

HOW TO MEET THE MILLENNIUM DEVELOPMENT GOALS (MDGS) IN URBAN AREAS

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I. WHERE ARE THE LOCAL CHANGES ON WHICH MEETING THE MDGS DEPEND?

WHY HAS 50 years of development cooperation failed to address the needs of much of the population in low- and middle-income nations? Among the many competing explanations, one of the most plausible for urban areas is the failure of most development initiatives to consult and work with “the urban poor” in devising locally appropriate solutions – even though these people’s “needs” are the justification for the development initiatives and for all the agencies that fund them, and even though most international agencies claim to support “participation” and to be “pro-poor”. The discussions on how to meet the Millennium Development Goals present a new opportunity to address this. But to date, there is not much evidence that this basic limitation in development is recognized – let alone addressed.

This issue of *Environment and Urbanization* is on how to meet the Millennium Development Goals (MDGs) in urban areas – both in the locations where those with unmet needs are concentrated (including individual “slums”⁽¹⁾ and squatter settlements) and at a city-wide scale. There are hundreds of millions of urban dwellers whose unmet needs for water, sanitation, health care, schools will have to be addressed if the MDG

targets are to be achieved⁽²⁾ (see Box 1 for a summary of these targets). These needs will not be met without changes in local governments and in other local organizations. Unlike most discussions on meeting the MDGs, the main focus here is not on large increases in aid or on debt relief or national poverty reduction strategies but, rather, on the local changes on which the achievement of most of the MDGs depend.

Local government agencies, or the local offices of higher levels of government, determine whether citizens’ rights are protected and citizen entitlements are met. Their rules and procedures determine whether urban poor households can send their children to school and can afford to keep them there; whether they can obtain treatment when ill or injured; whether they are connected to water, sanitation and drainage networks; whether their neighbourhoods have street lights and electricity; whether they can build legally on suitable sites; whether they can avoid eviction; whether they can vote and have access to politicians and civil servants; whether they are protected from violence and crime (and corruption) by a just rule of law; whether they can set up a small enterprise and get a loan to help them do so; whether they can influence development projects. The performance of local schools, health care centres and water and sanitation providers determine whether many of the MDG targets are met

This editorial draws on the papers in this issue and also on discussions within the Millennium Project Taskforce on Improving the Lives of Slum Dwellers. The authors of this editorial and of several papers in this issue (Alfredo Stein, Somsook Boonyabanha, Paulo Teixeira and Joel Bolnick) were members of this Taskforce. Much of what this editorial says is substantiated by the Taskforce’s report, and several of the papers in this issue were prepared as background papers for the Taskforce. However, this editorial, and most papers in this issue, give greater emphasis than the Taskforce report to the critical importance of community-driven solutions and the support they need from different levels of government and from international agencies. Although the members of this Taskforce were in broad agreement on the need for more progressive pro-poor policies, there was less agreement with regard to the emphasis that should be given within recommended solutions to the roles of professionals, of national governments and of international agencies. The Taskforce report is published as Millennium Project (2005), *A Home in the City*, Taskforce on Improving the Lives of Slum Dwellers, Earthscan, London and Sterling, Virginia. It can also be downloaded from <http://www.unmillenniumproject.org/reports/reports2.htm>

Box 1:	Summary of the Millennium Development Goals and their targets
8 Millennium Development Goals	18 Millennium development targets
1. Eradicate extreme poverty and hunger	1 and 2. Between 1990 and 2015: halve the proportion of people: <ul style="list-style-type: none"> • whose income is less than US\$1 a day • who suffer from hunger
2. Achieve universal primary education	3. By 2015: all boys and girls able to complete the full course of primary school
3. Promote gender equality and empower women	4. Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015
4. Reduce child mortality	5. 1990–2015: reduce by two-thirds the under-five mortality rate
5. Improve maternal health	6. 1990–2015: reduce by three-quarters the maternal mortality ratio
6. Combat HIV/AIDs, malaria and other diseases	7 and 8. By 2015: to have halted and begun to reverse: <ul style="list-style-type: none"> • the spread of AIDS • the incidence of malaria and other major diseases
7. Ensure environmental sustainability	9–11. <ul style="list-style-type: none"> • Integrate principles of sustainable development into country policies • 1990–2015: halve the proportion without safe water and basic sanitation • Significant improvement in lives of at least 100 million slum dwellers by 2020
8. Develop a global partnership for development	12–18. <ul style="list-style-type: none"> • Fairer trading and financial systems • Address special needs of least-developed, land-locked and small island states • Deal with debt problems • Strategies for work for youth • Access to affordable essential drugs • Access to benefits of new technologies, especially information–communications technology

(targets 3, 4, 5, 6, 7, 8, 10 and 11). Just halting and reversing the spread of AIDS will involve huge changes in the kinds of support that local organizations provide. Local organizations also have important influences on whether many of the other targets are met – for instance, whether there are effective strategies to combat malnutrition, to work with youth, and to ensure that everyone has access to affordable essential drugs.⁽³⁾

Thus, a critical question is how to make local government organizations more pro-poor – or less anti-poor; or to put it another way, how to change

the relationship between those with unmet needs and local organizations, especially local (city and municipal) governments. Of course, changes are also needed from national governments and international agencies, and within global trade regimes. These changes include support for more effective and accountable urban governments from national and, where relevant, state or provincial governments. However, in the end, the effectiveness of many of these larger changes in contributing to meeting many of the MDGs is determined by whether they make local bodies

more effective in meeting local needs, and more accountable to those with unmet needs. This is not to suggest that local government can provide or should provide for all needs. But it has a major influence on how local markets operate, including those that have particular importance for low-income groups – for instance, for land for housing, for water and, in many instances, for building materials and credit. It can have a major influence on the effectiveness and accountability of local NGOs. And as various papers in this issue illustrate, it has a major influence on the scale, scope and effectiveness of what organizations formed by the urban poor can do. If it is not possible to make local governments more “pro-poor”, and to have the tools and resources to act on this, it is difficult to see how most of the MDGs can be met.

This issue also highlights the fact that meeting the MDGs in urban areas is about much more than MDG target 11, which calls for significant improvements in the lives of at least 100 million slum dwellers by 2020. It calls for major improvements in urban health care and schools, water and sanitation, and in urban measures to improve maternal and child health. It calls for more effective community-level responses to HIV/AIDS that focus not only on prevention but also on supporting those who are infected and those who have lost family members.⁽⁴⁾ It also requires more effective measures to reduce urban poverty, with an understanding of how much the scale and depth of urban poverty is understated by the dollar-a-day poverty line currently used to monitor MDG target 1.⁽⁵⁾ This issue of *Environment and Urbanization* strongly endorses the changes made to MDG target 11 by the Millennium Project’s Taskforce on Improving the Lives of Slum Dwellers. This recognized that the target cannot be restricted to improving the lives of 100 million slum dwellers (a figure which represents only a small proportion of those currently living in slums), and that it must include ensuring no further increases in the slum population – and meeting the MDGs for the several hundred million people who will be added to the urban population between 2000 and 2020.⁽⁶⁾

II. CHANGING THE WAY THAT DEVELOPMENT IS PLANNED AND MANAGED

IF MEETING THE MDGs in urban areas is dependent on changes in local organizations, including local governments, this presents a

particular challenge to international agencies. Their work is ultimately justified by what they are able to deliver (or are meant to deliver) for “the poor” in low- and middle-income nations. So too are the tens of billions of dollars that they provide as loans or grants each year. These agencies include all the official bilateral aid programmes, the World Bank and the other multilateral development banks, and the many United Nations specialized agencies. It also includes hundreds of international NGOs. Yet, after more than 50 years of development assistance, billions of people still suffer daily from hunger and insecurity and remain at risk of serious illness, injury or premature death from easily preventable causes. Whatever the reasons, including those beyond the power of these agencies to change, this is not a record to be proud of.

The Millennium Development Goals (and the Millennium Declaration on which they draw) represent a new attempt to increase the effectiveness of development assistance in reducing poverty. Most of the MDGs are not new – indeed, global commitments to some of these same goals were made in the 1970s, with target dates that have long passed unmet.⁽⁷⁾ But the broad agreement among so many international agencies and national governments to work collectively towards meeting these goals is new. The commitments are also broader in scope than previous targets and there is a recognition that many are linked. The goals include a commitment to making the broader global context less weighted against low-income nations. Most goals have time-bound targets and a strong commitment to monitoring progress. It is difficult to disagree with the targets and most of the goals; if achieved by their target dates, they would significantly decrease poverty and bring multiple benefits to hundreds of millions of the urban and rural poor.

But the way that “development” is planned and managed does not appear to be changing much. Most discussions on how to meet the MDGs are not about changing the way development assistance is provided. The rural and urban poor, whose poverty is the main justification for this whole process, are hardly consulted, hardly involved. Their knowledge, resources and capacities are hardly tapped and often not even acknowledged, as others define their priorities. Ironically, in urban areas, the poor are often even identified as “the problem” holding back development. The rural and urban poor have little chance of gaining support for what they would define as their needs

and priorities. Development is still something that professionals and development institutions “do” for them, and interventions are designed and implemented by intermediaries over whom they have little or no influence. Indeed, the project documents are usually in languages that they cannot understand. There may be some changes at the margin – for instance, support for the development of national poverty reduction strategies that have some “national ownership” and involve some civil society groups – but these processes are still distant from the squatter settlements and villages where the deprivations occur. National or regional consultations involving some civil society groups is a weak kind of “participation” – and it is rare for the civil society representatives involved to be chosen by and accountable to “the poor” that they claim to represent. There is little discussion of the changes to institutional structures and funding flows in official donor agencies that would allow direct influence by low-income groups and their community organizations, and direct support to them. The key message of most papers in this issue of *Environment and Urbanization* – the need to strengthen and support low-income groups and their organizations, and the capacity of local organizations to work with them and be accountable to them – has relevance far beyond urban boundaries.

III. THE KEY ROLE OF LOCAL GOVERNMENTS – FOR GOOD OR BAD

IN URBAN AREAS, local governments are important for their capacity either to reduce poverty – or to perpetuate or increase it. That local government organizations have the capacity for both is illustrated by recent events in Mumbai (formerly Bombay). The Mumbai Municipal Corporation has been implementing a very large forced evictions and demolition of slums programme, starting in December 2004. Yet this is the same municipal government that has also been working with organizations and federations of slum and pavement dwellers on a range of projects to house over 50,000 of the poorest households (see the paper by Sundar Burra). This is the same city where the police commissioner has been working with committees of slum residents to set up police stations in slums that are accountable to local residents.⁶ This is the same city that pioneered new forms of resettlement for thousands of low-income households that had to move to allow improve-

ments in infrastructure, in which those who were resettled were fully involved in the planning and management of the resettlement.⁹

The papers in this issue show the potential of city governments to contribute to meeting the MDGs – and the potential to do the opposite. They highlight the fact that at city level, truly pro-poor innovations can be negotiated and agreed in ways that fully involve urban poor groups and their organizations and that go some way toward resolving the structural issues that underpin poverty.

IV. HOW NOT TO MEET THE MDGS

THE EVICTIONS IN Mumbai mentioned above are an example of how not to meet the MDGs. It is also difficult to see how they might achieve the chief minister’s apparent objective of making Mumbai a successful global city. Developing partnerships with urban poor organizations to find mutually acceptable and affordable solutions to improving conditions in “slums”, as described in Sundar Burra’s paper (which is about Mumbai), is likely to contribute far more to Mumbai’s international success.

The paper by Jean du Plessis describes how every year, millions of people are forcibly evicted by “development” projects, leaving them homeless, and entrenching patterns of poverty, discrimination and social exclusion. Although many of the largest evictions over the last 40 years have been implemented by non-elected governments, increasingly elected governments are involved in such evictions. Representative democracy does not necessarily provide much protection for urban poor groups. It provided no protection for the hundreds of thousands of people evicted in Mumbai in the last few months – and this eviction programme came from a new government whose electoral promises had included providing tenure to those living in many of the settlements that were then evicted. It is difficult for anyone who has not experienced forced eviction to appreciate the consequences for families and communities – not only the lost homes, or the damaged or destroyed assets, but also the broken social networks, the compromised livelihoods and the lost access to essential services. Often added to this are the injuries sustained as a result of the violence of the evictions; also the new risks in the locations to which the evictees move, where they often live

in tents and plastic shacks, with no provision for services.

Du Plessis's paper notes that all government evictions come with some official justification that this is done "for the public good": to help support city regeneration; to improve health and safety; to develop necessary city infrastructure; or to redevelop areas that allegedly have criminal networks. The official justifications used today by democratic governments do not differ much from those used by military dictatorships in the 1970s, except that they are more likely to stress "making our city globally competitive" or "a world city". Perhaps the strangest aspect of this is that those whose homes are bulldozed also want improved health and safety, better infrastructure and a more successful economy; most also want the rule of law. Many would be happy to move, as they live on land at risk of floods or landslides, or on pavements – as long as they are fully involved in determining where, when and how. The papers by Somsook Boonyabancha and Sundar Burra show how a real engagement with urban poor groups can allow land to be freed up for infrastructure and for urban regeneration, but in ways that also benefit the urban poor, so their needs and priorities are also part of the "public good". If "infrastructure development" is for "the public good", it should include a commitment to minimizing the need to move those who do not want to move, and working with those who have to move to improve their lives. In most instances, the problem is not the cost (which is generally very low relative to the cost of the infrastructure projects) but the seeming incapacity of city governments and those that fund them to change their approach.

Other case studies have shown the central role that people and enterprises in "illegal settlements" or slums have in city economies;⁽¹⁰⁾ thus, if governments work with slum inhabitants, this also avoids the economic disruptions that bulldozing brings. Of course, this does not address the hidden motives for most evictions. While they are presented as being for the public good, in reality, their actual agenda involves clearing valuable land sites from which powerful vested interests will make large profits, or responding to the concerns of the middle-class about living near the poor (even though they still want their cheap services). Neither does including the urban poor in redevelopment plans appeal to politicians and bureaucrats, who believe that "poor people" move to cities for illogical reasons and that "these poor people would be better off" in rural areas, despite

four decades of research showing migration flows are logical and usually carefully planned responses to changing economic circumstances. Of course, people move to cities if they are the centres where most new investment is made – as is the case in most low- and middle-income nations.

The paper by Gustavo Ribeiro and Angunthip Srisuwan illustrates the difficulties in any city of reaching consensus about how to address problems in illegal settlements – even among government institutions. This paper describes the agendas and priorities of different government agencies in Chiang Mai (Thailand), and how they affect one particular low-income settlement – from the government body with responsibility for protecting and rehabilitating historic sites that wanted to evict the inhabitants, to those developing the master plan who wanted the area cleared for a park and promenade, to the mayor who supported the rights of the inhabitants to stay there. It is also a reminder of the way different interests use "improving the environment" to serve their priorities. How common it is for urban poor groups' need for infrastructure not to be included in "improving the environment"; also how common it is for these same groups to be incorrectly blamed for environmental problems – as in this settlement in Chiang Mai, and also for the 30,000 people living in Agbogbloshie/Old Fadama in Accra who are threatened with eviction (as described in the paper by Jean du Plessis).

This raises the issue of how external groups, including local and international NGOs, can best counter the evictions or threats of eviction. This has to centre on supporting those who are evicted, or threatened with eviction, to negotiate with those who ordered and are implementing, or are likely to implement, the evictions. In Mumbai, the organizations of slum dwellers and the federations to which they belong (including the National Slum Dwellers Federation) encouraged community leaders to negotiate with local government (ward) officials to minimize the demolitions. These organizations also stressed how urban poor communities must get organized to allow them to negotiate, as they can never win by confronting the state and the real-estate interests they are serving. And representatives from slum dwellers' federations once again discussed with senior municipal officials the only real basis for addressing this problem – the identification of land on which homes and neighbourhoods can be developed through partnerships between the urban poor and local and state government. It is

also worth noting how in the settlement in Chiang Mai that was threatened with eviction, the inhabitants organized themselves to address some of the local environmental problems. This is also happening in Agbogbloshie/Old Fadama in Accra.

V. HOW TO MEET THE MDGS

a. Another way to do urban development

THIS ISSUE OF *Environment and Urbanization* has many papers showing city or municipal governments contributing to meeting the MDGs. At their core, in their very different ways, each gives space for urban poor groups and their organizations to influence what is *done* and to be involved in doing it. If the MDGs are to be met, this is the change that has to permeate all levels – from the smallest political and geographic unit (the ward, commune, neighbourhood, parish....) through city, provincial and national governments to international agencies. There is no shortage of “development projects” designed and implemented by “professionals” (including many foreign experts), which allow urban poor groups no influence and which rarely produce the hoped-for reductions in urban poverty. But there are also examples of other ways of doing “urban development”, in which the urban poor do have far more influence and which produce encouraging results – and usually do so with external costs that are much lower than the professionally driven approaches. These also include many examples of large-scale initiatives. One would expect that these other ways of doing urban development would be at the centre of the discussions on how to meet the MDGs in urban areas – but they are not. They hardly figure in discussions on how to meet the Millennium Development Goals.⁽¹¹⁾ Many professionals object to these because their professional training did not equip them to work with urban poor groups, and also because they probably think that it diminishes their role and importance. Almost all international agencies find it difficult to actually work in this way. Many international agencies also have to convince those who fund them that they are central to the “solutions”, rather than the poor groups with whom they work or are meant to work. Many academics are uncomfortable with this other way – and stress how it is the

responsibility of governments to provide the solutions. Ironically, many of the greatest blocks to this other way of doing urban development come not from powerful vested interests within and outside government but from the attitudes of many of the professionals and agencies who regard themselves as “pro-poor”.

b. Addressing the water and sanitation MDGs

A key part of the MDGs is much improved provision for water and sanitation. There is now a recognition that the scale and depth of the deficiencies in provision in urban areas have long been underestimated, and that improved urban provision is an important part of meeting the MDGs.⁽¹²⁾ There is also a recognition that privatization is not likely to contribute much to meeting the MDG targets for water and sanitation.⁽¹³⁾ Two papers in this issue focus on case studies of improved provision for water and sanitation. Neither can be called a “success story”, but both show the kinds of locally driven processes that have the potential to improve provision and to hold water and sanitation providers more accountable to those who are ill-served or unserved.⁽¹⁴⁾

The paper by Genevieve Connors provides an example of the kinds of slow, difficult, incremental local changes within a water utility that can improve and extend provision for water and sanitation. It describes important shifts in the policy and operations of the Bangalore Water Supply and Sewerage Board, and what has driven them. This Board is now working with slum residents to improve and extend provision for water and sanitation, including provision of household connections where previously it usually only provided public facilities. Various local factors encouraged this, including bottom-up pressures from civil society, and the Board’s need to get better cost-recovery from the water supplied and to reduce the large volumes of water lost to illegal connections. Three pilot initiatives funded by an external agency (AusAid) had shown the Board that slum residents were prepared to pay for water and sanitation services, and that proof of land title or property ownership was not necessary to establish formal relationships with slum households – ration cards, identity cards, election cards or electricity bills could also be proof of occupation. These pilots led to the formation of a social development unit that now works with slum residents to develop plans for water and sanitation. As the

author notes, this has particular importance in the wake of the targets set in the Millennium Development Goals, because it shows how public agencies learn and what the factors are that drive the kinds of changes in organizational behaviour and urban governance on which meeting the MDGs depend.

The paper by Ana Hardoy, Jorgelina Hardoy, Gustavo Pandiella and Gastón Urquiza describes a local initiative to develop a community–municipal government–private sector partnership to improve and extend provision for water and sanitation in Moreno, one of the poorest municipalities in Buenos Aires Metropolitan Area. Here, only one-fifth of households are connected to the official piped water network and only one-tenth to the sewerage network. A private company is responsible for water and sanitation provision, but it has not extended provision to any low-income settlement; the concession under which it operates has no specifically pro-poor clauses, and the company is exempted from working in areas where residents have no legal tenure. A local NGO has been working with the municipal government, community organizations and the private utility to try to develop some agreement on how to address these problems. Given that extending conventional water and sewerage services to the many unserved settlements is unrealistic in the short term, improving and extending provision is only likely to happen if all the actors involved – the public sector, the private company, the regulator, the NGOs and the communities – are committed to working together towards a solution.

c. Land: getting tenure or land for new housing for low-income groups

Slums and squatter settlements are the result of people being priced out of legal land for housing, and housing markets. Increasing the supply and reducing the cost of land for housing and related infrastructure is central to meeting the MDG targets for extending provision for water and sanitation, and for significantly improving the lives of slum dwellers. Finance systems also have a critical role, increasing what low-income households can afford, as discussed below. In all cities, there is a contradiction between the cost of land for housing with infrastructure and what large sections of the labour force required by city enterprises can spend on housing. The larger the concentration of investment and enterprises, the greater the competition among residential,

commercial, industrial and institutional demand for the best located sites, and the greater the proportion of the population likely to be priced out of legal housing markets. To a large extent, this contradiction can be resolved by government measures that directly or indirectly increase the supply and reduce the cost of land for housing with infrastructure. But in most cities in low- and middle-income nations, government policy does not do this. This contradiction is “resolved” by lower-income groups living in poor quality and overcrowded accommodation, much of it illegally occupied or sub-divided land, and most of it lacking basic infrastructure. The MDGs will not be met in urban areas unless those living in illegal settlements can get tenure and infrastructure, and unless lower-income households can get into official land-for-housing markets.

City politicians and civil servants often claim that there is no available land for urban poor groups. But detailed surveys generally show that there is sufficient unused or under-utilized well-located land (see, for instance, the example of Phnom Penh in Geoff Payne’s paper,⁽¹⁵⁾ and Mumbai in Sundar Burra’s paper). It is common for large amounts of this land to be in public ownership – although much of it may be owned by national government agencies rather than by local government – for instance, in Mumbai, by the railway, port and airport authorities and the military.

In many cities, churches or other religious institutions are major landowners. As described in the paper by Joel Bolnick and Greg Van Rensburg, the Methodist Church in South Africa is responding to this reality, undertaking an initiative to identify and allocate vacant land it owns for housing projects for homeless families and, in rural areas, to support their livelihoods. Working with the South African Homeless People’s Federation, this initiative is reviewing church records, checking them against other official records and identifying potentially usable land sites. The initiative has importance not only for the new land it could provide for housing for low-income households but also for encouraging more action from the government on land redistribution and tenure reform, and in setting an example that other churches in South Africa may follow.

Many papers in this and other issues of *Environment and Urbanization* have described initiatives through which the residents of informal settlements negotiate for secure tenure, and work with local governments in upgrading.⁽¹⁶⁾ The paper

by Somsook Boonyabancha in this issue describes what is perhaps the most ambitious initiative in this regard – the Baan Mankong (“secure housing”) programme in Thailand, which channels government funds in the form of infrastructure subsidies and housing loans direct to poor communities, who plan and carry out improvements to their housing and to basic services. It is a national programme supporting locally driven solutions in which urban poor communities have a central role. It has set a target of improving housing, living and tenure security for 300,000 households in 2,000 poor communities in 200 Thai cities within five years – the kind of scale needed if the MDGs are to be met in urban areas. This paper shows the variety of means by which those in illegal settlements can obtain legal land – for instance, by purchasing the land they occupy, supported by a government loan, by negotiating a community lease, agreeing to move to a part of the site they occupy in return for tenure (land-sharing), or moving to another location provided by the government agency on whose land they were squatting. The paper also describes cases where city government has taken the initiative – for instance, providing a land site to which those living in various “mini” squatter settlements in their jurisdiction could relocate, with the land provided on a 30-year lease. As this paper emphasizes, these kinds of solutions can develop when there is a city-wide process in which urban poor communities are involved.

The paper by Geoff Payne highlights the need for a “twin-track” approach to land that combines improving tenure security and supporting upgrading in existing settlements, and revising regulatory frameworks to increase the supply and reduce the cost of land for new housing. Significant constraints in upgrading unauthorized settlements are the time that government bureaucracies take to provide legal tenure, the complexities of the procedures, and the costs (which are often passed onto the households seeking tenure). There are various ways around this – for instance, formal commitments by government to support upgrading and tenure transfer for specific settlements, or the provision of community land leases, which provide the inhabitants with security until the formal procedures for legal tenure are completed. Geoff Payne’s paper includes a detailed audit of planning standards and regulations and administrative procedures for land development in Phnom Penh, which highlights the regulatory reforms needed to increase the

supply and reduce the cost of land for housing. These include changing regulations that demand unnecessarily large minimum plot sizes, building set-backs and land for roads, inappropriate floor:area ratios and maximum densities, and slow, unnecessarily complex administrative procedures (many of which require informal payments to get done).

d. Financing alternatives to slums for low-income groups

As the paper by Alfredo Stein and Luis Castillo points out, most new housing that low-income groups can afford in urban areas is built incrementally and illegally, as it is outside officially approved land development and house construction processes. This incremental process generally means that it is many years before a good quality house is built – and also entails many years of negotiating for land tenure and provision for infrastructure and services. In many instances, the inhabitants do not get tenure or infrastructure.

What can finance systems contribute to addressing these problems – speeding up the process, supporting better quality housing, and solving problems with regard to lack of tenure and inadequate or no infrastructure and services? Stein and Castillo describe a range of institutions set up in five Central American nations that have provided loans to low-income families to improve or expand their homes or build new ones. With US\$ 50 million external funding from the Swedish International Development Cooperation Agency (Sida), some 400,000 people have been reached. The external funding was complemented by each family’s own resources and, in some instances, by government housing subsidies direct to low-income households. Some programmes also provided grants to local governments to provide infrastructure and services, as long as communities participated in the decision-making and implementation. The intermediary institutions set up by Sida also provided technical, social and legal assistance to help families obtain land tenure and infrastructure, and build or improve their homes. Particular attention was paid to ensuring good loan repayment records to protect the seed capital (which, once recovered, could be re-loaned). The external funding provided was not large, given the number of people reached in many different locations in five nations. What was unusual was its focus on setting up and supporting local institutions, on providing long-term

support to these institutions, and on working hard to ensure funds revolved for re-use. The paper emphasizes the need to ensure that the finance offered matches the needs and loan repayment capacity of low-income households, and that it complements and supports rather than replaces households' own investments.

Loan finance is also an important part of the national "secure housing" programme in Thailand, described by Somsook Boonyabancha. Here, loans are available to households through the community organizations or networks of which they are part, to finance housing construction or improvement. The community organizations plan and manage this, and can also draw on infrastructure subsidies to support upgrading, re-blocking (i.e. the re-arrangement of plots on a site) or developing a new site. The paper gives different examples of how particular initiatives blend the subsidies and loans.

Despite the very different forms of these finance systems, these papers on Central America and Thailand stress some common themes:

- low-income groups can benefit from loan finance and repay loans, if loan conditions are tailored to their needs and capacity to pay;
- good levels of cost-recovery are achievable and important, as the funding recovered goes to support more low-income households;
- although high loan repayment rates are a key goal, financial support for upgrading and new house development calls for different ways of determining costs and interest rates than conventional micro-finance measures;
- loans can be blended with transparent and focused subsidies to the poor; and
- alternative forms of collateral for loans are required. Conventional housing finance agencies usually require official land tenure documents before loans are made available and often, proof that the house structure is legal – which obviously disqualifies very large sections of the urban population from getting loans. Many loan programmes require more appropriate guarantees – for instance, PRODEL in Nicaragua accepted as collateral valuable objects and municipal certificates that showed secure tenure.

The paper by Sundar Burra describes two very different financial mechanisms to fund slum upgrading and new house development. The first is a local finance facility funded by international agencies, which is described in a later section. The second is a municipal government scheme in

Mumbai that uses the sale of development rights to fund upgrading and new house development for low-income households. One of the main underpinnings of any city or municipal government's planning and land management is its right to control developments within its boundaries. This has considerable potential to generate revenue, since official permission to develop a well-located land site can multiply its value many times. As Sundar Burra's paper explains, the sale of development rights in Mumbai did not produce the hoped-for scale of slum improvement – it has delivered only a tiny proportion of the units "for slum dwellers" the government had promised, and many of the projects it supported served the interests of private developers more than those of slum dwellers. But it does show a potential that is important for the future. The city government encourages private sector developers to implement "slum rehabilitation" schemes that provide each slum family with a new unit (typically a small apartment), and that contribute around US\$ 400 per family to a central fund to help pay maintenance costs and taxes. The government provides no funding, but allows the developer to build more units on the site than are needed to rehouse the slum dwellers, through an increased floor space index and/or development rights that can be used on another plot of land or sold to another developer. The city authorities also hoped to use this approach to obtain land for public projects, by offering landowners development rights on the land or development rights that can be transferred. For instance, a project that will rehouse 320 pavement dweller families, designed and managed by them, is nearing completion; the land for this was acquired from the Maharashtra Housing and Area Development Authority, which received development rights that could be used in another location. The city government is planning to finance other relocation programmes through the use of transferable development rights. Sundar Burra suggests that this scheme has potential if the inhabitants of a slum are well organized, in order that they can determine the process rather than being objects of private developers' designs. As he notes, *"...without strong organizations of the urban poor, it is not possible to challenge the developer in search of profit and the politician in search of patronage."*

Several other papers in this issue highlight the importance for any successful upgrading or new house development of the low-income households involved having the capacity to manage funding collectively. They also point to the need for

funding to support pilot projects through which community organizations can try out new approaches and, when these work, use these as precedents to show governments how things can be done and encourage larger-scale support. For instance, in India, both the large-scale government support for the community sanitation blocks in Pune and Mumbai and the community-managed relocation programmes were catalyzed by pilot projects showing how this could be done. International agencies often consider pilot projects a waste of money because the “pilots” they fund do not produce larger-scale programmes. But pilot projects developed by community organizations formed by the urban poor have a much better record of catalyzing greater changes.

VI. HOW TO MEET THE MDGS AT SCALE: THE IMPORTANCE OF CITY-WIDE ACTION

THE PAPER BY Somsook Boonyabancha demonstrates why city-wide action is needed if the MDGs are to be met. City-wide action does not simply allow a larger scale – it can also change the nature of what is possible, especially with regard to how urban poor groups can become involved. At city level, the kinds of structural changes on which ambitious poverty reduction targets depend are more likely to be realized.

The first step in any city-wide programme is building a city-wide information base about conditions in all the areas with poor quality housing – which must be done in ways that fully involve their inhabitants. This provides an understanding of the scale and range of problems within the city, but it also:

- helps develop linkages between all the urban poor communities;
- helps make apparent the differences between the different “slums” or informal settlements, and what causes these differences. This allows solutions to be tailored to each group’s and settlement’s needs and circumstances – as opposed to the usual “standard” upgrading package that governments try to apply to all settlements; and
- allows the urban poor communities to be involved in choosing which settlements will be upgraded first. These first upgrading initiatives are important, as they provide opportunities to learn and test innovations for all involved;⁽¹⁷⁾ if urban poor groups are not involved in these

choices, those that are not selected will feel excluded and often resentful.

The second step is pilot projects. As noted above, pilot projects are often criticized for being isolated examples that never move beyond the pilot phase. When designed and implemented by external agencies, this is often the case. But if pilot projects are planned within city-wide consultations in which urban poor organizations are involved, they become centres of experiment and learning for all urban poor groups that also serve as precedents and catalysts for action elsewhere. Observing the first few pilot projects can encourage other urban poor groups to take action – to start a savings group, to develop their own survey, to undertake a project themselves – because it is “people like them” who are designing and implementing them, not professionals.

Somsook Boonyabancha describes the political changes that can be brought about by having an upgrading programme evolve as a city-wide process in which all urban poor communities are involved. The measures noted above strengthen the horizontal linkages between urban poor communities, engaging them collectively with city governments in discussing city-wide programmes, not just projects specifically for their settlement. This is no longer the hierarchical or vertical system that has long isolated and disempowered urban poor groups. Rather than restricting interaction to negotiations between particular urban poor groups and the politicians or civil servants responsible for their district, it allows the kinds of negotiations at city level that can address the urban poor’s problems of land tenure, infrastructure, housing and services at the city scale. There can be a lot of clumsiness at the start of this process: professionals find it difficult to change their approaches; city governments find it difficult to see urban poor organizations as key partners; city politicians find it difficult no longer to be the “patron” dispensing “projects” to their constituency; and most international agencies find it very difficult to support this kind of process. It is perhaps no coincidence that the example in Thailand did not depend on international agency support. This kind of city-wide process allows the necessary jump in scale from isolated upgrading projects to city-wide strategies, and builds the partnerships between urban poor organizations and local governments to support a continuous process.

The paper by Jessica Budds, written with Paulo Teixeira (the former secretary of housing in São Paulo) and his staff, is also about a city-wide

process, and describes the many measures taken by the city government in São Paulo between 2001 and 2004 to improve housing conditions for lower-income groups. Despite the fact that São Paulo is one of Latin America's most modern cities, around one-third of its 10 million inhabitants live in poor quality housing, 1.2 million of them in squatter settlements. The paper describes the policy framework developed by the Secretariat of Housing and Urban Development, and its emphasis on improving the quantity and quality of housing for low-income groups and on legalizing tenure – in squatter settlements, illegal sub-divisions, tenements, and decayed, poor quality public housing. Perhaps the most interesting aspect of this process was government recognition of the need for this large-scale programme to be underpinned by new legislation, effective coordination between different government agencies, new financial instruments, a modernized administration system, partnerships with the private sector, and more scope for citizen participation in all decision-making and implementation processes. Although the measures implemented in 2001–2004 reached hundreds of thousands of households, the impacts of many of the institutional and legal changes will be more long term – and are now in doubt because the Workers' Party, which developed this programme, lost the city elections in 2004. It is challenging for any newly elected government to meet ambitious commitments to low-income groups. Legal and institutional changes are difficult to implement and need to be negotiated; their impacts are cumulative but can take longer to establish than a three-to-five year election cycle. Low-income groups may be a powerful political force in many cities – but in São Paulo city, they are out-voted by the middle class.

This raises the difficult issue of whether conventional representative democracies can deliver for poorer groups. Is it possible to envisage democratic processes that can produce structural changes that benefit lower-income groups? Not only getting more funding to projects "for low-income groups" but also increasing these groups' influence on what is prioritized, what is done and how it is done – at local level, at city level and even within international funding agencies? Discussions on development have long sought the means of achieving such changes. Representative democracies at national and local levels, and governments that are committed to human rights clearly provide some elements of this change. But as Jockin Arputham, head of

India's National Slum Dwellers Federation, points out, India has had a representative democracy for decades, yet in Mumbai alone, hundreds of thousands of people still live on the streets and millions still live in slums. Despite the substantial progress in Mumbai in developing partnerships between urban poor organizations and government agencies over the last 20 years, the large recent wave of forced evictions there show how fragile this partnership is. Representative democracy may be better at limiting the potential of governments to create and exacerbate poverty than at spurring them into reducing it.

Are there forms of local governance that do allow urban poor groups more influence? The *Environment and Urbanization* issue on participatory governance in April 2004 provided some important clues, as various papers described innovations in local government that allowed more participation and that showed very tangible benefits to poorer groups as a result;⁽¹⁸⁾ these also complemented representative democracy. However, all also show the difficulties, as many powerful groups do not want the increased power and voice to poorer groups that participatory governance implies. It is easy for governments and international agencies to say they want participatory governance, but it is less easy to change their structures and their relationships with poorer groups to allow this to happen.

The paper by Michaela Hordijk in this issue discusses the relevance of participatory governance, illustrated by case studies from municipalities in Peru. She suggests that citizenship in such municipalities has to include more than the right to be heard and responded to; it must include the right to "co-govern," allowing urban poor groups to work with local governments and to monitor their performance. Participatory budgeting has particular importance because it helps citizens and local governments to learn how to work with each other directly. Citizen engagement no longer happens only through elected representatives; it also becomes more than protest and demand. This paper suggests that urban governance is something in which urban poor groups should engage continuously – and through which conflicting or differing interests should be accommodated. The paper is interesting both for the innovations it describes and for the difficulties it discusses in actually getting participatory budgeting to deliver for low-income groups. As in many examples of "participation", the consultations worked better than the responses. As with the papers mentioned

above on water and sanitation, this paper is about the slow, messy, often contradictory processes through which local governments are made more accountable and pushed to work more closely with low-income citizens and their organizations. Here too, there is a recognition that change is needed on both sides of this community–local government relationship. As the former mayor of Villa el Salvador commented:

“Inviting our inhabitants to become co-governors of the city implies a profound change of attitude, especially for our community leaders. Many of them have been community leaders for decades. Community leaders so far have been demand-making leaders. They are used to claim, to protest, to a culture of confrontation. So if there is no drinking water, they organize marches to demand drinking water; if there are no employment opportunities, they march to demand employment generation. But times have changed. What we do need now is no longer the constant confrontation between citizens and authorities. We need leaders willing to take responsibility for our city, leaders that come up with development proposals. Of course, leaders are there to demand, to ensure that the citizens rights are respected. But the other side of the coin is that there are not only rights, but also obligations. We all – citizens, entrepreneurs, NGOs, authorities – have to consider ourselves protagonists of change, with a shared responsibility to develop our city.”

Michaela Hordijk’s paper also contains a warning for international agencies. Participatory budgeting and other forms of participatory governance will not deliver instant success. They create possibilities for new approaches by creating new associational incentives and spaces, with all the trial and error that this implies.

VII. UPGRADING RELATIONSHIPS AS WELL AS SLUMS

REAL SLUM AND squatter upgrading changes urban poor groups’ relationships with city authorities and other city actors. A key part of this change is a shift from conventional patronage-based relationships among traditional political parties, local governments and urban poor groups to relationships that are more transparent and accountable. In part, it is about urban poor groups becoming organized, and developing the confidence to make demands (and to negotiate solutions that suit them) and to do things themselves – and about city authorities encouraging them to do so. This change in the relationship between urban poor

dwellers and city authorities is at the centre of the Baan Mankong programme outlined above; also in the programmes in São Paulo and in the two municipalities in Peru. It is also at the core of the initiatives described in Moreno and Bangalore to improve and extend provision for water and sanitation. At the centre of the initiatives in Bangalore, described in Genevieve Connors’ paper, is a special unit set up in the water utility to work with slum dwellers in developing plans. This unit seeks to transform the way in which the water utility views slum dwellers and works with them. But the paper also notes the importance of urban poor groups becoming more organized, in part to limit the capacity of local NGOs to take over most key local decisions.

The papers by Somsook Boonyabanha and by Sundar Burra make it clear that meeting the MDGs depends not only on changes by governments but also on changes by the urban poor. Urban poor groups need to become organized and develop their own representative structures. Both these papers explain how community-managed savings groups help develop this capacity. Urban poor groups also need to change their relationships with one another – rather than seeing other poor settlements and their inhabitants as competitors for resources, they become allies and co-learners, working in solidarity with each other. This is essential if they are to have effective and sustained influence within city and sub-city governments. It is no coincidence that many of largest and most cost-effective innovations for meeting the MDGs in urban areas come from nations or cities where urban poor/homeless organizations and federations have developed (as the means through which urban poor groups work together), and have sought partnerships with local governments.⁽¹⁹⁾

The paper by Ronaldo Ramirez discusses the factors that influenced the success or failure of community projects in one low-income neighbourhood in Havana, Cuba. Perhaps the main relevance for any consideration of meeting the MDGs was the increased scope for community initiatives provided by the government through *Talleres*, groups of professionals based in each neighbourhood. The paper examines how the people in one of Havana’s poorest areas (Pogolotti) used available institutions to initiate a range of civil society initiatives, including self-help housing construction, a dance group for teenagers, a food conservation project, a children’s musical group, street lighting, forest restoration, recycling

and a senior citizens' house project. It finds that both the state and civil society were positive influences in the origination of successful community projects – and that the state-created *Talleres* seem to be creating new relationships between civil society and the state. The author notes that these may be a very small part of Cuban society, but they may contain the seeds of new forms of social-ist organizations.

VIII. THE IMPORTANCE OF SAVINGS AND CREDIT AND OTHER MARKET INSTRUMENTS

MANY OF THE papers in this issue emphasize the importance of community-managed savings and credit for urban poor groups. But these are important not because urban poor groups can save enough to solve their housing problems individually – as noted already, the gap between their incomes and the market costs of an adequate house or even a legal land plot with infrastructure is too large, especially in the larger and more prosperous cities. Community-based savings groups are important because they provide members with emergency credit, and teach urban poor groups to work together and manage finance collectively – both their own money and, when they get loans, external finance. Thus, they develop the capacity to manage finance for their own development. For once, it is not someone else who is managing the funds for them. And this, in turn, develops community capacity to determine priorities, transparently manage external finance, negotiate with city authorities and other groups, and plan their own initiatives. And as they negotiate solutions (for instance, to obtain tenure of the land they occupy, or to move to another block of land nearby) and develop their own building and upgrading programmes (keeping unit costs to a minimum), so the value of their savings, and the capacity this develops to make regular payments, can be so important.

Many papers in this issue show the importance of other market-oriented measures – for instance, loan systems that reach low-income groups and that recover costs, and government measures to make legal land-for-housing markets work better. Much stress has also been placed on measures to reduce unit costs – for housing construction or improvement, and for all forms of infrastructure – because this reduces the gap between what can be provided and what poorer groups can afford.⁽²⁰⁾

In part, this is because so little funding is available to support the meeting of the MDGs in urban areas, so whatever is made available has to be used well – and used to leverage resources from other institutions and to encourage contributions from low-income households and community organizations. In part, it is because any initiative that can recover costs has far more potential to greatly increase its scale and coverage, and usually far more possibility for urban poor groups to have a major influence. The more an initiative relies on, and requires large amounts of, external funding, generally the less influence urban poor groups can have on its use.

However, it is a nonsense to think that full cost-recovery is always possible for measures that really benefit the poorest groups – by definition they have the least capacity to pay for infrastructure (for instance, connection fees) or to repay loans, and have the least adequate asset base to serve as collateral or to meet loan repayment obligations if their incomes fall. It is also unrealistic to think that in most instances, formal private sector financial institutions will reach down to low-income households. Even if such households have perfect loan repayment records, the loans they need are too small to cover the administration costs of profit-seeking institutions, and these households cannot provide the kinds of guarantees that loan-providing agencies find convenient.

But as the examples given from Central America and Thailand show, there are financial institutions that have had considerable success in providing loans to low-income households (sometimes individually, sometimes collectively) that helped finance home improvements and/or connection to better quality infrastructure, or the acquisition of a new house, and that have recovered their costs. When new institutions are being set up, or existing institutions are learning how to manage such loans, the institutional support they need may require funding that cannot be financed by loan repayments. There may be important elements of the support process to households and their communities that also need to be financed separately from the funds recovered from loans. In the end, what is sought is a system that minimizes the need for subsidies and that is careful to use subsidies in ways that reach low-income households with “alternatives to slums”. In addition, formal private sector financial institutions may be able to support collective initiatives by urban poor groups because this lowers transaction costs – for instance, a loan to a savings group of

150 households that wants to buy land, with the savings group managing the repayments from its members. And they may provide a financial underpinning for larger schemes – as described in the paper by Sundar Burra.

IX. THE NATIONAL FRAMEWORKS THAT CAN SUPPORT THE LOCAL PROCESSES TO ACHIEVE THE MDGS

THIS EDITORIAL AND most of the papers in this issue focus on how to support the often slow and messy local processes that deliver for the poor and that are accountable to them at the neighbourhood and city level. Several papers also point to the importance of national changes to support this – especially the paper on São Paulo. The paper on the national upgrading programme in Thailand is interesting in this regard because it concerns an official national government agency (the Community Organizations Development Institute – CODI) that is working to strengthen and support local processes involving urban poor organizations and their networks, and local governments. Also, unusually for any national government agency involved in poverty reduction, it provides support for local processes by having a clear range of credit lines and support services. What is done is determined locally, not by the agency. Many of the decisions about what is funded are made at the level of the community organizations, with many of the decisions concerning loan finance being made by networks of community organizations.

CODI draws little funding from international agencies; it is almost entirely funded by the Thai government, from national government revenues. But this kind of national agency is of considerable relevance to international funding agencies because of the scope it provides in channelling development assistance to support local processes managed by urban (and rural) poor organizations. Virtually all nations with low- and middle-income programmes need to increase greatly the scale and effectiveness of local initiatives that address the MDGs, and most require international funding to help with this. CODI provides the precedent of an official national government agency that can support “bottom-up”, community-driven development. Although the form that such an agency might take in another nation would need to be

rooted in local realities, there are some key principles, taken from the experiences of CODI, that are transferable:

- It is necessary to have flexible funding to support innovation and pilot projects for community-driven processes, especially where representative organizations of the urban poor are ready to try new approaches and develop partnerships with other local actors. In theory, social funds are available in many nations to do this, but in most instances, it is difficult or impossible for urban poor organizations to access them.
- There must be support for learning from such initiatives within that city and nation, and seeing what the policy implications are.
- Greater scale can be achieved, but without diminishing strong community-driven processes – i.e. going to scale is not achieved through expanding one standard initiative but through supporting a large number of local initiatives, and through supporting city or municipal authorities that want to support community-driven approaches on a city-wide scale.
- Thought must be given to how the city-wide development strategies and the poverty reduction strategy processes that they support will involve urban poor organizations. Despite the claim that poverty reduction strategy papers support participation, in reality, few of these have recognized urban poor organizations and federations as potential partners.
- Learning and shared experience must be spread among the international agencies. Most find it difficult to support community-driven processes because their structures and procedures were not developed to do this. Agencies must recognize that these procedures need to be changed. There is also a need for international funders to develop an understanding of the requirements of community organizations and federations, for both project and non-project support.

X. CAN INTERNATIONAL AGENCIES SUPPORT PRO-POOR LOCAL ORGANIZATIONS?

IT WILL NOT be easy for official development assistance agencies to make the kinds of changes necessary to support the approaches recommended in this issue. They were not set up to support low-income citizens and their community

organizations – or even local organizations that provide services that are valued by low-income groups. They were set up to provide large lumps of “capital” to recipient national governments, and “technical assistance” (although this is now phrased more tactfully as technical cooperation or capacity-building). The World Bank and the regional development banks are owned by national governments, accountable to national governments (especially those that are the main funders of their grant and soft-loan programmes), and they provide funds to national governments. They may have some special programmes or channels for supporting low-income groups directly, but these are the exception and represent a very small part of their funding flows. The same is true for the official bilateral aid agencies, although they can channel more funding through international NGOs and occasionally local NGOs. But there is a huge physical, conceptual and institutional distance between the individuals, households and communities facing serious deprivation, and the decision-making processes and management of the official development assistance agencies. This edition of *Environment and Urbanization* suggests that this can be resolved by channelling official funding through intermediary institutions within recipient countries. These must be institutions that can work directly with low-income groups and their organizations, with decisions made in real partnership and with real accountability and transparency. Without these changes, the Millennium Development Goals will not be met – except for those goals and targets that can be “achieved” by fiddling the figures, through the use of inappropriate indicators.⁽²¹⁾

Many of the papers in this issue are about intermediary institutions that do work directly with low-income groups and their community organizations. These include organizations and federations formed by the urban poor and homeless themselves – as described in the papers on Mumbai, Phnom Penh and Thailand. They include municipal governments – as in Moreno, Bangalore, Mumbai and São Paulo. They include one national government agency (CODI in Thailand), and various national institutions set up in different Central American nations with support from the Swedish International Development Cooperation Agency (Sida) to support either local governments or community organizations formed by the urban poor, or both. The achievements of these various organizations are important for the Millennium Development Goals, but so is demonstrating that

meeting these goals will depend on local organizational and institutional changes. It is significant that none of these initiatives demanded large amounts of external funding – although in many of these examples, external funding has had particular importance in catalyzing the changes and leveraging local resources.

Sundar Burra’s paper describes an innovative international financial mechanism that is supporting locally driven slum upgrading and new house development for urban poor households. This is the Community-Led Infrastructure Finance Facility (CLIFF) in India, with support from the UK government’s Department for International Development (DFID) and the Swedish International Development Cooperation Agency (Sida). This funding facility is available to support the work of two networks of community organizations (the National Slum Dwellers Federation and Mahila Milan – savings groups formed by women slum and pavement dwellers) and a local NGO (SPARC) in carrying out and scaling up upgrading and new house developments in many different locations, in conjunction with local governments and the private sector (including banks and landowners). Around US\$ 10 million is available for bridging loans to kick-start large infrastructure, upgrading and resettlement projects. This allows projects to be started for which funding can later be recovered from the government of India. The government has various funds to support different approaches to poverty reduction that can only be accessed when a project is well underway; but because most NGOs and community organizations cannot afford to start major construction projects until funds become available, these government funds remain unused. CLIFF also provides bridging finance when funding promised by government agencies does not arrive on the dates that were contractually agreed (and these are delays that, in India and many other nations, seriously compromise community-driven upgrading and new house development). CLIFF can also fund pilot and demonstration projects, and help local organizations to manage cash flows (which is often difficult when there is a large portfolio of projects).

With regard to lessons for international agencies, this includes recognizing the need for changes in their procedures for supporting locally determined solutions and locally generated resources, and not imposing externally driven solutions. In many nations, more external funding will be needed to support the kinds of community-driven processes described in many papers in this issue. But inter-

national agencies must also recognize that the less funding they contribute the better (a fact that is never easy for funders to accept), and that developing accountable, effective community-driven processes can be a slow, conflict-laden process and must not be subject to external pressure to spend quickly. But it also means recognizing the fact that international funding requirements may suddenly increase considerably if circumstances allow a much-increased scale of locally determined development – and this requires a quicker response than most funding agencies are currently able to provide.

XI. FEEDBACK

TWO PAPERS IN the Feedback section consider the issue of how to sustain a development initiative's impact. The paper by Martin Allaby and Christine Preston describes the process of transferring responsibility for an urban health programme in a Nepali city from an international NGO to the city government. The health programme was set up to fill the gap in essential services, but then it sought to help local government take over its management. The paper discusses the factors that contributed to a successful hand over, some of the problems that were encountered, and the uncertainties that remain. The paper by René Parenteau and Nguyen Quoc Thong describes environmental rehabilitation in a district of Hanoi that benefited many of the actors who took part (including civil society actors) – for instance, in training, empowerment and capacity development. But the benefits did not seem sustainable, as they were the outcome of international aid and support, and few mechanisms existed to ensure their continuation.

The paper by Michaela Hordijk is a response to the April 2004 issue on participatory governance, although its relevance to meeting the MDGs was noted earlier in this editorial.

The authors of this editorial are grateful to Alfredo Stein and Sheridan Bartlett for their comments on an earlier draft.

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1. We would have preferred not to use the term “slum” because it is an imprecise term for the many different kinds of sub-standard housing used by low-income groups, and it is often used by power-

ful vested interests to justify the eviction of “slum” dwellers from land these same interests wish to develop. However, the term “slum” came back into common use during the 1990s because international agencies wanted to specify some goals related to improving conditions for low-income urban dwellers and started to refer to “cities without slums”. The term “slum” also gained more legitimacy as, in some nations, organizations formed by those living in poor quality and often insecure accommodation referred to themselves as “slum” dweller organizations and federations.

2. For deficiencies in provision for water and sanitation in urban areas, see UN–Habitat (2003), *Water and Sanitation in the World's Cities; Local Action for Global Goals*, Earthscan Publications, London, 274 pages; also Millennium Project (2005), *Health, Dignity and Development; What Will it Take?* Taskforce on Water and Sanitation, Earthscan, London and Sterling, Virginia; for the scale of slum populations, see UN–Habitat (2003), *The Challenge of Slums: Global Report on Human Settlements 2003*, Earthscan, London; for the scale and depth of urban poverty, see Satterthwaite, David (2004), “The under-estimation of urban poverty in low- and middle-income nations”, IIED Working Paper 14 on *Poverty Reduction in Urban Areas*, IIED, London.

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5. See reference 2, Satterthwaite (2004).

6. See, for instance, United Nations (2004), *World Urbanization Prospects: The 2003 Revision*, United Nations Population Division, Department of Economic and Social Affairs, ST/ESA/SER.A/237, New York.

7. For example, during the 1970s, most national governments and international agencies made formal commitments to reaching all rural and urban dwellers with good quality provision for water and sanitation by 1990 (or as soon as possible thereafter).

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9. See Patel, Sheela, Celine d’Cruz and Sundar Burra (2002), “Beyond evictions in a global city; people-managed resettlement in Mumbai”, *Envi-*

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11. See, for instance, the little attention given to these in UN Millennium Project (2005), *Investing in Development; A Practical Plan to Achieve the Millennium Development Goals*, Earthscan, London and Sterling, Virginia; for more discussion of this, see reference 3.

12. See reference 2, UN–Habitat (2003) and Millennium Project (2005).

13. Budds, J and G McGranahan (2003), “Are the debates on water privatization missing the point? Experiences from Africa, Asia and Latin America”, *Environment and Urbanization* Vol 15, No 2, October, pages 87–113.

14. The April 2003 issue of *Environment and Urbanization* was on water and sanitation, and had several case studies showing locally driven approaches to improving and extending provision for water and/or sanitation in “slums”.

15. See also ACHR (Asian Coalition for Housing Rights) (2004), “Negotiating the right to stay in the city”, *Environment and Urbanization* Vol 16, No 1, April, pages 9–26.

16. See the papers in this issue by Somsook Boonyabancha, Alfredo Stein and Luis Castillo, and Sundar Burra; also Sevilla, Manuel (1993), “New approaches for aid agencies; FUPROVI’s community-based shelter programme”, *Environment and Urbanization* Vol 5, No 1, April, pages 111–121; Vaa, Mariken (2000), “Housing policy after political transition: the case of Bamako”, *Environment and Urbanization* Vol 12, No 1, April, pages 27–34; Dutta, Shyam S (2000), “Partnerships in urban development: a review of Ahmedabad’s experience”, *Environment and Urbanization* Vol 12, No 1, April, pages 13–26; Díaz, Andrés Cabanas, Emma Grant, Paula Irene del Cid Vargas and Verónica Sajbin Velásquez (2000), “El Mezquital – a community’s struggle for development in Guatemala City”, *Environment and Urbanization* Vol 12, No 1, April, pages 87–106; Tindigarukayo, Jimmy K (2004), “An attempt to empower Jamaican squatters”, *Environment and Urbanization* Vol 16, No 1, April, pages 199–210; and Weru, Jane (2004), “Community federations and city upgrading: the work of Pamoja Trust and Muungano in Kenya”, *Environment and Urbanization* Vol 16, No

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17. See the paper by Somsook Boonyabancha in this issue; also see reference 15, ACHR (2004).

18. See, for instance, Cabannes, Yves (2004), “Participatory budgeting: a significant contribution to participatory democracy”, *Environment and Urbanization* Vol 16, No 1, April, pages 27–46.

19. See *Environment and Urbanization* Vol 13, No 2 (October 2001) and Vol 16, No 1 (April 2004); see also D’Cruz, Celine and David Satterthwaite (2005), “The current and potential role of community-driven initiatives to significantly improve the lives of ‘slum’ dwellers at local, city-wide and national levels”, IIED Working Paper, London; this is available from <http://www.iied.org/human/index.html>

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21. For instance, it is possible to show targets being met for water and sanitation provision if inappropriate definitions are used for what constitutes “safe” water and “basic” sanitation. The dollar-a-day poverty line is also an inappropriate indicator of whether or not an individual or household suffers from extreme poverty, and is especially inappropriate in major cities and other locations with high costs.

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