually aim to achieve a much broader impact (Rossiter, 2000).

A single sector approach to development can be valid if resources relative to existing or potential demands are limited. It is in fact more pragmatic and cost-effective to limit resources to a specific sector where the problem is acute and the potential for positive impact is higher than to spread available resources more widely (Syagga, 2001). Indeed, there is often no alternative to single sector development due to resource constraints (Lall and Lall, 2003). If projects must be initiated sectorally, strategic partners that can play a support role should be identified (Syagga, 2001).

Multisector Development Approach
The term 'multisector' can be applied where interventions take place in several different sectors with distinct projects that are not linked in any way. But it sometimes refers to specific sectoral interventions which are linked, bringing it closer to the concept of integrated projects described below (Rossiter, 2000).

The multisectoral approach to development is single-goal oriented in that all sectors and disciplines involved are striving to achieve the same outcome; but it is participatory and decentralised in management and execution. Effective co-ordination, both horizontal (between the various service providers) and vertical (between the service providers and policy makers) is thus required. A multisectoral approach to shelter development, for instance, should incorporate other sectors dealing with poverty alleviation, environmental degradation, urban growth and policy, gender, economic power imbalances, economic and social marginalisation, development of community responses and participation, and capacity building for sustainability. Programme development should be an open, participatory and inclusive process, involving all parties concerned – central and local government, NGOs, the private sector and communities. It should, in particular, recognise that the targeted beneficiaries possess the key elements of response and should therefore be involved at all levels and phases of programme development and implementation (Syagga, 2001).

Integrated Development Approach
The term integrated is used to mean at least two different things in the literature. One meaning is a multisector approach that is co-ordinated and mutually supportive: all the different parts operate in concert so that results in one area are reinforced by achievements in another. The other meaning is that of overall social, economic and spatial integration of a city: poorer, marginalised sections of a city are formally integrated into the rest of the city. For example, unserviced areas are connected to water, sewage and other public services, while land occupation is regularised, and attempts are made to integrate informal settlements into the framework of municipal development and the formal economy.

[31] This section is largely derived from Mike Majale's strategy paper (2003).

An integrated approach towards urban development thus implies a revised role for municipalities in creating the conditions for socio-economic development and co-operation with the private sector and NGOs (Rossiter, 2000). In ITDG's experience, it is not only the integration of activities that is important, but also the integration of various partners, who work together towards a common goal.

The simplest way to classify the above different approaches is to treat single sector projects as dealing with only one type of intervention (e.g., water supply); multisector as involving several interventions in a particular geographical area; and integrated as programmes seeking to co-ordinate different interventions in some way. There are, however, clear areas of overlap. Single sector projects can, for instance, expand into others sectors, or they can contribute to wider, integrated urban development (Rossiter, 2000).

8.2. LESSONS FROM INDIA

The lessons from the establishment of an integrated urban housing project in Alwar have been summarised by Majale (2003:14) as follows:

- The process of community mobilisation is a slow one. Participatory processes have to be inculcated in the community and nothing comes free.
- The lack of a credit component for shelter development initiatives has been a major constraint to the effectiveness of an integrated project.
- The relationship between income generation and shelter upgrading is not as straightforward or simple as was originally assumed.
- While recognising the benefits of improved shelter, local communities gave their own priorities with respect to upgrading interventions. And they will only begin upgrading their shelter if they are sure that increases in their incomes are sustainable.
- The role of middlemen in supplying inputs and marketing outputs to the traditional artisans needs to be reduced and preferably eliminated.
- Interventions are required to upgrade technology and skills to enable production of higher value added products and increase productivity; upscale operations to benefit from economies of scale; and facilitate access to high-cost tools and equipment, storage facilities and marketing outlets, among others.
- It takes time to identify what economic activities (old or new) have real potential for income generation in secondary towns like Alwar, and then to identify and transfer the technologies required to improve productivity and product range.

According to Lall and Lall (2003), it was a major challenge to convince project partners to undertake shelter upgrading within the limited timespan of the research project. The partners, in particular the women artisans, were uncertain about the sustainability of their income generating activities. There were, moreover, significant variations within the ownership groups, with each having particular problems. In the old town, for example, a major issue was the joint family ownership of houses. For another group, the problem was the need for their plots on agricultural land to be re-classified to allow them to build houses there – a costly and lengthy process. There also appears to be little chance of accessing basic services even after conversion of the land use. More importantly, credit for housing development could not be obtained. After having shown interest in addressing this constraint, the Urban Improvement Trust of Alwar withdrew due to the small number of applicants. Thus, the size of a pilot project is also important: it is generally easier to get buy-in from the authorities if projects target a substantial number of people, and in the case of Alwar perhaps all low-income settlements.

The above problems were overcome, to an extent, towards the end of the project, perhaps partly because the increased incomes proved to be sustainable, and savings had increased. The project duration was extended by half a year, without additional funding, in agreement with DFID. This enabled the team in India to make some progress on the shelter and services side of the project.

In her evaluation of the project, Janet Gardener (2003:20-21) thus concludes that the sequential approach taken in India, of income generation leading to shelter improvement, combined with work with the local authority to improve services, may still be proven to work, although the constraints are now evident. It also clear that households have other spending priorities beyond shelter, and the evaluation concludes that further social mobilisation will be required to generate investment in public services such as water and sanitation; and that urban management issues, such as land use planning, also need to be addressed.

8.3. LESSONS FROM KENYA

The lessons from the integrated housing project in Nakuru have been described by Majale (2003:11-12) as follows:

- Outcomes of community capacity-building initiatives may not be evident in the short term but impacts have long-term implications.
- Building of social capital may not have any physical outputs, but it helps in personal development. It enables the community to understand their roles and responsibilities and those of the institutions supporting them.
- Even among the urban poor, there are those who are better off economically and socially. It is often easier to work with these groups and achieve results. It is more difficult to target the poorest groups within the urban poor.
- In as much as they need to work directly with communities and enable them to take charge of the co-ordination of different initiatives, it is imperative that a focal point is identified and agreed upon by project partners.
- Local authorities have a central role to play in an integrated development approach. They can be very close to communities and a key partner in the provision of health, business licenses, water, guidelines on planning, housing, environment, roads and education.

In Nakuru, perhaps even more than in Alwar, the identification of income generating activities with potential took more time than expected. When an economy of a town is in decline, and the formal sector has started to lay off employees, the informal sector tends to get overcrowded, and some sub-sectors, which used to provide reasonable opportunities for income generation in the past, start to suffer from too much competition. The project in Nakuru tested sub-sector analysis as a tool to identify sub-sectors with real potential. Although the validity of that approach was proven, it was not used extensively subsequently, perhaps because it takes time and a fair degree of expertise to do a thorough analysis. Thus, some economic activities embarked upon were less successful than others.

According to Majale (2003:12), the approach adopted in the implementation of the project in Kenya has provided varied opportunities to explore the potentials of poor communities, the inter-linkages between income and housing, as well as the integration of processes and tools in project implementation. The application of the SLF has provided a rich and broad understanding of the potentials, capacities and assets that exist in poor communities which may not be readily recognised. The SLF provides a pragmatic perspective on livelihood assets at the household, community and macro levels, and highlights opportunities and constraints at neighbourhood level. In Kenya, the ability of the project to mobilise and effectively employ the social capital of poor communities will itself help in sustaining the various community-led initiatives designed to improve access to affordable shelter. This same social capital also has potential application in the replication and scaling up of innovative integrated interventions implemented under the project. The opening up of channels for the community to work with other partners, in particular the local authority, lays a firm foundation for the sustainability of the integrated approach to urban housing development.

The approach taken in Nakuru was more complex than the one in Alwar, particularly because the majority of the poor are tenants. It involved working with plot owners, to stimulate saving to improve housing; with tenants to boost their income to afford better housing; with communities to improve services such as water and sanitation; and with the municipality to improve planning and investments in services. In her evaluation of the project, Gardener (2003:21) concludes that, though there has been progress on all these fronts, the linkages between them have not always been clear. To some extent, the hypothesis that income generation will lead to improved shelter and services is being tested in two parallel streams, and it remains too early to judge whether increased incomes of tenants will lead to more investments in housing on their part. As in India, households have other more urgent spending priorities before housing, and again more social mobilisation as well as work with the council is required to make further progress with improving services.

8.4. OVERALL LESSONS

In a final workshop, the international research team involved in this project discussed and compared its outcomes with a number of professionals involved in similar work. Out of this debate came many of the following lessons about the integrated approach to urban housing (ITDG, 2003: 15-17) which future projects ought to consider. The subsequent evaluation by Janet Gardener (2003:23-24) identified more lessons, which have been incorporated in the list below:

Meaning of Integration:

- Integration should happen both amongst activities within a certain location as well as between partners at all levels.
- Whether integration could happen only at the settlement or neighbourhood level or should extend to the level of a whole town or city is debatable.
- An integrated approach means taking into consideration physical, financial and social assets, starting with the social through the development of a shared vision.
- It is important to build on previous initiatives and on strengths within the community.
- With the increasing tendency for the poorest to be excluded from common development activities, integration should perhaps in the first place be about social inclusion.
- All people need housing and all people need livelihoods: the two are interlinked, but more so for some than others. For people such as landlords, housing is their livelihood, but for others such as home-based entrepreneurs, housing is where they both live and pursue their livelihood.
- The relationship between income generation and the upgrading of shelter and related services is not simple or straightforward.
- It is possible to significantly increase the assets of the urban poor and increase livelihood opportunities.
- There is a strong desire to improve housing and shelter conditions in the long term.

Practicalities and tools:

- Undertake thorough baseline studies to establish the needs and priorities of the community and use participatory approaches.
- Needs assessment, impact assessment and evaluation have shown that the Sustainable Livelihoods Framework can be a useful tool for project implementation.
- An analysis of the market and specific sub-sectors is needed to identify viable business opportunities; such an analysis may take some time.
- Access to credit is crucial to the successful development of both housing and small enterprises. Housing development from savings alone takes a very long time.
- Training and skills upgrading are critical to viable income-generating activities. But less emphasis is required on technical aspects, and more on how to establish and run a small enterprise.
- It may be necessary to abandon the concept of a self-contained house on its own plot if people cannot afford more than a single room. It is important therefore to offer multiple options.

Partnerships

- Partnerships involving a range of stakeholders are crucial to the success of an integrated approach.
- Partners in a project need to have a common development vision.
- Effective partnerships can ensure that resources are maximised.
- Partnerships work in the following way:
  Vision: cognisance of the political system;
  Mission: a particular role being played by each partner (i.e., working with and building capacity of individual actors)
  Ambition: empowerment of the poor.

Role of authorities:

- The support of local authorities is needed for the integrated approach to work.
- Central government also needs to be supportive of the approach to enable it to happen.
- How best to engage the authorities may be open to question.

Role of NGOs:

- NGOs currently play an important role in mobilising communities, building capacity, forging partnerships, etc.
- Donor funding is tending increasingly to go to governments, which in turn are decentralising some responsibilities and resources to local authorities. This could imply that, in future, local authorities may have to play an increased role in integrated urban development whilst that of NGOs decreases.

Community Mobilisation:

- A strong and viable civil society can bring real and lasting benefits. This may explain why community projects in Latin America appear to be more successful than others elsewhere in the world.
- Community organisation is essential if the urban poor are to participate effectively in integrated development. It is important to take time to build groups, group dynamics, and 'operational' rules.
- The Integrated Urban Housing project started as a project that subsequently mobilised commuinities. In the Peruvian case (described in section 7.7.), community mobilisation came first, followed by networking and advocacy. Thereafter, a loosely integrated, but quite effective, project developed.

Lobbying and Advocacy:

- Integrated projects require strong policy and advocacy components.
- There is a need for lobbying and advocacy at local, national and global levels.
- Projects should adopt a rights-based approach, for example to lobby for improved access to land, credit, housing and services.

8.5. HAS A CASE BEEN MADE FOR THE INTEGRATED APPROACH?

The participants in the international end-of-project workshop debated the extent to which the integrated approach had been proven by the two projects in Alwar and Nakuru (ITDG, 2002:17). They concluded, in the first place, that a better understanding had been gained of the approach, but perhaps not sufficient insight yet. The research has raised a number of questions that are yet to be answered. Those are highlighted in section 9.2. Also, there is perhaps no universal integrated approach as success is influenced by different factors such as context. But it may be possible to define principles and conditions, or key factors, for a successful approach. Single local contexts can be very specific, and a generic strategy therefore needs to be sufficiently flexible. For example, what should come first – income generation, housing or services – may not be the same in each context. It is known that integration is likely to produce better outcomes, but it remains difficult to develop models that work locally. A national or regional strategy could perhaps set out the principles, methods and processes that work, which can then be adapted to local conditions.

Another conclusion was that an integrated approach is not always appropriate. There are many stages of urbanisation and urban development. Different interventions are required at various stages of development of a settlement. An integrated approach may only be appropriate in well-consolidated, established settlements. In other situations, an alternative (incremental) approach could be to start working in a settlement on a priority intervention (an entry point) identified through a participatory approach, to build relations from there, and to develop areas of activity into a more comprehensive project progressively.

The experience of implementing integrated projects in India and Kenya also thought us that it takes time to achieve significant improvements in shelter and services. In projects of short duration, evaluations need to take that into account, and be process- rather than output-oriented.

Finally, to make a convincing case, the project should have been a lot larger. Whether it should have covered the whole of a secondary town the size of Nakuru or Alwar is debatable, but it certainly should have covered more than a few hundred households targeted in each location. Within the particular funding framework for the project, however, that would have been difficult. As it was, researchers found that the relatively small scale of the project may have distorted and therefore not have been a real test. It also proved difficult to assess the real costs and benefits on such a small scale. And it appeared more difficult to influence local authorities with such a small size of project.

8.6. CHALLENGES[32]

The international workshop at the end of the project also discussed the remaining challenges. These were then further debated and added to in an African regional workshop which also considered work in Sudan and Zimbabwe.

Reaching the poorest:

- The Alwar project selected project partners with secure land tenure, but also applied other criteria to specifically target poor members of low-income settlements. The Nakuru project selected low-income settlements, and within them targeted organised groups (CBOs), that already had some initiatives in income generation. Thus, some of the poorest, for example the ones without secure tenure or the less organised, may have been excluded.
- It is also possible that some of the poorest may have suffered as a result of the project, for example in Nakuru poorer tenants may have been displaced as a result of shelter upgrading. In such circumstances, it is important to monitor what happens to all households within a project location, and to identify who has benefited and who has not. Gender analysis ought to be part of this monitoring, since women are often the poorest members of low-income settlements; the project has recognised this in targeting more women than men.
- Different groups within the poor will be impacted differentially by shelter interventions, will have different needs and will require different responses.

Project design:

- The size of an integrated project and its time frame should be based on realistic estimates; both were probably underestimated in this research project. Integrated projects also need to set realistic targets; but targets and expected outputs should also be flexible.
- There is a challenge to identify the types of sectors or sub-sectors of the economy of secondary towns or settlements which have the potential of generating sustainable and increased incomes.
- The urban poor have more urgent priorities of consumption, children's education and savings for emergencies before they are likely to invest in housing.
- The local conditions of the housing and land market are critical determinants of the access poor people may have to improved shelter. Shelter improvement relies on public as well as household investment. Improved public service provision will require community effort for lobbying and partnership with local government. Housing and public service provision rely on government policy and capacity to resolve land-use, housing investment policy and infrastructure planning, investment and management. These partnerships and respective roles need to be clearly defined. There are questions around whether and how much subsidy should be involved, and how the provision of services and housing can be made sustainable.
- Financing housing appears to be a key constraint. It is a lot more difficult for people to get access to housing finance than to credit for small enterprise development. It is generally difficult to make housing adequate and affordable at the same time. There is a large gap

[32] These have been derived from Janet Gardener's evaluation (2003) and the end-of-project workshop (ITDG, 2003).

between what poor people can save or perhaps borrow, and the costs of even very basic housing.

- Project design needs to pay particular attention to how results are going to be monitored and measured. The attribution of impact in integrated development projects can be a big problem. Criteria are needed to assess the sustainability of such projects. Are they really cost-effective? And can the benefits of, for example, income generation and shelter be balanced with environmental concerns? Finally, if a project does research in several locations, it requires common monitoring, evaluation and reporting systems.

<u>Getting other agencies to change</u>

- Many development agencies are established or structured on a sectoral basis. And many will have an innate resistance to an integrated approach, for a range of reasons: loosing control, loosing resources, corruption, etc.
- Many agencies and researchers do not have a participatory approach that enables the involvement of low-income groups in decisions regarding projects. They like to set priorities from the outset, instead of letting them evolve.
- Donors can also pose a problem in requiring project proposals that focus on specific outputs rather than processes.

8.7. SCALING UP

In both Alwar and Nakuru, the projects have been able to influence development partners, from the community to the municipal levels, of the merits of the integrated approach. Perhaps this has not yet been broad enough, and the project evaluation certainly brought out the need for further social mobilisation and continued work with local authorities. However, the small scale of the initial projects may have limited their impacts, as well as commitments by government to put in additional resources. The end-of-project workshop (ITDG, 2003:18) stressed the importance of being able to demonstrate practical components that work effectively, to achieve uptake. It also wondered whether local economic development could be institutionalised at local authority level.

But there is some evidence of replication. In Nakuru, the approach has now spread to all low-income settlements; the example of Nakuru has also influenced planning and development work in other towns, including Nairobi, Kitale, Kisumu and Mavoko. In Kenya, there is also evidence of NGOs and CBOs networking to create a lobby for shelter and service improvement in informal settlements. And there are now exchanges between Kenya and Sudan and Zimbabwe, where the integrated approach has been adopted as well in other projects that ITDG is implementing. In Alwar, the integrated approach has been adapted to rural development, and the approach has also been demonstrated at the national and international levels.

The project evaluation (Gardener, 2003:22), however, concludes that it is probably too early to assess the influence of the project on policymakers, donors and NGOs. At the time of the evaluation, not all the project documentation (case studies, strategy paper and videos) had been completed. Furthermore, the strategy paper will have to be complemented by a number of other papers and articles, for a wider audience.

The end-of-project workshop (ITDG, 2003:18) furthermore considered it important to be involved in networks with organisations with similar, though not necessarily entirely overlapping, interests. But, taken together, they can have a shared agenda for lobbying and advocacy. And the same networks also provide a good platform for knowledge sharing and exchange.

9. RECOMMENDATIONS

9.1. RECOMMENDATIONS FOR FUTURE SHELTER DELIVERY STRATEGIES

The above lessons and challenges point at changes required in the design of the original integrated approach, in order for it to effectively deliver shelter. The project evaluation (2003:24) has listed the following:

- Project design and logical framework should incorporate sustainable livelihoods analysis, and corresponding outputs and indicators of achievement.
- Pre-project baseline surveys should include a community definition of the priority assets required to build sustainable livelihoods.
- Poverty analysis should inform design of a range of shelter delivery responses to consider different needs of groups within the poor, e.g., core or ultra-poor, coping or intermediate, and transitional poor. These responses should be based on an analysis of baseline livelihoods assets and strategies.
- It is advisable to undertake an analysis of the local economy, land and housing market, and policy framework, before designing a project.
- Projects should include a component of greater engagement and direct capacity building of local government.
- Project resources should enable social mobilisation and building networks or alliances of NGOs and CBOs around shelter and public service provision.
- Project interventions should be designed to enable influence on the national policy environment.
- Where a project includes several locations, establish a common monitoring, reporting and evaluation system should be adopted with common key indicators and events including participatory and longitudinal monitoring to reveal trends, successes and failures.

9.2. RECOMMENDATIONS FOR FUTURE RESEARCH

The international research team and others involved or influenced by this research into integrated urban development has gained numerous lessons which have led to a better understanding of a range of approaches to urban development, and particularly of integrated approaches. However, the research has also raised a number of questions which as yet remain unanswered. The end-of-project workshop listed the following (ITDG, 2003:18-19):

- What is the optimal scale of a pilot project of this nature? How can the need to show sufficient impact and reliable result be balanced against available resources?
- How important are variables such as project location and context?
- How can economic development be addressed and integrated more systematically in city development strategies? How can more markets be explored and the best use made of economic opportunities?
- How can credit be brought into integrated projects from the start to accelerate their impact? For example, how can the experiences of the Community-Led Infrastructure Facility (CLIFF) or the City-Community Challenge Fund (C3F) be combined with that of the Integrated Urban Housing project?
- With the responsibility for urban planning and development shifting from central government and NGOs to local authorities, how can the latter's attitudes and approaches be changed? What is required in terms of advocacy, awareness raising, capacity building, etc.?

10. CONCLUSIONS

The Integrated Urban Housing Development project in Kenya and India set out to *"identify and promote a sustainable shelter delivery strategy for the urban poor to be adopted by national and local government in Kenya and India".* The project established an integrated approach to housing delivery that combined employment and income generation with the improvement of housing and related services. Within that context, it proposed to test in particular the extent to which increases in the incomes of the urban poor would generate significant improvements in shelter and services.

The research carried out in Kenya and India did achieve improvements in the livelihoods of around 600 households in a relatively short time. There have been substantial increases in incomes and savings in many cases. However, the research has taught us that it takes time to identify sub-sectors with potential, requiring a survey of economic development at the level of the town, and perhaps subsequent further surveys of specific sub-sectors using such tools as sib-sector analysis. Both human and social capital have been strengthened, and important partnerships developed at the local level. There is also a beginning of replication, in other towns in Kenya, in Sudan and Zimbabwe, and in rural areas of India. The relationship between income generation and the upgrading of shelter and services has not been as straightforward as assumed, and thus achievements in the latter area have been more limited. Thus, the evaluation concluded that it is probably too early to say that the project can now propose a definite integrated shelter delivery strategy. The current approach will need some more time to be fully proven, and the evaluation and end-of-project have also identified some refinements to the approach as well as further questions to be researched.

ITDG is committed to remain working on integrated urban development for some years to come. It has been able to attract additional funding, from sources as diverse at the European Community, the Community Fund, and several private Trusts. That funding will enable us to refine the approach, address additional questions, and come up with a more detailed shelter delivery strategy for the urban poor in 2-3 years time. In particular, the extension of the project facilitated by these additional resources will enable us to:

- address the question of scale, by extending the integrated approach to all the seven low-income settlements of Nakuru;
- further explore issues of context and location by replicating the approach in Sudan and Zimbabwe;
- gain a better understanding of the issue of economic development in different contexts;
- include a larger credit component in the project;
- pay more attention to getting local authorities involved and building their capacity;
- more systematically apply the sustainable livelihoods approach;
- design different solutions for different groups within communities;
- have common monitoring, reporting and evaluation systems;
- stimulate further exchanges and learning between teams of researchers in the South.

At the same time, SDS is continuing to work in Alwar, on the LUO and a waste management initiative. It is also applying the integrated development approach to the rural district around the town. The lessons from this further work will also feed into the refinement of the approach.

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Integrated Urban Housing Development
- experiences from Kenya and India –

If the urban poor of the Third World are to invest in and hang on to their housing and associated services, they will need to generate income and savings, since formal housing finance is often not accessible. Traditional approaches to urban development often focus on a single sector, such as housing or enterprise development, and fail to make the linkages between them. It is now an increasingly accepted view that urban poverty is multidimensional and will need a range of solutions. A more integrated approach to urban development is therefore thought to be more effective in addressing the problem of urban poverty and associated poor living conditions.

The research described in this publication included a component of investigating and analysing a range of approaches to urban development, both world wide and more specifically in India and Kenya, the countries selected for more in-depth research. In those countries, an integrated approach to urban development was subsequently tested in two secondary towns: Alwar and Nakuru. The work there did achieve substantial improvements in the livelihoods of at least 600 households in the space of a couple of years. It did take more time, however, for these improvements to be felt in subsequent upgrading of shelter and related services.

This publication provides an interim picture of the insights gained by the research team at the end of DFID’s funding for this work. At this stage, an integrated approach has not been fully proven yet, but we have a much better understanding of what works and what does not. The research into integrated urban development continues in both countries, as well as two new ones, with funding from other sources. This should lead to a further publication in two to three years time.